

SELF-DIRECTED
SEMI-INDEPENDENT
AGENCY REPORT



NOVEMBER 1, 2016

SELF-DIRECTED SEMI-INDEPENDENT AGENCY REPORT

TEXAS REAL ESTATE COMMISSION
Austin, Texas

November 1, 2016

DOUGLAS E. OLDMIXON
EXECUTIVE DIRECTOR

TEXAS



REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

TREC Commissioners

November 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 Jane Nelson, Chair, Senate Finance Committee
Honorable John Otto, Chair, House Appropriations Committee
Ms. Ursula Parks, Director, Legislative Budget Board

Greetings:

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

- (1) The salary for all agency personnel and the total amount of per diem expenses and travel expenses paid for all agency employees as of August 31, 2016:

Total Agency Salaries	\$5,777,500.07
Total per diem and travel expenses for agency employees	\$ 42,742.88

TALCB Board Members

Jamie S. Wickliffe
Chair

Laurie C. Fontana
Vice Chair

Jesse Barba, Jr.

Walker R. Beard

Clayton P. Black

Patrick M. Carlson

James J. Jeffries

Brian L. Padden

Earl "Buster" Renfrow

Douglas E. Oldmixon
Commissioner

- (2) The total amount of per diem expenses and travel expenses paid for each member of the Texas Real Estate Commission, the Texas Appraiser Licensing & Certification Board, the Texas Real Estate Inspector Committee, and the Texas Real Estate Commission Broker/Lawyer Committee as of August 31, 2016:

Texas Real Estate Commission members:		
	Travel	Per Diem
Alley Jr., Troy C	719.93	\$ 300
Arriaga, Adrian A	3,453.40	300
Hensley, Jaime Blevins	251.85	75
Jones, Bill	1,094.02	525
Justice, Joanne	228.85	75
Leonard, Bob	0	300
Martinez, Weston	762.19	375
Stephens, Rayito	205.64	300
Turner, T.J.	0	225
Wukasch, Avis G.	1,212.64	300
Total Travel and Per Diem	\$ 7,928.52	\$ 2,775

Texas Appraiser Licensing & Certification Board members:		
	Travel	Per Diem
Barba Jr., Jesse	\$ 3,124.34	\$ 300
Beard, Walker R.	2,283.22	225
Black, Clayton P	2,698.75	300
Carlson, Patrick M.	0	75
Fontana, Laurie	1,762.07	225
Jeffries, James J	0	525
Padden, Brian L	0	300
Wickliffe, Jamie	1,888.82	225
Total Travel and Per Diem	\$11,757.20	\$ 2,175

Texas Real Estate Inspector Committee:	
	Travel
Eakin, Greg	\$985.98

Texas Real Estate Commission Broker/Lawyer Committee:	
	Travel
Keebaugh, Lori	\$321.60

- (3) An excerpt from the agency's strategic plan and the 2017 annual budgets of the commission and the board.
- (4) A listing of FY2017 Budgeted Monthly Salary Rates by Position.
- (5) Exhibits A1, A2, I1, I2, J1, K1, and K2 from the agency's FY2016 Annual Financial Report detailing all revenue received and all expenses incurred by the agency in the previous 12 months.

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

Sincerely,

Douglas E. Oldmixon
Executive Director

DEO/mkh

Enclosures

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

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

Agency Philosophy:

To achieve this mission, our agency:

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

Agency Motto:

Protecting Texans' Dreams

Agency Operational Goals and Action Plan

GOAL I ENSURE STANDARDS
<p>To protect the public by ensuring license holders meet the educational, ethical, and legal requirements to provide real estate services in Texas. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)</p>
SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL
<p>The Education & Licensing Services Division of the Texas Real Estate Commission (the Commission) and Texas Appraiser Licensing & Certification Board (the Board) ensures compliance with all educational, experience, examination and application requirements through the accurate and timely review and process of applications, renewals, informational changes and histories for real estate brokers or sales agents, appraisers, appraisal management companies, inspectors, and easement or right-of-way registrants.</p> <p>Real estate broker, sales agent, inspector and appraiser applicants must complete qualifying (pre-license) education to meet education requirements. In addition, real estate brokers, inspectors and appraisers must satisfy experience requirements as required by statute to ensure competency.</p> <p>We are committed to ensure license holders receive quality education through oversight of real estate education, including the registration of broker, sales agent and inspector education providers, instructors, and courses for both qualifying and continuing education. Pursuant to legislative requirements, the Commission has established a method for calculating the exam passage rates for Commission approved education providers who offer qualifying real estate and inspector courses. To ensure that quality education is provided to applicants and license holders who offer real estate services, these education providers are ranked based on first time passage rates. An education provider whose ranking is subject to disapproval or revocation when filing an application for subsequent approval will be disapproved to offer courses for that license category.</p> <p>Real estate broker, inspector, and appraiser applicants must pass a comprehensive exam to help ensure they provide competent real estate services after obtaining a license.</p> <p>After the exam is passed and before the issuance of a license, an applicant must undergo a criminal history check which is reviewed by the Standards & Enforcement Services divisions of the Commission and Board to determine if an applicant’s honesty, trustworthiness, and integrity meets statutory and legal requirements. A license is issued only if an applicant meets these standards. To ensure continued protection for the citizens of Texas, a follow-up criminal history check is performed each time a license is renewed.</p> <p>License holders are issued a two-year license and must complete continuing education before each renewal to further support the license holder’s development of skill and competence in providing real estate services to Texas consumers.</p> <p>Through its relationship with the Real Estate Center at Texas A&M, the Commission has created three non-elective continuing education courses that are mandatory for sales agents and certain real estate brokers to complete during each renewal period. These non-elective courses provide consistent delivery of current and relevant information on real estate brokerage services, ethical behavior and supervisory responsibilities for brokers as well as legal updates that emphasize the most recent trends,</p>

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

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

Through the efficient use of personnel and diligent oversight of costs associated with filing fees, the Commission and Board have been successful in reducing application and renewal fees and providing prompt and efficient service to license holders who are Texas citizens. To further reduce the cost of applying, renewing, or making changes to license holder information or supervisory relationships, applicants and license holders are also encouraged to file applications or changes online in lieu of submitting paper applications which require a paper filing fee. The agency will continue to diligently look for ways to reduce costs or to allocate costs more directly with the service being provided. This may include fee reductions or reallocations to achieve cost recovery.

