



Annual Financial Report

For the Year Ended August 31, 2020

Chelsea Buchholtz, Executive Director

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Protecting Texans' Dreams

October 1, 2020

TREC Commissioners

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Chair

Bob Leonard
Vice Chair

TJ Turner
Secretary

Jason Hartgraves

Jan Fite Miller

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Micheal Williams

Chelsea Buchholtz
Executive Director

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, First Assistant State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Real Estate Commission for the year ended August 31, 2020, in compliance with TEX. GOV'T CODE ANN Section 2101.011 and in accordance with the requirements established by the Texas Comptroller of Public Accounts.



TALCB Board Members

Sara Oates
Chair

Martha Gayle Reid Lynch
Vice Chair

Chance Bolton
Secretary

Clayton P. Black

James J. Jeffries

Tony F. Peña

Earl "Buster" Renfrow

Stephanie Robinson

Lisa Sprinkle

Chelsea Buchholtz
Commissioner

Due to the statewide requirements embedded in Governmental Accounting Standards Board (GASB) 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 *Comprehensive Annual Financial Report (CAFR)*; 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 Ranada Williams at 512-936-0102.

Sincerely,

Chelsea Buchholtz
Executive Director

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT I
 COMBINED BALANCE SHEET/STATEMENT OF NET POSITION -
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2020

	GOVERNMENTAL FUND TYPES GENERAL FUNDS (Exh A-1)	SPECIAL REVENUE FUNDS (Exh B-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash in Bank	\$ 63,776.00	\$	\$	\$	\$ 63,776.00
Cash Equivalents - Misc. Investments (Note 3)	6,456,261.37				6,456,261.37
Cash in State Treasury	838,818.65	850.00			839,668.65
Legislative Appropriations	0.00				0.00
Due From Other Funds (Note 12)	698,720.00				698,720.00
Consumable Inventories	9,839.54		0.00	0.00	9,839.54
Total Current Assets	8,067,415.56	850.00	0.00	0.00	8,068,265.56
Non-Current Assets:					
Investments - NonCurrent (Note 3)	\$ 15,391,308.92	\$	\$	\$	\$ 15,391,308.92
Capital Assets:					
Depreciable					
Furniture and Equipment (Note 2)	\$	\$	\$ 253,576.37	\$	\$ 253,576.37
Less Accumulated Depreciation (Note 2)			(157,766.53)		(157,766.53)
Intangible					
Computer Software (Note 2)			263,662.50		263,662.50
Less Accumulated Amortization (Note 2)			(263,662.50)		(263,662.50)
Total Non-Current Assets	15,391,308.92	0.00	95,809.84	0.00	15,487,118.76
TOTAL ASSETS	\$ 23,458,724.48	\$ 850.00	\$ 95,809.84	\$ 0.00	\$ 23,555,384.32
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$ 237,977.95	\$	\$	\$	\$ 237,977.95
Payroll Payable	818,501.05				818,501.05
Interfund Payable	0.00				-
Due to Other Funds/Agencies (Note 12)	1,397,440.00				1,397,440.00
Employees' Compensable Leave (Note 5)				615,674.72	615,674.72
Capital Lease Obligations (Note 5, 8)				0.00	-
Total Current Liabilities	2,453,919.00	0.00	0.00	615,674.72	3,069,593.72
Non-Current Liabilities:					
Employees' Compensable Leave (Note 5)				445,403.86	445,403.86
Capital Lease Obligations				0.00	-
Total Non-Current Liabilities	0.00	0.00	0.00	445,403.86	445,403.86
TOTAL LIABILITIES	2,453,919.00	0.00	0.00	1,061,078.58	3,514,997.58
FUND BALANCES (DEFICITS):					
NonSpendable - Consumable Inventory	9,839.54				9,839.54
Restricted		850.00			850.00
Committed	21,369,529.69	0.00			21,369,529.69
Unassigned	(374,563.75)	0.00			(374,563.75)
TOTAL FUND BALANCES	21,004,805.48	850.00	0.00	0.00	21,005,655.48
TOTAL LIABILITIES AND FUND BALANCES	\$ 23,458,724.48	850.00	0.00	1,061,078.58	24,520,653.06
Government-wide Statement of Net Position					
Net Position:					
Invested in Capital Assets, Net of Related Debt			95,809.84	(34,298.35)	61,511.49
Unrestricted				(1,026,780.23)	(1,026,780.23)
Total Net Position			\$ 95,809.84	(1,061,078.58)	\$ 20,040,386.74
The accompanying notes to the financial statements are an integral part of this statement.					
					\$ 23,555,384.32

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TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT II
 COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2020

	GENERAL FUNDS (Exh A-2)	SPECIAL REVENUE FUNDS (Exh B-2)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
REVENUES:					
Legislative Appropriations	\$ 0.00		\$		\$ 0.00
Additional Appropriations	0.00				0.00
Licenses and Permits	19,517,221.38	507,700.00			20,024,921.38
Sales of Goods and Services	554.55				554.55
Administrative Penalties	0.00				0.00
Interest and Investment Income	277,955.69				277,955.69
Other Revenue	334,325.15				334,325.15
Total Revenues	\$ 20,130,056.77	507,700.00	\$ 0.00	\$ 0.00	\$ 20,637,756.77
EXPENDITURES:					
Salaries and Wages	\$ 7,519,848.41		\$	151,814.55	\$ 7,671,662.96
Payroll Related Costs	2,799,328.26				2,799,328.26
Professional Fees & Services	258,850.16				258,850.16
Travel	34,769.94				34,769.94
Materials and Supplies	223,202.49				223,202.49
Communication and Utilities	139,390.04				139,390.04
Repairs and Maintenance	354,621.39				354,621.39
Rentals and Leases	245,490.54				245,490.54
Printing and Reproduction	3,991.88				3,991.88
Claims and Judgements	40,223.25				40,223.25
Other Operating Expenditures	1,907,267.88	506,850.00			2,414,117.88
Debt Service-Personal Prop-Computer Equip-Cap Lease	76,538.69				76,538.69
Interest on Govtl and Fiduciary L-T Debt	0.00				0.00
Capital Outlay (Note 5)	0.00			0.00	0.00
Depreciation Expense (Note 2)	0.00		(28,087.47)		(28,087.47)
Total Expenditures	\$ 13,603,522.93	506,850.00	\$ (28,087.47)	\$ 151,814.55	\$ 14,234,100.01
EXCESS OF REVENUES OVER EXPENDITURES	\$ 6,526,533.84	850.00	\$ 28,087.47	\$ (151,814.55)	\$ 6,403,656.76
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Note 1.G.)	\$ 23,052,239.89		\$		\$ 23,052,239.89
Operating Transfers Out (Note 1.G.)	(30,387,119.89)				(30,387,119.89)
Increase in Obligations Under Capital Leases	0.00				0.00
Total Other Financing Sources (Uses)	(7,334,880.00)	0.00	0.00	0.00	(7,334,880.00)
NET CHANGE IN FUND BALANCES/NET ASSETS	\$ (808,346.16)	850.00	\$ 28,087.47	\$ (151,814.55)	\$ (931,223.24)
Net Assets - Beginning of Year September 1, 2019	\$ 21,813,151.64				\$ 21,813,151.64
Restatement	0.00				0.00
Lapsed Appropriations	0.00				0.00
FUND BALANCES - Ending August 31, 2020	\$ 21,004,805.48				\$ 20,881,928.40
Government-wide Statement - Net Assets					
Change in Net Assets			\$ 28,087.47	\$ (151,814.55)	
Net Assets Beginning			\$ 67,722.37	\$ (909,264.03)	\$ (841,541.66)
Adjustments to Beginning Net Assets					0.00
Restatement					0.00
Net Assets Beginning as Restated and Adjusted			\$ 67,722.37	\$ (909,264.03)	\$ (841,541.66)
Net Assets Ending			\$ 95,809.84	\$ (1,061,078.58)	\$ 20,040,386.74

