



Texas RE 2015 Business Plan and Budget

July 17, 2014

2015 Texas RE Budget Draft Changes

**There are no changes in the Texas RE Total
Budget from Draft 1 to Draft 2**

\$11,983,701

2014 Year-end Forecast

Texas RE does not anticipate a variance between budget and forecast for 2014.

\$11,771,249

2016 and 2017 Projections

Texas RE projects a 4% expense increase for 2016 and 2017 based on historical annual increases of actual costs.

Operating Reserve Balance

Texas RE will maintain a \$2,000,000 minimum Operating Reserve in 2015 based on the Working Capital and Reserve Policy approved the Texas RE Board of Directors on April 22, 2014.

The Operating Reserve is intended to provide funds for situations such as an unanticipated increase in expenses, one-time unbudgeted expenses, unanticipated loss in funding, or uninsured losses.

Any use of the funds will be reported to the Audit and Governance Committee and the Board of Directors, accompanied by a description of the for the use of the reserve and the amount.

Any unspent funds greater than the \$2M reserve is used to reduce NERC assessments the following year (Refer to Table 3).

The CFO is responsible for assuring the Working Capital and Operating Reserve is maintained and used only as described the in the approved policy.

Questions?

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