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

During Fiscal Year 2013 the Education & Licensing Services division processed over 15,320 original applications with 19 full-time employees. As of May 2016 the division employs 18 staff and has processed over 21,237 original applications with three months remaining in this fiscal year. Prior to January 2015 this division was also responsible for the data entry of continuing education for all license holders. Since that date a continuing education posting system has been implemented that enables education providers to post continuing education to the system themselves within ten days of a student's course completion which enables license holders to renew more promptly and efficiently. In addition, through the use of consistent training techniques and cross-training of staff members we are able to maintain the quantity and quality of processing.

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

The division has witnessed a steady increase in the number of applications and license holders over the past three years. As of August 31, 2015, there were over 164,687 real estate sales agents, brokers, inspectors and easement and right-of-way registrants and 7,127 certified or licensed real estate appraisers. Staff recommendations to improve efficiency have enabled us to streamline our processes and functionality. As we receive new applications and as current license holders renew, make inquiries or changes to information, the division is committed to process all documents received within 4-7 business days of receipt. The ability for applicants and license holders to file applications online allows for immediate receipt of an application and more prompt and efficient processing of an application or license holder's supporting documents.

4. Providing excellent customer services.

This division has two staff persons assigned each day to respond to emails and telephone calls that are specific to the processing of applications and renewals within the division. All staff are trained

<p>and rotate this responsibility and provide accurate and complete information to applicants, license holders, and internal staff. They are required to respond to emails and telephone calls within 24 hours and must make notes in the computer system summarizing their response to calls or the content of their emails for use by other agency staff. In addition, staff performs excellent customer service by processing all incoming documents within 4 to 7 business days.</p>
<p>5. Transparent such that agency actions can be understood by any Texan.</p> <p>The Commission and Board maintain websites and publish a newsletter to communicate and keep license holders and Texans informed of Commission and Board actions. The public may also access Commission and Board meetings online through live streaming provided by the agency.</p>
<p>DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM</p> <p>The agency is working with the Facilities Commission and other stakeholders to seek additional options for reducing the occupancy expenses of the agency while allowing for an enhanced development of state resources. This search includes the potential development of an alternate facility for the agency on the highly restricted Lot 19 in the Capitol Complex. Innovative alternatives are being explored.</p>

<p>GOAL II ENFORCE REGULATIONS - TREC</p>
<p>To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1101, 1102, and 1303, and Texas Property Code, Chapter 221)</p>
<p>SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL</p> <p>The Texas Real Estate Commission’s Standards & Enforcement Services division (“SES” or “the division”) handles a high volume of signed, written complaints from the public and license holders, as well as a smaller number of staff-initiated complaints. Importantly, the agency cannot accept anonymous complaints or conduct covert investigations.</p> <p>The complaints primarily concern alleged statutory and administrative violations by brokers, sales agents, and inspectors, or alleged violations by unlicensed persons engaging in activities for which a license is required. A small number of complaints also concern education providers and instructors, as well as easement or right-of-way certificate holders. In addition, the division oversees timeshare developers (discussed further below) and residential service companies (discussed further below).</p> <p>Areas requiring additional clarity in rules and practice guidance involve agency disclosures, minimum services, advertising, and accuracy in professional representations and administrative remedies. To address these, the agency will develop a much stronger awareness with Texas consumers to ensure license holder accountability through effective use of the complaint process, and a more robust educational outreach to license holders via mass and targeted communication tools.</p>
<p>DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE</p> <p>1. Accountable to tax and fee payers of Texas.</p> <p>The Texas Real Estate Commission is committed to the protection of the citizens of Texas. SES accomplishes this through timely, fair, and consistent enforcement of The Real Estate License Act, Commission rules, Chapter 1102 of the Texas Occupations Code (governing real estate inspectors), the Texas Timeshare Act, and the Residential Service Company Act. In addition, TREC SES oversees</p>

the sanctions of license holders and unlicensed persons who have violated various regulatory requirements.

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

As of May 2016, the SES division has 25 staff positions. In Fiscal Year 2013, the division had 28 staff positions. A few years earlier, the division had 32 staff positions. Despite dropping a large number of staff, the division has efficiently increased the number of closed complaints and lowered the backlog of complaints.

As of August 31, 2015, over 97 percent of complaints were less than a year old. Out of 708 open complaints, only two cases were over two years old, and each of those were pending with another agency (the State Office of Administrative Hearings).

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

During FY 2015, the division opened 2403 cases, and closed 2315 cases. While most complaints from the public relate to the purchase, lease, or inspection of a home, a complaint may also include allegations ranging from misleading advertising to criminal history to unlicensed activity. Some complaints are closed with no action taken because of a lack of agency jurisdiction or of evidence. Once it is determined that the complaint is within the agency's jurisdiction, the agency notifies the license holder or other respondent, gives the person an opportunity to respond, and investigates the complaint.

The division also implements standards, reviews certain applications for a license, and makes determinations of moral character to assess the honesty, trustworthiness, and integrity of applicants. In FY 2015, the division reviewed and closed 768 application investigation cases and moral character determination cases. Most involved an applicant's criminal history.

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

In addition to the Timeshare Act, the agency administers the Residential Service Company Act. That Act requires the agency to license any company wishing to offer a home warranty covering existing residential property in Texas. TREC SES monitors residential service companies licensed to conduct business in this state to ensure compliance with the Act, including a company's ability to meet financial obligations to Texas contract holders, and assists consumers with any issues related to claim delays or denials. As of August 31, 2015, there were 36 licensed residential service companies in Texas.

4. Providing excellent customer services.

Each day, Standards & Enforcement Services assigns one lawyer to respond to phone and email inquiries. A phone call must be responded to within four hours and an email within one business day. In addition, the division has a dedicated email address (enforcement@trec.texas.gov), and

phone number (512-936-3005). Further, the division has an email address dedicated only to standards issues (application and moral character determinations) (standards@trec.texas.gov). The division also maintains an ombudsman to respond to residential service company issues.