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT VI
 COMBINED STATEMENT OF FIDUCIARY NET POSITION
 For the Year Ended August 31, 2020

	PRIVATE- PURPOSE TRUST (Exh I-1)	AGENCY FUNDS (Exh J-1)	TOTAL 2020
ASSETS			
Current Assets			
Cash and Cash Equivalents			
Cash in State Treasury	\$ 0.00	\$ 0.00	\$ 0.00
Cash Equivalents - Miscellaneous Investments	806,092.30	32,289.60	838,381.90
Total Current Assets	<u>806,092.30</u>	<u>32,289.60</u>	<u>838,381.90</u>
Non Current Assets			
Short Term Investments: (Note 3)	3,507,099.49	0.00	3,507,099.49
Total Non-Current Assets	<u>3,507,099.49</u>	<u>0.00</u>	<u>3,507,099.49</u>
TOTAL ASSETS	<u>\$ 4,313,191.79</u>	<u>\$ 32,289.60</u>	<u>\$ 4,345,481.39</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 0.00	\$ 0.00	\$ 0.00
Funds Held for Others	0.00	32,289.60	32,289.60
Total Current Liabilities	<u>0.00</u>	<u>32,289.60</u>	<u>32,289.60</u>
TOTAL LIABILITIES	<u>\$ 0.00</u>	<u>\$ 32,289.60</u>	<u>\$ 32,289.60</u>
NET POSITION			
Held in Trust for:			
Individuals, Organizations, and Other Governments	\$ 4,313,191.79	\$ 0.00	\$ 4,313,191.79
TOTAL NET POSITION	<u>\$ 4,313,191.79</u>	<u>\$ 0.00</u>	<u>\$ 4,313,191.79</u>

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT VII
 COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Year Ended August 31, 2020

	PRIVATE- PURPOSE TRUST (Exh I-2)
ADDITIONS	
Contributions	
Member Contributions	\$ 0.00
Total Contributions	<u>0.00</u>
Investment Income	
From Investing Activities	
Net Appreciation (Depreciation) in	0.00
Fair Value of Investments	0.00
Interest and Investment Income	<u>53,277.74</u>
Total Investing Income	<u>53,277.74</u>
Total Net Investment Income	<u>53,277.74</u>
Other Additions	
Federal Revenue	0.00
Contributions to Employee Benefit Funds	0.00
Settlement of Claims	401,151.23
Other Revenue	320,750.00
Transfers-In (Note 1.G.)	<u>269,199.56</u>
Total Other Additions	<u>991,100.79</u>
Total Additions	<u>1,044,378.53</u>
DEDUCTIONS	
Employee Benefit Payments	0.00
Transfers Out of Contributions	0.00
Interest Expense	0.00
Travel	0.00
Claims & Judgements	223,285.53
Other Expense	1,367.68
Transfers Out (Note 1.G.)	<u>314,979.59</u>
Total Deductions	<u>539,632.80</u>
NET INCREASE (DECREASE)	<u>504,745.73</u>
Net Assets - Beginning of Year September 1, 2019	<u>3,808,446.06</u>
Net Assets - End of Year August 31, 2020	<u>\$ 4,313,191.79</u>

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT VIII
 COMBINED STATEMENT OF NET POSITION - DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2020

	Component Unit (Exh K-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in State Treasury	\$ 130,096.99
Cash in Bank	0.00
Interfund Receivable	0.00
Cash Equivalents - Miscellaneous Investments	1,116,273.54
Consumable Inventories	1,822.52
Current Assets:	<u>\$ 1,248,193.05</u>
Non-Current Assets:	
Investments - Non-Current (Note 3)	\$ 1,191,738.52
Furniture & Equipment, Net	0.00
Computer Software, Intangible, Net (Note 2)	0.00
Non-Current Assets	<u>\$ 1,191,738.52</u>
Total Assets:	<u>\$ 2,439,931.57</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	\$ 14,799.00
Payroll Payable	130,096.99
Interfund Payable	0.00
Employee Compensable Leave (Note 5)	118,885.89
Current Liabilities	<u>\$ 263,781.88</u>
Non-Current Liabilities:	
Employee Compensable Leave (Note 5)	96,543.18
Non-Current Liabilities	<u>\$ 96,543.18</u>
Total Liabilities	<u>\$ 360,325.06</u>
NET POSITION	
Net Assets Invested in Capital Assets	\$ 0.00
Unrestricted Net Position	(14,799.00)
Net Assets Restricted for Other	2,094,405.51
Total Net Position	<u><u>\$ 2,079,606.51</u></u>

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT IX
 COMBINED STATEMENT OF ACTIVITIES
 - DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2020

	Component Unit (Exh K-2)
OPERATING REVENUES	
Professional Fees	\$ 2,172,173.02
Sales of Goods and Services	0.00
Administrative Penalties	2,500.00
Interest	0.00
Other Operating Revenues - Non-pledged	20,462.23
Operating Revenues	<u>\$ 2,195,135.25</u>
OPERATING EXPENSES	
Salaries and Wages	1,227,233.07
Payroll Related Costs	400,467.52
Professional Fees and Services	204,612.54
Travel	28,323.30
Materials and Supplies	4,712.38
Communication and Utilities	41,499.18
Repairs and Maintenance	0.00
Rentals & Leases	34,653.30
Printing and Reproduction	159.18
Depreciation and Amortization Expense (Note 2)	12,296.38
Interest	26.03
Other Expenditures	54,132.23
Operating Expenses	<u>\$ 2,008,115.11</u>
Operating Income (Loss)	<u>\$ 187,020.14</u>
NON-OPERATING REVENUE (EXPENSES)	
Investment Income (Non-Pledged)	\$ 17,153.76
Interest On Local Deposits	3,400.46
Total Other Non-operating Revenues (Expenses)	<u>\$ 20,554.22</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>\$ 207,574.36</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Transfer In-Note 1.G.	\$ 1,991,166.84
Transfer Out-Note 1.G.	(2,013,666.84)
Cap Contrib/Endow/Special/Extra/Transfers	<u>\$ (22,500.00)</u>
Net Assets - Beginning of Year September 1, 2019	1,894,532.15
Restatements	0.00
Net Assets, September 1, 2019, as Restated	<u>\$ 1,894,532.15</u>
Net Assets, August 31, 2020	<u><u>\$ 2,079,606.51</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2020

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Real Estate Commission is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The Texas Real Estate Commission (TREC) was created in 1939 under the Texas Real Estate Dealer's License Act. Since 1949, policy direction is provided by the Texas Real Estate Commission, and an Executive Director, appointed by the Commission, directs the activities of the agency. Policy direction for the Texas Appraiser Licensing and Certification Board (TALCB), an independent subdivision of the Texas Real Estate Commission, is provided by the Board, and a Commissioner directs the administration of the subdivision. Additional information can be found in Note 19.

The function of the agency is the protection of the public through regulation of licensed real estate brokerage practitioners, appraisers, appraisal management companies, real estate inspectors, easement or right-of-way agents and residential service companies in Texas. Additionally, the agency protects the public by registering entities which offer timesharing interests in Texas.

