

ARIZONA DEPARTMENT OF REAL ESTATE
EDUCATIONAL OBJECTIVES
(Real Estate Broker Pre-licensure Course)

School course content and instructors are required to meet the curriculum objectives as stated below:

1. SOURCES OF REAL ESTATE LAW & POLICY

1. Identify all sources of real estate law as listed in the Detailed Instructor Outline;
2. Explain that Arizona real estate law consists of and is impacted by Federal Law, Article XXVI of the AZ Constitution; Revised Statutes; Commissioners' Rules - Administrative Code; Substantive Policy Statements and Case Law;
3. Emphasize and illustrate the history of Arizona adopting Article XXVI and its impact on the real estate licensee, the case law and "important points";
4. Explain and emphasize the authority of the Department of Real Estate and its regulation of the real estate industry;
5. Explain the powers and duties of the Real Estate Commissioner;
6. Describe the purpose and duties of the Real Estate Advisory Board;
7. Describe the requirements and exemptions from licensure, review and emphasize "important points";
8. Educate broker to responsibilities of the Designated Broker for a corporation; limited liability corporation; location and branch office requirements; review and emphasize "important points";
9. Explain the licensing requirements of associate broker, salesperson licensed as a PC or PLLC, review and emphasize "important points";
10. Explain and illustrate the requirements for required locations, signage, branch managers license requirements, review and emphasize "important points";
11. Explain and describe the Temporary Broker's license; the purpose, limitations; review and emphasize "important points";
12. Explain direct management and supervision of real estate activities by the broker including record keeping, disposition of funds, and compensation;
13. Identify and explain the Real Estate Employment Agreements (listing and buyer broker), multiple requirements, and limitations on solicitation, review and illustrate "important points";
14. Identify the reasons the Commissioner may deny, suspend, or revoke a license;
15. Explain Consent Orders, Cease and Desist Orders; Define administrative actions and fines the Commissioner may impose; review and explain "important points" plus CASE LAW.
16. Explain requirements for collecting compensation; review "important points";
17. Explain and illustrate the Out-of-State broker, cooperation agreement purpose, requirements and liabilities to designated broker; review and explain the "important points";
18. Review, define and illustrate the statute and SPS requirements for unlicensed activities; use of unlicensed assistants; and Teams/Groups; review "important points";
19. Recognize and explain the difference between the requirements of property management and general real estate brokerage; include the "important points";

20. List the essentials of a valid property management agreement;
21. Describe the requirements for placing funds received under employment as property managers into trust accounts;
22. Describe the record keeping requirements under a property management employment agreement,
23. List the exemptions from real estate license requirements for residential and nonresidential property management;
24. Explain the agency relationship between the property owner and the property managers;
25. List the duties and responsibilities of a property manager;
26. Discuss the requirement for Arizona Residential Rental Property Registration per ARS 33-1902
27. Identify requirements for payment of finder's fees; minimum duties and responsibilities; review all "important points";
28. Explain and identify subdivided and unsubdivided lands; public report requirements relating to each;
29. Explain and illustrate requirements of being located inside an AMA; "acting in concert"; acquisition of 6 or more parcels; minimum requirements for obtaining a public report or re-issue of a previous public report; purchase of foreclosed parcels are not exempt from public report requirements;
30. Describe and explain the exemptions; requirements for lot reservations; rescindable sales; evidence of receipt; amended public reports;
31. Explain and define requirements for the sale of unimproved parcels; rights to rescind; and review "important points";
32. Explain requirements of the Affidavit of Disclosure; timelines for deliver and rights to rescind; review Case Law;
33. Explain the purpose and describe the process of the Real Estate Recovery Fund; and
34. Describe requirements of the sale of unsubdivided lands;
35. Discuss the requirements of offering real estate timeshares.