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

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

The agency maintains a website with a wealth of information (www.trec.texas.gov). On that website, Standards & Enforcement Services maintains information on complaints under the “Complaints, Consumer Info” tab. That link includes information on how to file a complaint, disciplinary actions, and a detailed list of enforcement’s frequently asked questions. The links also contain the relevant statutes and all commission rules (in a .pdf file).

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

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

GOAL II ENFORCE REGULATIONS - TALCB

To safeguard the public interest by effectively and efficiently enforcing the laws and rules of the agency in a fair and consistent manner. (Texas Occupations Code, Chapters 1103 and 1104)

SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL

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

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

In addition, the division provides assistance to law enforcement and prosecutors upon request through the Texas Residential Mortgage Fraud Task Force (“the Task Force”). Tex. Gov’t Code §§ 402.032 and 402.033 and Tex. Penal Code § 32.32. Law enforcement or prosecutorial agencies may request such assistance by submitting a written request for assistance (“RFA”) to TALCB SES.

In addition, ongoing substantive and procedural changes in federal regulations in the area of appraisals and appraisal management company services will likely require substantive changes in the agency’s guiding laws (Chapter 1103 & 1104) and the rules required to implement the same.

The agency is developing a much stronger awareness with Texas consumers to ensure license holder accountability through effective use of the complaint process, and a more robust educational outreach to license holders via mass and targeted communication tools.

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

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

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

As of May, 2016 the division has 10 staff positions comprised of 5 investigators, 3 support staff, 1 attorney and a division director. In addition to its 5 staff investigators, the agency augments its investigative staff by relying on Board appointed, volunteer members of the statutorily authorized Peer Investigative Committees (PICs) to review appraisals subject to a complaint. Tex. Occ. Code § 1103.453. Each PIC member is a volunteer who is an active real estate appraiser and AQB Certified USPAP Instructor who meets the qualifying criteria prescribed by the Board. The PIC process is managed by the division director. Despite a reduction in staff from 13 to 10 since 2014, the division has reduced its backlog of aged complaints. During the last 2 federal oversight audits (2014 and 2016) the division achieved the previously elusive 1-year or less timeframe set by the Board’s federal oversight body (the Appraisal Subcommittee (“ASC”)) for resolution of complaints. Most recently, the Board’s program was rated “excellent” (the highest rating available) by the ASC in April, 2016 as a result of their February, 2016 audit. As of May, 2016 TALCB SES manages to resolve most complaint matters within 9 months and triages most complaints within the first 90 days.

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

During FY 2015, TALCB SES received 199 cases and closed 164. In FY 2015 approximately 30% of resolved complaints resulted in disciplinary action, with the remaining roughly 70% being dismissed. The majority of the complaints arise from alleged violations of USPAP, but may also include allegations about unlicensed activity, misleading conduct, or prohibited business practices. After receiving a complaint, the division notifies the license holder and requests that the license holder respond in writing and submit certain documentation responsive to the complaint. If fraud is alleged, the complaint may be handled covertly, as required by the laws governing the Texas Residential Mortgage Fraud Task Force. Once the complaint is screened to ensure the Board has jurisdiction, the division notifies the license holder or other Respondent and gives the person an opportunity to respond. After receipt of the response materials, the complaint is then assigned to an investigator to complete an investigation. At present, roughly two thirds of all complaint matters result in a dismissal after investigation. Dismissals include complaints involving the issuance of non-disciplinary warning letters or contingent dismissals (in which completion of remedial education or mentorship is required prior to dismissal). In the remaining roughly one third of the complaints, disciplinary action is warranted, and the division attempts to resolve the complaint by agreement, consistent with a Board-approved disciplinary matrix adopted by rule. Such agreements take the form of an agreed final order or voluntary surrender of the license and are approved by the Board at their quarterly meeting. If an agreement cannot be reached between staff and the Respondent, TALCB SES pursues formal disciplinary action via the contested case hearing process at the State Office of Administrative Hearings (SOAH). Regular staff meetings and periodic case management meetings are used to ensure complaints are timely processed, investigated and appropriately resolved.

During FY 2015 the division also processed 161 experience audits. Out of those, 14 resulted in application denials. Typically, two properties from the applicant's experience log are requested and reviewed by a staff investigator for general compliance with USPAP. After review of the applicant's work product for USPAP compliance, the investigator makes a recommendation on whether to approve the audit. In certain borderline instances, an applicant is approved contingent upon completion of additional education or mentorship. In addition, all applicants' criminal history is reviewed by staff. Consistent with Tex. Occ. Code Chpt. 53 and Board rules, certain criminal convictions may serve as grounds for denying an application. If denied on either basis, an applicant has 30 days to appeal the denial by notifying the division in writing. Appeals of application denials go through the regular contested case hearing process at SOAH. Regular staff meetings and periodic case management meetings are used to ensure complaints are timely processed, investigated and appropriately resolved.

During FY 2015 the division received 13 RFA's seeking assistance with appraisal related matters involving potential criminal conduct. TALCB SES has been a member of the Task Force since 2008. Since then, 139 requests for assistance from state and federal law enforcement and prosecutorial agencies have been received, 124 of these have been resolved. This assistance has led to several indictments, prosecutions and convictions of licensed appraisers for criminal conduct.

4. Providing excellent customer services.

The division regularly responds to inquiries from the public and license holders most frequently by telephone and e-mail. In fact, the division has a dedicated e-mail address

(enforcement.talcb@trec.texas.gov) to serve this purpose. Depending on the nature of the inquiry an investigator or attorney will respond to the inquiry. As of May, 2016 the division maintains a caseload in which most matters are resolved within 9 months and triages cases within the first 90 days in an effort to resolve complaints efficiently so that the concerns and needs of license holders and the public are addressed as promptly as possible. As discussed below, the Board also maintains a website that provides detailed information about the complaint process. Additionally, upon request, TALCB SES holds investigative conferences with Respondents as part of the complaint resolution process or Applicants as part of the audit process in an effort to address their concerns and will occasionally meet with those have filed complaints when necessary to address their concerns.

