

SELF-DIRECTED
SEMI-INDEPENDENT
AGENCY REPORT



NOVEMBER 1, 2018

SELF-DIRECTED SEMI-INDEPENDENT AGENCY REPORT

TEXAS REAL ESTATE COMMISSION
Austin, Texas

November 1, 2018

DOUGLAS E. OLDMIXON
EXECUTIVE DIRECTOR



Protecting Texans' Dreams

TREC Commissioners

Avis G. Wukasch
Chair

Adrian A. Arriaga
Vice Chair

T.J. Turner
Secretary

Bob Leonard

Jan Fite Miller

Rayito Stephens

Chart Westcott

DeLora Wilkinson

Micheal Williams

Douglas E. Oldmixon
Executive Director

November 1, 2018

Honorable Greg Abbott, Governor
Honorable Jane Nelson, Chair, Senate Finance Committee
Honorable John Zerwas, Chair, House Appropriations Committee
Ms. Ursula Parks, Director, Legislative Budget Board

Greetings:

As a Self-Directed Semi-Independent agency, The Texas Real Estate Commission together with the Texas Appraiser Licensing & Certification Board respectfully submits the following information required by Texas Occupations Code Section 1105.005 (c):

- (1) The salary for all agency personnel and the total amount of per diem expenses and travel expenses paid for all agency employees as of August 31, 2018:

Total Agency Salaries	\$6,543,187.14
Total per diem and travel expenses for agency employees	\$43,911.76

- (2) The total amount of per diem expenses and travel expenses paid for each member of the Texas Real Estate Commission, the Texas Appraiser Licensing & Certification Board, the Texas Real Estate Inspector Committee, and the Texas Real Estate Commission Broker/Lawyer Committee as of August 31, 2018:



TALCB Board Members

Jamie S. Wickliffe
Chair

Martha Gayle Reid Lynch
Vice Chair

Earl "Buster" Renfrow
Secretary

Clayton P. Black

Chance Bolton

James J. Jeffries

Tony F. Peña

Alejandro Sostre-Odio

Joyce A. Yannuzzi

Douglas E. Oldmixon
Commissioner

Texas Real Estate Commission members:		
	Travel	Per Diem
Arriaga, Adrian A	\$8,124.64	\$525
Jones, Bill		150
Leonard, Bob	838.62	900
Martinez, Weston		75
Miller, Jan Fite	1,064.98	0
Stephens, Rayito		300
Turner, Thomas (T.J.)		450
Wilkinson, De Lora	1,945.99	375
Williams, Michael		375
Wukasch, Avis G.	1,768.65	375
Total Travel and Per Diem	\$13,742.88	\$3,525



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Texas Appraiser Licensing & Certification Board members:		
	Travel	Per Diem
Black, Clayton P	\$2,352.78	\$225
Bolton, Chance		375
Jeffries, James J		300
Reid Lynch, Martha Gayle	3,881.83	300
Sostre-Odio, Alejandro		300
Wickliffe, Jamie	1,306.83	300
Yannuzzi, Joyce A	1,099.89	300
Total Travel and Per Diem	\$8,641.33	\$2,100

Texas Real Estate Commission Broker/Lawyer Committee:	
	Travel
Keebaugh, Lori	\$1,395

- (3) An excerpt from the agency's strategic plan and the 2019 annual budgets of the commission and the board.
- (4) A listing of FY2019 Budgeted Monthly Salary Rates by Position.
- (5) Exhibits A1, A2, I1, I2, J1, K1, and K2 from the agency's FY2018 Annual Financial Report detailing all revenue received and all expenses incurred by the agency in the previous 12 months.



If you have any questions, please contact Melissa Huerta at 512.936.3616.

TALCB Board Members

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Tony F. Peña

Alejandro Sostre-Odio

Joyce A. Yannuzzi

Douglas E. Oldmixon
Commissioner

Sincerely,


Douglas E. Oldmixon
Executive Director

DEO/mkh

Enclosures

Mission of the Texas Real Estate Commission & Texas Appraiser Licensing and Certification Board

Our agency protects consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. We oversee the providers of real estate brokerage, appraisal, inspection, home warranty, timeshares and right-of-way services, thereby safeguarding the public interest while facilitating economic growth and opportunity across Texas.

Agency Philosophy:

To achieve this mission, our agency:

- provides exceptional customer service that is accessible, responsive and transparent;
- demands integrity, accountability and high standards, of both license holders and ourselves; and
- strives continuously for effectiveness, efficiency and excellence in our performance.

Agency Motto:

Protecting Texans' Dreams

Agency Operational Goals and Action Plan

GOAL I ENSURE STANDARDS
<p>To protect the public by ensuring license holders meet the educational, ethical, and legal requirements to provide real estate services in Texas. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)</p>
<p style="text-align: center;">SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</p> <ol style="list-style-type: none"> 1. The Education & Licensing Services Division of the Texas Real Estate Commission (the Commission) and Texas Appraiser Licensing & Certification Board (the Board) ensures compliance with all educational, experience, examination and application requirements through the accurate and timely review and process of applications, renewals, informational changes and histories for real estate brokers or sales agents, appraisers, appraisal management companies, inspectors, and easement or right-of-way registrants. 2. Real estate broker, sales agent, inspector and appraiser applicants must complete qualifying (pre-license) education to meet education requirements. In addition, real estate brokers, inspectors and appraisers must satisfy experience requirements as required by statute to ensure competency. 3. We are committed to ensure license holders receive quality education through oversight of real estate education, including the registration of broker, sales agent and inspector education providers, instructors, and courses for both qualifying and continuing education. Pursuant to legislative requirements, the Commission has established a method for calculating the exam passage rates for Commission approved education providers who offer qualifying real estate and inspector courses. To ensure that quality education is provided to applicants and license holders who offer real estate services, these education providers are ranked based on first time passage rates. An education provider whose ranking is subject to disapproval or revocation when filing an application for subsequent approval will be disapproved to offer courses for that license category. 4. Real estate broker, inspector, and appraiser applicants must pass a comprehensive exam to help ensure they provide competent real estate services after obtaining a license. 5. After the exam is passed and prior to the issuance of a license, an applicant must undergo a criminal history background check which is reviewed by the Standards & Enforcement Services divisions of the Commission and Board to determine if an applicant’s honesty, trustworthiness, and integrity meets statutory and legal requirements. A license is issued only if an applicant meets these standards. To ensure continued protection for the citizens of Texas, a follow-up criminal history background check is performed each time a license is renewed. 6. License holders are issued a two-year license and must complete continuing education prior to each renewal to further support the license holder’s development of skill and competence in providing real estate services to Texas consumers. 7. Through its relationship with the Real Estate Center at Texas A&M University, the Commission has created three non-elective continuing education courses that are mandatory for sales agents and certain real estate brokers to complete during each renewal period. These non-elective courses provide consistent delivery of current and relevant information on real estate brokerage services, ethical behavior and supervisory responsibilities for brokers as well as legal updates that emphasize

the most recent trends, developments, case studies, complaints, laws, statutes, regulations, disciplinary actions, and court cases as they relate to Texas real estate license holders. Inspector continuing education requirements include the completion of a non-elective Standards of Practice Review and a Legal & Ethics course that is specific to inspectors during each renewal period; and appraiser continuing education must include the completion of a USPAP Update course for each renewal that is current to the profession.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

Through the efficient use of personnel and diligent oversight of costs associated with filing fees, the Commission and Board have been successful in reducing application and renewal fees and providing prompt and efficient service to license holders who are Texas citizens. To further reduce the cost of applying, renewing, or making changes to license holder information or supervisory relationships, applicants and license holders are also encouraged to file applications or changes online in lieu of submitting paper applications which require a paper filing fee.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

During Fiscal Year 2017, the Education & Licensing Services division processed approximately 30,100 original applications with 19 full-time employees. As of February 2018 the division processed approximately 12,608 original real estate applications with six months remaining in this fiscal year. The division also approves and is currently managing 411 Continuing Education (CE) providers; 49 Qualifying (pre-licensure) education providers; and approximately 2,371 instructors of real estate education. The division reviewed 2,822 qualifying and CE courses during fiscal year 2017 and has reviewed 1,937 during the first seven months of this fiscal year. Prior to January 2015 this division was also responsible for the data entry of continuing education for all license holders. Since that date a continuing education posting system has been implemented that enables real estate education providers to post continuing education to the system themselves within ten days of a student's course completion which enables license holders to renew more promptly and efficiently. In addition, through the use of consistent training techniques and cross-training of staff members we are able to maintain the quantity and quality of processing.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

The division has experienced an increase in applications and an 11% increase in the number of license holders since 2015. As of August 31, 2017, there were 182,615 real estate sales agents, brokers, inspectors and easement and right-of-way registrants and 6,096 certified or licensed Texas real estate appraisers. Staff recommendations to improve efficiency have enabled us to streamline our processes and functionality. As we receive new applications and as current license holders renew, make inquiries or changes to information, the division is committed to process all documents received in a timely fashion. The ability for applicants and license holders to file applications online allows for immediate receipt of an application and more prompt and efficient processing of an application or license holder's supporting documents. Application supporting documents are forwarded to a dedicated email address at documents@trec.texas.gov to allow immediate access to division staff for processing.

