

**TEXAS BOARD OF  
VETERINARY MEDICAL EXAMINERS**

**ANNUAL FINANCIAL REPORT**

*For The Year Ended August 31, 2016*

**Nicole Oria  
Executive Director**

## TABLE OF CONTENTS

I.	LETTER OF TRANSMITTAL	
II.	GENERAL PURPOSE FINANCIAL STATEMENTS	
	A. Combined Balance Sheet / Statement of Net Assets - Governmental Funds	2
	B. Combined Statement of Revenues, Expenditures and Changes in Fund Balances/ Statement of Activities - Governmental Funds	6
	C. Combined Statement of Fiduciary Net Position	10
III.	NOTES TO THE FINANCIAL STATEMENTS	
	1. Summary of Significant Accounting Policies	11
	2. Capital Assets	15
	3. Deposits, Investments, & Repurchase Agreements	16
	4. Short Term Debt	16
	5. Summary of Long-Term Liabilities	16
	6. Bonded Indebtedness	17
	7. Derivative Instruments	17
	8. Leases	17
	9. Pension Plans	18
	10. Deferred Compensation	18
	11. Post Employment Health Care and Life Insurance Benefits	18
	12. Interfund Balances/Activities	18
	13. Continuance Subject to Review	18
	14. Adjustments to Fund Balances/Net Assets	18
	15. Contingencies and Commitments	18
	16. Subsequent Events	19
	17. Risk Management	19
	18. Management Discussion and Analysis/Material Changes to AFR	19
	19. The Financial Reporting Entity: Related Organizations	19
	20. Stewardship, Compliance and Accountability	19
	21. N/A	19
	22. Donor-Restricted Endowments	19
	23. Extraordinary and Special Items	19
	24. Disaggregation of Receivable and Payable Balances	19
	25. Termination Benefits	19
	26. Segment Information	19
	27. Service Concession Agreements	19
	28. Deferred Outflows of Resources & Deferred Inflows of Resources	19
	29. Troubled Debt Restructuring	20
	30. Non-Exchange Financial Guaranters	20
IV.	COMBINING STATEMENTS	
	A-1: Combining Balance Sheet - All General and Consolidated Funds	21
	A-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances - General and Consolidated Funds	23
	J-1: Combining Statement of Changes in Assets & Liabilities - Agency Funds	25



# TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS

---

October 3, 2016

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Ursula Parks, 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, 2016, 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 me at 512-305-7555.

Sincerely,

A handwritten signature in black ink that reads "N. Oria".

Nicole Oria  
Executive Director

UNAUDITED

TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)  
 EXHIBIT I  
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -  
 GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2016

	GOVERNMENTAL FUND TYPES GENERAL FUNDS FD 0001 (Exh A-1) <hr/>	CAPITAL ASSETS ADJUSTMENTS <hr/>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
Cash in Bank	\$ 1,000.00	\$
Legislative Appropriations	265,579.41	
Accounts Receivable		
Consumable Inventories	<hr/> 8,910.22	<hr/>
 Total Current Assets	 <hr/> 275,489.63	 <hr/> 0.00
Non-Current Assets:		
Capital Assets:		
Depreciable		
Furniture and Equipment		6,125.75
Less Accumulated Depreciation		(6,125.75)
Intangible		
Software		9,975.00
Accumulated Amortization		(9,975.00)
Non-Depreciable		
Construction in Progress		<hr/> 131,797.50
 Total Non-Current Assets	 <hr/> 0.00	 <hr/> 131,797.50
 <b>TOTAL ASSETS</b>	 <b><hr/><hr/>\$ 275,489.63</b>	 <b><hr/><hr/>\$ 131,797.50</b>
 <b>LIABILITIES</b>		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ 96,714.34	\$
Payroll Payable	103,307.45	
Due To Other Agencies	0.00	
Employees' Compensable Leave		
Capital Lease Obligations		
Total Current Liabilities	<hr/> 200,021.79	<hr/> 0.00
Non-Current Liabilities:		
Employees' Compensable Leave		
Capital Lease Obligations		
Total Non-Current Liabilities	<hr/> 0.00	<hr/> 0.00

