DEPARTMENT OF
SAVINGS AND
MORTGAGE LENDING

Annual Financial Report

For the Year Ended
August 31, 2026

Commissioner
Hector Retta

DEPARTMENT OF
SAVINGS AND
MORTGAGE LENDING
HECTOR RETTA, COMMISSIONER

October 01, 2026

Honorable Greg Abbott, Governor
Honorable Don Huffines, Texas Comptroller
Phillip Ashley, Director, Legislative Budget Board
Lisa Collier, State Auditor

Ladies and Gentlemen,

We are pleased to submit the Annual Financial Report of the Department of Savings and Mortgage Lending for the year ended August 31, 2025, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) Statement No. 34, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Elizabeth Zamora, at ezamora@sml.texas.gov.

Sincerely,

Hector Retta
Commissioner

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Exhibit I – Combined Balance Sheet/Statement of Net Position – Governmental Funds

August 31, 2026

	Governmental Fund Types					
	General Funds	Special Revenue Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
ASSETS						
Current Assets:						
Cash & Cash Equivalents (Note 3)						
Cash in Bank	$ 5,185.00	$ -	$ 5,185.00	$ -	$ -	$ 5,185.00
Cash in State Treasury	808,739.35		808,739.35			808,739.35
Cash Equivalents	17,648,454.88	5,623,489.10	23,271,943.98			23,271,943.98
Accounts Receivable	6,175.00	520.00	6,695.00			6,695.00
Interest and Dividends	1,785.71	568.99	2,354.70			2,354.70
Due From Other Funds	200.00		200.00			200.00
Due From Other Agencies	2,352.00		2,352.00			2,352.00
Total Current Assets	18,472,891.94	5,624,578.09	24,097,470.03			24,097,470.03
Non-Current Assets:						
Capital Assets (Note 2):						
Non-Depreciable or Non-amortizable				615.00		615.00
Depreciable or Amortizable, Net						
Total Non-Current Assets				615.00		615.00
Total Assets	$ 18,472,891.94	$ 5,624,578.09	$ 24,097,470.03	$ 615.00	$ -	$ 24,098,085.03
LIABILITIES AND FUND BALANCES						
Liabilities						
Current Liabilities:						
Payables from:						
Accounts	$ 180,533.36	$ 138.04	$ 180,671.40	$ -	$ -	$ 180,671.40
Payroll	808,541.62		808,541.62			808,541.62
Due To Other Funds	200.00		200.00			200.00
Due To Other Agencies	37,154.02		37,154.02			37,154.02
Employees' Compensable Leave					544,830.02	544,830.02
Total Current Liabilities	1,026,429.00	138.04	1,026,567.04		544,830.02	1,571,397.06
Non-Current Liabilities						
Employees' Compensable Leave					581,390.53	581,390.53
Total Non-Current Liabilities					581,390.53	581,390.53
Total Liabilities	1,026,429.00	138.04	1,026,567.04		1,126,220.55	2,152,787.59
Fund Financial Statement						
Fund Balances (Deficits):						
Restricted		5,605,282.58	5,605,282.58			5,605,282.58
Committed	17,446,462.94		17,446,462.94			17,446,462.94
Unassigned						
Total Fund Balances	17,446,462.94	5,605,282.58	23,051,745.52			23,051,745.52
Total Liabilities and Fund Balances	$ 18,472,891.94	$ 5,605,420.62	$ 24,078,312.56			
Government-Wide Statement of Net Position						
Net Position						
Invested in Capital Assets, Net of Related Debt				615.00		615.00
Unrestricted					(1,126,220.55)	(1,126,220.55)
Total Net Position				$ 615.00	$ (1,126,220.55)	$ 21,926,139.97

The accompanying notes to the financial statements are an integral part of this statement.