2. COMMISSIONER'S RULES – AZ ADMINISTRATIVE CODE

1. Review and explain the requirements for obtaining, transferring and renewing a license, the minimum requirements as a PC or PLLC, LLC, branch offices and branch managers
2. Review and describe unlawful license activity;
3. Explain minimum education requirements for license renewal;
4. Explain advertising requirements including proper Entity identification and licensee identification; allowable and prohibited forms of advertising; including inducements, and requirements for advertising of subdivisions and time-share sales; review and explain "important points" and CASE LAW;
5. Explain and demonstrate a knowledge of the requirements of preparation of documents and contracts, the necessity for providing copies to all parties, record keeping requirements by the broker, the broker's obligations to the public, the obligatory disclosures to the public, and the obligatory language regarding public reports and rights of rescission;

6. Explain the obligation of employing brokers in supervising and managing the activities of their licensees;
7. Review and illustrate broker obligation to, and responsibility for management of licensees regarding all duties to buyer or seller client; disclosure, acting expeditiously, licensee controversy, conflict of interest, dual compensation, additional compensation,
8. Describe and explain ‘areas of expertise, exercising reasonable care, prohibition against and recommending professional assistance regarding post and prepossession;
9. Explain the importance of written policies and procedures; monitoring compliance, broker supervision over all licensee activities, and policy manual exception;
10. Review all “important points” and CASE LAW.

3. AGENCY RELATIONSHIPS AND MANAGERIAL DUTIES

1. Demonstrate and explain the concepts and definition of an agency relationship and fiduciary duties together with understanding confidentiality and due diligence, and termination of employment;
2. Discuss and demonstrate how an agency relationship could be disclosed, created, maintained and terminated.
3. Review and explain different types of employment agreements, MLS services and co-brokerage agreements;
3. Identify the various types of real estate agency relationships together with the limitations an agent has when acting as the agent of the buyer / tenant, seller / landlord, or both;
4. Differentiate between “expressed agency”, “implied agency” and a “customer” or a “client”;
5. Identify and explain “single agency”; and “dual agency” differences and liabilities’
6. Explain the many ways an additional ‘sub-agency” relationship can be created by assignment; requirements of client acceptance;
7. Review and explain the principles of vicarious liability and imputed notice;
8. Explain and demonstrate the role of the broker in an agency relationship;
9. Define and describe the fiduciary duty, review CASE LAW;
10. Differentiate between material defects and material facts and explain how the agency relationship measures the “due diligence” obligations of disclosure in each instance;
11. Define and describe employment agreements; clarify broker duties to the client; for sale by owner – represented or unrepresented agreement;
12. Provide detail of industry standard listing agreements; buyer broker agreements; records maintenance; compensation; retainer fees, and prohibitions;
13. Explain requirements for terminating listing and buyer broker agreements; CASE LAW;
14. Review and explain broker responsibility for protecting client information and managing the potential for cyber crime such as wire fraud, identity theft; cyber insurance and protective procedures, CASE LAW;
15. Explain the purpose of errors and omissions insurance.

4. CONTRACTS AND CONTRACT LAW

1. Provide the elements of a valid contract; define and explain the “smart contract”;
2. Inform broker candidates of Statute of Frauds minimum requirements for an enforceable contract;
3. Explain the process and requirements of the Electronic Transaction law; impact of bankruptcy on transactions;
4. Define and explain the “letter of intent” v. purchase contract;
5. Explain and give examples of the various types of contracts as they relate to real estate transactions;
6. Review and explain the process from offer to closing; include management of multiple counter offers, multiple offers on one property, multiple offers on different properties, back up contracts; review “important points”;
7. Explain some of the major concerns of a purchase contract and the consequences of failing to address them in a transaction;
8. Distinguish between the use of an assignee and the use of a nominee in a contract and indicate the risks associated with the use of each;
9. Differentiate among the methods by which a contract can be terminated;
10. Discuss the concept of breach of contract and the rights and remedies to which the parties may be entitled;
11. Define and describe types of contract interests; review and explain “important points”, restrictions and liability of assignment;
12. Describe and explain restrictions and requirements of types of options, option money, tax obligations; exercising and termination of an option;
13. Differentiate between an option and a first right of refusal and indicate appropriate situations in which each could be used;
14. Describe and explain a purpose and limitations of a Right of First Refusal; covenant not to compete; the process of dispute resolution;
15. Illustrate and define contract terminology.

