

ANNUAL FINANCIAL REPORT



YEAR ENDED AUGUST 31, 2016

Revised 10/6/2016

TEXAS REAL ESTATE COMMISSION

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2016

Revised 10/6/2016

Douglas E. Oldmixon
Executive Director

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TEXAS



REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

TREC Commissioners

October 1, 2016

Avis G. Wukasch
Chair

Bill L. Jones
Vice Chair

T.J. Turner
Secretary

Troy C. Alley, Jr.

Adrian A. Arriaga

Bob Leonard

Weston Martinez

Rayito Stephens

Chart H. Westcott

Douglas E. Oldmixon
Executive Director

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

Dear Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Real Estate Commission for the year ended August 31, 2016, 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.

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.

TALCB Board Members

Jamie S. Wickliffe
Chair

Laurie C. Fontana
Vice Chair

Jesse Barba, Jr.

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Clayton P. Black

Patrick M. Carlson

James J. Jeffries

Brian L. Padden

Earl "Buster" Renfrow

Douglas E. Oldmixon
Commissioner

If you have any questions, please contact Barbara Kolb at 512.936.3587 or Melissa Huerta at 512.936.3616.

Sincerely,


Douglas E. Oldmixon
Executive Director

TEXAS REAL ESTATE COMMISSION (329)
EXHIBIT I
COMBINED BALANCE SHEET/STATEMENT OF NET ASSETS -
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2016

	GOVERNMENTAL FUND TYPES GENERAL FUNDS (Exh A-1)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	STATEMENT OF NET ASSETS
ASSETS				
Current Assets:				
Cash and Cash Equivalents				
Cash in Bank	\$ 94,164.01	\$	\$	\$ 94,164.01
Cash Equivalents - Misc Investments	8,796,883.59			8,796,883.59
Cash in State Treasury	530,402.54			530,402.54
Legislative Appropriations	0.00			0.00
Due From Other Funds (Note 12)	572,200.00			572,200.00
Consumable Inventories	10,826.35	0.00	0.00	10,826.35
Total Current Assets	10,004,476.49	0.00	0.00	10,004,476.49
Non-Current Assets:				
Investments - NonCurrent	\$ 5,247,791.91	\$	\$	\$ 5,247,791.91
Capital Assets:				
Depreciable				
Furniture and Equipment (Note 2)	\$	\$ 203,966.91	\$	\$ 203,966.91
Less Accumulated Depreciation (Note 2)		(85,270.13)		(85,270.13)
Intangible		300,398.75		300,398.75
Computer Software (Note 2)		(194,933.21)		(194,933.21)
Less Accumulated Amortization (Note 2)		0.00		-
Total Non-Current Assets	5,247,791.91	224,162.32	0.00	5,471,954.23
TOTAL ASSETS	\$ 15,252,268.40	\$ 224,162.32	\$ 0.00	\$ 15,476,430.72
LIABILITIES				
Current Liabilities:				
Payables from :				
Accounts Payable	\$ 387,817.20	\$	\$	\$ 387,817.20
Payroll Payable	530,402.54			530,402.54
Interfund Payable	0.00			-
Due to Other Funds/Agencies (Note 12)	1,144,400.00			1,144,400.00
Employees' Compensable Leave (Note 5)			343,496.27	343,496.27
Capital Lease Obligations (Note 5, 8)			16,151.31	16,151.31
Net Assets - Beginning of Year September 1, 2015	0.00			-
Total Current Liabilities	2,062,619.74	0.00	359,647.58	2,422,267.32
Non-Current Liabilities:				
Employees' Compensable Leave (Note 5)			242,806.55	242,806.55
Capital Lease Obligations			34,298.35	34,298.35
Total Non-Current Liabilities	0.00	0.00	277,104.90	277,104.90
TOTAL LIABILITIES	2,062,619.74	0.00	636,752.48	2,699,372.22
FUND BALANCES (DEFICITS):				
NonSpendable - Consumable Inventory	10,826.35			10,826.35
Committed	13,970,861.82			13,970,861.82
Unassigned	(792,039.51)			(792,039.51)
TOTAL FUND BALANCES	13,189,648.66	0.00	0.00	13,189,648.66
TOTAL LIABILITIES AND FUND BALANCES	\$ 15,252,268.40	0.00	636,752.48	15,889,020.88
Government-wide Statement - Net Assets				
Net Assets:				
Invested in Capital Assets, Net of Related Debt		224,162.32		224,162.32
Unrestricted			(636,752.48)	(636,752.48)
Total Net Assets		\$ 224,162.32	(636,752.48)	\$ 12,777,058.50
The accompanying notes to the financial statements are an integral part of this statement.				\$ 15,476,430.72