<p>4. Providing excellent customer services.</p> <p>This division has three staff persons assigned each day to respond to emails and telephone calls that are specific to the processing of applications and renewals within the division. All staff are trained and rotate this responsibility and provide accurate and complete information to applicants, license holders, and internal staff. They are required to respond to emails and telephone calls within 24 hours and must make notes in the computer system summarizing their response to calls or the content of their emails for use by other agency staff.</p> <p>5. Transparent such that agency actions can be understood by any Texan.</p> <p>The Commission and Board maintains websites and publishes a newsletter to communicate and keep license holders and Texans informed of Commission and Board actions. The public may also access Commission and Board meetings through live streaming provided by the Agency.</p>
<p style="text-align: center;">DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</p> <p>The Agency is working with the Facilities Commission and other stakeholders to seek additional options for reducing the occupancy expenses of the Agency while allowing for an enhanced development of state resources. This search includes the potential development of an alternate facility for the Agency on the highly restricted Lot 19 in the Capitol Complex. Innovative alternatives are being explored.</p>

<p>GOAL II ENFORCE REGULATIONS - TREC</p>
<p>To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the Agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)</p>
<p>SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</p>
<p>The Texas Real Estate Commission’s Standards & Enforcement Services division (“SES” or “the division”) handles a high volume of signed, written complaints from the public and license holders, as well as a smaller number of staff-initiated complaints. Importantly, the Agency cannot accept anonymous complaints or conduct covert investigations.</p> <p>The complaints primarily concern alleged statutory and administrative violations by brokers, sales agents, and inspectors, or alleged violations by unlicensed persons engaging in activities for which a license is required. A small number of complaints also concern education providers and instructors, as well as easement or right-of-way certificate holders. In addition, the division oversees timeshare developers (discussed further below) and residential service companies (discussed further below).</p>
<p>DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE</p>
<p>1. Accountable to tax and fee payers of Texas.</p> <p>The Texas Real Estate Commission is committed to the protection of the citizens of Texas. SES accomplishes this through timely, fair, and consistent enforcement of The Real Estate License Act, Commission rules, Chapter 1102 of the Texas Occupations Code (governing real estate inspectors), the Texas Timeshare Act, and the Residential Service Company Act. In addition, TREC SES oversees the sanctions of license holders and unlicensed persons who have violated various regulatory requirements.</p>

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

From Fiscal Year 2013 through Fiscal Year 2017, the number of complaints received increased from 2086 complaints to 4561 complaints. Despite this 119 percent increase in complaints received, the SES division has maintained or lowered the number of staff positions.

As of May 2018, the SES division has 27.6 staff positions. In Fiscal Year 2013, the division had 28 staff positions. During this same period, the number of complaints resolved increased from 2124 complaints closed to 4071 complaints closed.

These increases occurred without increase the age of cases. As of August 31, 2017, over 96 percent of complaints were less than a year old. Out of 1606 open complaints, there were zero cases were over two years old.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

During FY 2017, the division opened 4561 cases and closed 4071 cases. While most complaints from the public relate to the purchase, lease, or inspection of a home, a complaint may also include allegations ranging from misleading advertising to criminal history to unlicensed activity. Some complaints are closed with no action taken because of a lack of agency jurisdiction or lack of evidence. Once it is determined that the complaint is within the Agency's jurisdiction, the Agency notifies the license holder or other respondent, gives the person an opportunity to respond, and investigates the complaint. The division completes almost all investigations within six months of receipt of the complaint.

The division also implements standards, reviews certain applications for a license, and makes determinations of moral character to assess the honesty, trustworthiness, and integrity of applicants. In FY 2017, the division reviewed and closed 1864 application investigation cases and moral character determination cases. Most involved an applicant's criminal history.

TREC SES also administers the Texas Timeshare Act. The Act requires a developer that desires to offer a timeshare interest for sale to a Texas resident to register the plan with the Agency regardless of the location of the timeshare that is the subject of the plan. The division reviews the registration, and any amendment application, to ensure that it meets the requirements of the Act. TREC will not register a timeshare plan until the plan fully complies with the Act.

In addition to the Timeshare Act, the Agency administers the Residential Service Company Act. That Act requires the Agency to license any company wishing to offer a home warranty covering existing residential property in Texas. TREC SES monitors residential service companies licensed to conduct business in this state to ensure compliance with the Act, including a company's ability to meet financial obligations to Texas contract holders, and assists consumers with any issues related to claim delays or denials. As of August 31, 2017, there were 46 licensed residential service companies in Texas.

4. Providing excellent customer services.

Each day, Standards & Enforcement Services assigns one lawyer to respond to phone and email inquiries. A phone call must be responded to within four hours and an email within one business day. In addition, the division has a dedicated email address (enforcement@trec.texas.gov), and phone number (512-936-3005). Further, the division has an email address dedicated only to standards issues (application and moral character determinations) (standards@trec.texas.gov). The division also employs an ombudsman to respond to residential service company issues.

In addition, as described above, SES resolves thousands of cases, almost all of which are resolved within a year. The division also provides a great deal of information on its website and in the materials at quarterly commission meetings.

5. Transparent such that Agency actions can be understood by any Texan.

The Agency maintains a website with a wealth of information (www.trec.texas.gov). On that website, Standards & Enforcement Services maintains information on complaints under “How to File a Complaint” under the “Public” drop-down menu. Other complaint-related information on the website includes information on disciplinary actions and a detailed list of frequently asked questions. The website also discusses and links to the relevant statutes and all commission rules. Further, the division contributes articles that discuss various enforcement-related issues.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

Consumer educational disclosures and standard forms required by the Agency to be delivered to customers and clients of license holders will be written in simpler language and strongly branded to increase awareness of the regulatory agency to which complaints may be made. Educational requirements of real estate inspectors under Chapter 1102 are also being reviewed to align them more appropriately with other jurisdictions and focus better on quality versus quantity. Potential for elimination of duplicative consumer protection financial safeguards in Ch. 1102 is also being considered.

GOAL II ENFORCE REGULATIONS - TALCB

To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the Agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

The Texas Appraiser Licensing and Certification Board’s Standards & Enforcement Services Division (“TALCB SES” or “the division”) investigates and resolves a high volume of signed, written complaints from the public, industry stakeholders and license holders, along with a smaller number of staff-initiated complaints. The division does not accept anonymous complaints and does not conduct covert investigations except when authorized by law. Complaints mostly involve allegations of violations of the Uniform Standards of Professional Appraisal Practice (“USPAP”), the nationwide standards adopted by the Texas legislature as the minimum professional standards for conducting credible and reliable real estate appraisal activity. The division also handles complaints against appraisal management companies (“AMC’s”) for alleged statutory and regulatory violations. In addition, the division processes complaints involving violations by unlicensed persons engaging in activities for which a license is required.

The division is also charged with evaluating two aspects of applications for licensure. First, the division reviews the criminal history of appraiser applicants and key personnel of AMC's. Second the division conducts experience audits of all appraiser licensee applications for all appraiser licensure categories (licensed, certified residential, and certified general), which includes reviewing license holder work product for compliance with USPAP. Consistent with federal oversight requirements and state law, successful completion of the experience audit and criminal history background check is a prerequisite to the Board's issuance of a license to an applicant.

In addition, the division provides assistance to law enforcement and prosecutors upon request under Tex. Penal Code § 32.32. Law enforcement or prosecutorial agencies may request such assistance by submitting a written request for assistance ("RFA") to TALCB SES.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

The Texas Appraiser Licensing and Certification Board protects the citizens of Texas through timely, fair and consistent enforcement of the Texas Appraiser Licensing and Certification Act (Texas Occupations Code Ch. 1103) (the "Act") and the Texas Appraisal Management Company Registration and Regulation Act (Texas Occupations Code Ch. 1104) (the "AMC Act"). TALCB SES investigates and resolves complaints against licensed appraisers and AMC's, and where appropriate, takes disciplinary and remedial action to protect the public. TALCB also takes action against unlicensed activity, and cooperates with sister state and federal regulatory agencies and law enforcement / prosecutors upon request for those matters which may involve criminal conduct. The division reviews and audits applicants as required by law to ensure those issued a license have the requisite honesty, trustworthiness and integrity and minimum competency necessary to protect the public.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions.