UNAUDITED

<u>LONG-TERM LIABILITIES ADJUSTMENTS</u>	<u>OTHER ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
\$	\$	\$
		1,000.00
		265,579.41
		0.00
		<u>8,910.22</u>
<u>0.00</u>	<u>0.00</u>	<u>275,489.63</u>
\$	\$	\$
		6,125.75
		(6,125.75)
		9,975.00
		(9,975.00)
		<u>131,797.50</u>
<u>0.00</u>	<u>0.00</u>	<u>131,797.50</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 407,287.13</u>
\$	\$	\$
		96,714.34
		103,307.45
		0.00
71,807.65		71,807.65
0.00		0.00
<u>71,807.65</u>	<u>0.00</u>	<u>271,829.44</u>
30,279.14		30,279.14
0.00		0.00
<u>30,279.14</u>	<u>0.00</u>	<u>30,279.14</u>



UNAUDITED

<u>LONG-TERM LIABILITIES ADJUSTMENTS</u>	<u>OTHER ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
<u>102,086.79</u>	<u>0.00</u>	<u>302,108.58</u>
\$	\$	\$
<u>0.00</u>	<u>0.00</u>	<u>8,910.22</u>
<u>0.00</u>	<u>0.00</u>	<u>66,557.62</u>
<u>0.00</u>	<u>0.00</u>	<u>75,467.84</u>
<u>\$ 102,086.79</u>	<u>\$ 0.00</u>	<u>\$ 377,576.42</u>
		131,797.50
		0.00
		0.00
<u>(102,086.79)</u>	<u></u>	<u>(102,086.79)</u>
<u>\$ (102,086.79)</u>	<u>\$ 0.00</u>	<u>\$ 105,178.55</u>
		<u>\$ 407,287.13</u>

UNAUDITED

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, 2016

	General Funds FUND 0001 (Exh A-2)	<u>Capital Asset Adjustments</u>
REVENUES:	\$	\$
Legislative Appropriations		
Original Appropriations	1,215,510.00	
Additional Appropriations	291,910.46	
Licenses and Permits	53,702.00	
Other Revenue	<u>(80.00)</u>	
Total Revenues	1,561,042.46	0.00
EXPENDITURES:		
Salaries and Wages	926,308.55	
Payroll Related Costs	290,820.29	
Professional Fees & Services	55,283.85	
Travel	41,290.34	
Materials and Supplies	36,296.85	
Communication and Utilities	10,886.54	
Repairs and Maintenance	20,032.93	
Rentals and Leases	7,080.41	
Printing and Reproduction	8,709.02	
Other Operating Expenditures	94,329.76	
Debt Service - Principal	0.00	
Capital Outlay	0.00	0.00
Depreciation Expense	<u>0.00</u>	<u>0.00</u>
Total Expenditures	<u>1,491,038.54</u>	<u>0.00</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>70,003.92</u>	<u>0.00</u>
OTHER FINANCING SOURCES (USES):		
Increase in Net Assets - Capital Outlay	0.00	
Legislative Transfers Out (Agy 364, Fd 0001)	<u>(31,039.00)</u>	
Total Other Financing Sources (Uses)	(31,039.00)	0.00
NET CHANGE IN FUND BALANCES/NET ASSETS	<u>38,964.92</u>	<u>0.00</u>
FUND BALANCES - Beginning	36,806.72	
Lapsed Appropriations	<u>(303.80)</u>	
FUND BALANCES - Ending	<u>\$ 75,467.84</u>	



UNAUDITED

<u>Long-term Liabilities Adjustments</u>	<u>Statement of Activities</u>
\$	\$
	1,215,510.00
	291,910.46
	53,702.00
	<u>(80.00)</u>
0.00	1,561,042.46
9,173.79	935,482.34
	290,820.29
	55,283.85
	41,290.34
	36,296.85
	10,886.54
	20,032.93
	7,080.41
	8,709.02
	94,329.76
	0.00
	0.00
	<u>0.00</u>
<u>9,173.79</u>	<u>1,500,212.33</u>
<u>(9,173.79)</u>	<u>60,830.13</u>
	0.00
	<u>(31,039.00)</u>
0.00	(31,039.00)
<u>(9,173.79)</u>	<u>29,791.13</u>
	\$ 36,806.72
	<u>(303.80)</u>
	\$

