

**TEXAS BOARD OF
VETERINARY MEDICAL EXAMINERS**

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2012

**Nicole Oria
Executive Director**

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS

BUD E. ALLDREDGE, JR., D.V.M.
PRESIDENT

DEWEY E. HELMCAMP III, J.D.
EXECUTIVE DIRECTOR

September 30, 2012

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
John O'Brien, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Dear Lady and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Board of Veterinary Medical Examiners for the year ended August 31, 2012, in compliance with TEX. GOV'T CODE ANN Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements in this statement. The financial report will be considered for audit by the State Auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore an opinion has not been expressed on the financial statements and related information contained in this report.

If you have any questions, please contact Deborah McKay at 512-305-7559.

Sincerely,

Nicole Oria
Executive Director

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
 EXHIBIT I
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -
 GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2012

	GOVERNMENTAL FUND TYPES GENERAL FUNDS FD 0001 U/F (0001)	CAPITAL ASSETS ADJUSTMENTS	LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET ASSETS
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash in Bank	\$ 1,000.00	\$	\$	\$	\$ 1,000.00
Legislative Appropriations	138,017.52				138,017.52
Accounts Receivable					0.00
Consumable Inventories	3,987.59				3,987.59
Total Current Assets	143,005.11	0.00	0.00	0.00	143,005.11
Non-Current Assets:					
Capital Assets:					
Depreciable					
Furniture and Equipment		42,015.95			42,015.95
Less Accumulated Depreciation		(31,334.09)			(31,334.09)
Intangible					
Software		9,975.00			9,975.00
Less Accumulated Amortization		(9,975.00)			(9,975.00)
Total Non-Current Assets	0.00	10,681.86	0.00	0.00	10,681.86
TOTAL ASSETS	\$ 143,005.11	\$ 10,681.86	\$ 0.00	\$ 0.00	\$ 153,686.97
LIABILITIES					
Current Liabilities:					
Payables from :					
Accounts Payable	\$ 2,500.00	\$	\$	\$	\$ 2,500.00
Payroll Payable	69,046.79				69,046.79
Due To Other Agencies (Agy 320, Fd 0165)	0.00				0.00
Employees' Compensable Leave			46,350.27		46,350.27
Capital Lease Obligations			0.00		0.00
Total Current Liabilities	71,546.79	0.00	46,350.27	0.00	117,897.06
Non-Current Liabilities:					
Employees' Compensable Leave			27,745.27		27,745.27
Capital Lease Obligations			0.00		0.00
Total Non-Current Liabilities	0.00	0.00	27,745.27	0.00	27,745.27
TOTAL LIABILITIES	71,546.79	0.00	74,095.54	0.00	145,642.33
Fund Financial Statements - Fund					
FUND BALANCES (DEFICITS):					
NonSpendable Consumable Inventories	\$ 3,987.59	\$	\$	\$	\$ 3,987.59
Unassigned	67,470.73	0.00	0.00	0.00	67,470.73
TOTAL FUND BALANCES	71,458.32	0.00	0.00	0.00	71,458.32
TOTAL LIABILITIES AND FUND BALANCES	\$ 143,005.11	\$ 0.00	\$ 74,095.54	\$ 0.00	\$ 217,100.65
Government-wide Statement - Net Assets					
Net Assets:					
Invested in Capital Assets, Net of Related Debt		10,681.86			10,681.86
Restricted for:					
Debt Retirement					0.00
Employee Benefit					0.00
Unrestricted			(74,095.54)		(74,095.54)
Total Net Assets		\$ 10,681.86	\$ (74,095.54)	\$ 0.00	\$ 8,044.64
The accompanying notes to the financial statements are an integral part of this statement.					\$ 153,686.97

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
 EXHIBIT II
 COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES/
 STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
 For the Year Ended August 31, 2012