Beginning in 1939, those who appraise real property for a fee in Texas were required to have a real estate license from the Texas Real Estate Commission (TREC) or be otherwise exempted by law. Since July 1, 1991, a person holding an appraiser certification or license issued by the Texas Appraiser Licensing and Certification Board (TALCB) is not required to be licensed by TREC to perform real property appraisals. Beginning September 1, 2011, those who appraise real property for a fee in Texas are required to have a license from the TALCB.

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 Comprehensive Annual Financial Report, therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

The Texas Real Estate Commission includes within this report all components as determined by an analysis of their relationship to the Texas Appraiser Licensing and Certification Board (TALCB) as listed below.

Discrete Component Units

The Texas Appraiser Licensing and Certification Board (TALCB), an independent subdivision of the Texas Real Estate Commission, has been determined to be a discrete component unit as defined by GASB Statement No. 14. The financial statements of TALCB are presented in Exhibit VIII, IX, K1 and K2. Additional information is provided in Note 19.

COVID-19 Impact

Governor Greg Abbott issued an Executive Order on March 31, 2020 implementing Essential Services and Activities Protocols for the entire state of Texas. This Executive Order classified residential and commercial real estate services, including settlement services as essential. As a result of this Executive Order, the Texas Real Estate Commission was minimally impacted by COVID-19. The agency offered extensions to license holders who were not able to complete education requirements prior to COVID-19, and the subsequent temporary closure of our contracted testing facility. This affected the recognition of revenue during the months of March 2020 thru July 2020.

B. 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 & GOVERNMENT-WIDE ADJUSTMENT FUND TYPESGeneral Fund

The general fund is used to account for all financial resources of the state except those required to be accounted for in another fund.

Texas Real Estate Commission Local Operating Fund (Fund 1005)

The Commission and the Board operate under Fund 1005, which is held in the Texas Treasury Safekeeping Trust Company, and is used to pay the agency's expenditures in USAS. It derives its financing from license fees, penalty fees, and interest revenues.

Special Revenue Fund (Fund 0028)

Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes other than debt service or capital projects. The agency is required by statute (Section 1104.052, Occupations Code) to deposit the appraiser national registry fee into the general revenue fund.

Capital Asset Adjustment Fund Type

Capital Asset Adjustment Fund Type will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment Fund Type will be used to convert governmental fund types' debt from modified accrual to full accrual.

FIDUCIARY FUND TYPESAgency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The implementation of GASB 34 requires agencies to transfer balances in agency funds – Fund Type 09 (Fiduciary Funds) to Fund Type 01 (General Funds).

Private Purpose Trust Funds

Private Purpose Trust funds are used to account for all other trust arrangements whose principal and interest benefit individuals, private organizations, or other governments. Expendable trust funds are used to account for trust funds whose principal and interest may be expended in the course of their designated operations. Principal and revenue of the Expendable Trust Funds, the Real Estate Recovery Trust Account and the Real Estate Inspection Recovery Fund, may be expended when recovery is ordered by a court of competent jurisdiction against a broker, salesperson, inspector, or easement or right-of-way agent to recover travel and related expenses incurred for collection of court judgments affecting the fund.

C. COMPONENT UNITS

Discrete Component Units: The Texas Appraiser Licensing and Certification Board (TALCB), an independent subdivision of the Texas Real Estate Commission, has been determined to be a component unit as defined by GASB Statement No. 14. The financial statements of TALCB are presented in Exhibits VIII, IX, K1 and K2. Information on the component unit is provided in Note 19.

D. 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, 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.

Basis conversion adjustment fund types convert modified accrued basis to full accrued basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The outstanding debt service principal on long-term liabilities
- Capital leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

Proprietary funds, pension trust funds, external investment trust funds, and private-purpose trust fund are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets.

E. BUDGETS AND BUDGETARY ACCOUNTING

For non-Self-Direct Semi-Independent (SDSI) agencies, the budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act). Unencumbered appropriations (for non SDSI agencies) are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Pursuant to Texas Occupations Code, Title 7, Chapter 1105, the agency is Self-Directed and Semi-Independent.

The budget is prepared annually using generally accepted accounting principles. The budget is reviewed and approved by the governing Commission and Board. During the year, the agency's financial activity is monitored against this budget. No costs are incurred by the General Revenue fund. The agency is responsible for all costs, both direct and indirect.

F. 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.

Invested balances in the overnight repurchase agreement pool are reported as cash equivalent and identified as *Repurchase Agreement-Texas Treasury Safekeeping Trust Co.*

Pursuant to the Funds Management Agreement with the Comptroller's Office, money held in the Texas Safekeeping Trust Fund accounts and subaccounts shall be fully invested at all times and reinvested by the Trust Company in authorized investments which include any investment described under *Sections 404.024 and 404.106* of the *Texas Government Code*.

Restricted Assets

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include proceeds of enterprise fund general obligation and revenue bonds and revenues set aside for statutory or contractual requirements.

Inventories and Prepaid Items

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally using the last-in, first-out method. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Assets with an initial, individual cost meeting the thresholds established by the Comptroller's office and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost, or if any 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 and historical treasures are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost, if actual historical cost is not available. Donated assets are reported at fair value on the acquisition date. Depreciation is charged to operations over the estimated useful life of each asset, using the straight-line method.

Current Receivables - Other

Other receivables include year-end revenue accruals. This account can appear in governmental and proprietary fund types.

LIABILITIES

Accounts Payable

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

Employees' Compensable Leave

Employees' Compensable Leave Balances represent the liability that became "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.

Capital Lease Obligations

Capital lease obligations represent the liability for future lease payments under capital lease contracts. Liabilities are reported separately as either current or noncurrent in the statement of net position.

FUND BALANCES/NET POSITION

The difference between fund assets and liabilities is "Net Assets" on the government-wide, proprietary and fiduciary fund statements, and the "Fund Balance" is the difference between fund assets and liabilities on the governmental fund statements.

Fund Balance Components

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

- Non-spendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) 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 by a formal action of the Texas Legislature, the state's highest level of decision making authority.
- The Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board adopted formal policies on August 10, 2020 and August 21, 2020, respectively, to establish the appropriate level of the agency's fund balance to meet anticipated obligations. The following levels were approved at the August 2020 meetings:

	TREC	TALCB
Current Operations and Contingencies	\$ 7,432,904	\$ 738,002
Total Fund Balance Reserve	<u>\$ 7,432,904</u>	<u>\$ 738,002</u>

The Commission policy states that the Commission will accumulate and maintain an Operations and Contingencies Reserve totaling not less than six months of current budget's estimated operating expenses, excluding all 'pass through' expense items.

The Board's policy states that the Board will accumulate and maintain an Operations and Contingencies Reserve totaling not less than three months of current budget's estimated operating expenses, excluding all 'pass thru' expense items.

The Operations and Contingency reserve account levels will be set each year in conjunction with the preparation of the Commission's and Board's annual budget.

- 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 (1) the Texas Legislature or (2) a body (for example, 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 result when constraints placed on net resources use 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 consist of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often have constraints on resources that are imposed by management, but can be removed or modified.

G. INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among 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. Operating transfers represent routine transfers of resources. Operating transfers are reported in the Other Financing Sources (Uses) section of Exhibits II, VII, IX, A-2, I-2, and K-2.