UNAUDITED

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, 2016

	General Funds FUND 0001 (Exh A-2)	<u>Capital Asset Adjustments</u>
Government-wide Statement - Net Assets		
Change in Net Assets		<u>0.00</u>
Net Assets Beginning		131,797.50
Adjustments to Beginning Net Assets		
Restatements		
Net Assets Beginning as Restated and Adjusted		<u>131,797.50</u>
Net Assets Ending		<u>\$ 131,797.50</u>

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

UNAUDITED

<u>Long-term Liabilities Adjustments</u>	<u>Statement of Activities</u>
<u>(9,173.79)</u>	
\$ (92,913.00) \$	38,884.50
<u>(92,913.00)</u>	<u>0.00</u>
<u>38,884.50</u>	<u>38,884.50</u>
\$ <u>(102,086.79)</u> \$	\$ <u>105,178.55</u>

UNAUDITED

TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)  
 EXHIBIT VI  
 COMBINED STATEMENT OF FIDUCIARY NET POSITION  
 For the Year Ended August 31, 2016

	AGENCY FUNDS (Exh J-1)
<b>ASSETS</b>	
Current Assets:	
Cash and Cash Equivalents	
Cash in Bank	\$ 0.00
Cash in State Treasury	303.00
Accounts Receivable	
Consumable Inventories	0.00
	<u>0.00</u>
Total Current Assets	<u>303.00</u>
Non-Current Assets:	
Capital Assets:	\$
Total Non-Current Assets	<u>0.00</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>303.00</u></u></b>
<b>LIABILITIES</b>	
Current Liabilities:	
Funds Held for Others	303.00
Total Current Liabilities	<u>303.00</u>
Non-Current Liabilities:	
Employees' Compensable Leave	
Capital Lease Obligations	
Total Non-Current Liabilities	<u>0.00</u>
<b>TOTAL LIABILITIES</b>	<b><u>303.00</u></b>
Fund Financial Statements - Fund	
FUND BALANCES (DEFICITS):	
	\$
NonSpendable Consumable Inventories	0.00
Unassigned	0.00
	<u>0.00</u>
<b>TOTAL FUND BALANCES</b>	<b><u>0.00</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ <u><u>303.00</u></u></b>

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

UNAUDITED

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 Revenue Fund

The general revenue fund (fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund.

UNAUDITED

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.

## UNAUDITED

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

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

##### 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.

## UNAUDITED

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

#### FUND BALANCES/NET POSITION

"Fund balance" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. "Net position" is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide, proprietary and fiduciary fund statements.

#### Fund Balance Components

Fund balances for governmental funds are classified as either 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:  
Not in spendable form -OR- Legally or contractually required to be maintained intact.

Restricted fund balance includes those resources that have constraints placed on their use through external parties - such as creditors, grantors, contributors, laws or regulations of other governments - or by law through constitutional provisions or enabling legislation.

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

Assigned fund balance includes amount constrained by the state's intent to be used for specific purposes, but the constraints do not meet the requirements to be reported as restricted or committed. Intent is expressed by: The Texas Legislature -OR- 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 Position

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

#### Unrestricted Net Position

Unrestricted Net Position consists of net resources, which do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.



UNAUDITED

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, 2016, if any, is presented in Note 12.