	General Funds FUND 0001 (Exh A-2)	Capital Asset Adjustments	Long-term Liabilities Adjustments	Statement of Activities
REVENUES:	\$	\$	\$	\$
Legislative Appropriations				
Original Appropriations	903,615.00			903,615.00
Additional Appropriations	169,119.72			169,119.72
Licenses and Permits	68,742.34			68,742.34
Other Revenue	366.00			366.00
Total Revenues	<u>1,141,843.06</u>	0.00	0.00	1,141,843.06
EXPENDITURES:				
Salaries and Wages	709,596.07		8,698.16	718,294.23
Payroll Related Costs	174,395.99			174,395.99
Professional Fees & Services	48,671.79			48,671.79
Travel	24,730.53			24,730.53
Materials and Supplies	19,672.89			19,672.89
Communication and Utilities	7,669.72			7,669.72
Repairs and Maintenance	(14,188.00)			(14,188.00)
Rentals and Leases	1,416.64			1,416.64
Printing and Reproduction	2,505.95			2,505.95
Claims and Judgments	0.00			0.00
Other Operating Expenditures	62,824.87			62,824.87
Debt Service - Principal	7,186.90		(7,186.90)	0.00
Capital Outlay				0.00
Depreciation Expense	0.00	5,127.12		5,127.12
Total Expenditures	<u>1,044,483.35</u>	<u>5,127.12</u>	<u>1,511.26</u>	<u>1,051,121.73</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>97,359.71</u>	<u>(5,127.12)</u>	<u>(1,511.26)</u>	<u>90,721.33</u>
OTHER FINANCING SOURCES (USES):				
Increase in Net Assets - Capital Outlay	0.00			0.00
Legislative Transfers Out (Agy 364, Fd 0001)	(9,326.00)			(9,326.00)
Total Other Financing Sources (Uses)	(9,326.00)	0.00	0.00	(9,326.00)
NET CHANGE IN FUND BALANCES/NET ASSETS	<u>88,033.71</u>	<u>(5,127.12)</u>	<u>(1,511.26)</u>	<u>81,395.33</u>
FUND BALANCES - Beginning	6,779.32			\$ 6,779.32
Lapsed Appropriations	(23,354.71)			(23,354.71)
FUND BALANCES - Ending	<u>\$ 71,458.32</u>			\$
Government-wide Statement - Net Assets				
Change in Net Assets		<u>(5,127.12)</u>	<u>(1,511.26)</u>	
Net Assets Beginning		15,808.98	\$ (72,584.28)	\$ (56,775.30)
Adjustments to Beginning Net Assets				
Restatements				0.00
Net Assets Beginning as Restated and Adjusted		<u>15,808.98</u>	<u>(72,584.28)</u>	<u>(56,775.30)</u>
Net Assets Ending		<u>\$ 10,681.86</u>	<u>\$ (74,095.54)</u>	<u>\$ 8,044.64</u>

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

TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas Board of Veterinary Medical Examiners operates under the authority of Texas Occupations Code, Chapter 801 (recodified September 1, 1999 from Texas Government Code, Article 8890). The agency was created in 1911 and was restructured by the Veterinary Licensing Act enacted by the Fifty-third Legislature in 1953. The Board was reviewed under the Sunset Act by the 79th Legislature in 2004-2005 and was continued until 2017. The purpose of the Board is to protect the public by ensuring that persons entering the profession meet minimum academic and examination requirements. The Board also established and enforces policies to ensure the best possible quality of veterinary services for the citizens of Texas. The Board may adopt, alter or amend rules of professional conduct as appropriate to establish and maintain a high standard of integrity, skills and practice in the profession of veterinary medicine. Examinations are administered by the Board to qualified applicants and successful completion is a prerequisite to issuance of any license. The Texas Board of Veterinary Medical Examiners has authority to refuse applicants for examination, revoke or suspend licenses, issue administrative penalties, administer oaths and subpoenas, and compel witnesses to attend hearings concerning alleged violations of the Veterinary Licensing Act. As a result of Sunset Review during the 73rd Legislative Session, S.B. 623 amended Article 8890 by strengthening and standardizing complaint investigation and enforcement provisions, making further provisions for administrative and civil penalties, granting authority to temporarily suspend a license without a formal hearing, establishing mandatory continuing education, and granting authority to issue a provisional license.

The Texas Board of Veterinary Medical Examiners is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the State Comptroller of Public Accounts' Reporting Requirements of State Agencies.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying financial report to be in compliance with generally accepted accounting principles (GAAP). The financial report will be considered for audit by the State Auditor as part of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

Blended Component Units

No component units have been identified which should have been blended into an appropriate fund.