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

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

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

Anticipate changes will be needed in the 2017 legislative session to Chapter 1103 and 1104 of the Texas Occupations Code to reflect recent developments in federal appraisal related regulatory laws. Agency will carefully monitor the requirements for staff resources and cost recovery considerations that include potential fee reductions where feasible and appropriate. Agency is prepared to receive license holders currently regulated by other agencies where significant jurisdictional overlap exists.

GOAL III COMMUNICATE EFFECTIVELY
To communicate with license holders and the public by providing reliable information to promote informed decisions in Texas real estate transactions. (Texas Occupations Code, Chapters 1101, 1102, 1103, 1104, and 1303, and Texas Property Code, Chapter 221)
SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL
<ol style="list-style-type: none"> 1. Provide exceptional customer service 2. Provide accurate and thorough information 3. Assist all license holders with online transactions 4. Respond to email inquiries within a two business day time frame 5. Remain knowledgeable with Rules and Policies in regards to the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board 6. Remain knowledgeable in regards to application processing procedures, fees, and forms 7. Respond to Customer Service Surveys within a two business day time frame by phone or email 8. Handle all Public Information Act requests in a prompt and professional manner

DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas.

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

License holders are informed on their license status which assists them on making decisions of the appropriate time for online renewals.

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

In FY2014, RCS received a total of 211,819 calls, assisted 4,951 walk-ins, and responded to 66,013 emails. Due to the Internal Messaging System and having Versa Regulation permissions for applications, the numbers improved for FY2015. In FY2015, we received a total of 230,722 calls, 3,152 walk-ins, and responded to 76,718 emails.

The Internal Messaging System and permissions for Versa Regulation, assisted in the completion of calls. Due to having additional time, staff is able to handle more calls and emails which lowered the volume of walk-ins in FY2015.

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

All calls are greeted in a professional manner by confirming they have contacted the Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board. The staff member provides their name and asks how they can assist. Team members provide accurate information in a timely manner. Each call is completed once they have confirmed that all questions and concerns have been addressed.

4. Providing excellent customer services.

The Texas Real Estate Commission and the Texas Appraiser Licensing and Certification Board offers exceptional customer service by telephone, emails, and in person. The average hold time on calls is less than 10 minutes and emails are responded within two business days.

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

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

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

DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

Agency is developing a strong brand and a robust social media presence to more effectively communicate with license holders and especially to directly educate Texas consumers. A new TREC website will be launched in FY17. Working jointly with Texas A&M and other state agencies and

stakeholder associations of license holders, the agency is working to develop a day-long conference on single family real estate issues to reduce barriers to the minimal effective regulation of this key market.

GOAL IV WORK WITH HUBS
To implement purchasing policies encouraging the use of historically underutilized businesses (HUBs). (Texas Government Code, §2161.123)
SPECIFIC ACTION ITEMS TO ACHIEVE YOUR GOAL
<ol style="list-style-type: none"> 1. Utilize HUB vendors for non-competitive spot purchases of \$5,000 or less 2. Solicit a minimum of three certified HUB vendors for purchases over \$5,000 3. Attend HUB related meetings and forums to network with vendors and gain new knowledge of HUB vendors 4. Encourage and assist vendors who qualify as HUB vendors to become HUB certified by TPASS and to maintain their HUB certification 5. Encourage non-HUB vendors to subcontract with certified HUB vendors, pairing mentors with protégés 6. Exceed the bid advertisement requirement of obtaining more than two HUB bids from the Centralized Master Bidders List (CMBL) for purchases over \$2,000 7. Maintain positive working relationships with the current HUB vendors 8. Track HUB quarterly performance measures
DESCRIBE HOW YOUR GOAL OR ACTION ITEMS SUPPORTS EACH STATEWIDE OBJECTIVE
<ol style="list-style-type: none"> 1. Accountable to tax and fee payers of Texas. By maintaining a robust program for HUB, we are ensuring that our financial investment in HUB businesses meets the highest standards for quality products and services. 2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions. By utilizing our historical relationships, we are maximizing our HUB vendor pool. 3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve. 4. Daily processes for purchasing incorporate activities designed to meet the HUB goal of 30% utilization which we regularly exceed and which is significantly higher than the state average. (see chart). 5. Providing excellent customer services. TREC is committed to excellent customer service which is seen in our HUB vendor relationships and the efforts we take to ensure HUBs are included to encouraged. 6. Transparent such that agency actions can be understood by any Texan. The attached HUB report and chart provide a clear picture of the actions that TREC takes to accomplish the goal.
DESCRIBE ANY OTHER CONSIDERATIONS RELEVANT TO YOUR GOAL OR ACTION ITEM