As of April, 2018 the division has 10 staff positions comprised of 5 appraiser investigators (1 vacant), 3 support staff, 1 attorney and a division director. In addition to its 5 appraiser investigators, the Agency augments its investigative staff by relying on Board appointed, volunteer members of the statutorily authorized Peer Investigative Committees (PICs) to review appraisals subject to a complaint. TEX. OCC. CODE § 1103.453. Each PIC member is a volunteer who is an active real estate appraiser and AQB Certified USPAP Instructor who meets the qualifying criteria prescribed by the Board. The PIC process is managed by the division director. Despite a reduction in staff from 13 to 10 since 2014, the division has reduced its backlog of aged complaints. During the last 3 federal oversight audits (2014, 2016 and 2018) the division achieved the previously elusive 1-year or less timeframe set by the Board's federal oversight body (the Appraisal Subcommittee ("ASC")) for resolution of complaints. As of April, 2018 TALC SES manages to resolve most complaint matters within 7 months and triages most complaints within the first 90 days.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

During FY 2017, TALCB SES received 184 cases and closed 172. In FY 2017 approximately 25% of resolved complaints resulted in disciplinary action, with the remaining roughly 75% being

dismissed. The majority of the complaints arise from alleged violations of USPAP, but may also include allegations about unlicensed activity, misleading conduct, or prohibited business practices. After receiving a complaint, the division notifies the license holder and requests that the license holder respond in writing and submit certain documentation responsive to the complaint. If fraud is alleged, the complaint may be handled covertly, as required by TEX. GOV'T CODE § 402.033 and PENAL CODE § 32.32. Once the complaint is screened to ensure the Board has jurisdiction, the division notifies the license holder or other Respondent and gives the person an opportunity to respond. After receipt of the response materials, the complaint is then assigned to an investigator to complete an investigation. During the pendency of a complaint, information and documentation concerning the complaint is generally kept confidential. TEX. OCC. CODE §§1103.460 and 1104.2082. At present, roughly two thirds of all complaint matters result in a dismissal after investigation. Dismissals include complaints involving the issuance of non-disciplinary warning letters or contingent dismissals (in which completion of remedial education or mentorship is required prior to dismissal). In the remaining roughly one third of the complaints, disciplinary action is warranted, and the division attempts to resolve the complaint by agreement, consistent with a Board-approved disciplinary matrix adopted by rule. Such agreements take the form of an agreed final order or voluntary surrender of the license and are approved by the Board at their quarterly meeting. If an agreement cannot be reached between staff and the Respondent, TALCB SES pursues formal disciplinary action via the contested case hearing process at the State Office of Administrative Hearings (SOAH). Regular staff meetings and periodic case management meetings are used to ensure complaints are timely processed, investigated and appropriately resolved.

During FY 2017 the division also received 139 experience audits and closed 112. Out of those, 3 resulted in application denials. Typically, two properties from the applicant's experience log are requested and reviewed by a staff investigator for general compliance with USPAP. After review of the applicant's work product for USPAP compliance, the investigator makes a recommendation on whether to approve the audit. In certain borderline instances, an applicant is approved contingent upon completion of additional education or mentorship. In addition, all applicants' criminal history is reviewed by staff. Consistent with Tex. Occ. Code Ch. 53 and Board rules, certain criminal convictions may serve as grounds for denying an application. If denied on either basis, an applicant has 30 days to appeal the denial by notifying the division in writing. Appeals of application denials go through the regular contested case hearing process at SOAH. Regular staff meetings and periodic case management meetings are used to ensure experience audits are timely processed, investigated and appropriately resolved.

During FY 2017 the division received 1 RFA seeking assistance with appraisal related matters involving potential criminal conduct. In 2017, the Texas Legislature passed legislation abolishing the Texas Residential Mortgage Fraud Task Force. During its roughly 10 year existence, TALCB SES was a member of the Task Force. During that time, 148 requests for assistance from state and federal law enforcement and prosecutorial agencies have been received, 147 of these have been resolved. This assistance has led to several indictments, prosecutions and convictions of licensed appraisers for criminal conduct. Despite abolishment of the formal Task Force, TALCB SES continues to cooperate with and make referrals to state and federal law enforcement and prosecutorial agencies when appropriate.

4. Providing excellent customer services.

The division regularly responds to inquiries from the public and license holders most frequently by telephone and e-mail. In fact, the division has a dedicated e-mail address (enforcement.talcb@trec.texas.gov) to serve this purpose. Depending on the nature of the inquiry an investigator or attorney will respond to the inquiry. As of April, 2018 the division maintains a caseload in which most matters are resolved within 7 months and triages cases within the first 90 days in an effort to resolve complaints efficiently so that the concerns and needs of license holders and the public are addressed as promptly as possible. As discussed below, the Board also maintains a website that provides detailed information about the complaint process. Additionally, upon request, TALCB SES holds investigative conferences with Respondents as part of the complaint resolution process or Applicants as part of the audit process in an effort to address their concerns and will occasionally meet with those have filed complaints when necessary to address their concerns.

5. Transparent such that agency actions can be understood by any Texan.

The Board maintains a website (www.talcb.texas.gov) which provides extensive information about the complaint process to the public, license holders and industry stakeholders alike. Under the “Public” tab on the Board’s home page separate sections addressing a variety of topics, including: (1) consumer information; (2) the complaint filing process; (3) how to obtain public information; (4) a license holder search function, (5) frequently asked questions and news and (6) disciplinary actions are readily available. Links are also provided to a .pdf copy of the Board’s complaint form, as well as a flow chart of the complaint process and links to the Agency’s rules and laws. Additionally, in an effort to keep Texas well informed about the regulatory process and new developments in the industry, the Board provides staff to speak throughout the state to stakeholders, trade groups, other associations and public groups, addressing the enforcement process and current topics and trends.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

Anticipate cleanup changes needed in the 2019 legislative session to Chapters 1103 and 1104 of the Texas Occupations Code to conform state law to any developments in federal appraisal related regulatory laws. Additionally, references to the general revenue fund in Chapters 1103, 1104 and 1105 of the Texas Occupations Code conflict with the Agency status as a Self-Directed Semi-Independent (SDSI) agency and should be removed. The Agency will carefully monitor new federal requirements for any impact on staff resource levels and cost recovery considerations. Agency is prepared to receive license holders currently regulated by other agencies where significant jurisdictional overlap exists.

GOAL III COMMUNICATE EFFECTIVELY

To communicate with license holders and the public by providing reliable information to promote informed decisions in Texas real estate transactions. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Provide exceptional customer service
2. Provide accurate and thorough information
3. Assist all license holders with online transactions
4. Respond to email inquiries within a two business day time frame

5. Remain knowledgeable with Rules and Policies in regards to the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board
6. Remain knowledgeable in regards to application processing procedures, fees, and forms
7. Respond to Customer Service Surveys within a two business day time frame by phone or email
8. Handle all Public Information Act requests in a prompt and professional manner

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

Team members assist license holders with online transactions which eliminates the submission of paper applications along with the paper processing fees.

License holders are informed on their license status which assists them on making decisions of the appropriate time for online renewals. Recently both TREC and TALCB posted a webpage showing the processing times of applications. These pages are designed to provide applicants a snapshot of where the Agency staff is in terms of processing applications and other documents. Staff updates the processing times page on both websites every Monday by 3pm. The information is also published on the homepage of both websites and posted on social media every week.

2. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.

Whether a Team member is answering an initial call or returning a call, the customer is greeted in a professional manner. The Team member introduces themselves and informs the caller that they are speaking with the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board. The Team member asks how they can assist. Team members provide accurate information in a timely manner. Each call is not completed until the Team member confirms that all questions and concerns have been addressed. Every Team member strives to provide accurate information in a professional and timely manner.

3. Providing excellent customer services.

A combination of issues over the last biennium affected the quality of customer service the Agency provides to both consumers and to our license holders at all levels. It is particularly noticeable in an increase in the length an individual is on hold and the time in which staff is able to respond to an email inquiry. As a result, the Agency has taken some additional direct remedial steps to return the Agency to the exceptional customer service it is committed to offer. The Agency recognizes the new normal of a higher call and email volume and the need to address that volume in an effective and lasting way. Specifically, the Agency has taken the following measures:

- **Hiring Team Members** – The RCS and ELS divisions have both posted and hired additional positions. The Agency is committed to regularly assess the potential for any future customer service issues and evaluate the need for additional staff beyond those postings to minimize the possibility that those issues will arise.

- **Extending Business Hours** –the Agency has extended the hours for the Communication Center. It will now be operational for 12 and a half hours every business day, from 6:30 a.m. to 7:00 p.m. RCS staff has adjusted their schedules to make themselves available for these longer hours. The Agency will evaluate the new office hours every 90 days to determine the necessity of continuing the extended hours.
- **Implementation of Name Management Tool** - The Agency has developed a new online Name Management Tool that allows brokers to manage all of their business and team names via a free online web service available 24/7 that requires no intervention from agency staff.
- **Auto-response for emails** – Whenever someone emails the Agency, the customer receives an auto response showing the email was received. While staff makes every effort to respond to customer emails within two business days, due to the increased volume of email correspondence, staff is not always able to fulfill this customer service goal. The auto-response has been updated to explain that the Agency is currently working through a backlog, apologize for the inconvenience to the customer, and direct the customer to helpful information on the Agency websites.
- **New Call Center System** - The Agency is in the process of implementing a new phone system that will improve its ability to handle phone calls. This new phone system will assist with call management, provide an optional call back feature, and will utilize technology to better staff phones during peak calling times.

4. Customer Service Surveys are responded to within two business days by phone or email.

- Additionally, the Agency implemented a new, brief customer satisfaction survey that is separate from the statutorily required customer service survey. This new customer satisfaction survey provides individuals who contact the Agency a method to provide feedback to the Agency on the targeted questions about the resolution of their issue and their experience interacting with agency staff.

5. Transparent such that agency actions can be understood by any Texan.

Information is provided in writing through the Texas Real Estate Commission and Texas Appraiser Licensing and Certification Board websites, TREC Advisor, Social Media, and Strategic planning listening tours.