Exhibit II – Combined Statement of Revenues, Expenditures and Changes in Fund Balances Statement of Activities – Governmental Funds

For the Fiscal Year Ended August 31, 2026

	General Funds	Special Revenue Funds	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
REVENUES						
Licenses, Fees & Permits	$ 10,640,916.94	$ 194,100.00	$ 10,835,016.94	$ -	$ -	$ 10,835,016.94
Interest and Other Investment Income	704,623.33	210,571.38	915,194.71			915,194.71
Other (GR)	500.00		500.00			500.00
Total Revenues	11,346,040.27	404,671.38	11,750,711.65			11,750,711.65
EXPENDITURES						
Salaries and Wages	$ 6,769,980.16	$ -	$ 6,769,980.16	$ -	$ 62,524.93	$ 6,832,505.09
Payroll Related Costs	2,119,308.53		2,119,308.53			2,119,308.53
Professional Fees and Services	206,087.24		206,087.24			206,087.24
Travel	225,697.40		225,697.40			225,697.40
Materials and Supplies	127,722.07		127,722.07			127,722.07
Communication and Utilities	107,038.90		107,038.90			107,038.90
Repairs and Maintenance	54,262.89		54,262.89			54,262.89
Rentals and Leases	8,736.53		8,736.53			8,736.53
Printing and Reproduction	1,332.95		1,332.95			1,332.95
Claims and Judgments						
Public Assistance Payments		304,820.22	304,820.22			304,820.22
Other Expenditures	249,340.58	1,636.96	250,977.54			250,977.54
Depreciation Expense						
Total Expenditures/Expenses	11,677,261.25	306,457.18	11,983,718.43		62,524.93	12,046,243.36
Excess (Deficiency) of Revenues over Expenditures	(331,220.98)	98,214.20	(233,006.78)		(62,524.93)	(295,531.71)
OTHER FINANCING SOURCES (USES)						
Transfer In	$ 11,638,168.18	630,650.14	$ 12,268,818.32			12,268,818.32
Transfer Out	(11,638,168.18)	(630,650.14)	(12,268,818.32)			(12,268,818.32)
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances/Net Position	(331,220.98)	98,214.20	(233,006.78)			(295,531.71)
Fund Balances, September 1, 2025	17,777,683.92	5,507,055.77	23,284,739.69			23,284,739.69
Restatements						
Fund Balances, September 1, 2025, as Restated	17,777,683.92	5,507,055.77	23,284,739.69			23,284,739.69
Appropriations Lapsed						
Fund Balances, August 31, 2026	$ 17,446,462.94	$ 5,605,269.97	$ 23,051,732.91			$ 22,989,207.98
Government-Wide Statement of Net Position						
Net Position/Net Change in Net Position			23,051,732.91	0.00	(62,524.93)	22,989,207.98
Net Position, September 1, 2025				615.00	(1,063,695.62)	(1,063,080.62)
Restatements						
Net Position, September 1, 2025, as Restated				615.00	(1,063,695.62)	(1,063,080.62)
Net Position, August 31, 2026			$ 23,051,732.91	$ 615.00	$ (1,126,220.55)	$ 21,926,127.36

The accompanying notes to the financial statements are an integral part of this statement.

NOTE 1: Summary of Significant Accounting Policies

ENTITY

The Department of Savings and Mortgage Lending (the Department) is a regulatory agency of the State of Texas and its financial records comply with state statutes and regulations, including compliance with the Texas Comptroller of Public Accounts Reporting Requirements for State Agencies.

The Department administers the Texas Savings Bank Act and the Texas Savings and Loan Act, which provide for regulation and supervision of state-chartered state savings banks and savings and loan associations, the Mortgage License Act, which provides for licensing and inspecting mortgage originators, the Mortgage Banker Registration Act, which provides for registering mortgage bankers, and the Mortgage Servicers Act, which provides for registering mortgage servicers. Major functions of the Department are chartering, regulating, and examining thrift institutions, and licensing and inspecting residential mortgage loan originators. The chief executive officer of the Department, the Savings and Mortgage Lending Commissioner of Texas, is appointed by the Finance Commission of Texas. The Commissioner serves an open-ended term under the direction and oversight of the Finance Commission. The Commission, which operates under the Texas Banking Act of 1995, as amended, consists of eleven members appointed by the Governor and confirmed by the Texas Senate. The composition of the Finance Commission is as follows: two state bankers, one state savings executive, one consumer credit executive, one residential mortgage loan originator, and six public members, one of whom must be a certified public accountant. The Governor appoints the presiding officer.

