

**SELF-DIRECTED
SEMI-INDEPENDENT
AGENCY REPORT**



NOVEMBER 1, 2017

SELF-DIRECTED SEMI-INDEPENDENT AGENCY REPORT

TEXAS REAL ESTATE COMMISSION
Austin, Texas

November 1, 2017

DOUGLAS E. OLDMIXON
EXECUTIVE DIRECTOR



Protecting Texans' Dreams

November 1, 2017

TREC Commissioners

- Avis G. Wukasch
Chair
- Adrian A. Arriaga
Vice Chair
- Jan Fite Miller
- Bob Leonard
- Rayito Stephens
- T.J. Turner
- Chart Westcott
- DeLora Wilkinson
- Micheal Williams
- Douglas E. Oldmixon
Executive Director

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

Greetings:

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

- (1) The salary for all agency personnel and the total amount of per diem expenses and travel expenses paid for all agency employees as of August 31, 2017:

Total Agency Salaries	\$6,054,367.19
Total per diem and travel expenses for agency employees	\$43,210.90

- (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, 2017:

Texas Real Estate Commission members:		
	Travel	Per Diem
Alley Jr., Troy C	\$1,040.41	\$150
Arriaga, Adrian A	4,696.71	225
Jones, Bill	781.34	300
Leonard, Bob		375
Martinez, Weston	762.19	225
Stephens, Rayito	411.28	225
Turner, T.J.		225
Wukasch, Avis G.	2,262.26	300
Total Travel and Per Diem	\$9,954.19	\$2,025



TALCB Board Members

- Jamie S. Wickliffe
Chair
- James J. Jefferies
Vice Chair
- Earl "Buster" Renfrow
Secretary
- Clayton P. Black
- Chance Bolton
- Tony F. Peña
- Martha Gayle Reid Lynch
- Alejandro Sostre-Odio
- Joyce A. Yannuzzi
- Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing & Certification Board members:		
	Travel	Per Diem
Barba Jr., Jesse	\$	\$ 75
Beard, Walker R.	752.19	
Black, Clayton P	3,624.06	450
Bolton, Chance		600
Carlson, Patrick M.		
Fontana, Laurie	666.43	150
Jeffries, James J		750
Padden, Brian L		75
Lynch, Martha Gayle Reid	3,134.02	525
Sostre-Odio, Alejandro		450
Wickliffe, Jamie	4,534.32	300
Yannuzzi, Joyce A	547.77	375
Total Travel and Per Diem	\$13,258.79	\$3,750

Texas Real Estate Education Standards Advisory Committee:	
	Travel
Jones, Susan	\$702.85

Texas Real Estate Commission Broker/Lawyer Committee:	
	Travel
Keebaugh, Lori	\$1,454.47

- (3) An excerpt from the agency's strategic plan and the 2018 annual budgets of the commission and the board.
- (4) A listing of FY2018 Budgeted Monthly Salary Rates by Position.
- (5) Exhibits A1, A2, I1, I2, J1, K1, and K2 from the agency's FY2017 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 FY2018 Adopted Operating Budget

Adopted by Commission August 7, 2017

Expenditure Category	Expended FY2015	Expended FY2016	Budget FY2017	Year-end est FY2017	Budget FY2018	Budget FY2019	Budget Variance FY 17 to FY18	Comments
Salaries & Wages	\$4,434,369	\$4,773,967	5,228,640	\$5,109,520	5,902,890	6,139,005	\$674,250	9% salary budget increase FY18 + 1 FTE for RCS; 4% increase for FY19 (Note: 3 x FTEs added in May17)
Employee Benefits	1,661,250	1,864,933	2,091,456	2,043,808	2,550,414	2,646,414	458,959	Retiree insurance costs increase; max possible 18 retirees in FY18
Other Personnel Costs	154,055	147,267	221,550	221,550	250,421	250,421	28,871	Increased number of retirees with compensable leave; includes unemployment claims; training costs
Professional Services	311,329	185,655	371,691	370,263	329,937	298,937	(41,754)	Decrease is due to Website redesign (\$31.5K), and moved \$50K of Versa Analytics to Supplies and Equipment. Includes funds for call center software, and PIA records mgt; included \$13K budget for team training and leadership training
Consumables	10,167	12,442	20,000	20,000	15,000	15,000	(5,000)	reduced by \$5K based upon previous and current years trend
Utilities	5,967	4,890	10,300	10,300	10,456	10,456	156	Investigator cell phone service increase
Travel	30,333	34,631	69,700	69,700	64,000	64,000	(5,700)	Reduced slightly based on actual history
Office Rent	149,867	125,655	162,220	113,453	111,339	111,339	(50,881)	Rent cost lower based on 695 SF reduction and SWCAP offset
Equipment Rental	22,695	46,721	78,554	78,554	56,850	56,850	(21,704)	\$38 K PC leases, \$18K print/copy/fax/scan devices
Registration & Membership	33,219	33,337	45,360	45,360	62,325	62,325	16,965	Increase due to added training budget for individual skills development
Maintenance & Repairs	116,601	148,897	236,885	249,637	268,320	193,320	31,435	Major items include Versa database maintenance \$120K; Versa customization of \$100K for Project Change Requests to be implemented in FY18; Office 365 data center services \$18K
Reproduction & Printing	191	2,313	2,600	2,600	2,600	2,600	0	envelopes, business cards, misc items
Contract Services	56,787	62,400	70,150	70,150	33,130	33,130	(37,020)	\$30K towards project scanning and imaging with Neubus, decrease due to Gov Delivery (\$31K moved to Communication Services)
Postage	14,296	15,648	17,800	17,800	17,800	17,800	0	increased rental service for Post Office box
Supplies & Equipment	67,301	81,817	106,100	98,648	105,352	62,098	(748)	MIP Modules \$5,754; Versa Data Analytics product suite \$50K; new VOIP headsets for RCS staff \$5K (not repeated in 2019)
Communication Services	43,412	46,279	62,931	94,417	110,805	110,805	47,874	\$6,000 increase for internet service bandwidth--FY17 budget was \$24K; \$28K GovDelivery Communication Mgmt service; \$6K Livestream/Video Streaming Services; \$8K Google custom search tools on websites
Other Operating Expenses	45,822	34,635	21,900	21,904	24,700	24,700	2,800	increased FY17 budget for Worker's comp; TTSTC bank fees increase
DPS Criminal History Background Checks	96	2,594	2,000	2,000	2,000	2,000	0	
Capital Expenditures	0	0	0	0	18,200	18,200	18,200	Nutanix Lease / Purchase--lease of Dell Server/Nutanix appliance--4 year lease with purchase option--year 2 payment for 7/21/17-7/21/18
Statewide Cost Allocation Plan (SWCAP)	211,752	229,895	220,000	245,960	273,271	273,271	53,271	Occupancy related portion (229,509) offsets rent
Contribution to General Revenue	720,000	720,000	720,000	720,000	724,725	724,725	4,725	Based on relative license holder count (96.63%)
Total Expenditures	\$8,089,506	\$8,573,976	\$9,759,836	\$9,605,625	\$10,934,535	\$11,117,396	\$1,174,699	FY2018 budget change from FY2017
Revenue	FY2015 Revenue	FY2016 Revenue	FY2017 Projected	FY17 year-end est	FY2018 Projected	FY2019 Projected		Comments
License Fees	\$10,868,900	\$11,851,213	\$9,897,388	\$11,665,007	\$10,203,210	\$10,203,210		recent historical numbers less 10%
Education Fees	\$0	\$0	\$484,195	\$534,196	\$480,668	\$480,668		details added for education related fees
Examination Fees	\$308,795	\$426,040	\$326,240	\$362,530	\$326,280	\$326,280		half dedicated to educational development
Other Miscellaneous Revenue	1,510	2,140	1,500	2,589	1,550	\$1,550		NSF and PIA fees
Total Revenue	\$11,179,205	\$12,279,393	\$10,709,323	\$12,564,321	\$11,011,708	\$11,011,708		anticipate future slowing pace of increases
Revenue Over/(Under) Expenditures & Transfers	\$3,089,699	\$3,705,417	\$949,487	\$2,958,696	\$77,173	(\$105,688)		