Fund 4057

Transfers In – includes the following:

Transfer from agency 329, Fund 7057	\$ 6,607,380	a
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Transfers Out – includes the following:

Transfer to agency 711, Fund 7999	\$ 6,607,380	b
-----------------------------------	--------------	---

Fund 7057

Transfers In – none

Transfers Out – includes the following:

Transfer to agency 329, Fund 4057	\$ 6,607,380	a
-----------------------------------	--------------	---

Fund 4054

Transfers In – includes the following:

Transfer from agency 329, Fund 7054	\$ 521,402.40	c
-------------------------------------	---------------	---

Transfers Out - none

Fund 4055

Transfers In – includes the following:

Transfer from agency 329, Fund 7055	\$ 13,374,638.40	d
-------------------------------------	------------------	---

Transfers Out – includes the following:

Transfer to agency 902, Fund 0001	\$ 727,500	e
-----------------------------------	------------	---

Fund 4056

Transfers In – includes the following:

Transfer from agency 329, Fund 7056	\$ 1,964,566.84	f
-------------------------------------	-----------------	---

Transfers Out – includes the following:

Transfer to agency 902, Fund 0001	\$ 22,500	e
-----------------------------------	-----------	---

Fund 4201

Transfers In – includes the following:

Transfer from agency 329, Fund 7201	\$ 1,096,554.75	g
-------------------------------------	-----------------	---

Transfers Out - none

Fund 7054

Transfers In – none

Transfers Out – includes the following:

Transfer to agency 329, Fund 4054	\$ 521,402.40	c
Transfer to agency 329, Fund 7055	\$ 1,452,264.34	

Fund 7055

Transfers In – includes the following:

Transfer from agency 329, fund 7054	\$ 1,452,264.34	
-------------------------------------	-----------------	--

Transfers Out – includes the following:

Transfer to agency 329, Fund 4055	\$ 13,374,638.40	d
-----------------------------------	------------------	---

Fund 7056

Transfers In – none

Transfers Out – includes the following:

Transfer to agency 329, Fund 4056	\$ 1,964,566.84	f
-----------------------------------	-----------------	---

Fund 7201

Transfers In – none

Transfers Out – includes the following:

Transfer to agency 329, Fund 4201	\$ 1,096,554.75	g
-----------------------------------	-----------------	---

Fund 4058

Transfers In – includes the following:

Transfer from agency 329, Fund 7058	\$ 223,419.53	h
-------------------------------------	---------------	---

Transfers Out - none

Fund 7058

Transfers In – none

Transfers Out - includes the following:

Transfer to agency 329, Fund 4058	\$ 223,419.53	h
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Fund 4059

Transfers In – includes the following:

Transfer from agency 329, Fund 7059	\$ 45,780.03	i
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Transfers Out – includes the following:

Transfer from 329, fund 4059 to General Revenue	\$ 45,780.03	j
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Fund 7059

Transfers In – none

Transfers Out - includes the following:

Transfer to agency 329, Fund 4059	\$ 45,780.03	i
-----------------------------------	--------------	---

Fund 4193**Transfers In** – includes the following:

Transfer from agency 329, Fund 7193	\$	26,600.00	k
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Transfers Out – noneFund 7193**Transfers In** – none**Transfers Out** - includes the following:

Transfer to agency 329, Fund 4193	\$	26,600.00	k
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Total Other Financing Sources (Uses) – General Funds and Fiduciary Funds

Total Transfer In (Exh II, A-2)	\$23,052,239.89
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Total Transfer Out (Exh II, A-2)	<u>\$(30,387,119.89)</u>
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Total Other Financing Sources (Uses) – General Funds	\$(7,334,880.00)
--	------------------

Total Transfer In (Exh IX, K-2)	\$ 1,991,166.84
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Total Transfer Out (Exh IX, K-2)	\$(2,013,666.84)
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Total Transfer In (Exh VII, I-2)	\$ 269,199.56
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Total Transfer Out (Exh VII, I-2)	\$ (314,979.59)
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- a. Transfer of fees collected on behalf of Texas A&M University in local fund 7057 to 4057 to process transfer to Texas A&M.
- b. Transfer of fees from 4057 to TAMU, fund 7999.
- c. Transfer of funds from local Fund 7054 to Fund 4054 to pay agency expenditures and transfer between local Fund 7054 to local Fund 7055.
- d. Transfer of funds from local Fund 7055 to Fund 4055 to pay agency expenditures.
- e. Transfer of annual payment to General Revenue (Agency 902, Fund 0001) pursuant to *Texas Government Code, Chapter 472*.
- f. Transfer of funds from local Fund 7056 to Fund 4056 to pay agency expenditures.
- g. Transfer of funds from local Fund 7201 to Fund 4021 to pay agency expenditures.
- h. Transfer of funds from local Fund 7058 to Fund 4058 to pay agency expenditures.
- i. Transfer of funds from local Fund 7059 to Fund 4059 to process return of excess funds to GR.
- j. Transfer of funds from fund 4059 to the General Revenue fund per Occupations Code, Chapter 1102.353(d).
- k. Transfer of funds from local Fund 7193 to Fund 4193 to pay agency expenditures.

2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current."

4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables at August 31, 2020, if any, is presented in Note 12.

NOTE 2: CAPITAL ASSETS

A summary of changes in General Fixed Assets for the year ended August 31, 2020, is presented below.

	PRIMARY GOVERNMENT					Balance 08/31/20
	Balance 09/01/19	Adjustments	Reclass	Additions	Deletions	
Governmental Activities						
Depreciable Assets						
Furniture and Equipment	\$177,037.68			76,538.69	0	\$253,576.37
Total Depreciable Assets						
at Historical Cost	\$177,037.68			76,538.69	0	\$253,576.37
Less Accumulated Depreciation for:						
Furniture and Equipment	(\$135,682.37)			(22,084.16)	0	(\$157,766.53)
Total Accumulated Depreciation	(\$135,682.37)			(22,084.16)	0	(\$157,766.53)
Depreciable Assets Net	\$ 41,355.31			54,454.53	(0)	\$95,809.84
Amortizable Assets Intangible						
Computer Software	\$300,398.75				(36,736.25)	\$263,662.50
Total Amortizable Assets						
at Historical Cost	\$300,398.75				(36,736.25)	\$263,662.50
Less Accumulated Amortization						
Computer Software	(\$274,031.69)			(26,367.06)	36,736.25	(\$263,662.50)
Total Accumulated Amortization	(\$274,031.69)	-	-	(26,367.06)		(\$263,662.50)
Amortizable Assets Net	\$ 26,367.06	-	-	(26,367.06)		\$0
Governmental Activities Net	\$ 67,722.37	-	-	28,087.47	(0)	\$95,809.84

NOTE 2 : CAPITAL ASSETS (CONT)

Component Unit Activities	DISCRETE COMPONENT UNIT					Balance 08/31/20
	Balance 09/01/19	Adjustments	Reclass	Additions	Deletions	
Depreciable Assets						
Furniture and Equipment	\$ 0				0	\$ 0
Total Depreciable Assets at Historical Cost	\$ 0				0	\$ 0
Less Accumulated Depreciation for:						
Furniture and Equipment	\$ 0				0	\$ 0
Total Accumulated Depreciation	\$0				0	\$ 0
Depreciable Assets Net		-	-		-	-
Amortizable Assets Intangible						
Computer Software	\$122,957.50					\$122,957.50
Total Amortizable Assets at Historical Cost	\$122,957.50	-	-	-	-	\$122,957.50
Less Accumulated Amortization						
Computer Software	(\$110,661.12)			(12,296.38)		(\$122,957.50)
Total Accumulated Amortization	(\$110,661.12)			(12,296.38)		(\$112,957.50)
Amortizable Assets Net	\$ 12,296.38	-		(12,296.38)		\$0
Governmental Activities Net	\$ 12,296.38	-	-	(12,296.38)	-	\$0

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS

Deposits of Cash in Bank

As of August 31, 2020, the carrying amount of deposits was zero.