The Department does not have any component units.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Annual Comprehensive Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

FUND STRUCTURE

The accompanying financial statements are presented on the basis of funds, each of which is considered a separate accounting entity.

Governmental Fund Types and Government-Wide Adjustment Fund Types

General Funds

The general fund (Fund 1007/Fund 2970) is the principal operating fund used to account for most of the agency's general activities. It accounts for all financial resources except those accounted for in other funds.

The Mortgage Appeal Fees Fund (Fund 2831/Fund 2969) is used to collect payments from licensed individuals requesting administrative hearing to deposit against hearing costs. During FY2021, as a result of the implementation of GASB 84, Fiduciary Activities, the fund was converted from an agency fund to a general fund.

Special Revenues Funds

The Recovery Fund (Fund 1831/Fund 3968) is used to reimburse residential mortgage loan applicants for actual damages incurred because of certain acts committed by a residential mortgage loan originator, licensed under the Mortgage License Act.

The Mortgage Grant Fund (Fund 3831/Fund 5118) is used for:

- providing grants to auxiliary mortgage loan activity companies or other nonprofit organizations, which provide consumers with financial education relating to mortgage loans, or training to other nonprofit organizations in order for those organizations to provide consumers with financial education relating to mortgage loans;
- paying claims to residential mortgage loan applicants for recovery of actual damages due to fraudulent unlicensed activity; and
- making disbursements from the fund to provide support for statewide financial education, activities, and programs specifically related to mortgage loans for consumers, including activities and programs as specified in the Finance Code, Section 14.113(c).

Capital Assets Adjustment Fund Type

The capital assets adjustment fund (Fund 0998) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The long-term liabilities adjustment fund (Fund 0997) is used to convert governmental fund types' debt from modified accrual to full accrual.

Basis of Accounting

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The state of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified accrual basis. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that build the government-wide financial statements are accounted for using the full accrual basis method of accounting. This includes capital assets, accumulated depreciation, unpaid employee compensable leave, and full accrual revenues and expenses. The activity will be recognized in these fund types.

Budgets and Budgetary Accounting

The budget is prepared, reviewed, and approved annually by the Finance Commission, according to Finance Code, Sec. 16.003.

Assets, Liabilities and Fund Balances/Net Assets

Assets

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Capital Assets

Assets with an estimated useful life in excess of one year and an initial, individual cost according to the capitalization thresholds for each asset type should be capitalized. They are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all “exhaustible” assets. “Inexhaustible” assets such as works of art are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

Liabilities

Accounts Payable

Accounts payable represent the liability for the value of assets or services received at the balance sheet date for which payment is pending.

Current Payables - Other

Other Payables are the accrual at year end of expenditure transactions not included in any of the other payable descriptions.

Employees' Compensable Leave

Employees' compensable leave balances represent the liability that becomes due upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

Fund Balance/Net Assets

“Fund balance” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements.

"Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

Nonspendable fund balance includes amounts not available to be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision-making authority.

Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by the Texas Legislature or a body (i.e., a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Net Investment In Capital Assets

Net investment in capital assets, consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

Restricted Net Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

Interfund Activities and Balances

The agency has the following types of transactions between funds:

(1) Transfers: Legally required transfers that are reported when incurred as "transfers in" by the recipient fund and as "transfers out" by the disbursing fund.

(2) Due To/Due From: Accruals of reimbursements and transfers between funds that are reported as "due to" by the recipient fund and as "due from" by the disbursing fund.

NOTE 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2026, is presented below:

PRIMARY GOVERNMENT						
GOVERNMENTAL ACTIVITIES	Balance 9/1/2025	Increase - Interagy Xfers In	Decrease - Interagy Xfers Out	Additions	Deletions	Balance 8/31/2026
Non-Depreciable Assets						
Construction in Progress			$(1,807,754.00)	$1,807,754.00		-
Other Assets	$ 615.00		$(1,807,754.00)	$1,807,754.00		$ 615.00
Total Non-Depreciable Assets	$ 615.00		$(1,807,754.00)	$1,807,754.00		$ 615.00
Depreciable Assets						
Furniture and Equipment	$ 59,086.72					$ 59,086.72
Total Depreciable Assets at Historical Costs	$ 59,086.72					$ 59,086.72
Less Accumulated Depreciation for:						
Furniture and Equipment	$(59,086.72)					$(59,086.72)
Total Accumulated Depreciation	$(59,086.72)					$(59,086.72)
Depreciable Assets, Net	$0.00					$0.00
Amortizable Assets – Intangible						
Computer Software	$ 23,718.21					$ 23,718.21
Total Amortizable Assets – Intangible	$ 23,718.21					$ 23,718.21
Less Accumulated Depreciation for:						
Computer Software	$(23,718.21)					$(23,718.21)
Total Accumulated Amortization	$(23,718.21)					$(23,718.21)
Amortizable Assets, Net	-					-
Governmental Activities Capital Assets, Net	$5,002.50		$(1,807,754.00)	$1,807,754.00	-	$615.00

NOTE 3: Deposits, Investments, and Repurchase Agreements

The Department of Savings and Mortgage Lending reports investments held in the Texas Treasury Safekeeping Trust Company. The investments are authorized by 81st Legislature, HB 2774. The Texas Treasury Safekeeping Trust Company is authorized by statute to invest and reinvest the amounts in the funds in accordance with Government Code Chapter 2256 and under the standard described by the Texas Constitution, Article VII, Section 11b. There were no violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2026, the carrying amount of deposits was as presented below:

Governmental Activities	
CASH IN BANK – CARRYING AMOUNT	$5,185.00
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalents	0.00
Total Cash in Bank per AFR	$5,185.00

These amounts consist of all cash in local banks. These amounts are included on the combined statement of net position as part of the "cash and cash equivalents" account.

As of August 31, 2026, the total **bank balance** was as follows:

Governmental Activities	$5,185.00

The Department had no non-negotiable certificates of deposit as of August 31, 2026.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The agency does not have a deposit policy for custodial credit risk as the bank balances are not exposed to such risk.

Foreign currency risk for deposits is the risk that changes in exchange rates will adversely affect the deposit. The agency does not have exposure to foreign currency risk for deposits as of August 31, 2026.

Investments

As of August 31, 2026, the fair value of investments was as presented below:

Governmental Activities	**Level 1 Inputs**	**Fair Value**
Repurchase Agreements (Texas Treasury Safekeeping Trust Company)	$23,271,943.98	$23,271,943.98
Non-negotiable Certificates of Deposit	$0.00	$0.00
Total Investments	$23,271,943.98	$23,271,943.98
Reconciliation of Investments per Exhibits – Governmental and Business-Type Activities		
Investments per Exhibits	$23,271,943.98	$23,271,943.98

Investment Credit risk S&P is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The investment policy of the agency allows only investments with a minimum acceptable credit rating of A and further restricts the types

of eligible securities. As of August 31, 2026, the agency's credit quality distribution for securities with credit risk exposure was as follows:

Fund Type	Investment Type	S&P AA+
01	Repurchase Agreements (Texas Treasury Safekeeping Trust Company)	$17,648,454.88
02	Repurchase Agreements (Texas Treasury Safekeeping Trust Company)	5,623,489.10
Total Investments Less: Non-negotiable CDs		$23,271,943.98

NOTE 4: Short-Term Debt

Not applicable.

NOTE 5: Long-Term Liabilities

Changes In Long-Term Liabilities

During the year ended August 31, 2026, the following changes occurred in liabilities.

Governmental Activities	Balance 9-1-2025	Additions	Reductions	Balance 08-31-2026	Amounts Due Within One Year
Compensable Leave	$ 1,063,695.62	$ 793,336.71	$ 730,811.78	$ 1,126,220.55	$ 544,830.02
Total Governmental Activities	$ 1,063,695.62	$ 793,336.71	$ 730,811.78	$ 1,126,220.55	$ 544,830.02

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Upon termination or death, all unpaid overtime balances must be paid in full. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types.

Compensatory leave is allowed for exempt employees who are not eligible for overtime pay. This leave is accumulated on an hour-for-hour basis and must be taken within one year from date earned or it lapses. There is no death or termination benefit for compensatory leave and it is non-transferable. For these reasons, this category is reported as a current liability.