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, 2016

	GENERAL FUNDS (Exh A-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	20,161,316.30			20,161,316.30
Sales of Goods and Services	1,029.60			1,029.60
Administrative Penalties	461.33			461.33
Interest and Investment Income	43,106.73			43,106.73
Other Revenue	447,991.52			447,991.52
Total Revenues	<u>\$ 20,653,905.48</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 20,653,905.48</u>
EXPENDITURES:				
Salaries and Wages	\$ 4,963,981.76	\$	\$ 25,391.50	\$ 4,989,373.26
Payroll Related Costs	1,896,676.43			1,896,676.43
Professional Fees & Services	192,606.19			192,606.19
Travel	37,800.41			37,800.41
Materials and Supplies	86,715.60			86,715.60
Communication and Utilities	55,972.23			55,972.23
Repairs and Maintenance	169,687.47			169,687.47
Rentals and Leases	172,653.13			172,653.13
Printing and Reproduction	2,425.28			2,425.28
Other Operating Expenditures	2,680,178.58			2,680,178.58
Debt Service-Personal Prop-Computer Equip-Cap Lease	18,201.47			18,201.47
Personal Prop-Computer Equip-Capitalized	91,019.73			91,019.73
Capital Outlay	0.00	(80,163.94)	50,449.66	(29,714.28)
Depreciation Expense (Note 2)	<u>0.00</u>	<u>34,513.44</u>		<u>34,513.44</u>
Total Expenditures	<u>\$ 10,367,918.28</u>	<u>\$ (45,650.50)</u>	<u>\$ 75,841.16</u>	<u>\$ 10,398,108.94</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>\$ 10,285,987.20</u>	<u>\$ 45,650.50</u>	<u>\$ (75,841.16)</u>	<u>\$ 10,255,796.54</u>
OTHER FINANCING SOURCES (USES):				
Operating Transfers In (Note 1.G.)	\$ 17,009,555.23	\$	\$	\$ 17,009,555.23
Operating Transfers Out (Note 1.G.)	(23,492,818.23)			(23,492,818.23)
Increase in Obligations Under Capital Leases	68,651.13			68,651.13
Total Other Financing Sources (Uses)	<u>(6,414,611.87)</u>	<u>0.00</u>	<u>0.00</u>	<u>(6,414,611.87)</u>
NET CHANGE IN FUND BALANCES/NET ASSETS	<u>\$ 3,871,375.33</u>	<u>\$ 45,650.50</u>	<u>\$ (75,841.16)</u>	<u>\$ 3,841,184.67</u>
Net Assets - Beginning of Year September 1, 2015	\$ 9,318,273.33			\$ 9,318,273.33
Restatement	0.00			0.00
Lapsed Appropriations	<u>0.00</u>			<u>0.00</u>
FUND BALANCES - Ending August 31, 2016	<u>\$ 13,189,648.66</u>			<u>\$ 13,159,458.00</u>
Government-wide Statement - Net Assets				
Change in Net Assets		\$ 45,650.50	\$ (75,841.16)	
Net Assets Beginning		\$ 178,511.82	\$ (560,911.32)	\$ (382,399.50)
Adjustments to Beginning Net Assets				0.00
Restatement				0.00
Net Assets Beginning as Restated and Adjusted		<u>\$ 178,511.82</u>	<u>\$ (560,911.32)</u>	<u>\$ (382,399.50)</u>
Net Assets Ending		<u>\$ 224,162.32</u>	<u>\$ (636,752.48)</u>	<u>\$ 12,777,058.50</u>

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 ASSETS - FIDUCIARY FUNDS
For the Year Ended August 31, 2016

	PRIVATE- PURPOSE TRUST (Exh I-1)	AGENCY FUNDS (Exh J-1)	TOTAL 2016
ASSETS			
Current Assets			
Cash and Cash Equivalents			
Cash in State Treasury	\$ 0.00	\$ 386.00	\$ 386.00
Cash Equivalents - Miscellaneous Investments	838,672.80	14,316.32	852,989.12
Due From Other Funds	0.00	0.00	0.00
Total Current Assets	<u>838,672.80</u>	<u>14,702.32</u>	<u>853,375.12</u>
Non Current Assets			
Investments - Non-Current	<u>1,850,561.70</u>	<u>0.00</u>	<u>1,850,561.70</u>
Total Non-Current Assets	<u>1,850,561.70</u>	<u>0.00</u>	<u>1,850,561.70</u>
TOTAL ASSETS	<u>\$ 2,689,234.50</u>	<u>\$ 14,702.32</u>	<u>\$ 2,703,936.82</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 0.00	\$ 386.00	\$ 386.00
Due to Other Agencies	0.00	0.00	0.00
Funds Held for Others	0.00	14,316.32	14,316.32
Total Current Liabilities	<u>0.00</u>	<u>14,702.32</u>	<u>14,702.32</u>
TOTAL LIABILITIES	<u>\$ 0.00</u>	<u>\$ 14,702.32</u>	<u>\$ 14,702.32</u>
NET ASSETS			
Held in Trust for:	\$	\$	\$
Individuals, Organizations, and Other Governments	<u>2,689,234.50</u>	<u>0.00</u>	<u>2,689,234.50</u>
TOTAL NET ASSETS	<u>2,689,234.50</u>	<u>0.00</u>	<u>2,689,234.50</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,689,234.50</u>	<u>\$ 14,702.32</u>	<u>\$ 2,703,936.82</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 ASSETS - FIDUCIARY FUNDS

For the Year Ended August 31, 2016

	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>18,904.27</u>
Total Investing Income	<u>18,904.27</u>
Total Net Investment Income	<u>18,904.27</u>
Other Additions	
Federal Revenue	0.00
Contributions to Employee Benefit Funds	0.00
Settlement of Claims	279,066.19
Other Revenue	291,620.29
Transfers-In (Note 1.G.)	<u>660,988.35</u>
Total Other Additions	<u>1,231,674.83</u>
Total Additions	<u>1,250,579.10</u>
DEDUCTIONS	
Employee Benefit Payments	0.00
Transfers Out of Contributions	0.00
Interest Expense	0.00
Travel	0.00
Claims & Judgements	638,967.03
Other Expense	1,200.78
Transfers Out (Note 1.G.)	<u>682,638.67</u>
Total Deductions	<u>1,322,806.48</u>
	<u>2,645,612.96</u>
NET INCREASE (DECREASE)	<u>(72,227.38)</u>
Net Assets - Beginning of Year September 1, 2015	<u>2,761,461.88</u>
Net Assets - End of Year August 31, 2016	<u>\$ 2,689,234.50</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 ASSETS - DISCRETELY PRESENTED COMPONENT UNIT

For the Year Ended August 31, 2016

	Component Unit (Exh K-1)
ASSETS	
Current Assets:	
Cash and Cash Equivalents:	
Cash in State Treasury	\$ 90,879.81
Interfund Receivable	0.00
Cash Equivalents - Miscellaneous Investments	1,210,446.72
Consumable Inventories	4,437.81
Current Assets:	\$ 1,305,764.34
Non-Current Assets:	
Investments - Non-Current (Note 3)	349,613.69
Furniture & Equipment, Net	0.00
Computer Software, Intangible, Net (Note 2)	49,183.42
Non-Current Assets	\$ 398,797.11
Total Assets:	\$ 1,704,561.45
LIABILITIES	
Current Liabilities:	
Accounts Payable	14,225.53
Payroll Payable	90,879.81
Interfund Payable	0.00
Employee Compensable Leave (Note 5)	67,592.45
Current Liabilities	\$ 172,697.79
Non-Current Liabilities:	
Employee Compensable Leave (Note 5)	50,595.09
Non-Current Liabilities	\$ 50,595.09
Total Liabilities	\$ 223,292.88
NET ASSETS	
Net Assets Invested in Capital Assets	0.00
Unrestricted Net Position	(14,225.53)
Net Assets Restricted for Other	1,495,494.10
Total Net Assets	\$ 1,481,268.57
Net Assets - Beginning of Year September 1, 2015	
Total Liabilities and Net Assets	\$ 1,704,561.45