TREC FY2017 Adopted Operating Budget

Adopted by Commission August 15, 2016

Expenditure Category	Expended FY2014	Expended FY2015	Budget FY2016	Year-end est 2016	Budget FY2017	Budget FY2018	Budget Variance FY 17/FY16	Comments
Salaries & Wages	\$4,222,726	\$4,434,369	\$5,027,538	\$4,979,052	5,228,640	\$5,437,785	\$201,102	4% salary budgetincrease in each year
Employee Benefits	1,603,285	1,661,250	1,969,659	1,899,076	2,091,456	\$2,175,114	121,797	retiree insurance increase
Other Personnel Costs	202,333	154,055	215,075	201,015	221,550	221,550	6,475	Increase # of retirees; training/per diem
Professional Services	226,800	311,329	364,575	370,259	371,691	371,691	7,116	Includes \$25K dev fee BRC & Leg I&II in 17/18
Consumables	12,669	10,167	20,000	20,000	20,000	20,000	0	materials with new logo planned
Utilities	6,227	5,967	9,900	9,900	10,300	10,300	400	Increase for investigator cell phone service
Travel	40,057	30,333	61,200	60,925	69,700	69,700	8,500	Includes Comm travel for Summit
Office Rent	174,931	149,867	177,820	163,123	162,220	162,220	(15,600)	Rent reduction based on SF & SWCAP lower
Equipment Rental	23,258	22,695	57,404	57,404	78,554	78,554	21,150	PC Refresh project--Dell lease
Registration & Membership	21,784	33,219	42,235	36,860	45,360	45,360	3,125	Training & conferences for Directors; increased budget for Attorney CLE training
Maintenance & Repairs	115,538	116,601	237,575	181,675	236,885	236,885	(690)	includes Versa database maintenance
Reproduction & Printing	591	191	1,300	1,300	2,600	2,600	1,300	materials with new logo planned
Contract Services	38,296	56,787	64,400	55,212	70,150	70,150	5,750	Stream the Commission and Board meetings
Postage	15,904	14,296	17,600	17,600	17,800	17,800	200	increased rental service for Post Office box
Supplies & Equipment	110,135	67,301	116,575	71,288	106,100	106,100	(10,475)	Conference rooms, web server
Communication Services	49,927	43,412	62,726	68,826	62,931	62,931	205	Increased cell phone/voicemail field invest.
Other Operating Expenses	12,191	45,822	19,000	18,305	21,900	21,900	2,900	Increased FY17 budget for Worker's compen.
DPS Criminal History Background Checks	26	96	400	400	2,000	2,000	1,600	increase due to DPS procedure changes
Statewide Cost Allocation Plan (SWCAP)	229,541	211,752	230,000	211,752	220,000	220,000	(10,000)	SWCAP Reduced based on SF reduction
Contribution to General Revenue/TX Online fees/Capital	738,587	720,000	720,000	720,000	720,000	720,000	0	will be paid in August FY2016
Total Expenditures	\$7,844,807	\$8,089,506	\$9,414,982	\$9,143,972	\$9,759,836	\$10,052,640	\$344,854	FY2017 budget change from FY2016
Revenue	FY2014 Revenue	FY2015 Revenue	Projected	FY16 year-end est	FY2017 Projected	FY2018 Projected		Comments
License Fees	\$8,737,715	\$10,272,509	\$9,657,673	\$11,099,342	\$9,897,388	\$9,817,258		10% reduction in license activity projected; reduced sales agent license renewals by \$6
Education Fees	\$392,723	\$596,391	\$0	\$983,061	\$484,195	\$484,195		details added for education related fees
Examination Fees	\$351,576	\$308,795	\$310,670	\$434,990	\$326,240	\$326,240		half dedicated to educational development
Other Miscellaneous Revenue	1,495	1,510	1,200	1,551	1,500	\$1,500		NSF and PIA fees
Total Revenue	\$9,483,509	\$11,179,205	\$9,969,543	\$12,518,944	\$10,709,323	\$10,629,193		anticipate future slowing pace of increases
Revenue Over/(Under) Expenditures & Transfers	\$1,638,702	\$3,089,699	\$554,561	\$3,374,972	\$949,487	\$576,553		

Conservative projection for future: Projected 10% reduction in new and renewal activity from FY 16 to FY 17; flat growth from FY 17 to FY 18
Proposed fee changes: Figures include reduction of \$6 in sales agent license renewal fees as of 1/1/17

Staff & Support Services Division
TALCB FY2017 Proposed Operating Budget
Adopted by Board August 19, 2016

Expenditure Category	Expended FY2014	Expended FY2015	Budget FY2016	FY16 actual exp & remaining exp through 8/31/16	Budget FY2017	Budget FY2018	Budget Variance FY2016 to FY2017	Comments
Salaries & Wages	\$899,883	\$823,961	\$875,842	\$810,442	\$836,817	\$870,290	(\$39,025)	Includes 4% salary increase per year; reduces expenditure by 40% of one FTE moved to AMS
Employee Benefits	\$278,261	270,298	317,039	305,963	329,706	\$342,894	\$12,667	Increase: in direct correlation to 4% increase in salaries and wages for FY17; considers a 40% transfer of one FTE
Other Personnel Costs	\$22,965	32,416	25,220	25,220	33,210	32,510	\$7,990	Increase for lump sum payments for possible retirees
Professional Services	\$77,614	68,048	77,550	77,550	85,750	85,750	\$8,200	Increase due to new trainee voluntary work product reviews
Consumables	\$2,640	2,449	7,500	7,500	6,500	6,500	(\$1,000)	
Utilities	\$929	1,168	1,740	1,740	2,000	2,200	\$260	
Travel	\$28,368	22,880	30,000	29,709	32,000	32,000	\$2,000	increase due to possible attendance by Board Members to Summit meeting
Office Rent	\$37,030	31,747	37,625	37,625	32,625	32,625	(\$5,000)	Reduction based on increase in estimated SWCAP expense
Equipment Lease/Rental	\$6,119	5,512	14,138	14,138	14,500	14,500	\$362	
Registration & Membership	\$14,902	6,772	16,125	16,125	16,125	16,125	\$0	
Maintenance & Repairs	\$10,007	8,933	12,267	12,267	12,267	5,267	\$0	reduced budget for Versa software maintenance by \$7K
Reproduction & Printing	\$396	82	1,600	1,600	1,600	1,600	\$0	
Contract Services	\$15,828	9,104	29,540	29,540	31,040	31,040	\$1,500	increase in budget for cost to stream board meetings
Postage	\$6,100	4,792	6,350	6,350	6,350	6,350	\$0	
Supplies & Equipment	\$2,286	2,741	6,500	6,500	7,000	7,500	\$500	Change in security software
Communication Services	\$8,248	7,496	8,246	8,246	8,546	9,346	\$300	
Other Operating Expenses	\$2,329	3,089	4,342	4,342	4,342	4,342	\$0	
DPS Criminal History Background Checks	\$3,385	3,670	3,000	3,000	3,000	3,200	\$0	
Statewide Cost Allocation Plan (SWCAP)	\$44,142	43,371	45,000	45,000	45,000	50,000	\$0	
Contribution to General Revenue	\$30,000	30,000	30,000	30,000	30,000	30,000	\$0	
Total Expenditures	\$1,491,432	\$1,378,527	\$1,549,624	\$1,472,857	\$1,538,378	\$1,584,040	(\$11,246)	FY2017 budget change from FY2016
Revenue	FY2014 Revenue	FY2015 Revenue	FY2016 Projected	FY 2016 Rev Est	FY2017 Projected	FY2018 Projected		Comments
License Fees	\$1,144,778	\$1,174,370	\$1,108,600	\$1,140,220	\$1,104,510	1,081,978		
AMCs	831,420	196,900	749,580	772,850	155,208	629,742		See Notes: below
Administrative Penalties	48,131	44,355	45,000	41,800	38,400	35,000		
Other Miscellaneous Revenue	9,410	9,410	2,025	2,480	2,480	2,820		Exam fee \$10 (Pearson Vue), NSF fees
Total Revenue	\$2,033,739	\$1,425,035	\$1,905,205	\$1,957,350	\$1,300,598	\$1,749,540		
AMC Revenue Carry Forward	(\$308,904)	\$366,285	(\$290,054)	(\$290,054)	\$290,054	(\$185,434)		AMC Carry forward FY2018 to FY2019
Revenue Over/(Under) Expenditures	\$233,403	\$412,793	\$65,527	\$194,439	\$52,274	(\$19,934)		