5. PROPERTY INTERESTS, ESTATES & TENANCIES

1. Describe what interests are real property and what are personal property;
2. List and explain the physical and economic characteristics of land and its elements;
3. Discuss ownership of air rights and subsurface rights;
4. Define and give examples of fixtures, trade fixtures and emblements; Explain the requirements of and the need for security agreements and the Uniform Commercial Code and how they could impact commercial transactions.
5. Differentiate between alternative types of housing;
6. Explain and review licensee's right to list and sell manufactured homes;
7. Define “horizontal property regimes” and describe what type of properties are included in that concept;
8. Describe when an Affidavit of Affixture is used;

9. Explain fractional and undivided interests in land, differentiate between freehold and less-than-freehold estates;
10. List and describe the inheritable freehold estates of fee simple, and defeasible fee;
11. Explain how conventional life estates are created, the rights of ownership vested in the life estates, and the rights of reversion or remainder;
12. Define, describe and illustrate rights of ingress and egress; an appurtenant easement, how it is created and how it is terminated;
13. Define, describe and illustrate types of and rights of in-gross easements, prescriptive easements and easements by necessity, personal (license), conservation and view easements;
16. List the concurrent co-ownership tenancies;
17. Describe community property including the legal assumption and rights to convey or encumber by contract, will or descent;
18. Explain community property with rights of survivorship, the requirements to create or terminate, and compare to other co-ownership tenancies;
19. Define “sole and separate property” how it is acquired, maintained and the disposition of interests;
20. Explain joint tenants with rights of survivorship, the legal requirements to create and the disposition of interests by sale or death;
21. Explain tenancy in common and the legal assumptions in the creation and disposition of separate interests;
22. Define, describe and illustrate ownership requirements, responsibilities, and limitations of a corporation, limited liability company, partnerships, trusts and real estate investment trusts;
23. Explain rights and responsibilities of signatories for each type of entity;
23. Describe types of common ownership interest in a cooperative and the rights to occupy and use the premises;
24. Describe the ownership of a condominium unit and the common elements, how condominiums are created;
25. Describe how an association of condominium owners is created, the bylaws, assessments, maintenance and insurance;
26. Review and explain the Condominium Termination Act, its application, ownership requirements, rights of owners, and termination of the association;
27. Define and describe the Planned Unit Development.

6. GOVERNMENTS RIGHTS IN REAL PROPERTY

1. Discuss and illustrate the four government rights in real property (P.E.T.E.);
2. Explain the concept of eminent domain, review CASE LAW;
3. Understand that police power is the inherent power of the state to pass to municipalities and counties the power and authority to protect the public interest and welfare of its people;
4. Discuss the government’s right to tax real estate and personal property to raise funds to operate the government;
5. Review and explain the State’s right to escheat, the process, timelines and disposition of assets.

6. Explain the method of arriving at the annual property tax due for residential property, vacant land, and commercial property;
7. Identify and describe assessed value ratios;
8. Identify and describe how tax rates are obtained; the requirements and exemptions;
9. Explain the tax differences on new homes and other properties under development;
10. Define residential class 3 and class 4, explain penalties for inaccurate reporting, the tax reduction for state aid to education, and residential rental property registration;
11. Explain the lien priorities of real property taxes and special assessments;
12. Discuss how a property owner is charged or assessed an improvement tax;
13. Explain and illustrate the process and penalties of collecting delinquent taxes including the treasurer's sale, bidding process and obtaining the certificate of purchase;
14. Explain the differences between online and live auction processes; the redemption period and foreclosure process resulting in the treasurer's deed;
15. Describe and define special assessments, government, a Community Facilities District, the impact on the tax bill and priority of lien;
16. Define Home Owners Association rights and lien priority of assessments, the right of the HOA to foreclose.

7. INCOME TAX ASPECTS of REAL ESTATE

1. Describe and give examples of the Types of Income classifications of income under the federal income tax regulations including passive income and income for "pass through entities";
2. Demonstrate the Deduction of Taxes and Interest on Principal Residence, how the adjusted selling price, the adjusted cost basis, and gain or loss are computed, describe the limitations;
3. Define the difference between capital gain and ordinary income and how they are treated for income tax purposes;
4. Define "primary residence" and list the requirements for a tax-free gain upon sale of a primary residence;
5. Define the depreciable value, the economic life, and the cost recovery (depreciation) for residential and commercial real estate properties;
6. Explain deductibility of expenses and interest on investment real estate; depreciation; allocation and recapture of depreciation;
7. Demonstrate basis and capital gain calculations;
8. Describe how a Section 1031 Tax Deferred Exchange can be created and how debt forgiveness and/or boot are treated for tax purposes;
9. Explain the offset and carry forward provisions of capital losses;
10. Define and describe tax concepts of installment sales, taxation of mortgage over basis, debt relief in short sales; step up in basis upon death, capital gains benefit for opportunity zones;
11. Explain the distinctions of Employee status v. Independent Contractor status and tax withholding and income reporting requirements.