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”.

As of Aug. 31, 2020, the total **bank balance** was as follows:

Governmental Activities	\$	63,776.00
Discrete Component Unit	\$	0

Investments

As of August 31, 2020, the carrying value and fair value of investments are as presented below.

	Fund Type 01 Fund 0889 Fair Value	Fund Type 01 Fund 1005 Fair Value	Fund Type 09 Fund 0889 Fair Value	Fund Type 15 Fund 1005 Fair Value	Fund Type 20 Fund 0889 Fair Value
Current Investments:					
Cash Equivalents					
Repurchase Agreements					
Held by TTSTC	\$ 541,816.60	5,914,444.77	32,289.60	1,116,273.54	806,092.30
NonCurrent Investments:					
Treasury Notes					
Held by TTSTC	\$ 0	15,391,308.92	0	1,191,738.52	3,507,099.49
Fair Value of Debt Security Not Subject to Investment Credit Risk	<u>\$ 541,816.60</u>	<u>21,305,753.69</u>	<u>32,289.60</u>	<u>2,308,012.06</u>	<u>4,313,191.79</u>

NOTE 4: SHORT-TERM DEBT

Non-Applicable

NOTE 5: LONG-TERM LIABILITIES

Changes in Long-Term Liabilities

During the year ended August 31, 2020, the following changes occurred in liabilities.

Governmental Activities	Balance 09/01/19	Additions	(Reductions)	Balance 08/31/20	Amounts Due Within 1 year	Amounts due thereafter
Compensable Leave	\$909,264.03	\$968,079.00	(\$816,264.45)	\$1,061,078.57	\$615,674.72	\$445,403.85
Total Governmental Activities	\$909,264.03	\$968,079.00	(\$816,264.45)	\$1,061,078.57	\$615,674.72	\$445,403.85
Component Unit						
Compensable Leave	\$192,629.08	\$122,590.62	(\$99,790.63)	\$215,429.07	\$118,885.89	\$96,543.18

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, 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.

Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Non-Applicable

NOTE 7: DERIVATIVES

Non-Applicable

NOTE 8: LEASES**OPERATING LEASES**

Included in the expenditures reported in the financial statements is the following amount of rent paid or due under operating leases:

	TREC (Fund Type 01)	TALCB (Fund Type 15)
FY 2020 Lease costs	\$258,573.03	\$39,780.88

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year ended August 31:	TREC (Fund Type 01)	TALCB (Fund Type 15)
2021	\$465,567.72	\$79,414.59
2022	\$465,567.72	\$79,414.59
2023	\$465,567.72	\$79,414.59
2024	\$0	\$0
2025 & Beyond	\$0	\$0
Total Minimum Future Lease Payment Requirements	\$1,396,703.16	\$238,243.77

NOTE 9: PENSION PLANS

Non-Applicable

NOTE 10: DEFERRED COMPENSATION

Non-Applicable

NOTE 11: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Non-Applicable

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

As explained in Note 1 on Interfund Activities and Balances there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due to Other Agencies
- Due From Other Funds or Due to Other Funds
- Transfers In or Transfers Out.
- Legislative Transfers In or Legislative Transfers Out

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer. Repayment of interfund balances will occur within one year from the date of the financial statement.

This information is reported on the *USAS and Interagency Transaction Certification Form* filed with the Comptroller's Office (see Note 1G for transfer activity).

Individual balances and activity at August 31, 2020, follows:

Due From/Due to Other Agencies	Due From Other Agencies	Due to Other Agencies	Source
GENERAL (01)			
Appd Fund 0889, D23 Fund 4057			
To Agency 711, D23 Fund 9999		\$698,720.00	A
Due From/Due to Other Funds			
Appd Fund 9993, D23 Fund 7057		\$698,720.00	
To Appd Fund 0889, D23 Fund 4057	\$698,720.00		B

^A Fees collected on behalf of Texas A&M Real Estate Center and held by agency at year-end as either Cash on Hand or Current Assets, Cash Equivalents. Due to reported by this agency and Due From report by Texas A&M (Agency 711).

^B Due From/To Other Funds consists of local funds in the Texas Treasury Safekeeping Trust Company owed to Texas A&M Real Estate Center.

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Real Estate Commission is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the Commission is abolished and this Act expires September 1, 2025.

Section 1103.006 of the Texas Appraiser Licensing and Certification Act (Chapter 1103, Texas Occupations Code), makes the Texas Appraiser Licensing and Certification Board (TALCB) subject to the Sunset Act in the legislative session following federal action removing the requirement for the preparation and use of an appraisal by federally-regulated institutions. Unless continued in existence by the legislature, TALCB is abolished 90 days after the last day of the regular session of that legislature.

NOTE 14: ADJUSTMENTS TO FUND BALANCES AND NET POSITION

Non-Applicable

NOTE 15: CONTINGENCIES AND COMMITMENTS

Non-Applicable

NOTE 16: SUBSEQUENT EVENTS

Non-Applicable

NOTE 17: RISK MANAGEMENT

Non-Applicable

NOTE 18: MANAGEMENT’S DISCUSSION AND ANALYSIS

Non-Applicable

NOTE 19: THE FINANCIAL REPORTING ENTITY & JOINT VENTURE*Discretely Presented Component Unit*

The annual financial report of the Texas Real Estate Commission includes one component unit, the Texas Appraiser Licensing and Certification Board (TALCB). TALCB was statutorily created as an independent subdivision of the Texas Real Estate Commission and is a legally separate entity from the primary government. The function of TALCB is to license and regulate appraisers. It operates on the same fiscal year as the State of Texas, ending August 31 of each year. The members of TALCB are appointed by the Governor. TREC provides administrative support to TALCB through a memorandum of understanding, but has no authority to approve or modify TALCB's budget or set their fees. Although TREC is not financially accountable for TALCB, the agency does feel that excluding them would result in presentation of incomplete financial statements.

The Texas Real Estate Commission Executive Director assumed the duties of TALCB Commissioner effective December 1, 2003 at the direction of the Governor's Office. Effective September 1, 2007 the law was amended and the TREC Executive Director was given administrative responsibilities for the daily operations of TALCB. TALCB members appointed by the Governor remained an autonomous body.