In 2017, the Agency purchased a new emailing system that allows it focus its message to targeted segments of the licensing population. This system has reduced redundant messaging by providing the Agency the ability to send tailored content to specific groups to address issues or explain updated or enhanced processes related to their particular license.

The Agency launched a redesigned website for the Commission in February 2017 to correspond with the previously redesigned TALCB website that was launched in 2014. The previous site had been in place since 1999. This new website design removes many redundancies throughout the old site and provides clearer language and key statistics throughout the website to help guide visitors

to the information that they need. The Agency understands that change of this type often requires an adjustment period for individuals to become accustomed to the new layout and content and makes every effort to help the transition by addressing potential navigation and content issues through its license holder newsletter and online/social media outlets.

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM
 Agency is developing a strong brand and a robust social media presence to more effectively communicate with license holders and especially to directly educate Texas consumers. New Agency websites were launched in FY14 and FY17. Enhanced social media outreach was launched in FY18, including monthly Facebook Town Hall interactive sessions. Working jointly with Texas A&M University and other state agencies and stakeholder associations of license holders, the Agency has developed an annual conference on single family real estate issues aimed at enabling an interdisciplinary approach to reduce barriers to the minimal effective regulation of this key market. Disaster recovery was a focus this year.

GOAL IV WORK WITH HUBS

To implement purchasing policies encouraging the use of historically underutilized businesses (HUBs). (Texas Government Code, §2161.123)

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

1. Utilize HUB vendors for non-competitive spot purchases of \$5,000 or less
2. Solicit a minimum of three certified HUB vendors for purchases over \$5,000
3. Attend HUB related meetings and forums to network with vendors and gain new knowledge of HUB vendors
4. Encourage and assist vendors who qualify as HUB vendors to become HUB certified by TPASS and to maintain their HUB certification
5. Encourage non-HUB vendors to subcontract with certified HUB vendors, pairing mentors with protégés
6. Exceed the bid advertisement requirement of obtaining more than two HUB bids from the Centralized Master Bidders List (CMBL) for purchases over \$2,000
7. Maintain positive working relationships with the current HUB vendors
8. Track HUB quarterly performance measures

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.
 By maintaining a robust program for HUB, we are ensuring that our financial investment in HUB businesses meets the highest standards for quality products and services.
2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions. By utilizing our historical relationships, we are maximizing our HUB vendor pool.

<p>3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve.</p> <p>4. Daily processes for purchasing incorporate activities designed to meet the HUB goal of 30% utilization which we regularly exceed and which is significantly higher than the state average. (see chart).</p> <p>5. Providing excellent customer services.</p> <p>TREC is committed to excellent customer service which is seen in our HUB vendor relationships and the efforts we take to ensure HUBs are included to encouraged.</p> <p>6. Transparent such that agency actions can be understood by any Texan.</p> <p>The attached HUB report and chart (Schedule C) provide a clear picture of the actions that TREC takes to accomplish the goal.</p>
<p>DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</p>

TREC Approved Operating Budget FY2019

Approved by Commission August 13, 2018

Expenditure Category	Actual costs FY2016	Budget FY2017	Actual costs FY2017	Budget FY2018	FY2018 Year end estimated Expenditures	Proposed Budget FY2019	Budget Variance FY18 to FY19	Proposed Budget FY2020	Comments
Salaries & Wages	4,773,967	5,228,640	5,063,131	\$5,902,890	5,627,829	\$6,392,610	\$489,720	\$6,584,389	111.2 (97.5 TREC/13.7 TALCB) FTEs for FY2019; 4% increase in FY2019; 3% increase reflected for FY2020
Employee Benefits	1,487,583	1,692,456	1,605,377	\$1,959,791	1,729,599	\$1,998,835	\$39,044	\$2,000,612	Benefits & Retiree Insurance = app 41%
Retiree Insurance	377,350	399,000	422,853	\$590,623	459,039	\$665,055	\$74,432	\$665,055	
Other Personnel Costs	147,267	221,550	141,666	\$250,421	178,796	\$274,428	\$24,007	\$274,428	
Professional Fees & Services	185,655	371,691	349,967	\$354,037	311,155	\$497,652	\$143,615	\$497,652	Additional budget for software upgrades for Neubus (document imaging/storage), Versa (licensing system); PC refresh installation; consulting fees for call center software.
Consumables	12,442	20,000	10,774	\$15,000	8,950	\$12,000	(\$3,000)	\$12,000	20% reduction based on historical decrease
Utilities	4,890	10,300	3,657	\$10,456	5,556	\$13,212	\$2,756	\$13,212	
Travel	34,631	69,700	36,005	\$64,000	48,173	\$61,400	(\$2,600)	\$61,400	
Office and Space Rent	125,655	162,220	117,833	\$111,339	176,070	\$177,838	\$66,499	\$177,838	Rent expense increase due to lower SWCAP offset
Equipment Rental	46,721	78,554	57,281	\$56,850	56,850	\$64,794	\$7,944	\$64,794	FY19 increase of 7,500 (year over year) due to PC refresh lease agreement done in FY18
Registration & Membership	33,337	45,360	29,491	\$62,325	23,988	\$84,905	\$22,580	\$84,905	Increasing training budget to ensure all staff has professional development
Maintenance & Repairs	148,897	236,885	145,049	\$268,320	216,599	\$176,703	(\$91,617)	\$176,703	
Reproduction & Printing	2,313	2,600	2,238	\$2,600	2,100	\$2,600	\$0	\$2,600	
Contract Services	62,400	70,150	40,637	\$33,130	20,640	\$33,008	(\$122)	\$33,008	
Postage	15,648	17,800	15,010	\$17,800	17,800	\$21,700	\$3,900	\$21,700	
Supplies & Equipment	81,817	106,100	79,284	\$123,552	83,915	\$80,440	(\$43,112)	\$80,440	Recategorized Versa data analytics project of \$50K to Professional Fees & Services
Communication Services	46,279	62,931	100,555	\$110,805	110,805	\$138,415	\$27,610	\$138,415	Increased charges from DIR for VOIP telephone, internet, long distance charges,\$17K; increased bandwidth based on greater usage of web-based tools \$2K
Other Operating Expenses	34,635	21,900	23,123	\$24,700	24,700	\$25,000	\$300	\$25,000	
	7,621,487	8,817,837	8,243,931	9,958,639	9,102,564	10,720,596	761,957	10,914,151	
DPS Criminal History Background Checks	2,594	2,000	521	2,000	6,000	2,000	0	2,000	
Statewide Cost Allocation Plan (SWCAP)	229,895	220,000	245,961	273,271	175,240	180,000	(93,271)	180,000	SWCAP costs has been decreasing over time. Bidg depreciation allocation has decreased, attributed to decrease in leased space.
Contribution to General Revenue	720,000	720,000	720,000	724,725	724,725	724,725	0	724,725	amount allocated monthly but pmt not due until 8/31/18
	952,489	942,000	966,482	999,996	905,965	906,725	(93,271)	906,725	
Total Expenditures	8,573,976	9,759,837	9,210,413	\$10,958,635	\$10,008,529	\$11,627,321	\$668,686	\$11,820,876	
Revenue		FY2017 Projected	FY17 Revenue	FY2018 Revenue Projected	FY2018 Year end estimate	FY2019 Projected Revenue	Budget Variance FY18/FY19	FY2020 Projected Revenue	Revenue % Remaining to be Collected
License Fees	11,851,213	10,316,783	12,576,044	10,203,210	\$11,184,540	9,763,045	(440,165)	10,066,086	Projected using average counts over last 5 years; includes reduction of sponsorship invitation fees from \$20 to \$10.
Education Fees	-	0	0	480,668	\$556,028	497,906	17,238	528,227	Projected using average counts over last 5 years
Examination Fees	-	0	0	326,280	\$360,920	333,935	7,655	342,874	Projected using average counts over last 5 years
Other Miscellaneous Revenue	428,180	392,540	379,270	1,550	\$2,400	171,460	169,910	2,280	NSF fees,Public Info fees, interest and investment income
Total Revenue	12,279,393	10,709,323	12,955,314	11,011,708	\$12,103,888	10,766,346	(245,362)	\$10,939,467	
Reallocation from Prior Year Reserves and Carryforward						1,301,611			\$600K from prior cash & \$701,611 from Education Reserve
Revenue and Reallocation Over/(Under) Expenditures	3,705,417	949,486	3,744,901	\$53,073	\$2,095,359	\$440,636	(\$914,048)	(\$881,409)	