8. WATER LAW

1. Provide the website address of the Arizona Department of Water Resources (ADWR);
2. Explain and identify various terms and definitions used to discuss water law;
3. Describe the various sources of water in Arizona;
4. Describe the riparian doctrine of water rights;
5. Describe the Doctrine of Prior Appropriation and how it impacts the use of water in Arizona;
6. Explain the history and describe the impact of the 1980 Groundwater Code on real estate transactions in Arizona;
7. Differentiate between an Active Management Area and an Irrigation Non-expansion Area;
8. Differentiate among the various types of grandfathered water rights and describe the impact of required permits and transferable rights on real estate transactions;
9. Differentiate between “an assured water supply” and “an adequate water supply”;
10. Describe and discuss exempt domestic wells in an AMA and how they are registered and transferred;
11. Explain the Central Arizona Groundwater Replenishment District;
12. Discuss the adjudication of Indian Tribe Claims;
13. Define and describe wetlands.

9. ENVIRONMENTAL LAW

1. Provide website addresses to the federal and Arizona environmental regulatory agencies;
2. Describe the purpose and regulatory authority of the Arizona Department of Environmental Quality;
3. Describe federal and state environmental laws, CERCLA, Superfund and WQARF sites;
4. Describe the public health concerns and economic impacts of current issues (hot topics) on real estate;
5. List and discuss the liabilities under the superfund laws;
6. Describe common adverse environmental conditions;
7. Discuss the concept of environmental due diligence (phase I, II, & remediation, III), disclosures by a real estate licensee, and list the sources of information regarding contaminated properties;
8. Define and explain strict liability law and its impact on property owners; brokers/agents;
9. Define and explain environmental building certifications, the benefits to the consumer;
10. Describe and explain requirements of alternative waste systems, importance of soil percolation rates; provide regulatory resources.

10. LAND DESCRIPTIONS

1. Explain the basic methods of legally describing property;
2. Discuss the necessity of obtaining and using a correct legal description;
3. Define the various land units and measurements used in describing real property;

4. Define and discuss recorded plat (lot & block) descriptions, metes and bounds descriptions and Rectangular Survey descriptions;
5. Discuss the Assessor's identification process; and
6. Demonstrate by exercises an understanding of the legal description process.
7. Review the need and purpose of a boundary survey, the benefit of an ALTA survey;
8. Review and explain the history and purpose served of Article X - Arizona State Constitution State Trust Land

11. LAND DEVELOPMENT AND ZONING

1. Define and describe various land-planning terminology including types of zoning;
2. Define and describe Planned Unit Development (PUD);
3. Explain and discuss the new home sales process, disposition of earnest money, and buyer/seller representation.

12. ENCUMBRANCES

1. Identify and explain the various types of encumbrances;
2. Explain the differences between liens and other types of encumbrances;
3. List the classifications of liens and lien priority;
4. Discuss and review the process of mechanic's liens and their impact on real estate;
5. Discuss and review the process of judgement liens and their impact on real estate;
6. Discuss and review the impact and priority position of IRS Liens;
7. Discuss the practical concerns of liens as they appear on a preliminary title report;
8. Explain how the Arizona Homestead Act provides protection of homeowner's equity, the amount of protection, how a foreclosure sale by a judgement lien holder may be avoided.

13. ACQUISITION/TRANSFER OF TITLE

1. Identify and describe the methods of transfer;
2. Define and explain the various forms of deeds, their purpose, limitations and requirements;
3. Explain recordation and why it is important in a real property transaction;
4. Give examples of constructive notice and actual notice;
5. Define and explain the purpose and process of the Affidavit of Value;
6. Explain adverse possession and list the requirements for its creation and prevention;
7. List and describe the different types of title insurance policies; and
8. Explain the purpose for title insurance and title examination procedures including a chain of title, preliminary title report.

14. ESCROW AND SETTLEMENT

1. Define the term closing/escrow settlement as it relates to a real estate transaction;

2. Identify the participants in closing and describe who is authorized to perform the escrow services;
3. Identify and describe the significant elements of a closing statement including purchase price, earnest money deposit, financing, loan payoffs, closing costs, prorations, sales commissions, buyers cash requirements and sellers' proceeds;
4. Describe the requirements for escrow to disburse commissions directly to salespersons and associate brokers;
5. Explain and illustrate the process of double escrows aka simultaneous closings;
6. Describe RESPA and its effect on settlement procedures;
7. Identify and describe the duties of the escrow officer including Internal Revenue Service requirements in the closing process, FIRPTA and 1099 reporting.

