# TEXAS BOARD OF PODIATRIC MEDICAL EXAMINERS

## ANNUAL FINANCIAL REPORT

*For The Year Ended August 31, 2013*

**Hemant Makan**
**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

III. NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies 10
2. Capital Assets 14
3. Deposits, Investments, & Repurchase Agreements 14
4. Short Term Debt 14
5. Summary of Long-Term Liabilities 15
6. Bonded Indebtedness 15
7. Derivative Instruments 15
8. Leases 15
9. Pension Plans 15
10. Deferred Compensation 15
11. Post Employment Health Care and Life Insurance Benefits 15
12. Interfund Balances/Activities 16
13. Continuance Subject to Review 16
14. Adjustments to Fund Balances/Net Assets 16
15. Contingencies and Commitments 16
16. Subsequent Events 16
17. Risk Management 16
18. Management Discussion and Analysis/Material Changes to AFR 17
19. The Financial Reporting Entity: Related Organizations 17
20. Stewardship, Compliance and Accountability 18
21. N/A 18
22. Donor-Restricted Endowments 18
23. Extraordinary and Special Items 18
24: Disaggregation of Receivable and Payable Balances 18
25: Termination Benefits 19
26: Segment Information 19

# TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS

PHYSICAL ADDRESS: 333 GUADALUPE, TOWER II, SUITE 320, AUSTIN, TEXAS 78701
MAILING ADDRESS: P.O. BOX 12216, AUSTIN, TEXAS 78711
NATIONAL TOLL FREE COMPLAINT HOTLINE: 1-800-821-3205
VOICE: 512-305-7000 FAX: 512-305-7003

HEMANT MAKAN
EXECUTIVE DIRECTOR / INVESTIGATOR

September 30, 2013

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
Ursula Parks, Director, Legislative Budget Board
John Keel, CPA, State Auditor

Dear Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas State Board of Podiatric Medical Examiners for the year ended August 31, 2013, 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 512-305-7000.

Sincerely,

Hemant Makan
Executive Director
Investigator
(512)-475-3301
**Hemant.Makan@tsbpme.texas.gov**

THE TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS IS AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER AND DOES NOT DISCRIMINATE ON THE BASIS OF RACE, COLOR, NATIONAL ORIGIN, SEX, RELIGION, AGE OR DISABILITY IN EMPLOYMENT OR THE PROVISION OF SERVICES

UNAUDITED

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
EXHIBIT I
COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

| | GOVERNMENTAL FUND TYPES GENERAL FUND 0001 U/F 0001 | CAPITAL ASSETS ADJUSTMENTS |
|---|---|---|
| ASSETS | | |
| Current Assets: | | |
| Legislative Appropriations | $ 32,840.54 | $ |
| Accounts Receivable | | |
| Consumable Inventories | 6,714.11 | |
| Total Current Assets | 39,554.65 | 0.00 |
| Non-Current Assets: | | |
| Capital Assets: | $ | $ |
| Depreciable | | |
| Furniture and Equipment | | 6,381.00 |
| Less Accumulated Depreciation | | (6,381.00) |
| Total Non-Current Assets | 0.00 | 0.00 |
| TOTAL ASSETS | $ 39,554.65 | $ 0.00 |
| LIABILITIES | | |
| Current Liabilities: | | |
| Payables from : | | |
| Accounts Payable | $ 7,722.10 | $ |
| Payroll Payable | 17,740.23 | |
| Due to Other Agencies (Agy 503, Fd 0001) | 82.67 | |
| Employees' Compensable Leave | | |
| Total Current Liabilities | 25,545.00 | 0.00 |
| Non-Current Liabilities: | | |
| Employees' Compensable Leave | | |
| Total Non-Current Liabilities | 0.00 | 0.00 |
| TOTAL LIABILITIES | 25,545.00 | 0.00 |
| Fund Financial Statements - Fund | | |
| FUND BALANCES (DEFICITS): | | |
| Reserved For: | $ | $ |
| Nonspdble Consumable Inventories | 6,714.11 | |
| Unreserved: | | |
| Undesignated: | | |
| Other Unreserved - Undesignated | 7,295.54 | 0.00 |

| LONG-TERM LIABILITIES ADJUSTMENTS | OTHER ADJUSTMENTS | STATEMENT OF NET ASSETS |
|---|---|---|
| $ | $ | $ 32,840.54 |
| | | 0.00 |
| | | 6,714.11 |
| 0.00 | 0.00 | 39,554.65 |
| $ | $ | $ |
| | | 6,381.00 |
| | | (6,381.00) |
| 0.00 | 0.00 | 0.00 |
| $ 0.00 | $ 0.00 | $ 39,554.65 |
| $ | $ | $ 7,722.10 |
| | | 17,740.23 |
| | | 82.67 |
| 32,754.07 | | 32,754.07 |
| 32,754.07 | 0.00 | 58,299.07 |
| 21,743.65 | | 21,743.65 |
| 21,743.65 | 0.00 | 21,743.65 |
| 54,497.72 | 0.00 | 80,042.72 |
| $ | $ | $ 0.00 |
| | | 6,714.11 |
| 0.00 | 0.00 | 7,295.54 |