Note - revenue for pass-through funds (TxOnline, FBI, etc) are not reflected in this report because we do not retain those funds

Staff & Support Services Division
TALCB FY2018 Adopted Operating Budget
Adopted by Board August 14, 2017

Expenditure Category	Expended FY2015	Expended FY2016	Budget FY2017	FY17 actual exp & remaining exp through 8/31/17	Budget FY2018	Budget FY2019	Budget Variance FY17 to FY18	Comments
Salaries & Wages	\$823,961	\$801,185	\$836,817	\$830,348	\$895,655	\$940,438	\$58,838	Includes 5% salary budget increase FY18; 5% FY19. Note: MOU adjustments
Employee Benefits	270,298	289,907	329,706	319,343	\$333,786	\$353,187	\$4,080	Changes in direct correlation to 1.05 FTE reduction, plus 5% increase for FY18; and 5% for FY19
Other Personnel Costs	32,416	25,636	33,210	33,210	\$33,440	\$33,440	\$230	Increase for lump sum payments for one possible retiree
Professional Services	68,048	50,686	85,750	98,518	\$78,810	\$78,810	(\$6,940)	FY17 overage due to temporary employees; Board meeting Livestream \$7,800 moved to Comm Serv
Consumables	2,449	4,154	6,500	6,500	\$6,500	\$6,500	\$0	
Utilities	1,168	1,882	2,000	2,000	\$2,200	\$2,200	\$200	
Travel	22,880	22,504	32,000	26,971	\$35,000	\$35,000	\$3,000	increase due to possible attendance by Board Members to Summit meeting
Office Rent	31,747	26,748	32,625	18,155	\$15,853	\$15,853	(\$16,772)	Reduction based on estimated SWCAP expense offset and total SF reduction
Equipment Lease/Rental	5,512	9,239	14,500	14,500	\$10,250	\$10,250	(\$4,250)	PC Refresh \$6,600; copier rentals \$3,500
Registration & Membership	6,772	9,950	16,125	16,125	\$10,375	\$10,375	(\$5,750)	Reduce all hands personnel training - absorbed by TREC per MOU
Maintenance & Repairs	8,933	13,162	12,267	19,078	\$5,707	\$5,707	(\$6,560)	reduced budget for Versa software maintenance by \$5K
Reproduction & Printing	82	202	1,600	1,600	\$1,600	\$1,600	\$0	
Contract Services	9,104	6,296	31,040	31,040	\$23,060	\$23,060	(\$7,980)	Less SOAH activity means less expense for court reporters, transcripts, subpoenas, security guards, etc.
Postage	4,792	4,582	6,350	6,350	\$6,350	\$6,350	\$0	
Supplies & Equipment	2,741	1,637	7,000	7,040	\$3,500	\$3,500	(\$3,500)	Change in security software to BitDefender plus Adobe \$1K for licenses;
Communication Services	7,496	9,404	8,546	8,546	\$17,526	\$17,526	\$8,980	Moved \$7,800 for web-stream of meetings, telecom costs, electronic subscriptions
Other Operating Expenses	3,089	1,864	4,342	4,342	\$4,342	\$4,342	\$0	Workers Comp, freight deliveries, certified copies, witness fees, state bar dues
DPS Criminal History Background Checks	3,670	2,934	3,000	3,000	\$3,200	\$3,200	\$200	
Statewide Cost Allocation Plan (SWCAP)	43,371	41,034	45,000	40,478	\$35,510	\$35,510	(\$9,490)	Limited to occupancy related charges
Contribution to General Revenue	30,000	30,000	30,000	30,000	\$25,275	\$25,275	(\$4,725)	Based on relative license holder count (3.37%)
Total Expenditures	\$1,378,527	\$1,353,005	\$1,538,378	\$1,517,144	\$1,547,940	\$1,612,123	\$9,561	FY2018 budget change from FY2017
Revenue	FY2015 Revenue	FY2016 Revenue	FY2017 Projected	FY 2017 Rev Est	FY2018 Projected	FY2019 Projected		Comments
License Fees	\$1,174,370	\$1,101,560	\$1,086,525	\$1,198,998	\$1,046,482	1,139,048		FY18=95% FY16 actual; FY19 =95% of FY17
AMCs	196,900	845,639	155,208	180,474	\$731,100	162,427		Add/Drop panelist reduction & 90% renewal
Administrative Penalties	44,355	44,800	38,400	38,400	\$34,560	36,480		trend is down
Other Miscellaneous Revenue	9,410	23,435	20,465	23,580	\$21,215	22,235		Exam fee \$10 (Pearson Vue), NSF fees, license histories, paper processing fees, etc.
Total Revenue	\$1,425,035	\$2,015,434	\$1,300,598	\$1,441,452	\$1,833,357	\$1,360,190		
AMC Revenue Carry Forward	\$308,904	(\$290,054)	\$290,054	\$290,054	(\$284,337)	\$284,337		AMC Carry forward FY2018 to FY2019
Revenue Over/(Under) Expenditures	\$355,412	\$372,375	\$52,274	\$214,361	\$1,081	\$32,404		