TALCB Approved Operating Budget FY2019

Approved by Board August 17, 2018

Expenditure Category	Budget FY2016	Actual costs FY2016	Budget FY2017	Actual costs FY2017	Budget FY2018	FY2018 Estimated Annual Expenditures	Proposed Budget FY2019	Budget Variance FY18 to FY19	Budget FY2020	Comments
Salaries & Wages	875,842	801,185	836,817	816,516	\$895,655	\$851,468	\$918,231	22,576	\$945,777	add 4% increase for FY2019 & 3% for 2020; 13.7 FTEs
Employee Benefits	317,040	257,274	329,706	254,466	\$333,786	279,964	\$304,267	(29,519)	\$307,931	
Retiree Insurance		32,633		40,988		48,221	\$45,866	45,866	\$45,866	
Other Personnel Costs	25,220	25,636	33,210	17,387	\$33,440	26,219	\$28,251	(5,189)	\$28,251	
Professional Fees & Services	77,550	50,686	85,750	93,617	\$54,710	44,890	\$89,624	34,914	\$89,624	Increase allocation for possible State Auditor's office audit; Added \$30K for Commercial Appraisal Review
Consumables	7,500	4,154	6,500	2,941	\$6,500	1,600	\$2,000	(4,500)	\$2,000	
Utilities	1,740	1,882	2,000	1,770	\$2,200	2,200	\$1,036	(1,164)	\$1,036	
Travel	30,000	22,504	32,000	32,587	\$35,000	22,916	\$25,000	(10,000)	\$25,000	
Office and Space Rent	37,625	26,748	32,625	18,809	\$15,853	27,253	\$27,253	11,400	\$27,253	lower SWCAP equals higher Rent payment
Equipment Rental	14,138	9,239	14,500	10,432	\$10,250	10,250	\$23,500	13,250	\$3,500	PC refresh for 2019
Registration & Membership	16,125	9,950	16,125	10,276	\$10,375	7,625	\$12,205	1,830	\$12,205	includes additional allocation for training for all staff
Maintenance & Repairs	12,267	13,162	12,267	20,656	\$5,707	5,707	\$6,000	293	\$6,000	
Reproduction & Printing	1,600	202	1,600	778	\$1,600	850	\$1,600	0	\$1,600	
Contract Services	29,540	6,296	31,040	5,632	\$23,060	23,935	\$42,180	19,120	\$42,180	Co-Star appraisal research software subscription for appraisal research of \$11,940
Postage	6,350	4,582	6,350	4,081	\$6,350	600	\$5,150	(1,200)	\$5,150	
Supplies & Equipment	6,500	1,637	7,000	2,498	\$3,500	3,500	\$3,501	1	\$3,501	
Communication Services	8,246	9,404	8,546	16,343	\$17,526	18,106	\$16,834	(692)	\$16,834	Co-Star appraisal research subscription amount recategorized to Contracted Services
Other Operating Expenses	4,342	1,864	4,342	2,174	\$4,342	4,492	\$4,440	98	\$4,440	
Subtotal -Operations Expenditures	1,471,625	1,279,038	1,460,378	1,351,951	1,459,854	1,379,795	1,556,937	97,083	1,568,148	
DPS Criminal History Background Checks	3,000	2,934	3,000	1,197	3,200	3,200	3,200	0	3,200	
Statewide Cost Allocation Plan (SWCAP)	45,000	41,034	45,000	40,478	35,510	27,350	30,000	(5,510)	30,000	
Contribution to General Revenue	30,000	30,000	30,000	30,000	25,275	25,275	25,275	0	25,275	Amount allocated monthly but pmt not due until 8/31/18
Subtotal - Nonoperational Expenditures	78,000	73,968	78,000	71,675	63,985	55,825	58,475	(5,510)	58,475	
Total Expenditures	1,549,625	1,353,006	1,538,378	1,423,626	\$1,523,839	\$1,435,620	\$1,615,412	\$91,573	\$1,626,623	
Revenue	FY2016 Projected	FY2016 Revenue	FY2017 Projected	FY2017 Revenue	FY2018 Projected	FY2018 Year end estimate	FY2019 Projected Revenue	Budget Variance FY18/FY19	FY2020 Projected Revenue	Revenue % Remaining to be Collected
License Fees	1,108,600	1,101,560	1,086,525	1,169,973	1,046,482	1,050,756	1,073,171	\$26,689	998,218	Projected based on average of last 5 years
AMC	749,580	845,639	155,208	193,314	731,100	774,450	169,239	(\$561,861)	735,728	Estimated 5 new AMCs based on FY17 actual/historical
Admin Penalties	-	44,800	38,400	20,450	34,560	34,560	32,832	(\$1,728)	32,832	95% based on FY18 budget
Examination Fees	-	-	0	2,010	-	2,110	2,025	\$2,025	2,005	95% based on FY18 budget
Other Miscellaneous Revenue	47,025	23,435	20,465	23,499	21,215	17,145	35,851	\$14,636	16,288	NSF fees, Public Info fees, interest income
Total Revenue	1,905,205	2,015,434	1,300,598	1,409,247	1,833,357	\$1,879,021	1,313,118	(\$520,239)	\$1,785,070	
AMC Revenue Carry Forward		(290,054.00)	290,054.00	290,054.00	(284,337.00)	(284,337.00)	302,606.00			
Revenue and Reallocation Over/(Under) Expenditures	355,580	372,374	52,274	275,675	25,181	159,064	312	(611,812)	158,447	

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2019 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	Monthly Rates					
	TREC		TALCB		TOTAL	
	FTE	Salary	FTE	Salary	FTE	Salary
Executive Director/Administrator	0.9	13,376	0.10	1,486	1	14,862
Director VI	0.9	8,550	0.10	950	1	9,500
General Counsel V	1.0	12,675		-	1	12,675
General Counsel IV	0.4	4,210	0.60	6,315	1	10,525
Program Specialist VII	1.0	6,575		-	1	6,575
Program Specialist VI	1.0	5,700		-	1	5,700
Program Specialist VI	0.6	3,420	0.40	2,280	1	5,700
Total AMS	5.8	54,505.80	1.2	11,031.20	7.0	65,537.00
Staff & Support Services (SSS)						
Director II	1.0	8,575		-	1	8,575
Accountant VII	1.0	7,425		-	1	7,425
Budget Analyst V	1.0	7,000		-	1	7,000
Accountant V	1.0	4,950		-	1	4,950
Accountant IV	1.0	4,550		-	1	4,550
Accountant III	1.0	4,225		-	1	4,225
Accountant II	1.0	3,925		-	1	3,925
HR Specialist VI	1.0	7,025		-	1	7,025
HR Specialist III	1.0	4,500		-	1	4,500
Purchaser VI	0.6	4,020		-	0.6	4,020
Admin Asst V	1.0	4,100		-	1	4,100
Total SSS	10.6	60,295	0.0	0	10.6	60,295
Information Technology Services (ITS)						
Director IV	1.0	11,750		-	1	11,750
Project Manager IV	1.0	8,700		-	1	8,700
Programmer VI	1.0	6,950		-	1	6,950
Programmer V	1.0	7,150		-	1	7,150
Web Admin IV	1.0	7,500		-	1	7,500
Systems Analyst V	1.0	7,850		-	1	7,850
Systems Analyst V	1.0	7,425		-	1	7,425
Systems Analyst V	1.0	7,075		-	1	7,075
Systems Admin V	1.0	7,075		-	1	7,075
Business Analyst I	1.0	5,300		-	1	5,300
Systems Support Specialist II	1.0	3,450		-	1	3,450
Program Supervisor I	1.0	4,575		-	1	4,575
Doc Imaging Technician II	1.0	3,175		-	1	3,175
Doc Imaging Technician II	1.0	3,175		-	1	3,175
Total ITS	14.00	91,150	0.00	0	14.00	91,150
Education & Licensing Services (ELS)						
Director II	1.0	8,550		-	1	8,550
Admin Asst IV	1.0	3,250		-	1	3,250
Education						
Program Supervisor VI	1.0	6,500		-	1	6,500
License & Permit Spec V	1.0	5,000		-	1	5,000
License & Permit Spec IV		-	1	4,025	1	4,025
License & Permit Spec III	1.0	3,950		-	1	3,950
License & Permit Spec III	1.0	3,200		-	1	3,200
License & Permit Spec II		-	1	3,000	1	3,000
License & Permit Spec II	1.0	3,000		-	1	3,000
License & Permit Spec II	1.0	3,000		-	1	3,000
License & Permit Spec I	1.0	3,000		-	1	3,000
License & Permit Spec I	1.0	3,000		-	1	3,000
License & Permit Spec I	1.0	3,000		-	1	3,000