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 REVENUES, EXPENSES AND CHANGES IN NET ASSETS
- DISCRETELY PRESENTED COMPONENT UNIT
For the Year Ended August 31, 2016

	Component Unit (Exh K-2)
OPERATING REVENUES	
Professional Fees	\$ 1,901,141.14
Sales of Goods and Services	334.20
Administrative Penalties	44,800.00
Interest	9.89
Other Operating Revenues - Non-pledged	4,667.22
Operating Revenues	<u>\$ 1,950,952.45</u>
OPERATING EXPENSES	
Salaries and Wages	829,898.73
Payroll Related Costs	305,333.09
Professional Fees and Services	51,432.60
Travel	25,935.77
Materials and Supplies	10,739.35
Communication and Utilities	13,583.10
Repairs and Maintenance	11,501.83
Rentals & Leases	36,064.99
Printing and Reproduction	201.82
Depreciation and Amortization Expense	12,295.68
Interest	0.59
Other Expenditures	63,871.88
Operating Expenses	<u>\$ 1,360,859.43</u>
Operating Income (Loss)	<u>\$ 590,093.02</u>
NON-OPERATING REVENUE (EXPENSES)	
Investment Income (Non-Pledged)	2,403.19
Interest On Local Deposits	<u>\$ 1,183.43</u>
Total Other Non-operating Revenues (Expenses)	<u>\$ 3,586.62</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>\$ 593,679.64</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS	
Transfer In-Note 1.G.	1,366,018.95
Transfer Out-Note 1.G.	(1,396,018.95)
Cap Contrib/Endow/Special/Extra/Transfers	<u>\$ (30,000.00)</u>
Net Assets - Beginning of Year September 1, 2015	917,588.93
Restatements	0.00
Net Assets, September 1, 2015, as Restated	<u>\$ 917,588.93</u>
Net Assets, August 31, 2016	<u>\$ 1,481,268.57</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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.

B. FUND STRUCTURE

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

GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General 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. The Texas Real Estate Commission Local Operating Fund (Fund 1005) is restricted to expenditures by Agency 329. It derives its financing from license fees, penalty fees, and interest revenues.

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 TYPES

Agency 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.

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 basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual method of accounting. This includes unpaid Employee Compensable leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, and long-term claims and judgments. The activity will be recognized in these new fund types.

Proprietary funds, pension trust funds, external investment trust funds, and private-purpose trust fund are accounted for on the accrual basis of accounting. Under the 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.

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.

Consumable Inventories

Consumable inventories include supplies and postage on hand at year-end. Inventories for governmental funds are accounted for using the consumption method. The cost of these items is recognized as an expenditure at the time of consumption. These assets are offset by a fund balance reserve which indicates that they do not constitute "available spendable resources".

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.

LIABILITIESAccounts Payable

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

Current Payables - Other

Payables are the accrual at year-end of expenditure transactions. Payables may be included in either the governmental or proprietary fund types.

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.

FUND BALANCES/NET ASSETS

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 18, 2014 and August 15, 2014, respectively, to establish the appropriate level of the agency's fund balance to meet anticipated obligations. The following levels were approved at the August 15, 2016 and August 19, 2016 meetings:

	TREC	TALCB
Current Operations and Contingencies	\$ 3,242,199	\$ 511,873
Educational Development	217,495	134,286
Long-Term Facilities Master Plan	<u>8,235,000</u>	<u>740,000</u>
Total Fund Balance Reserve	<u>\$ 11,694,694</u>	<u>\$ 1,386,159</u>

The policy is based on: 1) Four months of annual operating estimated expenditures; 2) Reserve for Educational Development derived from one-half of exam fees collected for TREC and from Administrative Penalties for TALCB; and 3) a Long-Term Facilities Master Plan derived from excess revenues at year end.

The policy will be reviewed at the November 2016 Commission and Board meetings.

- 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.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt 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 Assets

Restricted Net Assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets

Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which 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	\$5,763,263.00	a
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Transfers Out – includes the following:

Transfer to agency 711, Fund 7999	\$5,763,263.00	b
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Fund 7057

Transfers In – none

Transfers Out – includes the following:

Transfer to agency 329, Fund 4057	\$5,763,263.00	a
-----------------------------------	----------------	---

Fund 4054

Transfers In – includes the following:

Transfer from agency 329, Fund 7054	\$ 467,000.90	c
-------------------------------------	---------------	---

Transfers Out - none

Fund 4055

Transfers In – includes the following:

Transfer from agency 329, Fund 7055	\$8,731,598.83	d
-------------------------------------	----------------	---

Transfers Out – includes the following:

Transfer to agency 902, Fund 0001	\$ 720,000.00	e
-----------------------------------	---------------	---

Fund 4056

Transfers In – includes the following:

Transfer from agency 329, Fund 7056	\$1,366,018.95	f
-------------------------------------	----------------	---

Transfers Out – includes the following:

Transfer to agency 902, Fund 0001	\$ 30,000.00	e
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Fund 4201

Transfers In – includes the following:

Transfer from agency 329, Fund 7201	\$2,047,692.50	g
-------------------------------------	----------------	---

Transfers Out - none

Fund 7054**Transfers In** – none**Transfers Out** – includes the following:

Transfer to agency 329, Fund 4054 \$ 467,000.90 c

Fund 7055**Transfers In** – none**Transfers Out** – includes the following:

Transfer to agency 329, Fund 4055 \$8,731,598.83 d

Fund 7056**Transfers In** – none**Transfers Out** – includes the following:

Transfer to agency 329, Fund 4056 \$1,366,018.95 f

Fund 7201**Transfers In** – none**Transfers Out** – includes the following:

Transfer to agency 329, Fund 4201 \$2,047,692.50 g

Fund 4058**Transfers In** – includes the following:

Transfer from agency 329, Fund 7058 \$ 637,062.80 h

Transfers Out - noneFund 7058**Transfers In** – none**Transfers Out** - includes the following:

Transfer to agency 329, Fund 4058 \$ 637,062.80 h

Fund 4059**Transfers In** – includes the following:

Transfer from agency 329, Fund 7059 \$ 23,925.55 i

Transfers Out – includes the following:

Transfer from 329, fund 4059 to General Revenue \$ 21,650.32 j

Fund 7059**Transfers In** – none**Transfers Out** - includes the following:

Transfer to agency 329, Fund 4059 \$ 23,925.55 i

Total Other Financing Sources (Uses) – General Funds and Fiduciary Funds	
Total Transfer In (Exh II, A-2)	\$17,009,555.23
Total Transfer Out (Exh II, A-2)	<u>\$23,492,818.23</u>
Total Other Financing Sources (Uses) – General Funds	\$ (6,483,263.00)
Total Transfer In (Exh IX, K-2)	\$ 1,366,018.95
Total Transfer Out (Exh IX, K-2)	\$ 1,396,018.95
Total Transfer In (Exh VII, I-2)	\$ 660,988.35
Total Transfer Out (Exh VII, I-2)	\$ 682,638.67

- 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.
- 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).

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, 2016, 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, 2016, is presented below.

	PRIMARY GOVERNMENT				
	Balance 09/01/15	Adjustments	Reclass	Additions	Deletions
Governmental Activities					
Depreciable Assets					
Furniture and Equipment	123,802.97			91,019.73	(\$10,855.79)
Total Depreciable Assets					
at Historical Cost	123,802.97			91,019.73	(\$10,855.79)
Less Accumulated Depreciation for:					
Furniture and Equipment	(77,122.85)			(18,525.42)	10,378.14
Total Accumulated Depreciation	(77,122.85)			(18,525.42)	10,378.14
Depreciable Assets Net	46,680.12			72,494.31	(477.65)
Amortizable Assets Intangible					
Computer Software	300,398.75				
Total Amortizable Assets					
at Historical Cost	300,398.75				
Less Accumulated Amortization					
Computer Software	(168,567.05)			(26,366.16)	
Total Accumulated					
Amortization	(168,567.05)	-	-	(26,366.16)	
Amortizable Assets Net	131,831.70	-	-	(26,366.16)	
Governmental Activities Net	178,511.82		-	45,128.15	(477.65)

NOTE 2 : CAPITAL ASSETS (CONT)

	DISCRETE COMPONENT UNIT					Balance 08/31/16
	Balance 09/01/15	Adjustments	Reclass	Additions	Deletions	
Component Unit						
Activities						
Depreciable Assets						
Furniture and Equipment	4,249.00					4,249.00
Total Depreciable Assets						
at Historical Cost	4,249.00					4,249.00
Less Accumulated						
Depreciation for:						
Furniture and Equipment	(4,249.00)					(4,249.00)
Total Accumulated						
Depreciation	(4,249.00)					(4,249.00)
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	(61,478.40)			(12,295.68)		(73,774.08)
Total Accumulated						
Amortization	(61,478.40)			(12,295.68)		(73,774.08)
Amortizable Assets Net	61,479.10	-		(12,295.68)		49,183.42
Governmental Activities						
Net	61,479.10	-	-	(12,295.68)	-	49,183.42

NOTE 3: DEPOSITS, INVESTMENTS AND REPURCHASE AGREEMENTS**Deposits of Cash in Bank**

As of August 31, 2016, the carrying amount of deposits was zero.

Governmental Activities

<u>Cash in Bank – Carrying Value</u>	<u>\$94,164.01</u>
<u>Cash in Bank per AFR</u>	<u>\$94,164.01</u>

<u>Governmental Funds Current Assets Cash in Bank</u>	<u>\$94,164.01</u>
<u>Cash in Bank per AFR (Exh I and Exh A-1)</u>	<u>\$94,164.01</u>

Investments

As of August 31, 2016, 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	\$30,227.69	8,766,655.90	14,316.32	1,210,446.72	838,672.80
NonCurrent Investments:					
Treasury Notes					
Held by TTSTC		5,247,791.91		349,613.69	1,850,561.70
Fair Value of Debt Security Not Subject to Investment Credit Risk	<u>\$ 30,227.69</u>	<u>\$14,014,447.81</u>	<u>\$14,316.32</u>	<u>\$1,560,060.41</u>	<u>\$2,689,234.50</u>

NOTE 4: SHORT-TERM DEBT

Not applicable

NOTE 5: LONG-TERM LIABILITIES**Changes in Long-Term Liabilities**

During the year ended August 31, 2016, the following changes occurred in liabilities.

Governmental Activities	Balance 09/01/15	Additions	(Reductions)	Balance 08/31/16	Amounts Due Within 1 year	Amounts due thereafter
Compensable Leave	\$560,911.32	\$531,890.37	(506,498.87)	\$586,302.82	\$343,496.27	\$242,806.55
Capital Lease Obligations	\$0	\$68,651.13	(18,201.47)	\$50,449.66	\$16,151.31	\$34,298.35
Total Governmental Activities	\$560,911.32	\$600,541.50	(524,700.34)	\$636,752.48	\$359,647.58	\$277,104.90

Component Unit						
Compensable Leave	\$106,757.12	\$104,390.09	(92,959.67)	\$118,187.54	\$67,592.45	\$50,595.09

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 09)
FY 2016 Lease costs	\$188,079.39	\$39,336.66

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 09)
2017	\$329,915	\$70,465
2018	\$329,915	\$70,465
2019	\$329,915	\$70,465
2020	\$0	\$0
2021 & Beyond	\$0	\$0
Total Minimum Future Lease Payment Requirements	\$989,745	\$211,395

CAPITAL LEASES

The Texas Real Estate Commission entered into long-term lease for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease. A summary of original capitalized costs of all such property under lease as of Aug. 31, 2016, is presented below:

	TREC Principal (Fund Type 01)	TREC Interest (Fund Type 01)	TREC TOTAL
FY 2016 Lease costs	\$18,201.47	\$0	\$18,201.47

Future minimum lease payments under these capital leases are as follows:

Year ended August 31:	Principal	Interest	TOTAL
2017	\$16,151.31	\$2,050.16	\$18,201.47
2018	\$16,807.66	\$1,393.81	\$18,201.47
2019	\$17,490.69	\$710.78	\$18,201.47
Total	\$50,449.66	\$4,154.75	\$54,604.41
Option: Cost of ownership at end of year 4	\$1.00		

NOTE 9: PENSION PLANS

Not Applicable

NOTE 10: DEFERRED COMPENSATION

Not Applicable

**NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE
BENEFITS**

Not 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, 2016, 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		\$572,200	A
Due From/Due to Other Funds	Due From Other Funds	Due to Other Funds	
Appd Fund 9993, D23 Fund 7057		\$572,200	
To Appd Fund 0889, D23 Fund 4057	\$572,200		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, 2019.

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

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 Administrator 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 is 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

Revised - UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
EXHIBIT A-1
COMBINING BALANCE SHEET -
ALL GENERAL AND CONSOLIDATED FUNDS
For the Year Ended August 31, 2016

	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		30,227.69	30,227.69		
Cash In State Treasury			0.00		
Interfund Receivable			0.00		
Due From Other Funds (Note 12)	572,200.00		572,200.00		
Consumable Inventories			0.00	10,826.35	
Total Current Assets	\$ 572,200.00	\$ 30,227.69	\$ 602,427.69	\$ 10,826.35	\$ 0.00
Non-Current Assets:					
Investments - NonCurrent	\$	\$	\$	\$	\$
Total Non-Current Assets	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 572,200.00	\$ 30,227.69	\$ 602,427.69	\$ 10,826.35	\$ 0.00
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$	\$	\$	\$	\$ 44,189.80
Payroll Payable					
Interfund Payable					
Due to Other Funds/Agencies (Note 12)	572,200.00	572,200.00	1,144,400.00		
Deferred Revenue					
Total Current Liabilities	572,200.00	572,200.00	1,144,400.00	0.00	44,189.80
TOTAL LIABILITIES	\$ 572,200.00	\$ 572,200.00	\$ 1,144,400.00	\$ 0.00	\$ 44,189.80
FUND BALANCES (DEFICITS):					
Net Assets - Beginning of Year September 1, 2015	\$	\$	\$	\$	\$
NonSpendable - Consumable Inventory				10,826.35	
Committed	0.00	0.00	0.00		
Unassigned	0.00	(541,972.31)	(541,972.31)		(44,189.80)
TOTAL FUND BALANCES	0.00	(541,972.31)	(541,972.31)	10,826.35	(44,189.80)
TOTAL LIABILITIES AND FUND BALANCES	\$ 572,200.00	\$ 30,227.69	\$ 602,427.69	\$ 10,826.35	\$ 0.00

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

Revised - 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) 2016
\$	\$	\$	\$	\$	\$	\$
	94,164.01				94,164.01	94,164.01
	2,409,795.10	5,863,584.47		493,276.33	8,766,655.90	8,796,883.59
530,402.54					530,402.54	530,402.54
					0.00	0.00
					0.00	572,200.00
					10,826.35	10,826.35
<u>\$ 530,402.54</u>	<u>\$ 2,503,959.11</u>	<u>\$ 5,863,584.47</u>	<u>\$ 0.00</u>	<u>\$ 493,276.33</u>	<u>\$ 9,402,048.80</u>	<u>\$ 10,004,476.49</u>
\$	\$	\$	\$	\$	\$	\$
		5,247,791.91			5,247,791.91	5,247,791.91
0.00	0.00	5,247,791.91	0.00	0.00	5,247,791.91	5,247,791.91
<u>\$ 530,402.54</u>	<u>\$ 2,503,959.11</u>	<u>\$ 11,111,376.38</u>	<u>\$ 0.00</u>	<u>\$ 493,276.33</u>	<u>\$ 14,649,840.71</u>	<u>\$ 15,252,268.40</u>
\$	\$	\$	\$	\$	\$	\$
145,849.40			197,778.00		387,817.20	387,817.20
530,402.54					530,402.54	530,402.54
					0.00	0.00
	0.00				0.00	1,144,400.00
					0.00	0.00
<u>676,251.94</u>	<u>0.00</u>	<u>0.00</u>	<u>197,778.00</u>	<u>0.00</u>	<u>918,219.74</u>	<u>2,062,619.74</u>
<u>\$ 676,251.94</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 197,778.00</u>	<u>\$ 0.00</u>	<u>\$ 918,219.74</u>	<u>\$ 2,062,619.74</u>
\$	\$	\$	\$	\$	\$	\$
					0.00	0.00
	2,366,209.11	11,111,376.38		493,276.33	10,826.35	10,826.35
(145,849.40)	137,750.00		(197,778.00)		13,970,861.82	13,970,861.82
					(250,067.20)	(792,039.51)
<u>(145,849.40)</u>	<u>2,503,959.11</u>	<u>11,111,376.38</u>	<u>(197,778.00)</u>	<u>493,276.33</u>	<u>13,731,620.97</u>	<u>13,189,648.66</u>
<u>\$ 530,402.54</u>	<u>\$ 2,503,959.11</u>	<u>\$ 11,111,376.38</u>	<u>\$ 0.00</u>	<u>\$ 493,276.33</u>	<u>\$ 14,649,840.71</u>	<u>\$ 15,252,268.40</u>