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2018 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	MONTHLY RATES					
	TREC		TALCB		TOTAL	
	FTE	Salary	FTE	Salary	FTE	Salary
Administration & Management Services (AMS)						
Executive Director/Administrator	0.80	11,600	0.20	2,900	1.0	14,500
General Counsel V	1.00	12,150	0.00	0	1.0	12,150
General Counsel IV	0.40	4,080	0.60	6,120	1.0	10,200
Legal Assistant IV	1.00	5,250	0.00	0	1.0	5,250
Information Specialist V	1.00	6,050	0.00	0	1.0	6,050
Executive Assistant III	0.40	1,910	0.60	2,865	1.0	4,775
Gov't Relations Specialist II	1.00	7,375	0.00	0	1.0	7,375
Total AMS	5.6	48,415	1.40	11,885	7.0	60,300
Staff & Support Services (SSS)						
Director I	1.0	8,325	0.0	0	1.0	8,325
Accountant VII	1.0	6,950	0.0	0	1.0	6,950
Accountant V	1.0	4,775	0.0	0	1.0	4,775
Accountant III	1.0	4,050	0.0	0	1.0	4,050
Accountant IV	1.0	4,425	0.0	0	1.0	4,425
Purchaser VI (part-time)	0.6	3,870	0.0	0	0.6	3,870
Administrative Assistant V	1.0	3,975	0.0	0	1.0	3,975
HR Specialist VI	1.0	7,025	0.0	0	1.0	7,025
HR Specialist III	1.0	3,750	0.0	0	1.0	3,750
Accountant II	1.0	3,925	0.0	0	1.0	3,925
Budget Analyst V	1.0	6,775	0.0	0	1.0	6,775
Total SSS	10.6	57,845	0.0	0	10.6	57,845
Information Technology Services (ITS)						
Director IV	1.0	11,400	0.0	0	1.0	11,400
Director II	1.0	8,700	0.0	0	1.0	8,700
Systems Analyst V	1.0	7,200	0.0	0	1.0	7,200
Programmer IV	1.0	6,750	0.0	0	1.0	6,750
Web Administrator III	1.0	6,200	0.0	0	1.0	6,200
Systems Analyst V	1.0	6,925	0.0	0	1.0	6,925
Systems Analyst V	1.0	7,550	0.0	0	1.0	7,550
Programmer IV	1.0	6,750	0.0	0	1.0	6,750
Business Analyst I	1.0	5,050	0.0	0	1.0	5,050
Systems Support Specialist I	1.0	3,300	0.0	0	1.0	3,300
Systems Admin V	1.0	6,750	0.0	0	1.0	6,750
Program Specialist I	1.0	4,450	0.0	0	1.0	4,450
Admin Asst II	1.0	3,100	0.0	0	1.0	3,100
Admin Asst II	1.0	3,100	0.0	0	1.0	3,100
Total ITS	14.00	87,225	0.00	0	14.00	87,225