Presentation of TALCB's financial statements are included in Exhibits VIII, IX, K1 and K2.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Non-Applicable

NOTE 21:

Not-Applicable to the AFR

NOTE 22: DONOR RESTRICTED ENDOWMENTS

Non-Applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Non-Applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Non-Applicable

NOTE 25: TERMINATION BENEFITS

Non-Applicable

NOTE 26: SEGMENT INFORMATION

Non-Applicable

NOTE 27: SERVICE CONCESSION ARRANGEMENTS

Non-Applicable

NOTE 28: DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Non-Applicable

NOTE 29: TROUBLED DEBT RESTRUCTURING

Non-Applicable

NOTE 30: NON-EXCHANGE FINANCIAL GUARANTEES

Non-Applicable

NOTE 31: TAX ABATEMENTS

Non-Applicable

NOTE 32: GOVERNMENTAL FUND BALANCES

Non-Applicable

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-1
 COMBINING BALANCE SHEET -
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2020

	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		541,816.60	541,816.60		
Cash In State Treasury			0.00		
Interfund Receivable			0.00		
Due From Other Funds (Note 12)	698,720.00		698,720.00		
Consumable Inventories			0.00	9,839.54	
Total Current Assets	\$ 698,720.00	\$ 541,816.60	\$ 1,240,536.60	\$ 9,839.54	\$ 0.00
Non-Current Assets:					
Investments - NonCurrent	\$	\$	\$	\$	\$
Total Non-Current Assets	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 698,720.00	\$ 541,816.60	\$ 1,240,536.60	\$ 9,839.54	\$ 0.00
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$	\$	\$	\$	\$ 56,438.35
Payroll Payable					
Interfund Payable					
Due to Other Funds/Agencies (Note 12)	698,720.00	698,720.00	1,397,440.00		
Deferred Revenue					
Total Current Liabilities	698,720.00	698,720.00	1,397,440.00	0.00	56,438.35
TOTAL LIABILITIES	\$ 698,720.00	\$ 698,720.00	\$ 1,397,440.00	\$ 0.00	\$ 56,438.35
FUND BALANCES (DEFICITS):					
NonSpendable - Consumable Inventory	\$	\$ 0.00	\$	\$ 9,839.54	\$
Committed	0.00	0.00	0.00		
Unassigned	0.00	(156,903.40)	(156,903.40)		(56,438.35)
	0.00				
TOTAL FUND BALANCES	0.00	(156,903.40)	(156,903.40)	9,839.54	(56,438.35)
TOTAL LIABILITIES AND FUND BALANCES	\$ 698,720.00	\$ 541,816.60	\$ 1,240,536.60	\$ 9,839.54	\$ 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) 2020
\$	\$	\$	\$	\$	\$	\$
	63,776.00	0.00			63,776.00	63,776.00
	1,339,627.12	4,574,817.65		0.00	5,914,444.77	6,456,261.37
838,818.65					838,818.65	838,818.65
					0.00	0.00
					0.00	698,720.00
					9,839.54	9,839.54
<u>\$ 838,818.65</u>	<u>\$ 1,403,403.12</u>	<u>\$ 4,574,817.65</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 6,826,878.96</u>	<u>\$ 8,067,415.56</u>
\$	\$	\$	\$	\$	\$	\$
		15,391,308.92			15,391,308.92	15,391,308.92
		15,391,308.92			15,391,308.92	15,391,308.92
0.00	0.00		0.00	0.00		
<u>\$ 838,818.65</u>	<u>\$ 1,403,403.12</u>	<u>\$ 19,966,126.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 22,218,187.88</u>	<u>\$ 23,458,724.48</u>
\$	\$	\$	\$	\$	\$	\$
181,539.60			0.00		237,977.95	237,977.95
818,501.05					818,501.05	818,501.05
0.00					0.00	0.00
	0.00				0.00	1,397,440.00
					0.00	0.00
<u>1,000,040.65</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,056,479.00</u>	<u>2,453,919.00</u>
<u>\$ 1,000,040.65</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 1,056,479.00</u>	<u>\$ 2,453,919.00</u>
\$	\$	\$	\$	\$	\$	\$
	0.00				9,839.54	9,839.54
(161,222.00)	1,403,403.12	19,966,126.57	0.00	0.00	21,369,529.69	21,369,529.69
			0.00	0.00	(217,660.35)	(374,563.75)
(161,222.00)	1,403,403.12	19,966,126.57	0.00	0.00	21,161,708.88	21,004,805.48
<u>\$ 838,818.65</u>	<u>\$ 1,403,403.12</u>	<u>\$ 19,966,126.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 22,218,187.88</u>	<u>\$ 23,458,724.48</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2020

	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	\$	\$	\$ 0.00	\$	\$
Additional Appropriations			0.00		
Licenses, Fees and Permits		7,013,198.75	7,013,198.75		
Sales of Goods and Services			0.00		
Administrative Penalties					
Interest and Investment Income		682.34	682.34		
Other Revenue			0.00		
Total Revenues	0.00	7,013,881.09	7,013,881.09	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	9,839.54	
Communication and Utilities			0.00		
Repairs and Maintenance			0.00		
Rentals and Leases			0.00		
Printing and Reproduction			0.00		
Claims and Judgements					
Other Operating Expenditures		137.32	137.32		532,252.65
Debt Service-Personal Prop-Computer Equip-Cap Lease					
Interest on Govtl and Fiduciary L-T Debt					
Total Expenditures	0.00	137.32	137.32	9,839.54	532,252.65
EXCESS OF REVENUES OVER EXPENDITURES	0.00	7,013,743.77	7,013,743.77	(9,839.54)	(532,252.65)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Note 1.G.)	6,607,380.00	0.00	6,607,380.00		521,402.40
Increase In Obligations Under Capital Lease					
Operating Transfers Out (Note 1.G.)	(6,607,380.00)	(6,607,380.00)	(13,214,760.00)		
Total Other Financing Sources (Uses)	0.00	(6,607,380.00)	(6,607,380.00)	0.00	521,402.40
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	0.00	406,363.77	406,363.77	9,839.54	(10,850.25)
FUND BALANCES - Beginning September 1, 2019	0.00	(563,267.17)	(563,267.17)	0.00	(45,588.10)
Restatements	0.00		0.00		
FUND BALANCES - Ending August 31, 2020	\$ 0.00	\$ (156,903.40)	\$ (156,903.40)	\$ 9,839.54	\$ (56,438.35)

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 2020
\$	\$	\$	\$	\$	\$	\$
					0.00	0.00
					0.00	0.00
	538,345.30	11,755,502.91		210,174.42	12,504,022.63	19,517,221.38
		554.55			554.55	554.55
					0.00	0.00
	20,862.02	247,785.26		8,626.07	277,273.35	277,955.69
		334,325.15			334,325.15	334,325.15
<u>0.00</u>	<u>559,207.32</u>	<u>12,338,167.87</u>	<u>0.00</u>	<u>218,800.49</u>	<u>13,116,175.68</u>	<u>20,130,056.77</u>
7,519,848.41					7,519,848.41	7,519,848.41
2,799,328.26					2,799,328.26	2,799,328.26
258,850.16					258,850.16	258,850.16
34,769.94					34,769.94	34,769.94
233,042.03					242,881.57	242,881.57
139,390.04					139,390.04	139,390.04
354,621.39					354,621.39	354,621.39
245,490.54					245,490.54	245,490.54
3,991.88					3,991.88	3,991.88
40,223.25					40,223.25	40,223.25
691,095.74	2,097.67	4,894.21	676,554.75	235.54	1,907,130.56	1,907,267.88
76,538.69					76,538.69	76,538.69
0.00					0.00	0.00
<u>12,397,190.33</u>	<u>2,097.67</u>	<u>4,894.21</u>	<u>676,554.75</u>	<u>235.54</u>	<u>13,623,064.69</u>	<u>13,623,202.01</u>
<u>(12,397,190.33)</u>	<u>557,109.65</u>	<u>12,333,273.66</u>	<u>(676,554.75)</u>	<u>218,564.95</u>	<u>(506,889.01)</u>	<u>6,506,854.76</u>
13,374,638.40		1,452,264.34	1,096,554.75		16,444,859.89	23,052,239.89
					0.00	0.00
<u>(727,500.00)</u>	<u>(1,973,666.74)</u>	<u>(13,374,638.40)</u>		<u>(1,096,554.75)</u>	<u>(17,172,359.89)</u>	<u>(30,387,119.89)</u>
<u>12,647,138.40</u>	<u>(1,973,666.74)</u>	<u>(11,922,374.06)</u>	<u>1,096,554.75</u>	<u>(1,096,554.75)</u>	<u>(727,500.00)</u>	<u>(7,334,880.00)</u>
249,948.07	(1,416,557.09)	410,899.60	420,000.00	(877,989.80)	(1,214,709.93)	(808,346.16)
(411,170.07)	2,819,960.21	19,555,226.97	(420,000.00)	877,989.80	22,376,418.81	21,813,151.64
					0.00	0.00
<u>\$ (161,222.00)</u>	<u>\$ 1,403,403.12</u>	<u>\$ 19,966,126.57</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 21,161,708.88</u>	<u>\$ 21,004,805.48</u>