B. FUND STRUCTURE

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

GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

General Fund

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

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

Capital Asset Adjustment Fund Type

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

Long-Term Liabilities Adjustment Fund Type

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

FIDUCIARY FUND TYPES

Agency Funds

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

C. BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

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

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

E. ASSETS, LIABILITIES, AND FUND BALANCES/NET ASSETS

ASSETS

Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

Restricted Assets

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

Inventories

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

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost, or if any purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified basis. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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

LIABILITIES

Accounts Payable

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

Employees' Compensable Leave

Employees' Compensable Leave Balances represent the liability that became "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578) NOTES TO THE FINANCIAL STATEMENTS

FUND BALANCES/NET ASSETS

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

Fund Balance Components

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

* Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

* Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

* Committed fund balance can be used only for specific purposes pursuant to constraints by a formal action of the Texas Legislature, the state's highest level of decision making authority.

* Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

* Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

Invested in Capital Assets, Net of Related Debt

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted Net Assets

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

Unrestricted Net Assets

Unrestricted net assets consist of net assets, which do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management, but can be removed or modified.

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

F. INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among funds:

- 1) Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.
- 2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.
- 3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current."
- 4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables at August 31, 2012, if any, is presented in Note 12.

NOTE 2: CAPITAL ASSETS

A summary of changes in Capital Assets for the year ended August 31, 2012:

	<u>Balance 9/1/11</u>	<u>Adjustments</u>	<u>Completed CIP</u>	<u>Inc Int'agy Trans</u>
Governmental Activities:				
Depreciable Assets				
Furniture and				
Equipment	\$ 42,015.95	\$	\$	\$
Intangible: Software	<u>9,975.00</u>	<u></u>	<u>0.00</u>	<u>0.00</u>
Total depreciable/ amortizable assets	51,990.95	0.00	0.00	0.00
Less Accum Deprec for:				
Furniture and Equip	(26,206.97)			
Less Acc Amort Software	<u>(9,975.00)</u>	<u></u>	<u></u>	<u></u>
Total Accum Deprec/Amor	<u>(36,181.97)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
TOTAL	\$ <u>15,808.98</u>	\$ <u>0.00</u>	\$ <u>0.00</u>	\$ <u>0.00</u>
	<u>Dec Int'agy Trans</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance 8/31/12</u>
continued				
Governmental Activities:				
Depreciable Assets				
Furniture and				
Equipment	\$ 0.00	\$ 0.00	\$ 0.00	\$ 42,015.95
Intangible: Software	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>9,975.00</u>

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

Total depreciable/ amortizable assets	0.00	0.00	0.00	51,990.95
Less Accum Deprec for:				
Furniture and Equip	0.00	(5,127.12)	0.00	(31,334.09)
Less Acc Amort Software	0.00			(9,975.00)
Total Accum Deprec/Amort	<u>0.00</u>	<u>(5,127.12)</u>	<u>0.00</u>	<u>(41,309.09)</u>
 TOTAL	 \$ <u>0.00</u>	 \$ <u>(5,127.12)</u>	 \$ <u>0.00</u>	 \$ <u>10,681.86</u>

NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS

Texas Board of Veterinary Medical Examiners is authorized by statute to make investments following the "prudent person rule." There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2012, the carrying amount of deposits was \$1,000.00 as presented below.

Government Activities:

CASH IN BANK - CARRYING VALUE	\$ 1,000.00
Less: Certificates of Deposit included in carrying value and reported as Cash Equivalent	<u>0.00</u>

Cash in Bank per AFR	\$ <u>1,000.00</u>
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Governmental Funds Current Assets Cash in Bank	\$ <u>1,000.00</u>
------------------------------------------------	--------------------

Cash in Bank per AFR	\$ <u>1,000.00</u>
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As of August 31, 2012, the total bank balances was as follows:

Governmental Activities	\$ <u>321.80</u>
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None of the bank balances was exposed to custodial credit risk.

NOTE 4: SHORT TERM DEBT

Not Applicable

NOTE 5: SUMMARY OF LONG-TERM LIABILITIES

Notes and Loans Payable:

The agency did not have any notes or loans payable as of August 31, 2012.

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

Changes In Long-Term Liabilities

During the year ended August 31, 2012, the following changes occurred in liabilities.