For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Position. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: Bonded Indebtedness

Not applicable.

NOTE 7: Derivative Instruments

Not applicable.

NOTE 8: Leases

Not applicable.

NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan

Not applicable.

NOTE 10: Deferred Compensation

Not applicable.

NOTE 11: Postemployment Benefits Other than Pensions

Not applicable.

NOTE 12: Interfund Activity and Transactions

Not applicable.

NOTE 13: Continuance Subject to Review

Under the Texas Sunset Act, the Department will be abolished effective September 1, 2031, unless continued in existence by the 92nd Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2032, to close out its operations.

NOTE 14: Adjustments to Fund Balances/Net Position

Not applicable.

NOTE 15: Contingencies and Commitments.

Not applicable.

NOTE 16: Subsequent Events

Not applicable.

NOTE 17: Risk Management

Not applicable.

NOTE 18: Management Discussion and Analysis

On behalf of the Finance Commission of Texas agencies (the Texas Department of Banking, the Department of Savings and Mortgage Lending, and the Office of Consumer Credit Commissioner), or Finance Commission Agencies, under the direction of the Finance Commission of Texas, the Texas Department of Banking completed the purchase of land with building asset at 3500 Jackson Avenue in Austin, Texas from the Texas Department of Transportation (TxDOT). As such, TxDOT transferred the asset via State Property Accounting to the Department of Banking in FY25. In March 2026, the Finance Commission of Texas agencies entered into an Interagency Agreement with the

Texas Facilities Commission (TFC) for the construction of a future facility located at the land site at 3500 Jackson Avenue.

For reporting purposes, Note 2: Capital Assets of the Annual Financial Report reflects a decrease of $2,984,335.76 for the disposal of the FY25 building asset transfer in from TxDOT. In addition, the Finance Commission of Texas agencies made their first payment of $7,894,121 to the Texas Facilities Commission for Construction in Progress. Each agency established Construction in Progress assets as pre-determined by an Interagency Agreement as follows:

- Texas Department of Banking: $4,018,107
- Department of Savings and Mortgage Lending: $1,807,754
- Office of Consumer Credit Commissioner: $2,068,260

The full FY26 Construction in Progress costs of $7,894,121 are reflected in the Texas Department of Banking report. The allocated portions for the Department of Savings and Mortgage Lending and the Office of Consumer Credit Commissioner are shown in Note 2: Capital Assets as a "transfer out." At time of building acceptance, each Finance Commission agency will carry their portion of the building asset based on final interagency agreement.

NOTE 19: The Financial Reporting Entity

Not applicable.

NOTE 20: Stewardship, Compliance and Accountability

Not applicable.

NOTE 21: Not applicable to the AFR

Not applicable.

NOTE 22: Donor-Restricted Endowments

Not applicable.

NOTE 23: Extraordinary and Special Items

Not applicable.

NOTE 24: Disaggregation of Receivable and Payable Balances

Not applicable.

NOTE 25: Termination Benefits

Not applicable.

NOTE 26: Segment Information

Not applicable.

NOTE 27: Service Concession Arrangements

Not applicable.

NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources

Not applicable.

NOTE 29: Troubled Debt Restructuring

Not applicable.

NOTE 30: Non-Exchange Financial Guarantees

Not applicable.

NOTE 31: Tax Abatements

Not applicable.

NOTE 32: Governmental Fund Balances

Not applicable.