Texas Real Estate Commission (329)
 Exhibit B-1 — Combining Balance Sheet — Special Revenue Funds
 August 31, 2020

	Special Revenue (0028)* U/F (0028)	Totals
Combining Balance Sheet		
ASSETS		
Current Assets:		
Cash in State Treasury	\$ 850.00	\$ 850.00
Other Current Assets		
Total Current Assets	850.00	850.00
Non-Current Assets:		
Other Non-Current Assets		
Total Non-Current Assets		
Total Assets	\$ 850.00	\$ 850.00
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflows of Resources		
Total Deferred Outflows of Resources	0	0
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts		
Due To Other Funds		
Due To Other Agencies		
Interfund Payable		
Funds Held For Others		
Total Current Liabilities		
Non-Current Liabilities:		
Interfund Payable		
Total Non-Current Liabilities		
Total Liabilities	0	0
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows of Resources		
Total Deferred Inflows of Resources	0	0
Fund Balances (Deficits):		
Nonspendable		
Restricted	850.00	850.00
Committed		
Assigned		
Unassigned		
Total Fund Balances	850.00	850.00
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 850.00	\$ 850.00

* GAAP Fund is noted as (0058), USAS D23 U/F (0028)

Texas Real Estate Commission (329)
 Exhibit B-2 — Combining Statement of Revenues, Expenditures and Changes in Fund Balances —
 Special Revenue Funds
 For the Fiscal Year Ended August 31, 2020

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	Special Revenue (0028)* U/F (0028)	Totals
REVENUES**		
License, Fees & Permits (PR)	\$ 507,700.00	\$ 507,700.00
Other (GR)		-
Total Revenues	\$ 507,700.00	\$ 507,700.00
EXPENDITURES		
Salaries and Wages		-
Payroll Related Costs		-
Professional Fees and Services		-
Travel		-
Materials and Supplies		-
Communication and Utilities		-
Repairs and Maintenance		-
Rentals and Leases		-
Printing and Reproduction		-
Claims and Judgments		-
Other Expenditures	506,850.00	506,850.00
Total Expenditures	\$ 506,850.00	\$ 506,850.00
Excess (Deficiency) of Revenues over (under) Expenditures	850.00	850.00
Net Change in Fund Balances	850.00	850.00
Fund Financial Statement - Fund Balances		
Fund Balances, September 1, 2019	-	-
Restatements		-
Fund Balances, September 1, 2019, as Restated	-	-
Appropriations Lapsed		
Fund Balances, August 31, 2020	\$ 850.00	\$ 850.00

* GAAP Fund is noted as (0028), USAS D23 U/F (0028)

** When analyzing which comptroller object code to use, agencies need to determine if it rolls to Program Revenue (PR) or General Revenue (GR) in the Statement of Activities.

Verified using DAFR8590

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT I-1
 COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE PURPOSE TRUST FUNDS
 For the Year Ended August 31, 2020

	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		753,712.46
Total Current Assets	<u>0.00</u>	<u>753,712.46</u>
Non Current Assets		
Investments - Non-Current		2,944,039.28
Total Non-Current Assets	<u>0.00</u>	<u>2,944,039.28</u>
TOTAL ASSETS	<u>\$ 0.00</u>	<u>\$ 3,697,751.74</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>3,697,751.74</u>
TOTAL NET POSITION	<u>\$ 0.00</u>	<u>\$ 3,697,751.74</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 RECOVERY TRUST ACCT 0889 <u>0889 (U/F 7059)</u>	TOTAL Exhibit VI 0889 <u>0889</u>
\$	\$	\$
0.00	52,379.84	0.00
<u>0.00</u>	<u>52,379.84</u>	<u>806,092.30</u>
<u>0.00</u>	<u>563,060.21</u>	<u>3,507,099.49</u>
<u>0.00</u>	<u>563,060.21</u>	<u>3,507,099.49</u>
\$	\$	\$
<u>0.00</u>	<u>615,440.05</u>	<u>4,313,191.79</u>
\$	\$	\$
		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>615,440.05</u>	<u>4,313,191.79</u>
\$	\$	\$
<u>0.00</u>	<u>615,440.05</u>	<u>4,313,191.79</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT I-2
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
 PRIVATE PURPOSE TRUST FUNDS
 For the Year Ended August 31, 2020

	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		43,113.44
Interest and Investment Income	<u>0.00</u>	<u>43,113.44</u>
Total Investing Income	<u>0.00</u>	<u>43,113.44</u>
Total Net Investment Income	<u>0.00</u>	<u>43,113.44</u>
Other Additions		
Federal Revenue	\$	
Contributions to Employee Benefit Funds		
Settlement of Claims		386,150.95
Other Revenue		316,640.00
Transfers-In (Note 1.G.)	<u>223,419.53</u>	<u> </u>
Total Other Additions	<u>223,419.53</u>	<u>702,790.95</u>
Total Additions	<u>223,419.53</u>	<u>745,904.39</u>
DEDUCTIONS		
Employee Benefit Payments	\$	
Transfers Out of Contributions		
Interest Expense		
Travel		
Claims & Judgements	223,285.53	
Other Expense	134.00	957.60
Transfers Out (Note 1.G.)	<u> </u>	<u>223,419.53</u>
Total Deductions	<u>223,419.53</u>	<u>224,377.13</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>0.00</u>	<u>521,527.26</u>
Net Position, September 1, 2019	<u>0.00</u>	<u>3,176,224.48</u>
Net Position, August 31, 2020	<u>\$ 0.00</u>	<u>\$ 3,697,751.74</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>2020</u>
\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
		0.00
<u>0.00</u>	<u>10,164.30</u>	<u>53,277.74</u>
<u>0.00</u>	<u>10,164.30</u>	<u>53,277.74</u>
<u>0.00</u>	<u>10,164.30</u>	<u>53,277.74</u>
	15,000.28	401,151.23
45,780.03	4,110.00	320,750.00
<u>45,780.03</u>	<u>19,110.28</u>	<u>991,100.79</u>
<u>45,780.03</u>	<u>29,274.58</u>	<u>1,044,378.53</u>
		0.00
		0.00
		0.00
		0.00
		223,285.53
45,780.03	276.08	1,367.68
<u>45,780.03</u>	<u>45,780.03</u>	<u>314,979.59</u>
<u>45,780.03</u>	<u>46,056.11</u>	<u>539,632.80</u>
<u>0.00</u>	<u>(16,781.53)</u>	<u>504,745.73</u>
<u>0.00</u>	<u>632,221.58</u>	<u>3,808,446.06</u>
\$ <u>0.00</u>	\$ <u>615,440.05</u>	\$ <u>4,313,191.79</u>