**NOTE 2: CAPITAL ASSETS**

A summary of changes in Capital Assets for the year ended August 31, 2016:

	<u>Balance 9/1/15</u>	<u>Adjustments</u>	<u>Completed CIP</u>	<u>Inc Int'agy Trans</u>
Governmental Activities:				
Non-depreciable Assets				
Construction in Progress	131,797.50			
Depreciable Assets				
Furniture and				
Equipment	\$ 6,125.75	\$	\$	\$
Intangible: Software	9,975.00		0.00	0.00
Total non & depreciable/ amortizable assets	147,898.25	0.00	0.00	0.00
Less Accum Deprec for:				
Furniture and Equip	(6,125.75)			
Less Acc Amort Software	(9,975.00)			
Total Accum Deprec/Amor	(16,100.75)	0.00	0.00	0.00
<b>TOTAL</b>	<b>\$ 131,797.50</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
	<u>Dec Int'agy Trans</u>	<u>Addition</u>	<u>Deletions</u>	<u>Balance 8/31/16</u>
continued				
Governmental Activities:				
Non-depreciable Assets				
Construction in Progress				131,797.50

UNAUDITED

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

Depreciable Assets

Furniture and Equipment	\$	0.00	\$	0.00	\$	0.00	\$	6,125.75
Intangible: Software		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>9,975.00</u>
Total non & depreciable/ amortizable assets		0.00		0.00		0.00		147,898.25
Less Accum Deprec for: Furniture and Equip		0.00		0.00		0.00		(6,125.75)
Less Acc Amort Software		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>(9,975.00)</u>
Total Accum Deprec/Amort		<u>0.00</u>		<u>0.00</u>		<u>0.00</u>		<u>(16,100.75)</u>
 TOTAL	\$	<u>0.00</u>	\$	<u>0.00</u>	\$	<u>0.00</u>	\$	<u>131,797.50</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, 2016, 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>
----------------------	----	-----------------

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

Cash in Bank per AFR	\$	<u>1,000.00</u>
----------------------	----	-----------------

As of August 31, 2016, the total bank balances was as follows:

Governmental Activities	\$	<u>968.00</u>
-------------------------	----	---------------

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, 2016.

UNAUDITED

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

Changes In Long-Term Liabilities

During the year ended August 31, 2015, the following changes occurred in liabilities.

Governmental Activities:	Balance 9/01/15	Additions	Deductions	Balance 8/31/16	Amounts Due Within One Yr
Compensable Leave	\$ 92,913.00	\$ 89,272.14	\$ (80,098.35)	\$ 102,086.79	\$ 71,807.65
Capital Lease Oblig	0.00	0.00	0.00	0.00	0.00
TOTAL	\$ 92,913.00	\$ 89,272.14	\$ (80,098.35)	\$ 102,086.79	\$ 71,807.65

**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**

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating leases:

Fund Type	
General Fund (0001)	\$ <u>5,343.21</u>

Future minimum lease rental payments under non-cancelable operating leases having an initial term in excess of one year are as follows:

Year Ended August 31:

2017	5,377.44
2018	448.12
2019	0.00
2020	0.00
2021	0.00
2022 & Beyond	0.00
Total Minimum Future Lease Payment Requirements	\$ <u>5,825.56</u>

UNAUDITED

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

**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 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, 2016 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, 2016, follows:

	<u>Legislative Transfers In</u>	<u>Legislative Transfers Out</u>
Governmental Funds:		
Appd Fund 0001, D23 Fund 0001		
Agency 364, D23 Fd 0001		31,039.00
Total Legislative Transfers	\$ <u>0.00</u>	\$ <u>31,039.00</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**

Not applicable

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

**NOTE 16: SUBSEQUENT EVENTS**

Not applicable

**NOTE 17: RISK MANAGEMENT**

Not applicable

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

Not applicable

**NOTE 19: THE FINANCIAL REPORTING ENTITY: RELATED ORGANIZATIONS**

Not applicable

**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

**NOTE 27: SERVICE CONCESSION AGREEMENTS**

Not applicable

**NOTE 28: DEFERRED OUTFLOWS OF RESOURCES & DEFERRED INFLOWS OF RESOURCES**

Not applicable

UNAUDITED

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

**NOTE 29: TROUBLED DEBT RESTRUCTURING**

Not applicable

**NOTE 30: NON-EXCHANGE FINANCIAL GUARANTERS**

Not applicable

UNAUDITED

TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)