UNAUDITED

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
EXHIBIT I
COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -
GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

| | GOVERNMENTAL FUND TYPES GENERAL FUND 0001 U/F 0001 | CAPITAL ASSETS ADJUSTMENTS |
|---|---|---|
| TOTAL FUND BALANCES | 14,009.65 | 0.00 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 39,554.65 | $ 0.00 |
| Government-wide Statement - Net Assets | | |
| Net Assets: | | |
| Invested in Capital Assets, Net of Related Debt | | 0.00 |
| Restricted for: | | |
| Debt Retirement | | |
| Employee Benefit | | |
| Unrestricted | | |
| Total Net Assets | | $ 0.00 |

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

| LONG-TERM LIABILITIES ADJUSTMENTS | OTHER ADJUSTMENTS | STATEMENT OF NET ASSETS |
|---|---|---|
| 0.00 | 0.00 | 14,009.65 |
| $ 54,497.72 | $ 0.00 | $ 94,052.37 |
| | | 0.00 |
| | | 0.00 |
| | | 0.00 |
| (54,497.72) | | (54,497.72) |
| $ (54,497.72) | $ 0.00 | $ (40,488.07) |
| | | $ 39,554.65 |

UNAUDITED

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

| | General Funds FUND 0001 U/F 0001 | Capital Asset Adjustments |
|---|---|---|
| REVENUES: | $ | $ |
| Legislative Appropriations: | | |
| Original Appropriations | 237,129.00 | |
| Additional Appropriations | 47,757.87 | |
| Licenses, Fees & Permits | 5,125.00 | |
| Sales of Goods and Services | 12,255.00 | |
| Other Revenue | 0.00 | |
| Total Revenues | 302,266.87 | 0.00 |
| EXPENDITURES: | | |
| Salaries and Wages | 193,333.14 | |
| Payroll Related Costs | 48,148.94 | |
| Professional Fees & Services | 14,215.50 | |
| Travel | 8,360.19 | |
| Materials and Supplies | 9,819.43 | |
| Communication and Utilities | 3,255.03 | |
| Repairs and Maintenance | 2,541.20 | |
| Printing and Reproduction | 1,125.97 | |
| Other Operating Expenditures | 8,200.37 | |
| Capital Outlay | | |
| Depreciation Expense | | 0.00 |
| Total Expenditures | 288,999.77 | 0.00 |
| EXCESS OF REVENUES OVER EXPENDITURES | 13,267.10 | 0.00 |
| OTHER FINANCING SOURCES (USES): | | |
| Legislative Transfers Out (Agy 364, Fd 0001) | (5,565.00) | |
| Total Other Financing Sources (Uses) | (5,565.00) | 0.00 |
| NET CHANGE IN FUND BALANCES/NET ASSETS | 7,702.10 | 0.00 |
| FUND BALANCES - Beginning | 7,435.99 | |
| Lapsed Appropriations | (1,128.44) | |
| FUND BALANCES - Ending | $ 14,009.65 | |

| Long-term Liabilities Adjustments | Statement of Activities |
|---|---|
| $ | $ |
| | 237,129.00 |
| | 47,757.87 |
| | 5,125.00 |
| | 12,255.00 |
| | 0.00 |
| 0.00 | 302,266.87 |
| 5,668.94 | 199,002.08 |
| | 48,148.94 |
| | 14,215.50 |
| | 8,360.19 |
| | 9,819.43 |
| | 3,255.03 |
| | 2,541.20 |
| | 1,125.97 |
| | 8,200.37 |
| | 0.00 |
| | 0.00 |
| 5,668.94 | 294,668.71 |
| (5,668.94) | 7,598.16 |
| | (5,565.00) |
| 0.00 | (5,565.00) |
| (5,668.94) | 2,033.16 |
| | $ 7,435.99 |
| | (1,128.44) |
| | $ 8,340.71 |