Licensing						
Program Supervisor VI	1.0	6,425		-	1	6,425
Education Specialist III	1.0	4,150		-	1	4,150
Education Specialist II	1.0	4,450		-	1	4,450
Education Specialist II	1.0	3,900		-	1	3,900
Education Specialist II	1.0	3,825		-	1	3,825
Education Specialist II	0.5	1,900	0.5	1,900	1	3,800
Education Specialist I	1.0	3,350		-	1	3,350
License & Permit Spec I	1.0	3,000		-	1	3,000
License & Permit Spec I	1.0	3,000		-	1	3,000
Education Specialist IV	1.0	5,500		-	1	5,500
Total ELS	20.5	84,950	2.5	8,925	23.0	93,875
Reception & Communication Services (RCS)						
Director I	1.0	7,900		-	1	7,900
Program Supervisor VI	1.0	5,750		-	1	5,750
Program Supervisor II	1.0	4,600		-	1	4,600
Program Supervisor II	1.0	4,600		-	1	4,600
Customer Service Rep V	1.0	4,150		-	1	4,150
Customer Service Rep V	1.0	4,075		-	1	4,075
Customer Service Rep V	1.0	4,050		-	1	4,050
Customer Service Rep IV	1.0	3,300		-	1	3,300
Customer Service Rep IV	1.0	3,125		-	1	3,125
Customer Service Rep IV	1.0	3,300		-	1	3,300
Customer Service Rep IV	1.0	3,000		-	1	3,000
Customer Service Rep IV	1.0	3,000		-	1	3,000
Customer Service Rep III	1.0	3,000		-	1	3,000
Customer Service Rep III	1.0	3,000		-	1	3,000
Customer Service Rep III	1.0	3,000		-	1	3,000
Customer Service Rep III	1.0	2,750		-	1	2,750
Customer Service Rep III	1.0	2,750		-	1	2,750
Customer Service Rep III	1.0	2,750		-	1	2,750
Customer Service Rep III	1.0	2,750		-	1	2,750
Customer Service Rep III	1.0	2,750		-	1	2,750
Total RCS	20.0	73,600.0	0.0	0.0	20.0	73,600.0
Standards & Enforcement Services (SES)						
Director III	1.0	9,175		-	1	9,175
Attorney V	1.0	7,500		-	1	7,500
Attorney IV	1.0	7,275		-	1	7,275
Attorney IV	1.0	7,100		-	1	7,100
Attorney IV	1.0	6,800		-	1	6,800
Attorney IV	1.0	6,700		-	1	6,700
Attorney IV	1.0	6,625		-	1	6,625
Attorney IV	1.0	6,500		-	1	6,500
Attorney IV	1.0	6,500		-	1	6,500
Attorney IV	1.0	6,300		-	1	6,300
Legal Asst IV	1.0	5,075		-	1	5,075
Legal Asst III	1.0	4,425		-	1	4,425
Legal Asst III	1.0	4,450		-	1	4,450
Legal Asst III	1.0	4,400		-	1	4,400
Legal Asst II	1.0	4,525		-	1	4,525
Program Supervisor III	1.0	4,500		-	1	4,500
Program Specialist II	1.0	3,850		-	1	3,850
Program Specialist I	1.0	3,675		-	1	3,675
Program Specialist I	1.0	3,400		-	1	3,400
Legal Secretary III	1.0	3,600		-	1	3,600
Admin Asst III	1.0	3,300		-	1	3,300
Investigator V	1.0	5,625		-	1	5,625
Investigator V	1.0	5,575		-	1	5,575
Investigator V	1.0	4,750		-	1	4,750
Investigator IV	1.0	4,550		-	1	4,550
Investigator IV	1.0	4,550		-	1	4,550
Investigator IV	1.0	4,400		-	1	4,400
Total SES	27.0	145,125	0.0	0	27.0	145,125

Texas Appraiser Licensing & Certification Board (TALCB SES)						
Director II		-	1.0	8,500	1	8,500
Attorney IV		-	1.0	6,375	1	6,375
Appraiser IV		-	1.0	6,075	1	6,075
Appraiser IV		-	1.0	5,825	1	5,825
Appraiser III		-	1.0	5,650	1	5,650
Appraiser III		-	1.0	5,050	1	5,050
Legal Asst IV		-	1.0	4,450	1	4,450
Legal Assist II		-	1.0	3,875	1	3,875
Legal Secretary III		-	1.0	3,050	1	3,050
Appraiser III		-	1.0	5,000	1	5,000
Total TALCB	0.0	0	10.0	53,850	10.0	53,850
Total for Agency	97.9	509,625.8	13.7	73,806.2	111.6	583,432.0

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-1
 COMBINING BALANCE SHEET -
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	TAMU FUND 0889 FUND 0889 U/F (4057)	TAMU AFUND 0889 FUND 0889 U/F (7057)	TOTAL FUND 0889 FUND 0889	TREC Local FUND 0889 FUND 1005 U/F (3055)	TREC Local FUND 1005 FUND 1005 U/F (4054)
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$	\$	\$	\$	\$
Cash in Bank			0.00		
Cash Equivalents - Misc. Investments		26,033.92	26,033.92		
Cash In State Treasury			0.00		
Interfund Receivable			0.00		
Due From Other Funds (Note 12)	572,800.00		572,800.00		
Consumable Inventories			0.00	7,618.30	
Total Current Assets	\$ 572,800.00	\$ 26,033.92	\$ 598,833.92	\$ 7,618.30	\$ 0.00
Non-Current Assets:					
Investments - NonCurrent	\$	\$	\$	\$	\$
Total Non-Current Assets	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 572,800.00	\$ 26,033.92	\$ 598,833.92	\$ 7,618.30	\$ 0.00
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$	\$	\$	\$	\$ 46,658.50
Payroll Payable					
Interfund Payable					
Due to Other Funds/Agencies (Note 12)	572,800.00	572,800.00	1,145,600.00		
Deferred Revenue					
Total Current Liabilities	572,800.00	572,800.00	1,145,600.00	0.00	46,658.50
TOTAL LIABILITIES	\$ 572,800.00	\$ 572,800.00	\$ 1,145,600.00	\$ 0.00	\$ 46,658.50
FUND BALANCES (DEFICITS):					
NonSpendable - Consumable Inventory	\$	\$	\$	\$ 7,618.30	\$
Committed	0.00	0.00	0.00		(46,658.50)
Unassigned	0.00	(546,766.08)	(546,766.08)	0.00	
TOTAL FUND BALANCES	0.00	(546,766.08)	(546,766.08)	7,618.30	(46,658.50)
TOTAL LIABILITIES AND FUND BALANCES	\$ 572,800.00	\$ 26,033.92	\$ 598,833.92	\$ 7,618.30	\$ 0.00

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

UNAUDITED

TREC Local FUND 1005 FUND 1005 U/F (4055)	TREC Local FUND 0889 FUND 1005 U/F (7054)	TREC Local FUND 0889 FUND 1005 U/F (7055)	Loc Oper FUND 1005 FUND 1005 U/F (4201)	Loc Oper FUND 1005 FUND 1005 U/F (7201)	TOTAL FUND 1005	TOTALS (EXHIBIT I) 2018
\$	\$	\$	\$	\$	\$	\$
	24,396.04	0.00			24,396.04	24,396.04
	2,640,473.84	4,548,264.91		1,038,834.32	8,227,573.07	8,253,606.99
649,524.26					649,524.26	649,524.26
					0.00	0.00
					0.00	572,800.00
					7,618.30	7,618.30
<u>\$ 649,524.26</u>	<u>\$ 2,664,869.88</u>	<u>\$ 4,548,264.91</u>	<u>\$ 0.00</u>	<u>\$ 1,038,834.32</u>	<u>\$ 8,909,111.67</u>	<u>\$ 9,507,945.59</u>
\$	\$	\$	\$	\$	\$	\$
		12,908,771.98			12,908,771.98	12,908,771.98
0.00	0.00	12,908,771.98	0.00	0.00	12,908,771.98	12,908,771.98
<u>\$ 649,524.26</u>	<u>\$ 2,664,869.88</u>	<u>\$ 17,457,036.89</u>	<u>\$ 0.00</u>	<u>\$ 1,038,834.32</u>	<u>\$ 21,817,883.65</u>	<u>\$ 22,416,717.57</u>
\$	\$	\$	\$	\$	\$	\$
184,344.82			300,000.00		531,003.32	531,003.32
641,479.22					641,479.22	641,479.22
0.00					0.00	0.00
					0.00	1,145,600.00
					0.00	0.00
<u>825,824.04</u>	<u>0.00</u>	<u>0.00</u>	<u>300,000.00</u>	<u>0.00</u>	<u>1,172,482.54</u>	<u>2,318,082.54</u>
<u>\$ 825,824.04</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 300,000.00</u>	<u>\$ 0.00</u>	<u>\$ 1,172,482.54</u>	<u>\$ 2,318,082.54</u>
\$	\$	\$	\$	\$	\$	\$
(176,299.78)	2,664,869.88	17,457,036.89	(300,000.00)	1,038,834.32	20,637,782.81	20,637,782.81
0.00	0.00	0.00		0.00	0.00	(546,766.08)
<u>(176,299.78)</u>	<u>2,664,869.88</u>	<u>17,457,036.89</u>	<u>(300,000.00)</u>	<u>1,038,834.32</u>	<u>20,645,401.11</u>	<u>20,098,635.03</u>
<u>\$ 649,524.26</u>	<u>\$ 2,664,869.88</u>	<u>\$ 17,457,036.89</u>	<u>\$ 0.00</u>	<u>\$ 1,038,834.32</u>	<u>\$ 21,817,883.65</u>	<u>\$ 22,416,717.57</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2018