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2018 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	MONTHLY RATES					
	TREC		TALCB		TOTAL	
	FTE	Salary	FTE	Salary	FTE	Salary
Education & Licensing Services (ELS)						
Director II	1.0	8,250	0.0	0	1.0	8,250
Admin Asst IV	1.0	3,450	0.0	0	1.0	3,450
Education			0.0	0		
Program Supervisor VI	1.0	5,950	0.0	0	1.0	5,950
Education Specialist II	1.0	4,025	0.0	0	1.0	4,025
Education Specialist II	1.0	4,325	0.0	0	1.0	4,325
Education Specialist II	1.0	3,900	0.0	0	1.0	3,900
Education Specialist I	1.0	3,700	0.0	0	1.0	3,700
Education Specialist I	1.0	3,650	0.0	0	1.0	3,650
Education Specialist II	0.0	0	1.0	3,900	1.0	3,900
Licensing						
Program Specialist VI	1.0	6,150	0.0	0	1.0	6,150
License and Permit Specialist IV	1.0	4,675	0.0	0	1.0	4,675
License and Permit Specialist IV	0.25	1,006	0.8	3,019	1.0	4,025
License and Permit Specialist I	1.0	2,750	0.0	0	1.0	2,750
License and Permit Specialist III	1.0	3,750	0.0	0	1.0	3,750
License and Permit Specialist II	0.0	0	1.0	2,900	1.0	2,900
License and Permit Specialist I	1.0	2,750	0.0	0	1.0	2,750
License and Permit Specialist I	1.0	3,000	0.0	0	1.0	3,000
License and Permit Specialist II	1.0	3,400	0.0	0	1.0	3,400
License and Permit Specialist I	1.0	2,900	0.0	0	1.0	2,900
Total ELS	16.25	67,631.25	2.75	9,818.75	19	77,450
Reception & Communication Services (RCS)						
Director I	1.0	7,600	0.0	0	1.0	7,600
Program Specialist V	1.0	5,175	0.0	0	1.0	5,175
Customer Service Representative V	1.0	4,200	0.0	0	1.0	4,200
Customer Service Representative V	1.0	4,300	0.0	0	1.0	4,300
Customer Service Representative IV	1.0	3,300	0.0	0	1.0	3,300
Customer Service Representative IV	1.0	3,800	0.0	0	1.0	3,800
Customer Service Representative IV	1.0	3,725	0.0	0	1.0	3,725
Customer Service Representative III	1.0	2,750	0.0	0	1.0	2,750
Customer Service Representative III	1.0	2,850	0.0	0	1.0	2,850
Customer Service Representative III	1.0	3,250	0.0	0	1.0	3,250
Customer Service Representative IV	1.0	3,000	0.0	0	1.0	3,000
Customer Service Representative III	1.0	2,850	0.0	0	1.0	2,850
Customer Service Representative III	1.0	2,750	0.0	0	1.0	2,750
Customer Service Representative III	1.0	3,000	0.0	0	1.0	3,000
Customer Service Representative III	1.0	2,750	0.0	0	1.0	2,750
Customer Service Representative III	1.0	2,750	0.0	0	1.0	2,750
Total RCS	16.0	58,050	0.0	0	16.0	58,050

**Texas Real Estate Commission & Texas Appraiser Licensing & Certification Board
FY2018 Budgeted Monthly Salary Rates by Position**

Position Classification by Division	MONTHLY RATES					
	TREC		TALCB		TOTAL	
	FTE	Salary	FTE	Salary	FTE	Salary
Standards & Enforcement Services (SES)						
Director III	1.0	8,850	0.0	0	1.0	8,850
Attorney IV	1.0	6,000	0.0	0	1.0	6,000
Attorney V	1.0	7,400	0.0	0	1.0	7,400
Attorney IV	1.0	5,750	0.0	0	1.0	5,750
Attorney IV	1.0	6,700	0.0	0	1.0	6,700
Attorney IV	1.0	6,400	0.0	0	1.0	6,400
Attorney IV	1.0	6,300	0.0	0	1.0	6,300
Attorney IV	1.0	6,450	0.0	0	1.0	6,450
Attorney IV	1.0	6,975	0.0	0	1.0	6,975
Attorney IV	1.0	5,950	0.0	0	1.0	5,950
Legal Asst III	1.0	4,300	0.0	0	1.0	4,300
Legal Asst III	1.0	4,425	0.0	0	1.0	4,425
Legal Asst III	1.0	4,525	0.0	0	1.0	4,525
Legal Asst IV	1.0	4,900	0.0	0	1.0	4,900
Legal Asst III	1.0	4,200	0.0	0	1.0	4,200
Program Specialist III - part time	0.6	1,498	0.0	0	0.6	2,496
Program Specialist III	1.0	4,400	0.0	0	1.0	4,400
Admin Asst III	1.0	3,300	0.0	0	1.0	3,300
Legal Secretary III	1.0	3,575	0.0	0	1.0	3,575
Legal Secretary III	1.0	3,450	0.0	0	1.0	3,450
Program Specialist I	1.0	3,700	0.0	0	1.0	3,700
Legal Asst III	1.0	3,600	0.0	0	1.0	3,600
Investigator V	1.0	5,450	0.0	0	1.0	5,450
Investigator IV	1.0	4,450	0.0	0	1.0	4,450
Investigator V	1.0	5,400	0.0	0	1.0	5,400
Investigator V	1.0	5,075	0.0	0	1.0	5,075
Investigator V	1.0	4,600	0.0	0	1.0	4,600
Investigator IV	1.0	4,200	0.0	0	1.0	4,200
Total SES	27.6	141,823	0.0	0	27.6	142,821
Texas Appraiser Licensing & Certification Board (TALCB SES)						
Director II	0.0	0	1.0	8,250	1.0	8,250
Attorney IV	0.0	0	1.0	6,200	1.0	6,200
Appraiser IV	0.0	0	1.0	5,925	1.0	5,925
Appraiser III	0.0	0	1.0	5,350	1.0	5,350
Appraiser III	0.0	0	1.0	5,175	1.0	5,175
Appraiser III	0.0	0	1.0	5,050	1.0	5,050
Appraiser III	0.0	0	1.0	5,350	1.0	5,350
Legal Secretary III	0.0	0	1.0	3,950	1.0	3,950
Legal Asst III	0.0	0	1.0	4,150	1.0	4,150
Legal Asst III	0.0	0	1.0	3,125	1.0	3,125
Total TALCB	0.0	0	10.0	52,525	10.0	52,525
Total for Agency	90.1	460,989	14.2	74,229	104.2	536,216