UNAUDITED

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2013

| | General Funds FUND 0001 U/F 0001 | Capital Asset Adjustments |
|---|---|---|
| Government-wide Statement - Net Assets | | |
| Change in Net Assets | | 0.00 |
| Net Assets Beginning | | 0.00 |
| Adjustments to Beginning Net Assets | | |
| Restatement | | |
| Net Assets Beginning as Restated and Adjusted | | 0.00 |
| Net Assets Ending | $ | $ 0.00 |

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

| | Long-term Liabilities Adjustments | | Statement of Activities |
|---|---|---|---|
| | (5,668.94) | | 2,033.16 |
| $ | (48,828.78) | $ | (48,828.78) |
| | | | 0.00 |
| | (48,828.78) | | (48,828.78) |
| $ | (54,497.72) | $ | (40,488.07) |

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
NOTES TO THE FINANCIAL STATEMENTS

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ENTITY

The Texas State Board of Podiatric Medical Examiners operates under the authority of Chapter II of Title 71, Health-Public, of the Texas Revised Civil Statutes. An Executive Director, appointed by the Board, directs the administration of the Board.

The Texas State Board of Podiatric 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.

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.

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

### 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.

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.

## 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

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
NOTES TO THE FINANCIAL STATEMENTS

expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables at August 31, 2013, if any, is presented in Note 12.

**NOTE 2: CAPITAL ASSETS**

A summary of changes in Capital Assets for the year ended August 31, 2013:

| | Balance 9/1/12 | Adjustments | Completed CIP | Inc Int'agy Trans | Dec Int'agy Trans |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Depreciable Assets | | | | | |
| Furniture and Equipment | $ 6,381.00 | $ 0.00 | $ | $ | $ |
| Other Cap Assets | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total depreciable assets | 6,381.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Less Accum Deprec for: | | | | | |
| Furniture and Equip | (6,381.00) | | | | |
| Other Cap Assets | 0.00 | 0.00 | | | |
| Total Accum Deprec | (6,381.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| TOTAL | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 | $ 0.00 |

| | Addition | Deletions | Balance 8/31/13 |
|---|---|---|---|
| Governmental Activities: | | | |
| Depreciable Assets | | | |
| Furniture and Equipment | $ | $ 0.00 | $ 6,381.00 |
| Other Cap Assets | 0.00 | 0.00 | 0.00 |
| Total depreciable assets | 0.00 | 0.00 | 6,381.00 |
| Less Accum Deprec for: | | | |
| Furniture and Equip | 0.00 | 0.00 | (6,381.00) |
| Other Cap Assets | | | 0.00 |
| Total Accum Deprec | 0.00 | 0.00 | (6,381.00) |
| TOTAL | $ 0.00 | $ 0.00 | $ 0.00 |

**NOTE 3: DEPOSITS, INVESTMENTS & REPURCHASE AGREEMENTS**

Not applicable

**NOTE 4: SHORT TERM DEBT**

Not applicable

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
NOTES TO THE FINANCIAL STATEMENTS

## 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, 2013.

Changes In Long-Term Liabilities
During the year ended August 31, 2013, the following changes occurred in liabilities.

| Governmental Activities: | Balance 9/01/12 | Additions | Deductions | Balance 8/31/13 | Amounts Due Within One Yr |
|---|---|---|---|---|---|
| Compensable Leave | $ 48,828.78 | $ 56,795.59 | $ (51,126.65) | $ 54,497.72 | $ 32,754.07 |
| TOTAL | $ 48,828.78 | $ 56,795.59 | $ (51,126.65) | $ 54,497.72 | $ 32,754.07 |

**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

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
NOTES TO THE FINANCIAL STATEMENTS

## 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, 2011 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, 2013, follows:

| | Due From Other Agencies | Due To Other Agencies |
|---|---|---|
| Governmental Funds: | | |
| Appd Fund 0001, D23 Fund 0001 | | |
| Agency 503, D23 Fund 0001 | | 82.67 |
| | $ 0.00 | $ 82.67 |

| | Legislative Transfers In | Legislative Transfers Out |
|---|---|---|
| Governmental Funds: | | |
| Appd Fund 0001, D23 Fund 0001 | | |
| Agency 364, D23 Fund 0001 | | 5,565.00 |
| | $ 0.00 | $ 5,565.00 |

## 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

## 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

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 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 2013 was $5,565.00. 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

TEXAS STATE BOARD OF PODIATRIC MEDICAL EXAMINERS (512)
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 25: TERMINATION BENEFITS**

Not applicable

**NOTE 26: SEGMENT INFORMATION**

Not applicable