

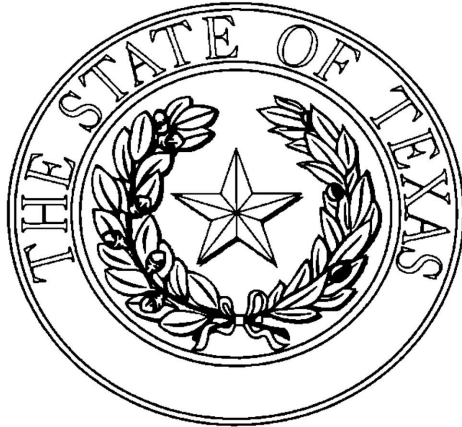


TEXAS MEDICAL BOARD

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2012

**MARI ROBINSON, J.D.
EXECUTIVE DIRECTOR**



TEXAS MEDICAL BOARD

ANNUAL FINANCIAL REPORT

For The Year Ended August 31, 2012

**MARI ROBINSON, J.D.
EXECUTIVE DIRECTOR**



TEXAS MEDICAL BOARD

November 20, 2012

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

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Medical Board for the year ended August 31, 2012, in compliance with Texas Government Code Annotated, 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 (GASB) 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 (CAFR)*; 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 Karen Drabek, Chief Fiscal Officer, at (512) 305-7052.

Sincerely,

A handwritten signature in black ink that reads "Mari Robinson".

Mari Robinson
Executive Director

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DAFR 8581

STATEMENT OF NET ASSETS
BALANCE SHEET FORMAT (GWFS)

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
GL	CLS	001	CA	CASH ON HAND	.00	.00
GL	CLS	002	CA	CASH IN BANK	.00	.00
GL	CLS	004	CA	CASH IN STATE TREASURY	.00	.00
GL	CLS	020	CA	LEGISLATIVE APPROPRIATIONS	1,556,006.18	1,492,806.83
GL	CLS	052	CA	ACCOUNTS RECEIVABLES, NET	.00	.00
GL	CLS	065	CA	INTERFUND RECEIVABLE	.00	.00
GL	CLS	072	CA	DUE FROM OTHER AGENCIES	241.33	.00
GL	CLS	080	CA	CONSUMABLE INVENTORIES	26,614.34	26,723.08
* GLA	CAT	01		CURRENT ASSETS	1,582,861.85	1,519,529.91
**				TOTAL ASSETS AND OTHER DEBITS	1,582,861.85	1,519,529.91
GL	CLS	200	CL	ACCOUNTS PAYABLE	653,783.63-	367,357.21-
GL	CLS	203	CL	PAYROLL PAYABLE	816,060.60-	735,208.77-
GL	CLS	204		OTHER CURRENT LIABILITIES	.00	.00
GL	CLS	205	CL	INTERFUND PAYABLE	.00	.00
GL	CLS	210	CL	DUE TO OTHER FUNDS	.00	.00
GL	CLS	211	CL	DUE TO OTHER AGENCIES	.00	.00
GL	CLS	220	CL	DEFERRED/UNEARNED REVENUES	.00	.00
GL	CLS	300	CL	FUNDS HELD FOR OTHERS	.00	.00
* GLA	CAT	21		CURRENT LIABILITIES	1,469,844.23-	1,102,565.98-

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

PROD SYSTEM

*****PAGE 2

GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GL GL B/C COMP AGY CURRENT PRIOR
 CT CLS IND GL TITLE GL YEAR YEAR

GL	CLS	IND	GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
**				TOTAL LIABILITIES		1,469,844.23-	1,102,565.98-
GL	CLS			360 FD BAL RESERVED FOR ENCUMBRANCES		.00	.00
GL	CLS			362 FD BAL RESERVED FOR INVENTORIES		.00	.00
GL	CLS			364 FD BAL RESERVED FOR IMPREST ACCT.		.00	.00
GL	CLS			510 FD BAL-NONSPENDABLE		26,614.34-	26,723.08-
GL	CLS			550 FD BAL-UNASSIGNED		86,403.28-	390,240.85-
GL	CLS			620 FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
GL	CLS			630 OBSOLETE FB ACCTS UNDER GASB 34		.00	.00
GL	CLS			800 BUDGETARY		.00	.00
GL	CLS			950 SYSTEM ACCOUNTS		.00	.00
*	GLA	CAT		51 FUND BALANCE (DEFICITS)		113,017.62-	416,963.93-
**				TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES		113,017.62-	416,963.93-
**				TOTAL LIABILITIES AND FUND BALANCE/EQUITY		1,582,861.85-	1,519,529.91-
*	GAAP	FUND		0001 GENERAL REVENUE (0001)-GENERAL		.00	.00