15. FAIR HOUSING AND AMERICANS WITH DISABILITIES ACT

1. Deliver a brief history and development of civil rights and fair housing legislation as they evolved in America;
2. Explain the rationale for fair housing law, and recognize the importance of its development at both the federal and state levels;
3. Explain the Americans With Disabilities Act, include group homes and age restricted development, and the impact on the way real estate business is conducted;
4. Identify the purpose and application of Equal Opportunity Lending-Equal Credit Opportunity (ECOA);
5. List and explain the exemptions from these laws and the limitations on the exempt entities;
6. Identify prohibited practices under these laws;
7. Explain and list the requirements and restrictions on advertising property;
8. Emphasize the potential for or perceived discrimination through the use of pocket listings, company exclusive offerings and social media;
9. Explain the effect of the laws on purchase and rental transactions and its impact on the way real estate business is conducted; and
10. Identify conflicts between local CC&R's/deed restrictions and the provision of fair housing statute, explain which takes precedence and how disparities can be resolved.

16. LEASES AND LEASEHOLD ESTATES

1. Explain the basic types of leasehold interests as they relate to landlord/tenant relationships;
2. Explain the concept and rights of a leasehold estate and the essential elements of a valid and enforceable lease in Arizona;
3. Identify the various types of lease/rental agreement payment plans by manner of rent calculation;
4. Identify lease/rental agreement variables, such as the indices to which adjustments are tied;
5. Describe the elements of a commercial lease, including lease Clauses, methods of rent calculation and payment, distraint, and lease pass through and participation;

6. Differentiate between an assignment of a lease and subleasing, and identify the potential limitations on either;
7. Explain the ways in which a leasehold interest may be terminated by the parties to lease;
8. Differentiate between residential and commercial leases regarding occupancy and use, transfer of a leasehold interest, common area maintenance, and insurability of premises and inventory;
9. Describe how foreclosure affects a leasehold interest; explain non-disturbance provisions;
10. Define excess rent, positive and negative leaseholds;
11. Review and explain the purpose and process of section 8 housing;
12. Define and explain short term rentals and/or vacation rentals.

17. COMMERCIAL LEASING & BUILDING TERMINOLOGY

1. Define and describe common commercial terms used in leasing and building;
2. Describe the process and enforcement of broker liens on commercial property;
3. Identify and describe commercial classifications

18. ARIZONA RESIDENTIAL LANDLORD AND TENANT ACT

1. Describe property types not covered by the Arizona Residential Landlord and Tenant Act;
2. Identify and review the obligations and prohibited acts of a landlord;
3. Identify and review the obligations and prohibited acts of the tenant;
3. Identify remedies of non-compliance acts of the landlord and tenant;
4. Explain ways in which the rental relationship may be terminated.

19. PROPERTY INSURANCE AND WARRANTIES

1. Discuss the different types of insurance related to real estate;
2. Explain the difference between insurance and warranties;
3. Explain the purpose of flood insurance;
4. Describe and explain a claims history report;
5. Define types of business insurance
6. Explain the concept of home warranties.

20. APPRAISAL

1. Define appraisal, broker price opinion, competitive market analysis and differentiate between them;
2. Explain the differences between livable and under roof square footage;
3. Define and describe appraisal concepts and principles of value;
4. List and discuss the three appraisal approaches and differentiate between them;
5. Discuss and be able to use the steps taken in the sales comparison analysis approach to value;
6. Discuss and be able to use the steps taken in the cost approach to value;
7. Identify and distinguish between reproduction cost and replacement cost;

8. Identify and describe the three types of depreciation;
9. Illustrate the steps taken in the income capitalization approach to value;
10. Explain and illustrate the formulas for and distinguish between capitalization rates and a gross rent multiplier;
11. Explain and illustrate the appraisal ordering process;
12. Define and describe the differences of appraisals such as desk-top, drive by, AVM, and those performed by an AMC;
13. Provide an overview of the appraisal report form; a narrative appraisal; and
14. Explain reconsideration.

21. PRIMARY & SECONDARY MARKETS/FINANCING CONCEPTS

1. Identify the sources of funds and types of loans available in the primary market;
2. Differentiate between a mortgage bank and a mortgage broker;
3. Identify the entities that operate in the secondary market and discuss their interaction and effect on the primary market; and
4. Identify and discuss the advantages and disadvantages of different types of loans and loan clauses.