Governmental Activities:	Balance 9/01/11	Additions	Deductions	Balance 8/31/12	Amounts Due Within One Yr
Compensable Leave	\$ 65,397.38	\$ 69,315.41	\$ (60,617.25)	\$ 74,095.54	\$ 46,350.27
Capital Lease Oblig	7,186.90	0.00	(7,186.90)	0.00	0.00
TOTAL	\$ <u>72,584.28</u>	\$ <u>69,315.41</u>	\$ <u>(67,804.15)</u>	\$ <u>74,095.54</u>	\$ <u>46,350.27</u>

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from State employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary funds are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

NOTE 6: BONDED INDEBTEDNESS

Not applicable

NOTE 7: DERIVATIVE INSTRUMENTS

Not applicable

NOTE 8: LEASES

Not applicable

NOTE 9: PENSION PLANS

Not applicable

NOTE 10: DEFERRED COMPENSATION

Not applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not applicable

NOTE 12: INTERFUND BALANCES/ACTIVITIES

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

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
NOTES TO THE FINANCIAL STATEMENTS

Receivables or Interfund Payables, Advances From or Advances To, or Due From or Due To Other Funds. Individual interfund receivable and payable balances at August 31, 2012 were as follows:

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

Individual balances and activities at August 31, 2012, follows:

	<u>Legislative Transfers In</u>	<u>Legislative Transfers Out</u>
Governmental Funds:		
Appd Fund 0001, D23 Fund 0001		
Agency 364, D23 Fd 0001		9,326.00
Total Legislative Transfers	\$ <u>0.00</u>	\$ <u>9,326.00</u>

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2017, unless continued in existence by the State Legislature as provided by the Act. If abolished, the Agency may continue until September 1, 2018 to close out its operations.

NOTE 14: ADJUSTMENTS TO FUND BALANCES/NET ASSETS

Not applicable

NOTE 15: CONTINGENCIES AND COMMITMENTS

Encumbrances:

The agency encumbered \$50,486.37 of its fiscal year 2012 remaining funds. This represents commitments of the value of contracts awarded or assets ordered prior to year-end but not received as of that date. Encumbrances are not included with expenditures or liabilities. They represent current resources designated for specific expenditures in subsequent operating periods and are part of the unassigned fund balance.

NOTE 16: SUBSEQUENT EVENTS

Not applicable

NOTE 17: RISK MANAGEMENT

Not applicable

NOTE 18: MANAGEMENT DISCUSSION AND ANALYSIS/MATERIAL CHANGES TO AFR

Not applicable

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578) NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: THE FINANCIAL REPORTING ENTITY: RELATED ORGANIZATIONS

The Board is a member of the Health Professions Council (HPC), created by the 73rd Legislature, Texas Occupations Code, Chapter 101 (recodified September 1, 1999 from Texas Government Code Article 4521p). The HPC office is located in the William P. Hobby Building, 333 Guadalupe, Suite 2-220, Austin, Texas. Three staff members are employed: an administrator, an assistant and an information technology support person.

HPC is charged statutorily with assisting the member boards' efforts in achieving efficiency and effectiveness measures through cooperative collocation. HPC reports annually to the Governor, the Lieutenant Governor, and the Speaker of the House of Representatives on its progress in these areas. The Council consists of one representative appointed by each of the following set forth below. Representatives are not compensated for their service.

Texas Board of Chiropractic Examiners
Texas State Board of Dental Examiners
Texas State Board of Medical Examiners
Board of Nurse Examiners
Texas Optometry Board
Texas State Board of Pharmacy
Executive Council of Physical Therapy and Occupational Therapy Examiners
Texas State Board of Podiatric Medical Examiners
Texas State Board of Examiners of Psychologists
Texas Board of Veterinary Medical Examiners
Texas State Board of Vocational Nurse Examiners
Texas Department of Health Professional Licensing and Certification Division
The Governor's Office

The Health Professions Council has been successful in creating a number of shared initiatives which save money and promote improved quality and consistency for member agencies. Major efforts include:

- * Collation to one state office building
- * Shared conference rooms, reception areas, break rooms
- * Purchase of a shared Imaging System for purposes of agency documentation of archives and ongoing daily records
- * Creation and operation of a statewide toll-free complaint system for public complaints against any licensed health professional. This one-stop complaint system provides easy access for consumers, many of whom are unsure of which agency to contact. This shared system also significantly lowers costs for member agencies to provide a toll-free consumer line.
- * Development of shared manuals including a Board Member Training Manual, Risk Management Manual, Disaster Recovery Plan, and policy and procedure statements on various topics. These statements and manuals are designed to save staff time and assure consistency.
- * Coordinated Staff Training. The Council provides training through an ongoing

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schedule of varied programs for member agencies, most of whom are too small to provide staff development programs.