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2017 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	Position Number	MONTHLY RATES					
		TREC		TALCB		TOTAL	
		FTE	Salary	FTE	Salary	FTE	Salary
Administration & Management Services (AMS)							
Executive Director/Administrator	10100001	0.75	10,500	0.25	3,500	1.0	14,000
General Counsel V	10200001	1.00	11,450	0.00	0	1.0	11,450
General Counsel IV	10200002	0.40	3,860	0.60	5,790	1.0	9,650
Legal Assistant IV	10300001	1.00	4,750	0.00	0	1.0	4,750
Information Specialist V	10300002	1.00	5,750	0.00	0	1.0	5,750
Executive Assistant I	10300003	0.40	1,640	0.60	2,460	1.0	4,100
Gov't Relations Specialist II	10400001	1.00	6,875	0.00	0	1.0	6,875
Total AMS		5.6	44,825	1.45	11,750	7.0	56,575
Staff & Support Services (SSS)							
Director I	20100001	1.0	7,500	0.0	0	1.0	7,500
Accountant VII	20200001	1.0	6,500	0.0	0	1.0	6,500
Accountant IV	20200003	1.0	4,325	0.0	0	1.0	4,325
Accountant II	20200004	1.0	3,625	0.0	0	1.0	3,625
Accountant III	20200005	1.0	4,000	0.0	0	1.0	4,000
Purchaser VI (part-time)	20300001	0.6	3,500	0.0	0	0.6	3,500
Purchaser II	20300002	1.0	3,675	0.0	0	1.0	3,675
HR Specialist VI	20400001	1.0	6,625	0.0	0	1.0	6,625
HR Specialist III	20400002	1.0	3,550	0.0	0	1.0	3,550
Accountant II	20500001	1.0	3,750	0.0	0	1.0	3,750
Budget Analyst V	20600001	1.0	6,350	0.0	0	1.0	6,350
Accountant VI	20700001	1.0	6,500	0.0	0	1.0	6,500
Total SSS		11.6	59,900	0.0	0	11.6	59,900
Information Technology Services (ITS)							
Director IV	30100001	1.0	10,750	0.0	0	1.0	10,750
Director II	30100002	1.0	8,400	0.0	0	1.0	8,400
Systems Analyst V	30200001	1.0	6,750	0.0	0	1.0	6,750
Programmer IV	30200002	1.0	5,750	0.0	0	1.0	5,750
Web Administrator IV	30200003	1.0	7,100	0.0	0	1.0	7,100
Systems Analyst V	30200004	1.0	6,625	0.0	0	1.0	6,625
Systems Analyst V	30200005	1.0	6,750	0.0	0	1.0	6,750
Programmer IV	30200006	1.0	5,750	0.0	0	1.0	5,750
Systems Support Specialist IV	30300001	1.0	4,500	0.0	0	1.0	4,500
Systems Support Specialist I	30300002	1.0	3,000	0.0	0	1.0	3,000
Network Spec IV	30400001	1.0	5,850	0.0	0	1.0	5,850
Program Specialist I	30500001	1.0	4,000	0.0	0	1.0	4,000
Admin Asst II	30500004	1.0	2,771	0.0	0	1.0	2,771
Admin Asst II	30500005	1.0	2,771	0.0	0	1.0	2,771
Total ITS		14.00	80,767	0.00	0	14.00	80,767