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0055 MEDICAL REGISTRATION FD (0055)-GENERAL

 GL GL B/C COMP AGY CURRENT PRIORITY
 CT CLS IND GL TITLE GL YEAR YEAR

GL	CLS	004	CA	CASH IN STATE TREASURY		.00	.00
*	GLA	CAT	01	CURRENT ASSETS		.00	.00
**	TOTAL	ASSETS AND OTHER DEBITS				.00	.00
GL	CLS	300	CL	FUNDS HELD FOR OTHERS		.00	.00
*	GLA	CAT	21	CURRENT LIABILITIES		.00	.00
**	TOTAL	LIABILITIES				.00	.00
GL	CLS	620	FUND	BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
*	GLA	CAT	51	FUND BALANCE (DEFICITS)		.00	.00
**	TOTAL	OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES				.00	.00
**	TOTAL	LIABILITIES AND FUND BALANCE/EQUITY				.00	.00
*	GAAP	FUND	0055	MEDICAL REGISTRATION FD (0055)-GENERAL		.00	.00

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE

GL GL B/C COMP AGY CURRENT PRIOR
 CT CLS IND GL TITLE GL YEAR YEAR

GL CLS	004	CA CASH IN STATE TREASURY		1,723,463.47	1,187,715.49
GL CLS	020	CA LEGISLATIVE APPROPRIATIONS		.00	.00
GL CLS	060	CA OTHER RECEIVABLES, NET		.00	.00
GL CLS	065	CA INTERFUND RECEIVABLE		.00	.00
* GLA CAT	01	CURRENT ASSETS		1,723,463.47	1,187,715.49
**		TOTAL ASSETS AND OTHER DEBITS		1,723,463.47	1,187,715.49
GL CLS	200	CL ACCOUNTS PAYABLE		58,374.58-	38,215.67-
GL CLS	203	CL PAYROLL PAYABLE		.00	.00
GL CLS	205	CL INTERFUND PAYABLE		.00	.00
GL CLS	211	CL DUE TO OTHER AGENCIES		.00	.00
* GLA CAT	21	CURRENT LIABILITIES		58,374.58-	38,215.67-
**		TOTAL LIABILITIES		58,374.58-	38,215.67-
GL CLS	360	FD BAL RESERVED FOR ENCUMBRANCES		.00	.00
GL CLS	530	FD BAL-COMMITTED		1,149,499.82-	1,149,499.82-
GL CLS	550	FD BAL-UNASSIGNED		515,589.07-	.00
GL CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
GL CLS	800	BUDGETARY		.00	.00
GL CLS	950	SYSTEM ACCOUNTS		.00	.00
* GLA CAT	51	FUND BALANCE (DEFICITS)		1,665,088.89-	1,149,499.82-

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE

 GL GL B/C COMP AGY CURRENT PRIOR
 CT CLS IND GL TITLE GL YEAR YEAR

** TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES	1,665,088.89-	1,149,499.82-
** TOTAL LIABILITIES AND FUND BALANCE/EQUITY	1,723,463.47-	1,187,715.49-
* GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE	.00	.00
* GAAP FUND TYPE 01 GENERAL	.00	.00

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT (GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP