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, 2016

	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		5,507,820.00	5,507,820.00		
Sales of Goods and Services			0.00		
Administrative Penalties					
Interest and Investment Income		228.37	228.37		
Other Revenue			0.00		
Total Revenues	0.00	5,508,048.37	5,508,048.37	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	(2,198.23)	
Communication and Utilities			0.00		
Repairs and Maintenance			0.00		
Rentals and Leases			0.00		
Printing and Reproduction			0.00		
Other Operating Expenditures		160.29	160.29		473,708.60
Debt Service-Personal Prop-Computer Equip-Cap Lease					
Personal Prop-Computer Equip-Capitalized			0.00		
Total Expenditures	0.00	160.29	160.29	(2,198.23)	473,708.60
EXCESS OF REVENUES OVER EXPENDITURES	0.00	5,507,888.08	5,507,888.08	2,198.23	(473,708.60)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Note 1.G.)	5,763,263.00		5,763,263.00		467,000.90
Increase In Obligations Under Capital Lease					
Operating Transfers Out (Note 1.G.)	(5,763,263.00)	(5,763,263.00)	(11,526,526.00)		
Total Other Financing Sources (Uses)	0.00	(5,763,263.00)	(5,763,263.00)	0.00	467,000.90
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	0.00	(255,374.92)	(255,374.92)	2,198.23	(6,707.70)
FUND BALANCES - Beginning September 1, 2015	0.00	(286,597.39)	(286,597.39)	8,628.12	(37,482.10)
Restatements			0.00		
FUND BALANCES - Ending August 31, 2016	\$ 0.00	\$ (541,972.31)	\$ (541,972.31)	\$ 10,826.35	\$ (44,189.80)

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

Revised - 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 2016
\$	\$	\$	\$	\$	\$	\$
					0.00	0.00
					0.00	0.00
	1,039,870.60	11,704,571.95		1,909,053.75	14,653,496.30	20,161,316.30
		1,029.60			1,029.60	1,029.60
		461.33			461.33	461.33
	4,239.46	37,105.87		1,533.03	42,878.36	43,106.73
		447,991.52			447,991.52	447,991.52
0.00	1,044,110.06	12,191,160.27	0.00	1,910,586.78	15,145,857.11	20,653,905.48
4,963,981.76					4,963,981.76	4,963,981.76
1,896,676.43					1,896,676.43	1,896,676.43
192,606.19					192,606.19	192,606.19
37,800.41					37,800.41	37,800.41
88,913.83					86,715.60	86,715.60
55,972.23					55,972.23	55,972.23
169,687.47					169,687.47	169,687.47
172,653.13					172,653.13	172,653.13
2,425.28					2,425.28	2,425.28
423,565.90	2,103.68	3,063.90	1,777,205.50	370.71	2,680,018.29	2,680,178.58
18,201.47					18,201.47	18,201.47
91,019.73					91,019.73	91,019.73
					0.00	0.00
8,113,503.83	2,103.68	3,063.90	1,777,205.50	370.71	10,367,757.99	10,367,918.28
(8,113,503.83)	1,042,006.38	12,188,096.37	(1,777,205.50)	1,910,216.07	4,778,099.12	10,285,987.20
8,731,598.83			2,047,692.50		11,246,292.23	17,009,555.23
68,651.13					68,651.13	68,651.13
(720,000.00)	(467,000.90)	(8,731,598.83)		(2,047,692.50)	(11,966,292.23)	(23,492,818.23)
8,080,249.96	(467,000.90)	(8,731,598.83)	2,047,692.50	(2,047,692.50)	(651,348.87)	(6,414,611.87)
(33,253.87)	575,005.48	3,456,497.54	270,487.00	(137,476.43)	4,126,750.25	3,871,375.33
(112,595.53)	1,928,953.63	7,654,878.84	(468,265.00)	630,752.76	9,604,870.72	9,318,273.33
					0.00	0.00
\$ (145,849.40)	\$ 2,503,959.11	\$ 11,111,376.38	\$ (197,778.00)	\$ 493,276.33	\$ 13,731,620.97	\$ 13,189,648.66

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, 2016

	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		774,026.13
Total Current Assets	<u>0.00</u>	<u>774,026.13</u>
Non Current Assets		
Investments - Non-Current		1,299,849.70
Total Non-Current Assets	<u>0.00</u>	<u>1,299,849.70</u>
TOTAL ASSETS	<u>\$ 0.00</u>	<u>\$ 2,073,875.83</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 ASSETS		
Held in Trust for:	\$	\$
Individuals, Organizations, and Other Governments	<u>0.00</u>	<u>2,073,875.83</u>
TOTAL NET ASSETS	<u>0.00</u>	<u>2,073,875.83</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 0.00</u>	<u>\$ 2,073,875.83</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	64,646.67	0.00
<u>0.00</u>	<u>64,646.67</u>	<u>838,672.80</u>
0.00	550,712.00	838,672.80
<u>0.00</u>	<u>550,712.00</u>	<u>1,850,561.70</u>
0.00	550,712.00	1,850,561.70
<u>0.00</u>	<u>550,712.00</u>	<u>1,850,561.70</u>
\$ 0.00	\$ 615,358.67	\$ 2,689,234.50
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
\$	\$	\$
		0.00
		0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$	\$	\$
0.00	615,358.67	2,689,234.50
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
0.00	615,358.67	2,689,234.50
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
\$ 0.00	\$ 615,358.67	\$ 2,689,234.50
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</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, 2016

	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	\$ <u> </u>	\$ <u> </u>
Total Contributions	0.00	0.00
Investment Income		
From Investing Activities		
Net Appreciation (Depreciation) in		
Fair Value of Investments		
Interest and Investment Income		14,566.96
Total Investing Income	<u>0.00</u>	<u>14,566.96</u>
Total Net Investment Income	<u>0.00</u>	<u>14,566.96</u>
Other Additions		
Federal Revenue		
Contributions to Employee Benefit Funds		
Settlement of Claims		266,881.63
Other Revenue		286,190.00
Transfers-In (Note 1.G.)	<u>637,062.80</u>	<u> </u>
Total Other Additions	<u>637,062.80</u>	<u>553,071.63</u>
Total Additions	<u>637,062.80</u>	<u>567,638.59</u>
DEDUCTIONS		
Employee Benefit Payments		
Transfers Out of Contributions		
Interest Expense		
Travel		
Claims & Judgements	636,691.80	
Other Expense	371.00	707.20
Transfers Out (Note 1.G.)	<u> </u>	<u>637,062.80</u>
Total Deductions	<u>637,062.80</u>	<u>637,770.00</u>
NET INCREASE (DECREASE)	<u>0.00</u>	<u>(70,131.41)</u>
Net Assets - Beginning of Year September 1, 2015	<u>0.00</u>	<u>2,144,007.24</u>
Net Assets - End of Year August 31, 2016	\$ <u><u>0.00</u></u>	\$ <u><u>2,073,875.83</u></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 INSPECTION RECOVERY TRUST 0889 0889 (U/F 7059)	TOTAL Exhibit VII 2016
\$ 0.00	\$ 0.00	\$ 0.00
		0.00
	4,337.31	18,904.27
0.00	4,337.31	18,904.27
0.00	4,337.31	18,904.27
	12,184.56	279,066.19
	5,430.29	291,620.29
23,925.55		660,988.35
23,925.55	17,614.85	1,231,674.83
23,925.55	21,952.16	1,250,579.10
		0.00
		0.00
		0.00
		0.00
2,275.23		638,967.03
	122.58	1,200.78
21,650.32	23,925.55	682,638.67
23,925.55	24,048.13	1,322,806.48
0.00	(2,095.97)	(72,227.38)
0.00	617,454.64	2,761,461.88
\$ 0.00	\$ 615,358.67	\$ 2,689,234.50