	TAMU FUND 0889 FUND 0889 U/F (4057)	TAMU FUND 0889 FUND 0889 U/F (7057)	TOTAL FUND 0889 FUND 0889	Loc Oper FUND 0889 FUND 1005 U/F (3055)	Loc Oper FUND 1005 FUND 1005 U/F (4054)
REVENUES:					
Legislative Appropriations	\$	\$	\$	\$	\$
Additional Appropriations			0.00		
Licenses, Fees and Permits		6,326,255.00	6,326,255.00		
Sales of Goods and Services			0.00		
Administrative Penalties					
Interest and Investment Income		3,094.88	3,094.88		
Other Revenue			0.00		
Total Revenues	0.00	6,329,349.88	6,329,349.88	0.00	0.00
EXPENDITURES:					
Salaries and Wages			0.00		
Payroll Related Costs			0.00		
Professional Fees and Services			0.00		
Travel			0.00		
Materials and Supplies			0.00	1,328.67	
Communication and Utilities			0.00		
Repairs and Maintenance			0.00		
Rentals and Leases			0.00		
Printing and Reproduction			0.00		
Other Operating Expenditures		605.22	605.22		510,381.95
Debt Service-Personal Prop-Computer Equip-Cap Lease					
Interest on Govtl and Fiduciary L-T Debt					
Total Expenditures	0.00	605.22	605.22	1,328.67	510,381.95
EXCESS OF REVENUES OVER EXPENDITURES	0.00	6,328,744.66	6,328,744.66	(1,328.67)	(510,381.95)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Note 1.G.)	6,299,980.00	0.00	6,299,980.00		510,794.10
Increase In Obligations Under Capital Lease					
Operating Transfers Out (Note 1.G.)	(6,299,980.00)	(6,299,980.00)	(12,599,960.00)		
Total Other Financing Sources (Uses)	0.00	(6,299,980.00)	(6,299,980.00)	0.00	510,794.10
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	0.00	28,764.66	28,764.66	(1,328.67)	412.15
FUND BALANCES - Beginning September 1, 2017	0.00	(575,530.74)	(575,530.74)	8,946.97	(47,070.65)
Restatements			0.00		
FUND BALANCES - Ending August 31, 2018	\$ 0.00	\$ (546,766.08)	\$ (546,766.08)	\$ 7,618.30	\$ (46,658.50)

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

UNAUDITED

Loc Oper FUND 1005 FUND 1005 U/F (4055)	Loc Oper FUND 0889 FUND 1005 U/F (7054)	Loc Oper FUND 9999 FUND 1005 U/F (7055)	Loc Oper FUND 1005 FUND 1005 U/F (4201)	Loc Oper FUND 1005 FUND 1005 U/F (7201)	TOTAL FUND 1005	TOTALS EXHIBIT II 2018
\$	\$	\$	\$	\$	\$	\$
					0.00	0.00
					0.00	0.00
	639,392.50	12,180,168.68		1,935,145.00	14,754,706.18	21,080,961.18
		1,452.40			1,452.40	1,452.40
					0.00	0.00
	28,970.76	173,797.41		12,430.12	215,198.29	218,293.17
		408,491.60			408,491.60	408,491.60
<u>0.00</u>	<u>668,363.26</u>	<u>12,763,910.09</u>	<u>0.00</u>	<u>1,947,575.12</u>	<u>15,379,848.47</u>	<u>21,709,198.35</u>
5,686,526.00					5,686,526.00	5,686,526.00
2,243,600.67					2,243,600.67	2,243,600.67
443,609.52					443,609.52	443,609.52
37,310.16					37,310.16	37,310.16
112,366.12					113,694.79	113,694.79
118,684.76					118,684.76	118,684.76
143,649.39					143,649.39	143,649.39
249,020.46					249,020.46	249,020.46
959.40					959.40	959.40
350,152.28	3,868.57	3,985.84	1,630,668.00	344.90	2,499,401.54	2,500,006.76
16,807.66					16,807.66	16,807.66
1,393.81					1,393.81	1,393.81
<u>9,404,080.23</u>	<u>3,868.57</u>	<u>3,985.84</u>	<u>1,630,668.00</u>	<u>344.90</u>	<u>11,554,658.16</u>	<u>11,555,263.38</u>
<u>(9,404,080.23)</u>	<u>664,494.69</u>	<u>12,759,924.25</u>	<u>(1,630,668.00)</u>	<u>1,947,230.22</u>	<u>3,825,190.31</u>	<u>10,153,934.97</u>
10,075,247.88			1,643,274.00		12,229,315.98	18,529,295.98
					0.00	0.00
<u>(724,725.00)</u>	<u>(510,794.10)</u>	<u>(10,075,247.88)</u>		<u>(1,643,274.00)</u>	<u>(12,954,040.98)</u>	<u>(25,554,000.98)</u>
<u>9,350,522.88</u>	<u>(510,794.10)</u>	<u>(10,075,247.88)</u>	<u>1,643,274.00</u>	<u>(1,643,274.00)</u>	<u>(724,725.00)</u>	<u>(7,024,705.00)</u>
(53,557.35)	153,700.59	2,684,676.37	12,606.00	303,956.22	3,100,465.31	3,129,229.97
<u>(122,742.43)</u>	<u>2,511,169.29</u>	<u>14,772,360.52</u>	<u>(312,606.00)</u>	<u>734,878.10</u>	<u>17,544,935.80</u>	<u>16,969,405.06</u>
					0.00	0.00
<u>\$ (176,299.78)</u>	<u>\$ 2,664,869.88</u>	<u>\$ 17,457,036.89</u>	<u>\$ (300,000.00)</u>	<u>\$ 1,038,834.32</u>	<u>\$ 20,645,401.11</u>	<u>\$ 20,098,635.03</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)

EXHIBIT I-1

COMBINING STATEMENT OF FIDUCIARY NET ASSETS - PRIVATE PURPOSE TRUST FUNDS

For the Year Ended August 31, 2018

	REAL ESTATE RECOVERY TRUST ACCT 0889 <u>0889 (U/F 4058)</u>	REAL ESTATE RECOVERY TRUST ACCT 0889 <u>0889 (U/F 7058)</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents		
Cash in State Treasury	\$	\$
Cash Equivalents - Miscellaneous Investments		1,056,063.92
Total Current Assets	<u>0.00</u>	<u>1,056,063.92</u>
Non Current Assets		
Investments - Non-Current		1,847,745.76
Total Non-Current Assets	<u>0.00</u>	<u>1,847,745.76</u>
TOTAL ASSETS	<u>\$ 0.00</u>	<u>\$ 2,903,809.68</u>
LIABILITIES		
Current Liabilities		
Due to Other Funds	\$	\$
Accounts Payable		
Funds Held for Others		
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	<u>0.00</u>	<u>0.00</u>
NET POSITION		
Held in Trust for:	\$	\$
Individuals, Organizations, and Other Governments	<u>0.00</u>	<u>2,903,809.68</u>
TOTAL NET POSITION	<u>\$ 0.00</u>	<u>\$ 2,903,809.68</u>

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

UNAUDITED

REAL ESTATE INSPECTION RECOVERY TRUST 0889 0889 (U/F 4059)	REAL ESTATE RECOVERY TRUST ACCT 0889 0889 (U/F 7059)	TOTAL Exhibit VI 0889 0889
\$	\$	\$
0.00	25,726.55	0.00
<u>0.00</u>	<u>25,726.55</u>	<u>1,081,790.47</u>
<u>0.00</u>	<u>25,726.55</u>	<u>1,081,790.47</u>
0.00	588,994.63	2,436,740.39
<u>0.00</u>	<u>588,994.63</u>	<u>2,436,740.39</u>
<u>0.00</u>	<u>588,994.63</u>	<u>2,436,740.39</u>
\$	\$	\$
<u>0.00</u>	<u>614,721.18</u>	<u>3,518,530.86</u>
<u>0.00</u>	<u>614,721.18</u>	<u>3,518,530.86</u>
\$	\$	\$
0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$	\$	\$
<u>0.00</u>	<u>614,721.18</u>	<u>3,518,530.86</u>
<u>0.00</u>	<u>614,721.18</u>	<u>3,518,530.86</u>
<u>0.00</u>	<u>614,721.18</u>	<u>3,518,530.86</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT I-2
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS -
 PRIVATE PURPOSE TRUST FUNDS
 For the Year Ended August 31, 2018

	REAL ESTATE RECOVERY TRUST ACCT 0889 <u>0889 (U/F 4058)</u>	REAL ESTATE RECOVERY TRUST ACCT 0889 <u>0889 (U/F 7058)</u>
ADDITIONS		
Contributions		
Member Contributions	\$	\$
Total Contributions	<u>0.00</u>	<u>0.00</u>
Investment Income		
From Investing Activities		
Net Appreciation (Depreciation) in Fair Value of Investments		36,693.31
Interest and Investment Income		<u>36,693.31</u>
Total Investing Income	<u>0.00</u>	<u>36,693.31</u>
Total Net Investment Income	<u>0.00</u>	<u>36,693.31</u>
Other Additions		
Federal Revenue	\$	
Contributions to Employee Benefit Funds		
Settlement of Claims		359,290.86
Other Revenue		215,918.03
Transfers-In (Note 1.G.)	<u>193,832.65</u>	
Total Other Additions	<u>193,832.65</u>	<u>575,208.89</u>
Total Additions	<u>193,832.65</u>	<u>611,902.20</u>
DEDUCTIONS		
Employee Benefit Payments	\$	
Transfers Out of Contributions		
Interest Expense		
Travel		
Claims & Judgements	193,671.65	
Other Expense	161.00	791.61
Transfers Out (Note 1.G.)		<u>193,832.65</u>
Total Deductions	<u>193,832.65</u>	<u>194,624.26</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>0.00</u>	<u>417,277.94</u>
Net Position, September 1, 2017	<u>0.00</u>	<u>2,486,531.74</u>
Net Position, August 31, 2018	<u>\$ 0.00</u>	<u>\$ 2,903,809.68</u>