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-1
 COMBINING BALANCE SHEET -
 ALL GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

	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		25,029.26	25,029.26		
Cash In State Treasury			0.00		
Interfund Receivable			0.00		
Due From Other Funds (Note 12)	600,560.00		600,560.00		
Consumable Inventories			0.00	8,946.97	
Total Current Assets	\$ 600,560.00	\$ 25,029.26	\$ 625,589.26	\$ 8,946.97	\$ 0.00
Non-Current Assets:					
Investments - NonCurrent	\$	\$	\$	\$	\$
Total Non-Current Assets	0.00	0.00	0.00	0.00	0.00
TOTAL ASSETS	\$ 600,560.00	\$ 25,029.26	\$ 625,589.26	\$ 8,946.97	\$ 0.00
LIABILITIES					
Current Liabilities:					
Payables from :	\$	\$	\$	\$	\$
Accounts Payable					47,070.65
Payroll Payable					
Interfund Payable					
Due to Other Funds/Agencies (Note 12)	600,560.00	600,560.00	1,201,120.00		
Deferred Revenue					
Total Current Liabilities	600,560.00	600,560.00	1,201,120.00	0.00	47,070.65
TOTAL LIABILITIES	\$ 600,560.00	\$ 600,560.00	\$ 1,201,120.00	\$ 0.00	\$ 47,070.65
FUND BALANCES (DEFICITS):					
NonSpendable - Consumable Inventory	\$	\$	\$	\$	\$
Committed	0.00	0.00	0.00	8,946.97	(47,070.65)
Unassigned	0.00	(575,530.74)	(575,530.74)		
TOTAL FUND BALANCES	0.00	(575,530.74)	(575,530.74)	8,946.97	(47,070.65)
TOTAL LIABILITIES AND FUND BALANCES	\$ 600,560.00	\$ 25,029.26	\$ 625,589.26	\$ 8,946.97	\$ 0.00

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

UNAUDITED

TREC Local FUND 1005 FUND 1005 U/F (4055)	TREC Local FUND 0889 FUND 1005 U/F (7054)	TREC Local FUND 0889 FUND 1005 U/F (7055)	Loc Oper FUND 1005 FUND 1005 U/F (4201)	Loc Oper FUND 1005 FUND 1005 U/F (7201)	TOTAL FUND 1005	TOTALS (EXHIBIT I) 2017
\$	\$	\$	\$	\$	\$	\$
	103,370.30	31,670.00			135,040.30	135,040.30
	2,407,798.99	6,255,530.40		734,878.10	9,398,207.49	9,423,236.75
581,421.86					581,421.86	581,421.86
350.68					350.68	350.68
					0.00	600,560.00
					8,946.97	8,946.97
<u>\$ 581,772.54</u>	<u>\$ 2,511,169.29</u>	<u>\$ 6,287,200.40</u>	<u>\$ 0.00</u>	<u>\$ 734,878.10</u>	<u>\$ 10,123,967.30</u>	<u>\$ 10,749,556.56</u>
\$	\$	\$	\$	\$	\$	\$
		8,485,160.12			8,485,160.12	8,485,160.12
0.00	0.00	8,485,160.12	0.00	0.00	8,485,160.12	8,485,160.12
<u>\$ 581,772.54</u>	<u>\$ 2,511,169.29</u>	<u>\$ 14,772,360.52</u>	<u>\$ 0.00</u>	<u>\$ 734,878.10</u>	<u>\$ 18,609,127.42</u>	<u>\$ 19,234,716.68</u>
\$	\$	\$	\$	\$	\$	\$
133,138.94			312,606.00		492,815.59	492,815.59
571,025.35					571,025.35	571,025.35
350.68					350.68	350.68
					0.00	1,201,120.00
					0.00	0.00
<u>704,514.97</u>	<u>0.00</u>	<u>0.00</u>	<u>312,606.00</u>	<u>0.00</u>	<u>1,064,191.62</u>	<u>2,265,311.62</u>
<u>\$ 704,514.97</u>	<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 312,606.00</u>	<u>\$ 0.00</u>	<u>\$ 1,064,191.62</u>	<u>\$ 2,265,311.62</u>
\$	\$	\$	\$	\$	\$	\$
					8,946.97	8,946.97
(122,742.43)	2,511,169.23	14,772,360.52	(312,606.00)	734,878.10	17,535,988.77	17,535,988.77
					0.00	(575,530.74)
<u>(122,742.43)</u>	<u>2,511,169.23</u>	<u>14,772,360.52</u>	<u>(312,606.00)</u>	<u>734,878.10</u>	<u>17,544,935.74</u>	<u>16,969,405.00</u>
<u>\$ 581,772.54</u>	<u>\$ 2,511,169.23</u>	<u>\$ 14,772,360.52</u>	<u>\$ 0.00</u>	<u>\$ 734,878.10</u>	<u>\$ 18,609,127.36</u>	<u>\$ 19,234,716.62</u>