EXHIBIT A-1

COMBINING BALANCE SHEET -

ALL GENERAL AND CONSOLIDATED FUNDS

For the Year Ended August 31, 2016

	GOVERNMENTAL FUND TYPES	
	GENERAL FUNDS FD 0001 U/F 0001	DEPOSIT DEFAULT FUND 0001 U/F 9000
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$	\$
Cash in Bank	1,000.00	
Cash In State Treasury	0.00	0.00
Legislative Appropriations	259,151.41	6,508.00
Consumable Inventories	8,910.22	
 Total Current Assets	\$ 269,061.63	\$ 6,508.00
 <b>TOTAL ASSETS</b>	<b>\$ 269,061.63</b>	<b>\$ 6,508.00</b>
 <b>LIABILITIES</b>		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ 96,714.34	\$
Payroll Payable	103,307.45	
 Total Current Liabilities	200,021.79	0.00
 <b>TOTAL LIABILITIES</b>	<b>\$ 200,021.79</b>	<b>\$ 0.00</b>
 Fund Financial Statements - Fund		
<b>FUND BALANCES (DEFICITS):</b>		
NonSpendable - Consumable Inventory	\$ 8,910.22	\$
Unassigned	60,129.62	6,508.00
 TOTAL FUND BALANCES	69,039.84	6,508.00
 TOTAL LIABILITIES AND FUND BALANCES	\$ 269,061.63	\$ 6,508.00

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

DEPOSIT DEFAULT FUND 0001 U/F 9001	<u>TOTALS</u> (EXHIBIT I) 2016
\$	\$
	1,000.00
0.00	0.00
-80.00	265,579.41
<u>          </u>	<u>8,910.22</u>
\$ <u style="text-align: right;">-80.00</u>	\$ <u style="text-align: right;">275,489.63</u>
\$ <u style="text-align: right;">-80.00</u>	\$ <u style="text-align: right;">275,489.63</u>
\$	\$
	96,714.34
	103,307.45
	<u>0.00</u>
<u>0.00</u>	<u>200,021.79</u>
\$ <u style="text-align: right;">0.00</u>	\$ <u style="text-align: right;">200,021.79</u>
\$	\$
	8,910.22
<u>-80.00</u>	<u>66,557.62</u>
<u>-80.00</u>	<u>75,467.84</u>
\$ <u style="text-align: right;">-80.00</u>	\$ <u style="text-align: right;">275,489.63</u>



UNAUDITED

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, 2016

	GENERAL REVENUE FUND 0001 <u>U/F (0001)</u>	GENERAL REVENUE FUND 0001 <u>U/F (9000)</u>
REVENUES:		
Legislative Appropriations	\$ 1,215,510.00	\$
Additional Appropriations	291,910.46	
Licenses, Fees and Permits	65,172.00	(11,470.00)
Other Revenue	<u>(6,508.00)</u>	<u>6,508.00</u>
Total Revenues	<u>1,566,084.46</u>	<u>(4,962.00)</u>
EXPENDITURES:		
Salaries and Wages	926,308.55	
Payroll Related Costs	290,820.29	
Professional Fees & Services	55,283.85	
Travel	41,290.34	
Materials and Supplies	36,296.85	
Communication and Utilities	10,886.54	
Repairs and Maintenance	20,032.93	
Rentals and Leases	7,080.41	
Printing and Reproduction	8,709.02	
Other Operating Expenditures	94,329.76	
Capital Outlay	0.00	
Depreciation Expense	<u>                    </u>	<u>                    </u>
Total Expenditures	<u>1,491,038.54</u>	<u>0.00</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>75,045.92</u>	<u>(4,962.00)</u>
OTHER FINANCING SOURCES (USES):		
Legislative Transfers Out (Agy 364, Fd 0001)	<u>(31,039.00)</u>	<u>                    </u>
Total Other Financing Sources (Uses)	<u>(31,039.00)</u>	<u>0.00</u>
NET CHANGE IN FUND BALANCES/NET ASSETS	44,006.92	(4,962.00)
FUND BALANCES - Beginning	25,336.72	11,470.00
Lapsed Appropriations	(303.80)	
Restatements	<u>                    </u>	<u>                    </u>
FUND BALANCES - Ending	<u>\$ 69,039.84</u>	<u>\$ 6,508.00</u>