22. RESIDENTIAL & COMMERCIAL FINANCING

1. Define and describe the types of residential financing programs in terms of their similarities and differences;
2. Describe and discuss FHA, VA and Conventional Loans;
3. Explain the risks involved to a seller and buyer using seller financing;
4. Explain the impacts of Truth in Lending and RESPA on a residential real estate loan;
5. Explain the impacts of Consumer Financial Protection Bureau and Truth In Lending Act and Real Estate Settlement Procedures Act Integrated Disclosure (TRID) loan estimates and Closing Disclosures;
6. Review disclosure requirements of Affiliated Business Arrangements; prohibition of kickbacks and referral fees, review “important points”;
7. Review and explain loan fees and interest rates, explain common loan qualifications and common red flags, SPS 2008.06;
8. Review the Uniform Residential Loan Application, explain the tri-merged credit reporting process;
9. Discuss and give examples of the various types of commercial loans;
10. Explain the advantage and risks associated with seller financing in commercial transactions.
11. Define and explain “Crowd Funding” real estate investments.

23. FINANCING DOCUMENTS

1. Differentiate between pledging property and hypothecation property and which must be used for real estate;

2. Describe the characteristics of promissory notes including debt obligation, borrower liability and types of repayment methods;
3. Describe collateral documents, the essential elements of the instruments and their relationship to the promissory note; and
4. Explain the anatomy of the three collateral documents – mortgages, deeds of trust, and agreements for sale (land contracts), understanding their purpose function, advantages and disadvantages.

24. DEED OF TRUST FORECLOSURE

1. Explain and illustrate the foreclosure or forfeiture options available to lenders or sellers in Arizona under a mortgage, deed of trust, or agreement for sale;
2. Explain and illustrate the judicial foreclosure process and the timeframes involved;
3. Define a deed-in-lieu of foreclosure and its benefits and drawbacks;
4. Understand the process and timing of foreclosing a deed of trust under a non-judicial trustee's sale;
5. Explain and illustrate the forfeiture process and timing requirements a seller may use under an agreement for sale;
6. Explain and illustrate the post-foreclosure remedies including deficiency judgments and anti-deficiency statutes; and
7. Explain the rights of junior lien holders when a prior lien is being foreclosed and the proper allocation of foreclosure proceeds;
8. Discuss distressed property transactions.

25. DISCLOSURE & CONSUMER PROTECTION

1. Explain the consumer privacy laws that apply to real estate transactions;
2. Discuss mandatory disclosures required by Arizona statute or commissioner's rules;
3. Discuss the requirements for use of licensed contractors to make improvements to a property slated for re-sale or lease;
4. Discuss requirements of disclosure for property purchased with intent to resale or lease.

26. MATH CALCULATIONS

1. Solve proration/settlement sheet problems;
2. Perform appreciation and depreciation calculations;
3. Perform property tax calculations based upon full cash value;
4. Compute net proceeds and the sale price necessary to produce a given net amount;
5. Perform loan calculations consistent with the principles presented in the financing section of the outline;
6. Compute area and perimeter;

7. Perform the mathematics associated with appraisal including capitalization, gross rent multiplier calculations, determining basis and capital gains calculations and determining debt coverage ratios.
8. Deal with various other concepts that are introduced elsewhere in the class such as capital gains and other income tax computations, land description questions, new loan fees and insurance;
9. Calculate commissions; and
10. Calculate acreage based on land description.

27. COOPERATIVE NATURE OF REAL ESTATE

1. Discuss professional associations, their structure, purpose and professional designations;
2. Explain the purpose of the Sherman Anti-Trust Act, application and enforcement;
3. Discuss related areas in real estate such as licensed contractors, home inspectors, lenders, escrow and title insurance companies, etc.

28. BUSINESS ACCOUNTING

1. Define and describe common financial accounting terminology;
2. Describe elements of financial statement preparation;
3. Review accounting concepts, principles, and techniques used in recording business transactions;
4. Demonstrate measurement of income and valuation;
5. Provide and review the financial statement example;

29. ADRE AUDITS

1. Review and discuss the purpose of an ADRE audit;
2. Review and discuss the Audit Declaration form;
3. List requirements for each of the outline items;
4. Reference ADRE website as a resource, www.azre.gov and Auditing FAQ's <https://www.azre.gov/Aud/Aud.aspx>