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2017

	TAMU FUND 0889 FUND 0889 U/F (4057)	TAMU FUND 0889 FUND 0889 U/F (7057)	TOTAL FUND 0889 FUND 0889	Loc Oper FUND 0889 FUND 1005 U/F (3055)	Loc Oper FUND 1005 FUND 1005 U/F (4054)
REVENUES:					
Legislative Appropriations	\$	\$	\$	\$	\$
Additional Appropriations			0.00		
Licenses, Fees and Permits		6,367,860.00	6,367,860.00		
Sales of Goods and Services			0.00		
Administrative Penalties					
Interest and Investment Income		774.94	774.94		
Other Revenue			0.00		
Total Revenues	0.00	6,368,634.94	6,368,634.94	0.00	0.00
EXPENDITURES:					
Salaries and Wages			0.00		
Payroll Related Costs			0.00		
Professional Fees and Services			0.00		
Travel			0.00		
Materials and Supplies			0.00	1,879.38	
Communication and Utilities			0.00		
Repairs and Maintenance			0.00		
Rentals and Leases			0.00		
Printing and Reproduction			0.00		
Other Operating Expenditures		413.37	413.37		498,074.05
Debt Service-Personal Prop-Computer Equip-Cap Lease					
Interest on Govtl and Fiduciary L-T Debt					
Total Expenditures	0.00	413.37	413.37	1,879.38	498,074.05
EXCESS OF REVENUES OVER EXPENDITURES	0.00	6,368,221.57	6,368,221.57	(1,879.38)	(498,074.05)
OTHER FINANCING SOURCES (USES):					
Operating Transfers In (Note 1.G.)	6,401,780.00		6,401,780.00		495,193.20
Increase In Obligations Under Capital Lease					
Operating Transfers Out (Note 1.G.)	(6,401,780.00)	(6,401,780.00)	(12,803,560.00)		
Total Other Financing Sources (Uses)	0.00	(6,401,780.00)	(6,401,780.00)	0.00	495,193.20
EXCESS OF REVENUE & OTHER FINANCING SOURCES OVER EXPENDITURES & OTHER FINANCING USES	0.00	(33,558.43)	(33,558.43)	(1,879.38)	(2,880.85)
FUND BALANCES - Beginning September 1, 2016	0.00	(541,972.31)	(541,972.31)	10,826.35	(44,189.80)
Restatements			0.00		
FUND BALANCES - Ending August 31, 2017	\$ 0.00	\$ (575,530.74)	\$ (575,530.74)	\$ 8,946.97	\$ (47,070.65)

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

UNAUDITED

Loc Oper FUND 1005 FUND 1005 U/F (4055)	Loc Oper FUND 0889 FUND 1005 U/F (7054)	Loc Oper FUND 9999 FUND 1005 U/F (7055)	Loc Oper FUND 1005 FUND 1005 U/F (4201)	Loc Oper FUND 1005 FUND 1005 U/F (7201)	TOTAL FUND 1005	TOTALS EXHIBIT II 2017
\$	\$	\$	\$	\$	\$	\$
					0.00	0.00
					0.00	0.00
	493,321.38	12,496,359.95		1,942,075.50	14,931,756.83	21,299,616.83
		1,095.20			1,095.20	1,095.20
					0.00	0.00
	11,920.59	90,763.53		5,901.47	108,585.59	109,360.53
		380,122.86			380,122.86	380,122.86
<u>0.00</u>	<u>505,241.97</u>	<u>12,968,341.54</u>	<u>0.00</u>	<u>1,947,976.97</u>	<u>15,421,560.48</u>	<u>21,790,195.42</u>
5,219,947.09					5,219,947.09	5,219,947.09
2,059,751.54					2,059,751.54	2,059,751.54
350,724.47					350,724.47	350,724.47
34,490.81					34,490.81	34,490.81
85,116.74					86,996.12	86,996.12
109,629.99					109,629.99	109,629.99
124,821.63					124,821.63	124,821.63
175,121.29					175,121.29	175,121.29
2,255.48					2,255.48	2,255.48
379,924.15	2,838.59	4,265.77	1,820,769.25	433.95	2,706,305.76	2,706,719.13
16,151.31					16,151.31	16,151.31
2,050.16					2,050.16	2,050.16
<u>8,559,984.66</u>	<u>2,838.59</u>	<u>4,265.77</u>	<u>1,820,769.25</u>	<u>433.95</u>	<u>10,888,245.65</u>	<u>10,888,659.02</u>
<u>(8,559,984.66)</u>	<u>502,403.38</u>	<u>12,964,075.77</u>	<u>(1,820,769.25)</u>	<u>1,947,543.02</u>	<u>4,533,314.83</u>	<u>10,901,536.40</u>
9,303,091.63			1,705,941.25		11,504,226.08	17,906,006.08
(720,000.00)	(495,193.20)	(9,303,091.63)		(1,705,941.25)	0.00	0.00
					(12,224,226.08)	(25,027,786.08)
<u>8,583,091.63</u>	<u>(495,193.20)</u>	<u>(9,303,091.63)</u>	<u>1,705,941.25</u>	<u>(1,705,941.25)</u>	<u>(720,000.00)</u>	<u>(7,121,780.00)</u>
23,106.97	7,210.18	3,660,984.14	(114,828.00)	241,601.77	3,813,314.83	3,779,756.40
(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
					0.00	0.00
<u>\$ (122,742.43)</u>	<u>\$ 2,511,169.29</u>	<u>\$ 14,772,360.52</u>	<u>\$ (312,606.00)</u>	<u>\$ 734,878.10</u>	<u>\$ 17,544,935.80</u>	<u>\$ 16,969,405.06</u>