UNAUDITED

Texas Real Estate Commission (329)
 Exhibit J-1 -Combining Statement of Fiduciary Net Position - Custodial Funds
 August 31, 2020

OTHER AGENCY FUNDS

	Balances Sept 1 2019	Additions	Deductions	Balances Aug 31 2020 (EXHIBIT VI)
Fund (0889) U/F (4060)				
ASSETS				
Cash in State Treasury	\$	\$ 201,040.00	\$ (201,040.00)	\$ 0
Total Assets	\$ 0	\$ 201,040.00	\$ (201,040.00)	\$ 0
LIABILITIES				
Accounts Payable	\$	\$ 201,040.00	\$ (201,040.00)	\$ 0
Funds Held for Others	\$	\$ 200,908.25	\$ (200,908.25)	\$ 0
Total Liabilities	\$ 0	\$ 401,948.25	\$ (401,948.25)	\$ 0
Fund (0889) U/F (7060)				
ASSETS				
Cash Equivalents - Misc. Investments	\$ 19,819.89	\$ 723,000.95	\$ (710,531.24)	\$ 32,289.60
Total Assets	\$ 19,819.89	\$ 723,000.95	\$ (710,531.24)	\$ 32,289.60
LIABILITIES				
Funds Held for Others	\$ 19,819.89	\$ 723,000.95	\$ (710,531.24)	\$ 32,289.60
Total Liabilities	\$ 19,819.89	\$ 723,000.95	\$ (710,531.24)	\$ 32,289.60
Agency Fund (1000) U/F (1000)				
ASSETS				
Cash in State Treasury	\$	\$ 16,750.00	\$ (16,750.00)	\$ 0
Total Assets	\$ 0	\$ 16,750.00	\$ (16,750.00)	\$ 0
LIABILITIES				
Accounts Payable	\$	\$	\$	\$ 0
Funds Held for Others	\$	\$ 16,750.00	\$ (16,750.00)	\$ 0
Total Liabilities	\$ 0	\$ 16,750.00	\$ (16,750.00)	\$ 0
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$	\$ 217,790.00	\$ (217,790.00)	\$
Cash Equivalents - Misc. Investments	\$ 19,819.89	\$ 723,000.95	\$ (710,531.24)	\$ 32,289.60
Total Assets	\$ 19,819.89	\$ 940,790.95	\$ (928,321.24)	\$ 32,289.60
LIABILITIES				
Payables	\$ -	\$ 201,040.00	\$ (201,040.00)	\$
Funds Held for Others	\$ 19,819.89	\$ 940,659.20	\$ (928,189.49)	\$ 32,289.60
Total Liabilities	\$ 19,819.89	\$ 1,141,699.20	\$ (1,129,229.49)	\$ 32,289.60

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT K-1
 COMBINING STATEMENT OF NET POSITION -
 DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2020

	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 2020 GAAP Fund 1005
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 130,096.99	\$	\$	\$ 130,096.99
Cash in Bank		0.00		0.00
Interfund Receivable				0.00
Cash Equivalents - Misc. Investments		1,078,723.23	37,550.31	1,116,273.54
Consumable Inventories		1,822.52		1,822.52
Current Assets:	130,096.99	1,080,545.75	37,550.31	1,248,193.05
Non-Current Assets:				
Investments - Non-Current (Note 3)	\$	1,191,738.52		1,191,738.52
Furniture & Equipment, Net		0.00		0.00
Computer Software, Intangible, Net (Note 2)		0.00		0.00
Non-Current Assets	0.00	1,191,738.52	0.00	1,191,738.52
Total Assets:	130,096.99	2,272,284.27	37,550.31	2,439,931.57
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 14,799.00			14,799.00
Payroll Payable	130,096.99			130,096.99
Interfund Payable				0.00
Employee Compensable Leave (Note 5)		118,885.89		118,885.89
Current Liabilities	144,895.99	118,885.89	0.00	263,781.88
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)	\$	96,543.18		96,543.18
Non-Current Liabilities	0.00	96,543.18	0.00	96,543.18
Total Liabilities	144,895.99	215,429.07	0.00	360,325.06
NET POSITION				
Net Assets Invested in Capital Assets	\$	0.00		0.00
Unrestricted Net Position	(14,799.00)	0.00		(14,799.00)
Net Assets Restricted for Other		2,056,855.20	37,550.31	2,094,405.51
Total Net Position	\$ (14,799.00)	2,056,855.20	37,550.31	2,079,606.51

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 ACTIVITIES
 - DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2020

	Component Unit GAAP Fund 1005 U/F (4056)	Component Unit GAAP Fund 1005 U/F (7056)	Component Unit GAAP Fund 1005 U/F (4193)	Component Unit GAAP Fund 1005 U/F (7193)	TOTALS EXHIBIT IX 2020 GAAP Fund 1005
OPERATING REVENUES					
Professional Fees	\$	\$ 2,172,173.02	\$	\$	\$ 2,172,173.02
Sales of Goods and Services		-			0.00
Administrative Penalties				2,500.00	2,500.00
Other Operating Revenues - Non-pledged		20,462.23			20,462.23
Operating Revenues	0.00	2,192,635.25	-	2,500.00	2,195,135.25
OPERATING EXPENSES					
Salaries and Wages	\$ 1,204,433.08	22,799.99			1,227,233.07
Payroll Related Costs	400,467.52				400,467.52
Professional Fees and Services	178,012.54		26,600.00		204,612.54
Travel	28,323.30				28,323.30
Materials and Supplies	4,687.75	24.63			4,712.38
Communication and Utilities	41,499.18				41,499.18
Repairs and Maintenance	0.00				0.00
Rentals & Leases	34,653.30				34,653.30
Printing and Reproduction	159.18				159.18
Depreciation and Amortization Expense (Note 2)		12,296.38			12,296.38
Interest	26.03				26.03
Other Expenditures	53,439.16	561.74		131.33	54,132.23
Operating Expenses	1,945,701.04	35,682.74	26,600.00	131.33	2,008,115.11
Operating Income (Loss)	(1,945,701.04)	2,156,952.51	(26,600.00)	2,368.67	187,020.14
NON-OPERATING REVENUE (EXPENSES)					
Investment Income (Non-Pledged)	\$	\$ 17,153.76	\$	\$	\$ 17,153.76
Interest On Local Deposits		2,969.70		430.76	3,400.46
Total Other Non-operating Revenues (Expenses)	0.00	20,123.46	-	430.76	20,554.22
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	(1,945,701.04)	2,177,075.97	(26,600.00)	2,799.43	207,574.36
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS					
Transfer In-Note 1.G.	\$ 1,964,566.84		26,600.00	0.00	1,991,166.84
Transfer Out-Note 1.G.	(22,500.00)	(1,964,566.84)		(26,600.00)	(2,013,666.84)
Cap Contrib/Endow/Special/Extra/Transfers	1,942,066.84	(1,964,566.84)	26,600.00	(26,600.00)	(22,500.00)
Increase/(Decrease) in Net Assets	(3,634.20)	212,509.13	0.00	(23,800.57)	185,074.36
Net Position, September 1, 2019	(11,164.80)	1,844,346.07	0.00	61,350.88	1,894,532.15
Restatements					0.00
Net Position, September 1, 2019, as Restated	(11,164.80)	1,844,346.07	-	61,350.88	1,894,532.15
Net Position, August 31, 2020	\$ (14,799.00)	\$ 2,056,855.20	\$ 0.00	\$ 37,550.31	\$ 2,079,606.51

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