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2017 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	Position Number	MONTHLY RATES					
		TREC		TALCB		TOTAL	
		FTE	Salary	FTE	Salary	FTE	Salary
Education & Licensing Services (ELS)							
Director II	40100001	1.0	7,950	0.0	0	1.0	7,950
Admin Asst IV	40100002	1.0	3,150	0.0	0	1.0	3,150
Education				0.0	0		
Program Specialist VI	40200001	1.0	5,450	0.0	0	1.0	5,450
Education Specialist II	40200002	1.0	3,600	0.0	0	1.0	3,600
Education Specialist II	40200003	1.0	3,925	0.0	0	1.0	3,925
Education Specialist II	40200004	1.0	3,600	0.0	0	1.0	3,600
Education Specialist I	40200005	1.0	3,400	0.0	0	1.0	3,400
Education Specialist I	40200006	1.0	3,350	0.0	0	1.0	3,350
Education Specialist II	40200007	0.0	0	1.0	3,600	1.0	3,600
				0.0	0		
Licensing				0.0	0		
Program Specialist VI	40300001	1.0	5,650	0.0	0	1.0	5,650
License and Permit Specialist IV	40300002	1.0	4,250	0.0	0	1.0	4,250
License and Permit Specialist IV	40300003	0.25	931	0.8	2,794	1.0	3,725
License and Permit Specialist I	40300004	1.0	2,500	0.0	0	1.0	2,500
License and Permit Specialist III	40300005	1.0	3,350	0.0	0	1.0	3,350
License and Permit Specialist II	40300006	0.0	0	1.0	2,875	1.0	2,875
License and Permit Specialist I	40300007	1.0	2,500	0.0	0	1.0	2,500
License and Permit Specialist I	40300008	1.0	2,500	0.0	0	1.0	2,500
License and Permit Specialist II	40300009	1.0	3,000	0.0	0	1.0	3,000
Total ELS		15.25	59,106	2.75	9,269	18	68,375
Reception & Communication Services (RCS)							
Director I	70100001	1.0	7,100	0.0	0	1.0	7,100
Program Specialist V	70200001	1.0	4,625	0.0	0	1.0	4,625
Customer Service Representative V	70200002	1.0	4,225	0.0	0	1.0	4,225
Customer Service Representative V	70200003	1.0	4,000	0.0	0	1.0	4,000
Customer Service Representative IV	70200004	1.0	3,100	0.0	0	1.0	3,100
Customer Service Representative IV	70200005	1.0	3,500	0.0	0	1.0	3,500
Customer Service Representative IV	70200006	1.0	3,425	0.0	0	1.0	3,425
Customer Service Representative III	70200007	0.0	0	1.0	2,500	1.0	2,500
Customer Service Representative III	70200008	1.0	2,950	0.0	0	1.0	2,950
Customer Service Representative III	70200009	1.0	2,625	0.0	0	1.0	2,625
Customer Service Representative III	70200010	1.0	2,600	0.0	0	1.0	2,600
Customer Service Representative III	70200011	1.0	2,625	0.0	0	1.0	2,625
Customer Service Representative III	70200012	1.0	2,675	0.0	0	1.0	2,675
Customer Service Representative III	70200013	1.0	2,650	0.0	0	1.0	2,650
Total RCS		13.0	46,100	1.0	2,500	14.0	48,600

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2017 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	Position Number	MONTHLY RATES					
		TREC		TALCB		TOTAL	
		FTE	Salary	FTE	Salary	FTE	Salary
Standards & Enforcement Services (SES)							
Director III	50100001	1.0	8,350	0.0	0	1.0	8,350
Attorney IV	50200001	1.0	5,000	0.0	0	1.0	5,000
Attorney V	50200002	1.0	7,000	0.0	0	1.0	7,000
Attorney IV	50200003	1.0	5,000	0.0	0	1.0	5,000
Attorney IV	50200004	1.0	6,250	0.0	0	1.0	6,250
Attorney IV	50200005	1.0	6,000	0.0	0	1.0	6,000
Attorney IV	50200006	1.0	5,850	0.0	0	1.0	5,850
Attorney IV	50200007	1.0	6,000	0.0	0	1.0	6,000
Attorney IV	50200008	1.0	6,575	0.0	0	1.0	6,575
Legal Asst III	50300001	1.0	4,000	0.0	0	1.0	4,000
Legal Asst III	50300002	1.0	4,000	0.0	0	1.0	4,000
Legal Asst III	50300003	1.0	4,125	0.0	0	1.0	4,125
Legal Asst III	50300004	1.0	3,975	0.0	0	1.0	3,975
Legal Asst IV	50300005	1.0	4,600	0.0	0	1.0	4,600
Legal Asst III	50300006	1.0	3,750	0.0	0	1.0	3,750
Program Specialist III	50400001	1.0	4,000	0.0	0	1.0	4,000
Admin Asst III	50400002	1.0	3,125	0.0	0	1.0	3,125
Legal Secretary III	50400003	1.0	3,150	0.0	0	1.0	3,150
Legal Secretary III	50400004	1.0	3,150	0.0	0	1.0	3,150
Program Specialist I	50400005	1.0	3,300	0.0	0	1.0	3,300
Investigator V	50500001	1.0	5,000	0.0	0	1.0	5,000
Investigator IV	50500002	1.0	4,000	0.0	0	1.0	4,000
Investigator V	50500003	1.0	5,000	0.0	0	1.0	5,000
Investigator V	50500004	1.0	4,675	0.0	0	1.0	4,675
Investigator V	50500005	1.0	4,300	0.0	0	1.0	4,300
Investigator V	50500006	1.0	4,525	0.0	0	1.0	4,525
Total SES		26.0	124,700	0.0	0	26.0	124,700
Texas Appraiser Licensing & Certification Board (TALCB SES)							
Director II	60100001	0.0	0	1.0	7,750	1.0	7,750
Attorney IV	60200002	0.0	0	1.0	5,700	1.0	5,700
Appraiser III	60300001	0.0	0	1.0	4,750	1.0	4,750
Appraiser III	60300003	0.0	0	1.0	5,400	1.0	5,400
Appraiser III	60300004	0.0	0	1.0	4,750	1.0	4,750
Appraiser III	60300005	0.0	0	1.0	4,850	1.0	4,850
Appraiser III	60300006	0.0	0	1.0	4,875	1.0	4,875
Legal Asst IV	60400001	0.0	0	1.0	4,125	1.0	4,125
Legal Asst III	60400002	0.0	0	1.0	3,625	1.0	3,625
Legal Secretary III	60500001	0.0	0	1.0	3,175	1.0	3,175
Total TALCB		0.0	0	10.0	49,000	10.0	49,000
Total for Agency		85.4	415,398	15.2	72,519	100.6	487,917

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
<u>0.00</u>	<u>1,044,110.06</u>	<u>12,191,160.27</u>	<u>0.00</u>	<u>1,910,586.78</u>	<u>15,145,857.11</u>	<u>20,653,905.48</u>
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
<u>8,113,503.83</u>	<u>2,103.68</u>	<u>3,063.90</u>	<u>1,777,205.50</u>	<u>370.71</u>	<u>10,367,757.99</u>	<u>10,367,918.28</u>
<u>(8,113,503.83)</u>	<u>1,042,006.38</u>	<u>12,188,096.37</u>	<u>(1,777,205.50)</u>	<u>1,910,216.07</u>	<u>4,778,099.12</u>	<u>10,285,987.20</u>
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
<u>(720,000.00)</u>	<u>(467,000.90)</u>	<u>(8,731,598.83)</u>		<u>(2,047,692.50)</u>	<u>(11,966,292.23)</u>	<u>(23,492,818.23)</u>
<u>8,080,249.96</u>	<u>(467,000.90)</u>	<u>(8,731,598.83)</u>	<u>2,047,692.50</u>	<u>(2,047,692.50)</u>	<u>(651,348.87)</u>	<u>(6,414,611.87)</u>
(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
<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>