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, 2017

	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		691,081.78
Total Current Assets	<u>0.00</u>	<u>691,081.78</u>
Non Current Assets		
Investments - Non-Current		1,795,449.96
Total Non-Current Assets	<u>0.00</u>	<u>1,795,449.96</u>
TOTAL ASSETS	<u>\$ 0.00</u>	<u>\$ 2,486,531.74</u>
LIABILITIES		
Current Liabilities		
Due to Other Funds	\$	\$
Accounts Payable		
Funds Held for Others		
Total Current Liabilities	<u>0.00</u>	<u>0.00</u>
TOTAL LIABILITIES	<u>0.00</u>	<u>0.00</u>
NET POSITION		
Held in Trust for:	\$	\$
Individuals, Organizations, and Other Governments	<u>0.00</u>	<u>2,486,531.74</u>
TOTAL NET POSITION	<u>\$ 0.00</u>	<u>\$ 2,486,531.74</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	370,043.64	0.00
<u>0.00</u>	<u>370,043.64</u>	<u>1,061,125.42</u>
<u>0.00</u>	<u>370,043.64</u>	<u>1,061,125.42</u>
0.00	249,527.62	2,044,977.58
<u>0.00</u>	<u>249,527.62</u>	<u>2,044,977.58</u>
<u>0.00</u>	<u>249,527.62</u>	<u>2,044,977.58</u>
\$ 0.00	\$ 619,571.26	\$ 3,106,103.00
<u>0.00</u>	<u>619,571.26</u>	<u>3,106,103.00</u>
<u>0.00</u>	<u>619,571.26</u>	<u>3,106,103.00</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	\$ 619,571.26	\$ 3,106,103.00
<u>0.00</u>	<u>619,571.26</u>	<u>3,106,103.00</u>
<u>0.00</u>	<u>619,571.26</u>	<u>3,106,103.00</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, 2017

	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		17,011.14
Interest and Investment Income		<u>17,011.14</u>
Total Investing Income	<u>0.00</u>	<u>17,011.14</u>
Total Net Investment Income	<u>0.00</u>	<u>17,011.14</u>
Other Additions		
Federal Revenue	\$	
Contributions to Employee Benefit Funds		
Settlement of Claims		318,530.00
Other Revenue		397,983.67
Transfers-In (Note 1.G.)	<u>319,968.23</u>	<u>319,968.23</u>
Total Other Additions	<u>319,968.23</u>	<u>716,513.67</u>
Total Additions	<u>319,968.23</u>	<u>733,524.81</u>
DEDUCTIONS		
Employee Benefit Payments	\$	
Transfers Out of Contributions		
Interest Expense		
Travel		
Claims & Judgements	319,142.23	
Other Expense	826.00	900.67
Transfers Out (Note 1.G.)	<u>319,968.23</u>	<u>319,968.23</u>
Total Deductions	<u>319,968.23</u>	<u>320,868.90</u>
NET INCREASE (DECREASE) IN NET POSITION	<u>0.00</u>	<u>412,655.91</u>
Net Position, September 1, 2016	<u>0.00</u>	<u>2,073,875.83</u>
Net Position, August 31, 2017	<u>\$ 0.00</u>	<u>\$ 2,486,531.74</u>

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

UNAUDITED

REAL ESTATE INSPECTION RECOVERY TRUST 0889 <u>0889 (U/F 4059)</u>	REAL ESTATE INSPECTION RECOVERY TRUST 0889 <u>0889 (U/F 7059)</u>	TOTAL Exhibit VII <u>2017</u>
\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
		0.00
	<u>5,174.19</u>	<u>22,185.33</u>
<u>0.00</u>	<u>5,174.19</u>	<u>22,185.33</u>
<u>0.00</u>	<u>5,174.19</u>	<u>22,185.33</u>
	26,286.92	344,816.92
	5,868.04	403,851.71
<u>32,873.42</u>		<u>352,841.65</u>
<u>32,873.42</u>	<u>32,154.96</u>	<u>1,101,510.28</u>
<u>32,873.42</u>	<u>37,329.15</u>	<u>1,123,695.61</u>
		0.00
		0.00
		0.00
		0.00
25,000.00		344,142.23
	243.14	1,969.81
<u>7,873.42</u>	<u>32,873.42</u>	<u>360,715.07</u>
<u>32,873.42</u>	<u>33,116.56</u>	<u>706,827.11</u>
<u>0.00</u>	<u>4,212.59</u>	<u>416,868.50</u>
<u>0.00</u>	<u>615,358.67</u>	<u>2,689,234.50</u>
\$ <u>0.00</u>	\$ <u>619,571.26</u>	\$ <u>3,106,103.00</u>

UNAUDITED

Texas Real Estate Commission (329)
 Exhibit J-1 -Combining Statement of Changes in Assets and Liabilities--Agency Funds
 August 31, 2017

OTHER AGENCY FUNDS

	Balances Sept 1 2016		Additions	Deductions	Balances Aug 31 2017 (EXHIBIT VI)	
Fund (0889) U/F (4060)						
ASSETS						
Cash in State Treasury	\$		\$ 215,440.00	\$ (215,440.00)	\$	0
Total Assets	\$	0	\$ 215,440.00	\$ (215,440.00)	\$	0
LIABILITIES						
Accounts Payable	\$		\$ 215,440.00	\$ (215,440.00)	\$	0
Funds Held for Others	\$		\$ 215,360.00	\$ (215,360.00)	\$	0
Total Liabilities	\$	0	\$ 430,800.00	\$ (430,800.00)	\$	0

Fund (0889) U/F (7060)

ASSETS						
Cash Equivalents - Misc. Investments	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88
Total Assets	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88
LIABILITIES						
Funds Held for Others	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88
Total Liabilities	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88

Totals - All Agency Funds

ASSETS						
Cash in State Treasury	\$		\$ 215,440.00	\$ (215,440.00)	\$	
Cash Equivalents - Misc. Investments	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88
Total Assets	\$	14,316.32	\$ 433,007.39	\$ (430,973.83)	\$	16,349.88
LIABILITIES						
Payables	\$	-	\$ 215,440.00	\$ (215,440.00)	\$	
Funds Held for Others	\$	14,316.32	\$ 217,567.39	\$ (215,533.83)	\$	16,349.88
Total Liabilities	\$	14,316.32	\$ 433,007.39	\$ (430,973.83)	\$	16,349.88