Exhibit A-1 – Combining Balance Sheet – All General and Consolidated Funds

August 31, 2026

	General Operating Fund (1007)* U/F (1007)	General Operating Fund-TTSTC (1007)* U/F (2970)	General HB955 Appeal Fees Fund (0831)* U/F (2831)	General HB955 Appeal Fees Fund - TTSTC (0831)* U/F (2969)	Total
ASSETS					
Current Assets:					
Cash & Cash Equivalents (Note 3)					
On Hand	$ -	$ -	$ -	$ -	$ -
Cash in Bank		5,185.00			5,185.00
Cash in State Treasury	808,739.35				808,739.35
Cash Equivalents		17,646,172.54		2,282.34	17,648,454.88
Receivables from:					-
Accounts Receivable		6,175.00			6,175.00
Interest and Dividends		1,785.48		0.23	1,785.71
Due From Other Funds	200.00				200.00
Due From Other Agencies	2,352.00				2,352.00
Total Current Assets	811,291.35	17,659,318.02		2,282.57	18,472,891.94
Non-Current Assets					
Total Non-Current Assets					
Total Assets	$ 811,291.35	$ 17,659,318.02	$ -	$ 2,282.57	$ 18,472,891.94
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from					
Accounts	$ 180,165.30	$ 358.00	$ -	$ 10.06	$ 180,533.36
Payroll	808,541.62				808,541.62
Due To Other Funds	37,154.02	200.00			37,354.02
Total Current Liabilities	1,025,860.94	558.00		10.06	1,026,429.00
Non-Current Liabilities					
Total Non-Current Liabilities					
Total Liabilities	1,025,860.94	558.00		10.06	1,026,429.00
Fund Balances (Deficits):					
Committed	(214,569.59)	17,658,760.02	$ -	2,272.51	17,446,462.94
Unassigned					
Total Fund Balances	(214,569.59)	17,658,760.02		2,272.51	17,446,462.94
Total Liabilities and Fund Balances	$ 811,291.35	$ 17,659,318.02	$ -	$ 2,282.57	$ 18,472,891.94

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

Exhibit A-2 – Combining Statement of Revenues, Expenditures and Changes in Fund Balance All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2026

	Operating Fund (1007)* U/F (1007)	Operating Fund-TTSTC (1007)* U/F (2970)	HB955 Appeal Fees Fund (0831)* U/F (2831)	HB955 Appeal Fees Fund - TTSTC (0831)* U/F (2969)	Total
REVENUES					
License, Fees & Permits	$ -	$ 10,640,916.94	$ -	$ -	$ 10,640,916.94
Interest and Other Investment Income		704,514.08		109.25	704,623.33
Other		500.00	-		500.00
Total Revenues	$ -	$ 11,345,931.02	$ -	$ 109.25	$ 11,346,040.27
EXPENDITURES					
Salaries and Wages	$ 6,769,980.16	$ -	$ -	$ -	$ 6,769,980.16
Payroll Related Costs	2,119,308.53				2,119,308.53
Professional Fees and Services	206,087.24				206,087.24
Travel	225,697.40				225,697.40
Materials and Supplies	127,722.07				127,722.07
Communication and Utilities	107,038.90				107,038.90
Repairs and Maintenance	54,262.89				54,262.89
Rentals and Leases	8,736.53				8,736.53
Printing and Reproduction	1,332.95				1,332.95
Other Expenditures	244,355.93	4,894.09		90.56	249,340.58
Capital Outlay	$ 1,807,754.00				1,807,754.00
Total Expenditures	$ 11,672,276.60	$ 4,894.09	$ -	$ 90.56	$ 11,677,261.25
Excess (Deficiency) of Revenues over Expenditures	$ (11,672,276.60)	$ 11,341,036.93	$ -	$ 18.69	$ (331,220.98)
OTHER FINANCING SOURCES (USES)					
Transfers In	$ 11,638,168.18	$ -	$ -	$ -	$ 11,638,168.18
Transfers Out		(11,638,168.18)			(11,638,168.18)
Total Other Financing Sources (Uses)	$ 11,638,168.18	$ (11,638,168.18)	$ -	$ -	$ -
Net Change in Fund Balances	$ (34,108.42)	$ (297,131.25)	$ -	$ 18.69	$ (331,220.98)
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2025	$ (180,461.17)	$ 17,955,891.27	$ -	$ 2,253.82	$ 17,777,683.92
Restatements					
Fund Balances, September 1, 2025, as Restated	$ (180,461.17)	$ 17,955,891.27	$ -	$ 2,253.82	$ 17,777,683.92
Appropriations Lapsed	$ -	$ -	$ -	$ -	$ -
Fund Balances, August 31, 2026	$ (214,569.59)	$ 17,658,760.02	$ -	$ 2,272.51	$ 17,446,462.94

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

Department of Savings and Mortgage Lending – Agy 450
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Exhibit B-1 – Combining Balance Sheet – Special Revenue Funds