GL CT	GL CLS	B/C IND	COMP GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
	GL CLS	150		VEHICLES, BOATS AND AIRCRAFT, NET		.00	.00
	GL CLS	151		FURNITURE AND EQUIPMENT, NET		345,815.88	231,371.07
	GL CLS	158		OTHER CAPITAL ASSETS, NET		.00	.00
	GL CLS	165		COMPUTER SOFTWARE-INTANGIBLE, NET		.00	.00
*	GLA CAT	06		NON-CURRENT ASSETS		345,815.88	231,371.07
	GL CLS	190		RETIREMENT OF OTHER GENERAL LONG-TERM DEBT		.00	.00
*	GLA CAT	11		OTHER DEBITS		.00	.00
**	TOTAL ASSETS AND OTHER DEBITS					345,815.88	231,371.07
	GL CLS	200		CL ACCOUNTS PAYABLE		.00	.00
	GL CLS	230		CL EMPLOYEE'S COMPENSABLE LEAVE		.00	.00
*	GLA CAT	21		CURRENT LIABILITIES		.00	.00
**	TOTAL LIABILITIES					.00	.00
	GL CLS	410		INVESTED IN CAP ASSETS, NET RELATED DEBT		345,815.88-	231,371.07-
	GL CLS	430		UNRESTRICTED NET ASSETS		.00	.00
*	GLA CAT	45		NET ASSETS		345,815.88-	231,371.07-
	GL CLS	620		FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
	GL CLS	630		OBSOLETE FB ACCTS UNDER GASB 34		.00	.00
*	GLA CAT	51		FUND BALANCE (DEFICITS)		.00	.00
**	TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES					345,815.88-	231,371.07-
**	TOTAL LIABILITIES AND FUND BALANCE/EQUITY					345,815.88-	231,371.07-

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
* GAAP FUND	9998			GEN FIXED ASSETS ACCT GROUP	.00	.00
* GAAP FUND TYPE	11			CAPITAL ASSET BASIS CONVERSION ADJUSTMTS	.00	.00

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

GL	GL	B/C	COMP	AGY	CURRENT	PRIOR
CT	CLS	IND	GL	GL	YEAR	YEAR
	GL	CLS	151	FURNITURE AND EQUIPMENT, NET	.00	.00
*	GLA	CAT	06	NON-CURRENT ASSETS	.00	.00
	GL	CLS	190	RETIREMENT OF OTHER GENERAL LONG-TERM DEBT	.00	.00
*	GLA	CAT	11	OTHER DEBITS	.00	.00
**	TOTAL ASSETS AND OTHER DEBITS				.00	.00
	GL	CLS	230	CL EMPLOYEE'S COMPENSABLE LEAVE	522,866.01-	463,614.75-
*	GLA	CAT	21	CURRENT LIABILITIES	522,866.01-	463,614.75-
	GL	CLS	301	MC EMPLOYEE'S COMPENSABLE LEAVE	282,809.93-	332,825.93-
*	GLA	CAT	26	NON-CURRENT LIABILITIES	282,809.93-	332,825.93-
**	TOTAL LIABILITIES				805,675.94-	796,440.68-
	GL	CLS	430	UNRESTRICTED NET ASSETS	805,675.94	796,440.68
*	GLA	CAT	45	NET ASSETS	805,675.94	796,440.68
	GL	CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED	.00	.00
	GL	CLS	630	OBSOLETE FB ACCTS UNDER GASB 34	.00	.00
*	GLA	CAT	51	FUND BALANCE (DEFICITS)	.00	.00
**	TOTAL OTHER CREDITS AND FUND BALANCE/EQUITY WITH CURRENT CHANGES				805,675.94	796,440.68
**	TOTAL LIABILITIES AND FUND BALANCE/EQUITY				.00	.00
*	GAAP	FUND	9997	LONG-TERM LIABILITIES BASIS CONVERSION	.00	.00
*	GAAP	FUND TYPE	12	LONG-TERM LIAB BASIS CONVERSION ADJUSTMT	.00	.00
*	GAAP	FUND GROUP	01	GOVERNMENTAL	.00	.00

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - BALANCE SHEET FORMAT(GWFS)

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

 GL GL B/C COMP AGY CURRENT PRIOR
 CT CLS IND GL TITLE GL YEAR YEAR

* AGENCY 503 .00 .00

DAFR 8590

**OPERATING STATEMENT
GOVERNMENTAL FUNDS**

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS
 REPORT PERIOD= ADJUSTMENT FY= 12