- * Shared legislative tracking of bills during legislative session and shared information regarding effects of proposed legislation.
- * Development of backup payroll support amongst member agencies to assist small agencies through times of staff absence or turnover.
- * Joint employee assistance program providing reduced costs for larger agencies and services previously unavailable to smaller agencies.
- * A number of smaller initiatives including joint posting of job opening information, shared courier service for daily deposit of funds to the State Treasury, sharing of legal libraries and resources and ongoing communication and support among staff in work areas such as information systems and accounting.

HPC is funded by a pro rata share of appropriations from each member agency. The Board's pro rata share during fiscal year 2012 was \$9,326. In addition, the Board reimbursed HPC a nominal amount for its pro rata share of operating the toll-free telephone complaint system.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not applicable

NOTE 21: N/A

NOTE 22: DONOR-RESTRICTED ENDOWMENTS

Not applicable

NOTE 23: EXTRAORDINARY AND SPECIAL ITEMS

Not applicable

NOTE 24: DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

Not applicable

NOTE 25: TERMINATION BENEFITS

Not applicable

NOTE 26: SEGMENT INFORMATION

Not applicable

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TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)
 EXHIBIT A-2
 COMBINING STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN
 FUND BALANCES - GENERAL AND CONSOLIDATED FUNDS
 For the Year Ended August 31, 2012

	<u>GENERAL REVENUE FUND 0001 U/F (0001)</u>	<u>GENERAL REVENUE FUND 0001 U/F (9001)</u>	<u>TOTALS EXHIBIT II 2012</u>
REVENUES:			
Legislative Appropriations	\$ 903,615.00	\$	\$ 903,615.00
Additional Appropriations	169,119.72		169,119.72
Licenses, Fees and Permits	68,742.34		68,742.34
Other Revenue		366.00	366.00
	<u>1,141,477.06</u>	<u>366.00</u>	<u>1,141,843.06</u>
Total Revenues			
EXPENDITURES:			
Salaries and Wages	709,596.07		709,596.07
Payroll Related Costs	174,395.99		174,395.99
Professional Fees & Services	48,671.79		48,671.79
Travel	24,730.53		24,730.53
Materials and Supplies	19,672.89		19,672.89
Communication and Utilities	7,669.72		7,669.72
Repairs and Maintenance	(14,188.00)		(14,188.00)
Rentals and Leases	1,416.64		1,416.64
Printing and Reproduction	2,505.95		2,505.95
Other Operating Expenditures	62,824.87		62,824.87
Debt Service - Principal Capital Leases	7,186.90		7,186.90
Depreciation Expense			0.00
	<u>1,044,483.35</u>	<u>0.00</u>	<u>1,044,483.35</u>
Total Expenditures			
EXCESS OF REVENUES OVER EXPENDITURES	<u>96,993.71</u>	<u>366.00</u>	<u>97,359.71</u>
OTHER FINANCING SOURCES (USES):			
Legislative Transfers Out (Agy 364, Fd 0001)	(9,326.00)		(9,326.00)
	<u>(9,326.00)</u>	<u>0.00</u>	<u>(9,326.00)</u>
Total Other Financing Sources (Uses)			
NET CHANGE IN FUND BALANCES/NET ASSETS	87,667.71	366.00	88,033.71
FUND BALANCES - Beginning	7,145.32	(366.00)	6,779.32
Lapsed Appropriations	(23,354.71)		(23,354.71)
Restatements			0.00
	<u>71,458.32</u>	<u>0.00</u>	<u>71,458.32</u>
FUND BALANCES - Ending	<u>\$ 71,458.32</u>	<u>\$ 0.00</u>	<u>\$ 71,458.32</u>

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