UNAUDITED

Texas Real Estate Commission (329)
Exhibit J-1 -Combining Statement of Changes in Assets and Liabilities--Agency Funds
August 31, 2016

OTHER AGENCY FUNDS

	Balances Sept 1 2015	Additions	Deductions	Balances Aug 31 2016 (EXHIBIT VI)
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Fund (0889) U/F (4060)

ASSETS

Cash in State Treasury	\$	\$ 207,640.00	\$ (207,640.00)	\$ 0
Total Assets	\$ 0	\$ 207,640.00	\$ (207,640.00)	\$ 0

LIABILITIES

Accounts Payable	\$	\$	\$	\$ 0
Funds Held for Others	\$	\$ 415,280.00	\$ (415,280.00)	\$ 0
Total Liabilities	\$ 0	\$ 415,280.00	\$ (415,280.00)	\$ 0

Fund (0889) U/F (7060)

ASSETS

Cash Equivalents - Misc Investments	\$ 18,898.90	\$ 203,134.54	\$ (207,717.12)	\$ 14,316.32
Total Assets	\$ 18,898.90	\$ 203,134.54	\$ (207,717.12)	\$ 14,316.32

LIABILITIES

Funds Held for Others	\$ 18,898.90	\$ 203,134.54	\$ (207,717.12)	\$ 14,316.32
Total Liabilities	\$ 18,898.90	\$ 203,134.54	\$ (207,717.12)	\$ 14,316.32

Agency Fund (0900) U/F (0900)

ASSETS

Cash in State Treasury	\$	\$	\$	\$ 0
Total Assets	\$ 0	\$ 0	\$ 0	\$ 0

LIABILITIES

Accounts Payable	\$	\$	\$	\$ 0
Funds Held for Others	\$	\$	\$	\$ 0
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 0

Agency Fund (0900) U/F (3171)

ASSETS

Cash in State Treasury	\$	\$ 303,000.00	\$ (303,000.00)	\$ 0
Due From Other Funds	\$ 137,750.00	\$	\$ (137,750.00)	\$ 0
		\$		
Total Assets	\$ 137,750.00	\$ 303,000.00	\$ (440,750.00)	\$ 0

LIABILITIES

Net Assets - Beginning of Year September	\$	\$ 137,750.00	\$ (137,750.00)	\$ 0
Due To Other Agencies	\$ 137,750.00		\$ (137,750.00)	\$ 0
Funds Held for Others	\$	\$ 303,000.00	\$ (303,000.00)	\$ 0
Total Liabilities	\$ 137,750.00	\$ 440,750.00	\$ (578,500.00)	\$ 0

Agency Fund 8070 U/F (0807)

ASSETS

Cash in State Treasury	\$ 386.00	\$ 5,018.00	\$ (5,018.00)	\$ 386.00
Total Assets	\$ 386.00	\$ 5,018.00	\$ (5,018.00)	\$ 386.00

UNAUDITED

Texas Real Estate Commission (329)
Exhibit J-1 -Combining Statement of Changes in Assets and Liabilities--Agency Funds
August 31, 2016

OTHER AGENCY FUNDS

OTHER AGENCY FUNDS	Balances			Balances	
	Sept 1 2015	Additions	Deductions	Aug 31 2016	
LIABILITIES					
Accounts Payable	\$ 386.00	\$ 5,018.00	\$ (5,018.00)	\$ 386.00	
Funds Held for Others		\$		\$	0
Total Liabilities	<u>\$ 386.00</u>	<u>\$ 5,018.00</u>	<u>\$ (5,018.00)</u>	<u>\$ 386.00</u>	

Agency Fund 0900 U/F (9016)

ASSETS

Cash in State Treasury	\$		\$	14,802.65	\$	(14,802.65)	\$	0
Total Assets	\$	0	\$	14,802.65	\$	(14,802.65)	\$	0

LIABILITIES

Funds Held for Others	\$		\$	11,142.02	\$	(11,142.02)	\$	0
Total Liabilities	\$	0	\$	11,142.02	\$	(11,142.02)	\$	0

Agency Fund 0980 U/F (0980)

ASSETS

Cash in State Treasury	\$		\$	178.00	\$	(178.00)	\$	0
Total Assets	\$	0	\$	178.00	\$	(178.00)	\$	0

LIABILITIES

Funds Held for Others	\$		\$	178.00	\$	(178.00)	\$	0
Total Liabilities	\$	0	\$	178.00	\$	(178.00)	\$	0

Agency Fund 1000 U/F (1000)

ASSETS

Cash in State Treasury	\$		\$	500,950.00	\$	(500,950.00)	\$	0
Due From Other Funds	\$	413,250.00	\$		\$	(413,250.00)	\$	0
Total Assets	\$	413,250.00	\$	500,950.00	\$	(914,200.00)	\$	0

LIABILITIES

Due To Other Agencies	\$	413,250.00	\$		\$	(413,250.00)	\$	0
Funds Held for Others	\$		\$	914,200.00	\$	(914,200.00)	\$	0
Total Liabilities	\$	413,250.00	\$	914,200.00	\$	(1,327,450.00)	\$	0