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

UNAUDITED

GENERAL REVENUE FUND 0001 U/F (9001)	<u>TOTALS</u> <u>EXHIBIT II</u> <u>2016</u>
\$	\$ 1,215,510.00
	291,910.46
	53,702.00
<u>(80.00)</u>	<u>(80.00)</u>
<u>(80.00)</u>	<u>1,561,042.46</u>
	926,308.55
	290,820.29
	55,283.85
	41,290.34
	36,296.85
	10,886.54
	20,032.93
	7,080.41
	8,709.02
	94,329.76
	0.00
	<u>0.00</u>
<u>0.00</u>	<u>1,491,038.54</u>
<u>(80.00)</u>	<u>70,003.92</u>
	<u>(31,039.00)</u>
<u>0.00</u>	<u>(31,039.00)</u>
<u>(80.00)</u>	<u>38,964.92</u>
<u>0.00</u>	<u>36,806.72</u>
	<u>(303.80)</u>
	<u>0.00</u>
\$ <u><u>(80.00)</u></u>	\$ <u><u>75,467.84</u></u>

UNAUDITED

TEXAS BOARD OF VETERINARY MEDICAL EXAMINERS (578)  
 EXHIBIT J-1  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -  
 AGENCY FUNDS  
 For the fiscal year ended August 31, 2016

	Balances September 1, 2015	Additions
	<u>                    </u>	<u>                    </u>
<b>OTHER AGENCY FUNDS</b>		
Direct Deposit Correction (0980) U/F (0980)		
Assets:		
Cash in State Treasury	\$          303.00	\$          0.00
Accounts Receivable	0.00	
Total Assets	<u>\$          303.00</u>	<u>\$          0.00</u>
Liabilities:		
Accounts Payable	\$          0.00	\$          0.00
Funds Held for Others	303.00	0.00
Total Liabilities	<u>\$          303.00</u>	<u>\$          0.00</u>
Suspense Fund (0900) U/F (0900)		
Assets:		
Cash in State Treasury	\$          0.00	\$          0.00
Accounts Receivable	0.00	
Total Assets	<u>\$          0.00</u>	<u>\$          0.00</u>
Liabilities:		
Accounts Payable	\$          0.00	\$          0.00
Funds Held for Others	0.00	0.00
Total Liabilities	<u>\$          0.00</u>	<u>\$          0.00</u>
<b>TOTALS - ALL AGENCY FUNDS</b>		
Assets:		
Cash in State Treasury	\$          303.00	\$          0.00
Accounts Receivable	0.00	0.00
Total Assets	<u>\$          303.00</u>	<u>\$          0.00</u>
Liabilities:		
Accounts Payable	\$          0.00	\$          0.00
Funds Held for Others	303.00	0.00
Total Liabilities	<u>\$          303.00</u>	<u>\$          0.00</u>

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

UNAUDITED

<u>Deductions</u>	<u>Balances August 31, 2016</u>
\$ 0.00	\$ 303.00
	0.00
<u>\$ 0.00</u>	<u>\$ 303.00</u>
\$	\$ 0.00
	303.00
<u>\$ 0.00</u>	<u>\$ 303.00</u>
\$ 0.00	\$ 0.00
	0.00
<u>\$ 0.00</u>	<u>\$ 0.00</u>
\$	\$ 0.00
0.00	0.00
<u>\$ 0.00</u>	<u>\$ 0.00</u>
\$ 0.00	\$ 303.00
0.00	0.00
<u>\$ 0.00</u>	<u>\$ 303.00</u>
\$ 0.00	\$ 0.00
0.00	303.00
<u>\$ 0.00</u>	<u>\$ 303.00</u>