August 31, 2026

	Recovery Fund (0831)* U/F (1831)	Recovery Fund-TTSTC (0831)* U/F (3968)	Mortgage Grant Fund (0831)* U/F (3831)	Mortgage Grant Fund (TTSTC) (0831)* U/F (5118)	Totals
Current Assets:					
Cash & Cash Equivalents (Note 3)					
Cash in Bank	$	$	$	$	$
Cash in State Treasury					
Cash Equivalents		5,456,747.59		166,741.51	5,623,489.10
Short Term Investments					-
Legislative Appropriations					-
Receivables from:					-
Accounts Receivable		520.00			520.00
Interest and Dividends		552.12		16.87	568.99
Due From Other Funds					-
Total Current Assets		5,457,819.71		166,758.38	5,624,578.09
Non-Current Assets					
Total Non-Current Assets					
Total Assets	$ -	$ 5,457,819.71	$ -	$ 166,758.38	$ 5,624,578.09
LIABILITIES AND FUND BALANCES					
Liabilities					
Current Liabilities:					
Payables from					
Accounts		$ 125.43	$ 19,170.08	$ 12.61	$ 19,308.12
Due To Other Funds					-
Total Current Liabilities		125.43	19,170.08	12.61	19,308.12
Non-Current Liabilities					
Total Non-Current Liabilities					
Total Liabilities	$ -	$ 125.43	$ 19,170.08	$ 12.61	$ 19,308.12
Fund Balances (Deficits):					
Restricted		$ 5,457,694.28	$ (19,170.08)	$ 166,758.38	$ 5,605,282.58
Committed					-
Total Fund Balances		5,457,694.28	(19,170.08)	166,758.38	5,605,282.58
Total Liabilities and Fund Balances	$ -	$ 5,457,819.71	$ -	$ 166,770.99	$ 5,624,590.70

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)

Exhibit B-2 – Combining Statement of Revenues, Expenditures and Changes in Fund Balance Special Revenue Funds

For the Fiscal Year Ended August 31, 2026

	Recovery Fund (0831)* U/F (1831)	Recovery Fund-TTSTC (0831)* U/F (3968)	Mortgage Grant Fund (0831)* U/F (3831)	Mortgage Grant Fund (TTSTC) (0831)* U/F (5118)	Total
REVENUES					
License, Fees & Permits	$ -	$ 194,100.00		$ -	$ 194,100.00
Interest and Other Investment Income		206,181.92		4,389.46	$ 210,571.38
Interest and Other Investment Income (GR)					-
Total Revenues	$ -	$ 400,281.92	$ -	$ 4,389.46	$ 404,671.38
EXPENDITURES					
Claims and Judgments	$ -	$ -	$ -	$ -	$ -
Public Assistance Payments			304,820.22		304,820.22
Other Expenditures		1,487.43		$ 149.53	1,636.96
Total Expenditures	$ -	$ 1,487.43	$ 304,820.22	$ 149.53	$ 306,457.18
Excess (Deficiency) of Revenues over Expenditures	$ -	$ 398,794.49	$ (304,820.22)	$ 4,239.93	$ 98,214.20
OTHER FINANCING SOURCES (USES)					
Transfers In	$ -	$ -	$ 285,650.14	$ 345,000.00	$ 630,650.14
Transfers Out		(345,000.00)		(285,650.14)	(630,650.14)
Total Other Financing Sources (Uses)	$ -	$ (345,000.00)	$ 285,650.14	$ 59,349.86	$ -
Net Change in Fund Balances	$ -	$ 53,794.49	$ (19,170.08)	$ 63,589.79	$ 98,214.20
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2025	$ -	$ 5,403,899.79	$ -	$ 103,155.98	$ 5,507,055.77
Restatements					
Fund Balances, September 1, 2025, as Restated	$ -	$ 5,403,899.79	$ -	$ 103,155.98	$ 5,507,055.77
Appropriations Lapsed	$ -	$ -	$ -	$ -	$ -
Fund Balances, August 31, 2026	$ -	$ 5,457,694.28	$ (19,170.08)	$ 166,745.77	$ 5,605,269.97

* GAAP Fund is noted as (XXXX), USAS D23 U/F (XXXX)