Totals - All Agency Funds

ASSETS

Cash in State Treasury	\$	386.00	\$	1,031,410.65	\$	(1,031,410.65)	\$	386.00
Cash Equivalents - Misc Investments	\$	18,898.90	\$	203,134.54	\$	(207,717.12)	\$	14,316.32
Due From Other Agencies	\$	551,000.00	\$	0	\$	(551,000.00)	\$	0
Total Assets	\$	570,284.90	\$	1,234,545.19	\$	(1,790,127.77)	\$	14,702.32

LIABILITIES

Payables	\$	386.00	\$	5,018.00	\$	(5,018.00)	\$	386.00
Due To Other Agencies	\$	551,000.00	\$		\$	(551,000.00)	\$	
Funds Held for Others	\$	18,898.90	\$	1,846,934.56	\$	(1,851,517.14)	\$	14,316.32
Total Liabilities	\$	570,284.90	\$	1,851,952.56	\$	(2,407,535.14)	\$	14,702.32

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
EXHIBIT K-1
COMBINING STATEMENT OF NET ASSETS -
DISCRETELY PRESENTED COMPONENT UNIT
For the Year Ended August 31, 2016

	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 2016 GAAP Fund 1005
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 90,879.81	\$	\$	\$ 90,879.81
Interfund Receivable				0.00
Cash Equivalents - Misc Investments		1,200,236.83	10,209.89	1,210,446.72
Consumable Inventories		4,437.81		4,437.81
Current Assets:	90,879.81	1,204,674.64	10,209.89	1,305,764.34
Non-Current Assets:				
Investments - Non-Current (Note 3)		349,613.69		349,613.69
Furniture & Equipment, Net		0.00		0.00
Computer Software, Intangible, Net (Note 2)		49,183.42		49,183.42
Non-Current Assets	0.00	398,797.11	0.00	398,797.11
Total Assets:	90,879.81	1,603,471.75	10,209.89	1,704,561.45
LIABILITIES				
Current Liabilities:				
Accounts Payable	14,225.53			14,225.53
Payroll Payable	90,879.81			90,879.81
Interfund Payable				0.00
Employee Compensable Leave (Note 5)		67,592.45		67,592.45
Current Liabilities	105,105.34	67,592.45	0.00	172,697.79
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)		50,595.09		50,595.09
Non-Current Liabilities	0.00	50,595.09	0.00	50,595.09
Total Liabilities	105,105.34	118,187.54	0.00	223,292.88
NET ASSETS				
Net Assets Invested in Capital Assets	0.00			0.00
Unrestricted Net Position	(14,225.53)			(14,225.53)
Net Assets Restricted for Other		1,485,284.21	10,209.89	1,495,494.10
Net Assets - Beginning of Year September 1, 2015				
Total Net Assets	(14,225.53)	1,485,284.21	10,209.89	1,481,268.57
Total Liabilities and Net Assets	\$ 90,879.81	\$ 1,603,471.75	\$ 10,209.89	\$ 1,704,561.45

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, 2016

	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 2016 GAAP Fund 1005
OPERATING REVENUES				
Professional Fees	\$	\$ 1,901,141.14	\$	\$ 1,901,141.14
Sales of Goods and Services		334.20		334.20
Administrative Penalties		34,600.00	10,200.00	44,800.00
Interest			9.89	9.89
Other Operating Revenues - Non-pledged		4,667.22		4,667.22
Operating Revenues	<u>-</u>	<u>1,940,742.56</u>	<u>10,209.89</u>	<u>1,950,952.45</u>
OPERATING EXPENSES				
Salaries and Wages	818,468.31	11,430.42	-	829,898.73
Payroll Related Costs	305,333.09			305,333.09
Professional Fees and Services	51,432.60			51,432.60
Travel	25,935.77			25,935.77
Materials and Supplies	10,305.44	433.91		10,739.35
Communication and Utilities	13,583.10			13,583.10
Repairs and Maintenance	11,501.83			11,501.83
Rentals & Leases	36,064.99			36,064.99
Printing and Reproduction	201.82			201.82
Depreciation and Amortization Expense		12,295.68		12,295.68
Interest	0.59			0.59
Other Expenditures	<u>63,871.88</u>			<u>63,871.88</u>
Operating Expenses	<u>1,336,699.42</u>	<u>24,160.01</u>	<u>0.00</u>	<u>1,360,859.43</u>
Operating Income (Loss)	<u>(1,336,699.42)</u>	<u>1,916,582.55</u>	<u>10,209.89</u>	<u>590,093.02</u>
NON-OPERATING REVENUE (EXPENSES)				
Investment Income (Non-Pledged)	\$	\$ 2,403.19	\$	\$ 2,403.19
Interest On Local Deposits		1,183.43		1,183.43
Total Other Non-operating Revenues (Expenses)	<u>0.00</u>	<u>3,586.62</u>	<u>-</u>	<u>3,586.62</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(1,336,699.42)</u>	<u>1,920,169.17</u>	<u>10,209.89</u>	<u>593,679.64</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS				
Transfer In-Note 1.G.	1,366,018.95	-	-	1,366,018.95
Transfer Out-Note 1.G.	(30,000.00)	(1,366,018.95)	-	(1,396,018.95)
Cap Contrib/Endow/Special/Extra/Transfers	<u>1,336,018.95</u>	<u>(1,366,018.95)</u>	<u>0.00</u>	<u>(30,000.00)</u>
Increase/(Decrease) in Net Assets	<u>(680.47)</u>	<u>554,150.22</u>	<u>10,209.89</u>	<u>563,679.64</u>
Total Net Assets, September 1, 2015	(13,545.06)	931,133.99	-	917,588.93
Restatements				0.00
Net Assets, September 1, 2015, as Restated	<u>(13,545.06)</u>	<u>931,133.99</u>	<u>-</u>	<u>917,588.93</u>
Net Assets, August 31, 2016	<u>\$ (14,225.53)</u>	<u>\$ 1,485,284.21</u>	<u>\$ 10,209.89</u>	<u>\$ 1,481,268.57</u>

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