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

UNAUDITED

REAL ESTATE INSPECTION RECOVERY TRUST 0889 <u>0889 (U/F 4059)</u>	REAL ESTATE INSPECTION RECOVERY TRUST 0889 <u>0889 (U/F 7059)</u>	TOTAL Exhibit VII <u>2018</u>
\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
		0.00
	<u>6,712.27</u>	<u>43,405.58</u>
<u>0.00</u>	<u>6,712.27</u>	<u>43,405.58</u>
<u>0.00</u>	<u>6,712.27</u>	<u>43,405.58</u>
	10,350.00	369,640.86
	6,004.43	221,922.46
<u>27,643.02</u>		<u>221,475.67</u>
<u>27,643.02</u>	<u>16,354.43</u>	<u>813,038.99</u>
<u>27,643.02</u>	<u>23,066.70</u>	<u>856,444.57</u>
		0.00
		0.00
		0.00
		0.00
		193,671.65
	273.76	1,226.37
<u>27,643.02</u>	<u>27,643.02</u>	<u>249,118.69</u>
<u>27,643.02</u>	<u>27,916.78</u>	<u>444,016.71</u>
<u>0.00</u>	<u>(4,850.08)</u>	<u>412,427.86</u>
<u>0.00</u>	<u>619,571.26</u>	<u>3,106,103.00</u>
\$ <u><u>0.00</u></u>	\$ <u><u>614,721.18</u></u>	\$ <u><u>3,518,530.86</u></u>

UNAUDITED

Texas Real Estate Commission (329)
 Exhibit J-1 -Combining Statement of Changes in Assets and Liabilities--Agency Funds
 August 31, 2018

OTHER AGENCY FUNDS

	Balances Sept 1 2017		Additions	Deductions	Balances Aug 31 2018 (EXHIBIT VI)	
Fund (0889) U/F (4060)						
ASSETS						
Cash in State Treasury	\$		\$ 188,200.00	\$ (188,200.00)	\$	0
Total Assets	\$	0	\$ 188,200.00	\$ (188,200.00)	\$	0
LIABILITIES						
Accounts Payable	\$		\$ 188,200.00	\$ (188,200.00)	\$	0
Funds Held for Others	\$		\$ 188,200.00	\$ (188,200.00)	\$	0
Total Liabilities	\$	0	\$ 376,400.00	\$ (376,400.00)	\$	0

Fund (0889) U/F (7060)

ASSETS						
Cash Equivalents - Misc. Investments	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17
Total Assets	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17
LIABILITIES						
Funds Held for Others	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17
Total Liabilities	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17

Totals - All Agency Funds

ASSETS						
Cash in State Treasury	\$		\$ 188,200.00	\$ (188,200.00)	\$	
Cash Equivalents - Misc. Investments	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17
Total Assets	\$	16,349.88	\$ 393,005.22	\$ (376,595.93)	\$	32,759.17
LIABILITIES						
Payables	\$	-	\$ 188,200.00	\$ (188,200.00)	\$	
Funds Held for Others	\$	16,349.88	\$ 204,805.22	\$ (188,395.93)	\$	32,759.17
Total Liabilities	\$	16,349.88	\$ 393,005.22	\$ (376,595.93)	\$	32,759.17

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT K-1
 COMBINING STATEMENT OF NET ASSETS -
 DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2018

	Component Unit GAAP Fund 1005 U/F (4056)	Component Unit GAAP Fund 1005 U/F (7056)	Component Unit GAAP Fund 1005 U/F (7193)	TOTALS EXHIBIT VIII 2018 GAAP Fund 1005
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 92,609.74	\$	\$	\$ 92,609.74
Cash in Bank		0.00		0.00
Interfund Receivable				0.00
Cash Equivalents - Misc. Investments		1,196,633.10	49,213.27	1,245,846.37
Consumable Inventories		1,443.26		1,443.26
Current Assets:	<u>92,609.74</u>	<u>1,198,076.36</u>	<u>49,213.27</u>	<u>1,339,899.37</u>
Non-Current Assets:				
Investments - Non-Current (Note 3)	\$	924,200.54		924,200.54
Furniture & Equipment, Net		0.00		0.00
Computer Software, Intangible, Net (Note 2)		24,592.06		24,592.06
Non-Current Assets	<u>0.00</u>	<u>948,792.60</u>	<u>0.00</u>	<u>948,792.60</u>
Total Assets:	<u>92,609.74</u>	<u>2,146,868.96</u>	<u>49,213.27</u>	<u>2,288,691.97</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 20,169.68			20,169.68
Payroll Payable	92,609.74			92,609.74
Interfund Payable				0.00
Employee Compensable Leave (Note 5)		97,115.27		97,115.27
Current Liabilities	<u>112,779.42</u>	<u>97,115.27</u>	<u>0.00</u>	<u>209,894.69</u>
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)	\$	68,370.35		68,370.35
Non-Current Liabilities	<u>0.00</u>	<u>68,370.35</u>	<u>0.00</u>	<u>68,370.35</u>
Total Liabilities	<u>112,779.42</u>	<u>165,485.62</u>	<u>0.00</u>	<u>278,265.04</u>
NET POSITION				
Net Assets Invested in Capital Assets	\$			0.00
Unrestricted Net Position	(20,169.68)	0.00	0.00	(20,169.68)
Net Assets Restricted for Other		1,981,383.34	49,213.27	2,030,596.61
Total Net Position	<u>\$ (20,169.68)</u>	<u>1,981,383.34</u>	<u>49,213.27</u>	<u>2,010,426.93</u>

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT K-2
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 - DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2018

	Component Unit GAAP Fund 1005 U/F (4056)	Component Unit GAAP Fund 1005 U/F (7056)	Component Unit GAAP Fund 1005 U/F (7193)	TOTALS EXHIBIT IX 2018 GAAP Fund 1005
OPERATING REVENUES				
Professional Fees	\$	\$ 1,917,967.99	\$	\$ 1,917,967.99
Sales of Goods and Services		155.90		155.90
Administrative Penalties			20,551.00	20,551.00
Other Operating Revenues - Non-pledged		4,822.57		4,822.57
Operating Revenues	<u>0.00</u>	<u>1,922,946.46</u>	<u>20,551.00</u>	<u>1,943,497.46</u>
OPERATING EXPENSES				
Salaries and Wages	\$ 856,661.14	35,014.27		891,675.41
Payroll Related Costs	311,523.45			311,523.45
Professional Fees and Services	42,804.81			42,804.81
Travel	30,380.81			30,380.81
Materials and Supplies	7,721.52	1,492.79		9,214.31
Communication and Utilities	23,262.80			23,262.80
Repairs and Maintenance	14,540.93			14,540.93
Rentals & Leases	39,336.60			39,336.60
Printing and Reproduction	12.50			12.50
Depreciation and Amortization Expense (Note 2)		12,295.68		12,295.68
Interest	2.42			2.42
Other Expenditures	48,931.57		129.62	49,061.19
Operating Expenses	<u>1,375,178.55</u>	<u>48,802.74</u>	<u>129.62</u>	<u>1,424,110.91</u>
Operating Income (Loss)	<u>(1,375,178.55)</u>	<u>1,874,143.72</u>	<u>20,421.38</u>	<u>519,386.55</u>
NON-OPERATING REVENUE (EXPENSES)				
Investment Income (Non-Pledged)	\$	\$ 11,534.50	\$	\$ 11,534.50
Interest On Local Deposits		8,298.88	583.56	8,882.44
Total Other Non-operating Revenues (Expenses)	<u>0.00</u>	<u>19,833.38</u>	<u>583.56</u>	<u>20,416.94</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(1,375,178.55)</u>	<u>1,893,977.10</u>	<u>21,004.94</u>	<u>539,803.49</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS				
Transfer In-Note 1.G.	\$ 1,398,818.64		0.00	1,398,818.64
Transfer Out-Note 1.G.	<u>(25,275.00)</u>	<u>(1,398,818.64)</u>	<u>0.00</u>	<u>(1,424,093.64)</u>
Cap Contrib/Endow/Special/Extra/Transfers	<u>1,373,543.64</u>	<u>(1,398,818.64)</u>	<u>0.00</u>	<u>(25,275.00)</u>
Increase/(Decrease) in Net Assets	<u>(1,634.91)</u>	<u>495,158.46</u>	<u>21,004.94</u>	<u>514,528.49</u>
Net Position, September 1, 2017	(18,534.77)	1,486,224.88	28,208.33	1,495,898.44
Restatements				0.00
Net Position, September 1, 2017, as Restated	<u>(18,534.77)</u>	<u>1,486,224.88</u>	<u>28,208.33</u>	<u>1,495,898.44</u>
Net Position, August 31, 2018	<u>\$ (20,169.68)</u>	<u>\$ 1,981,383.34</u>	<u>\$ 49,213.27</u>	<u>\$ 2,010,426.93</u>

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