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 <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	64,646.67	0.00
<u>0.00</u>	<u>64,646.67</u>	<u>838,672.80</u>
<u>0.00</u>	<u>64,646.67</u>	<u>838,672.80</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>
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
\$	\$	\$
0.00	0.00	0.00
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
\$	\$	\$
0.00	615,358.67	2,689,234.50
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
<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	\$	\$
Total Contributions	<u>0.00</u>	<u>0.00</u>
Investment Income		
From Investing Activities		
Net Appreciation (Depreciation) in Fair Value of Investments		14,566.96
Interest and Investment Income	<u>0.00</u>	<u>14,566.96</u>
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>\$ 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 <u>0889 (U/F 4059)</u>	REAL ESTATE INSPECTION RECOVERY TRUST 0889 <u>0889 (U/F 7059)</u>	TOTAL Exhibit VII <u>2016</u>
\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
		0.00
	4,337.31	18,904.27
<u>0.00</u>	<u>4,337.31</u>	<u>18,904.27</u>
<u>0.00</u>	<u>4,337.31</u>	<u>18,904.27</u>
	12,184.56	279,066.19
23,925.55	5,430.29	291,620.29
<u>23,925.55</u>	<u>17,614.85</u>	<u>1,231,674.83</u>
<u>23,925.55</u>	<u>21,952.16</u>	<u>1,250,579.10</u>
		0.00
		0.00
		0.00
		0.00
2,275.23		638,967.03
	122.58	1,200.78
<u>21,650.32</u>	<u>23,925.55</u>	<u>682,638.67</u>
<u>23,925.55</u>	<u>24,048.13</u>	<u>1,322,806.48</u>
<u>0.00</u>	<u>(2,095.97)</u>	<u>(72,227.38)</u>
<u>0.00</u>	<u>617,454.64</u>	<u>2,761,461.88</u>
\$ <u><u>0.00</u></u>	\$ <u><u>615,358.67</u></u>	\$ <u><u>2,689,234.50</u></u>

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			Balances
	Sept 1 2015	Additions	Deductions	Aug 31 2016 (EXHIBIT VI)
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	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	<u>\$ 0</u>	<u>\$ 14,802.65</u>	<u>\$ (14,802.65)</u>	<u>\$ 0</u>

LIABILITIES				
Funds Held for Others	\$	\$ 11,142.02	\$ (11,142.02)	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 11,142.02</u>	<u>\$ (11,142.02)</u>	<u>\$ 0</u>

Agency Fund 0980 U/F (0980)

ASSETS				
Cash in State Treasury	\$	\$ 178.00	\$ (178.00)	\$ 0
Total Assets	<u>\$ 0</u>	<u>\$ 178.00</u>	<u>\$ (178.00)</u>	<u>\$ 0</u>

LIABILITIES				
Funds Held for Others	\$	\$ 178.00	\$ (178.00)	\$ 0
Total Liabilities	<u>\$ 0</u>	<u>\$ 178.00</u>	<u>\$ (178.00)</u>	<u>\$ 0</u>

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	<u>\$ 413,250.00</u>	<u>\$ 500,950.00</u>	<u>\$ (914,200.00)</u>	<u>\$ 0</u>

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	<u>\$ 413,250.00</u>	<u>\$ 914,200.00</u>	<u>\$ (1,327,450.00)</u>	<u>\$ 0</u>

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	<u>\$ 570,284.90</u>	<u>\$ 1,234,545.19</u>	<u>\$ (1,790,127.77)</u>	<u>\$ 14,702.32</u>

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	<u>\$ 570,284.90</u>	<u>\$ 1,851,952.56</u>	<u>\$ (2,407,535.14)</u>	<u>\$ 14,702.32</u>

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:	<u>90,879.81</u>	<u>1,204,674.64</u>	<u>10,209.89</u>	<u>1,305,764.34</u>
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	<u>0.00</u>	<u>398,797.11</u>	<u>0.00</u>	<u>398,797.11</u>
Total Assets:	<u>90,879.81</u>	<u>1,603,471.75</u>	<u>10,209.89</u>	<u>1,704,561.45</u>
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	<u>105,105.34</u>	<u>67,592.45</u>	<u>0.00</u>	<u>172,697.79</u>
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)		50,595.09		50,595.09
Non-Current Liabilities	<u>0.00</u>	<u>50,595.09</u>	<u>0.00</u>	<u>50,595.09</u>
Total Liabilities	<u>105,105.34</u>	<u>118,187.54</u>	<u>0.00</u>	<u>223,292.88</u>
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	<u>(14,225.53)</u>	<u>1,485,284.21</u>	<u>10,209.89</u>	<u>1,481,268.57</u>
Total Liabilities and Net Assets	<u>\$ 90,879.81</u>	<u>\$ 1,603,471.75</u>	<u>\$ 10,209.89</u>	<u>\$ 1,704,561.45</u>

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

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT K-2
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 - DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 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	-	1,940,742.56	10,209.89	1,950,952.45
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	63,871.88			63,871.88
Operating Expenses	1,336,699.42	24,160.01	0.00	1,360,859.43
Operating Income (Loss)	(1,336,699.42)	1,916,582.55	10,209.89	590,093.02
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)	0.00	3,586.62	-	3,586.62
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	(1,336,699.42)	1,920,169.17	10,209.89	593,679.64
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	1,336,018.95	(1,366,018.95)	0.00	(30,000.00)
Increase/(Decrease) in Net Assets	(680.47)	554,150.22	10,209.89	563,679.64
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	(13,545.06)	931,133.99	-	917,588.93
Net Assets, August 31, 2016	\$ (14,225.53)	\$ 1,485,284.21	\$ 10,209.89	\$ 1,481,268.57

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