UNAUDITED

TEXAS REAL ESTATE COMMISSION (329)
 EXHIBIT K-1
 COMBINING STATEMENT OF NET ASSETS -
 DISCRETELY PRESENTED COMPONENT UNIT
 For the Year Ended August 31, 2017

	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 2017 GAAP Fund 1005
ASSETS				
Current Assets:				
Cash and Cash Equivalents:				
Cash in State Treasury	\$ 108,410.45	\$	\$	\$ 108,410.45
Cash in Bank		325.00		325.00
Interfund Receivable				0.00
Cash Equivalents - Misc. Investments		779,582.90	28,208.33	807,791.23
Consumable Inventories		2,936.05		2,936.05
Current Assets:	<u>108,410.45</u>	<u>782,843.95</u>	<u>28,208.33</u>	<u>919,462.73</u>
Non-Current Assets:				
Investments - Non-Current (Note 3)	\$	796,964.54		796,964.54
Furniture & Equipment, Net		0.00		0.00
Computer Software, Intangible, Net (Note 2)		36,887.74		36,887.74
Non-Current Assets	<u>0.00</u>	<u>833,852.28</u>	<u>0.00</u>	<u>833,852.28</u>
Total Assets:	<u>108,410.45</u>	<u>1,616,696.23</u>	<u>28,208.33</u>	<u>1,753,315.01</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	\$ 39,531.63			39,531.63
Payroll Payable	87,413.59			87,413.59
Interfund Payable				0.00
Employee Compensable Leave (Note 5)		73,088.81		73,088.81
Current Liabilities	<u>126,945.22</u>	<u>73,088.81</u>	<u>0.00</u>	<u>200,034.03</u>
Non-Current Liabilities:				
Employee Compensable Leave (Note 5)	\$	57,382.54		57,382.54
Non-Current Liabilities	<u>0.00</u>	<u>57,382.54</u>	<u>0.00</u>	<u>57,382.54</u>
Total Liabilities	<u>126,945.22</u>	<u>130,471.35</u>	<u>0.00</u>	<u>257,416.57</u>
NET POSITION				
Net Assets Invested in Capital Assets	\$			0.00
Unrestricted Net Position	(18,534.77)			(18,534.77)
Net Assets Restricted for Other		1,486,224.88	28,208.33	1,514,433.21
Total Net Position	<u>\$ (18,534.77)</u>	<u>1,486,224.88</u>	<u>28,208.33</u>	<u>1,495,898.44</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, 2017

	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 2017 GAAP Fund 1005
OPERATING REVENUES				
Professional Fees	\$	\$ 1,422,444.86	\$	\$ 1,422,444.86
Sales of Goods and Services		94.45		94.45
Administrative Penalties			17,950.00	17,950.00
Other Operating Revenues - Non-pledged		23,405.00		23,405.00
Operating Revenues	<u>0.00</u>	<u>1,445,944.31</u>	<u>17,950.00</u>	<u>1,463,894.31</u>
OPERATING EXPENSES				
Salaries and Wages	\$ 834,420.10	12,283.81	0.00	846,703.91
Payroll Related Costs	300,079.81			300,079.81
Professional Fees and Services	73,538.65			73,538.65
Travel	34,090.39			34,090.39
Materials and Supplies	9,520.36	1,501.76		11,022.12
Communication and Utilities	18,526.35			18,526.35
Repairs and Maintenance	18,006.92			18,006.92
Rentals & Leases	29,173.76			29,173.76
Printing and Reproduction	792.85			792.85
Depreciation and Amortization Expense		12,295.68		12,295.68
Interest				0.00
Other Expenditures	83,714.02		62.76	83,776.78
Operating Expenses	<u>1,401,863.21</u>	<u>26,081.25</u>	<u>62.76</u>	<u>1,428,007.22</u>
Operating Income (Loss)	<u>(1,401,863.21)</u>	<u>1,419,863.06</u>	<u>17,887.24</u>	<u>35,887.09</u>
NON-OPERATING REVENUE (EXPENSES)				
Investment Income (Non-Pledged)	\$	\$ 4,512.13	\$	\$ 4,512.13
Interest On Local Deposits		4,119.45	111.20	4,230.65
Total Other Non-operating Revenues (Expenses)	<u>0.00</u>	<u>8,631.58</u>	<u>111.20</u>	<u>8,742.78</u>
Income Before Other Revenues, Expenses, Gains, Losses and Transfers	<u>(1,401,863.21)</u>	<u>1,428,494.64</u>	<u>17,998.44</u>	<u>44,629.87</u>
OTHER REVENUES, EXPENSES, GAINS/LOSSES AND TRANSFERS				
Transfer In-Note 1.G.	\$ 1,427,553.97		0.00	1,427,553.97
Transfer Out-Note 1.G.	<u>(30,000.00)</u>	<u>(1,427,553.97)</u>	<u>0.00</u>	<u>(1,457,553.97)</u>
Cap Contrib/Endow/Special/Extra/Transfers	<u>1,397,553.97</u>	<u>(1,427,553.97)</u>	<u>0.00</u>	<u>(30,000.00)</u>
Increase/(Decrease) in Net Assets	<u>(4,309.24)</u>	<u>940.67</u>	<u>17,998.44</u>	<u>14,629.87</u>
Net Position, September 1, 2016	(14,225.53)	1,485,284.21	10,209.89	1,481,268.57
Restatements				0.00
Net Position, September 1, 2016, as Restated	<u>(14,225.53)</u>	<u>1,485,284.21</u>	<u>10,209.89</u>	<u>1,481,268.57</u>
Net Position, August 31, 2017	<u>\$ (18,534.77)</u>	<u>\$ 1,486,224.88</u>	<u>\$ 28,208.33</u>	<u>\$ 1,495,898.44</u>

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