PERCENT OF YEAR ELAPSED: 100%

PROD SYSTEM

*****PAGE 1

GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)--GENERAL

GAAP		GAAP		GAAP	COMPT	TITLE	CURRENT
GAAP	GAAP	GL	ACCT	GL	GAAP	OBJ	YEAR
CATEGORY	FUNC	CLASS	ACCT	SRC/OBJ	OBJ		
01		640		0005	9400	ORIGINAL BUDGET-COMMITTED	9,236,815.00
					9401	ORIGINAL BUDGET-COLLECTED	505,784.00-
* GAAP SRC/OBJ				0005		ORIGINAL APPROPRIATIONS	8,731,031.00
01		640		0006	9403	ADJUSTED BUDGET-COMMITTED	993.00-
					9404	ADJUSTED BUDGET-COLLECTED	993.00
					9420	OASI ST MATCH TRF IN FROM 902-COMMITTED	467,625.02
					9425	INSUR-ST PD TRF IN FROM 327-COMMITTED	720,548.89
					9435	RETIR-ST MATCH TRF IN FROM 327-COMMITTED	340,210.31
					9440	BRP TRANSFER IN FROM 902-COMMITTED	17,110.87
* GAAP SRC/OBJ				0006		ADDITIONAL APPROPRIATIONS	1,545,495.09
01		640		0035	3560	MEDICAL EXAM & REGISTRATION	87,368.21
					3572	HEALTH REL PROF FEES-HB11 & SB104 GR INC	0.00
					3719	FEES-COPIES/FILING OF RECORDS	1,615.44
					3722	CONF/SEMINAR/TRAINING REG FEES	3,825.00
					3879	CREDIT CARD & ELECT SVCS RELATED FEES	690,560.92
* GAAP SRC/OBJ				0035		LICENSES, FEES AND PERMITS	783,369.57
01		640		0065	3752	SALE OF PUBLICATION/ADVERTISING	39,103.00
* GAAP SRC/OBJ				0065		SALES OF GOODS AND SERVICES	39,103.00
01		640		0080	3788	DEFAULT DEPOSIT ADJUSTMENT - SUSPENSE	0.00
					3789	DEFAULT FUND-RETURN CHECKS	840.75-
					3866	GIFTS/GRANT/DONATIONS-PLEDGED	7,900.00
* GAAP SRC/OBJ				0080		OTHER	7,059.25
* GL ACCT CLASS	640					FFS REVENUE	11,106,057.91
* GAAP CATEGORY	01					REVENUES	11,106,057.91

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
 *****PAGE 2

GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP						CURRENT	
GAAP	GAAP	GL	GL	GAAP	COMPT	YEAR	
CATEGORY	FUNC	CLASS	ACCT	SRC/OBJ	OBJ	TITLE	
TOTAL REVENUES							11,106,057.91
04	650		0200	7001		SAL & WAGES(LINE ITEM EXEMPT)	116,067.40
				7002		SAL/WAGES-CLASS&N/C-PERM FULTM	6,509,278.00
				7003		SAL/WAGES-CLASS&N/C-PERM PRFTM	68,801.03
				7004		SAL/WAGES-CLASS&N/C-NONPRM FUL	10,020.03
				7007		SAL/WAGES-HOURLY PARTTIME EMPL	1,319.60
				7017		ONE-TIME MERIT INCREASE	57,000.00
				7021		OVERTIME PAY	2,978.10
				7022		LONGEVITY PAY	135,120.00
				7023		LUMP SUM TERMINATION PAYMENT	95,960.56
				7024		TERMINATION PAY-DEATH BENEFITS	7,321.52
				7025		SALARY-PERDIEM ALLOWANCE	11,115.05
				7050		BENEFIT REPLACEMENT PAY	17,110.87
* GAAP SRC/OBJ			0200			SALARIES AND WAGES	7,032,092.16
04	650		0210	7032		EMPLOYEE RETIREMENT-ST CONTRIB	340,210.31
				7033		EMPLOYEE RETIREMENT-OTHER EMPLOY EXPENSE	1,800.73
				7041		EMPLOYEE INS PYMTS-EMPLR CONTR	720,548.89
				7042		PAYROLL HEALTH INSURANCE CONTRIBUTION	60,209.49
				7043		FICA EMPLOYER MATCHING CONTR	467,625.02
				7984		UNEMP COMP BEN-SF FD/ACCT 0001, 0165	15,071.38
* GAAP SRC/OBJ			0210			PAYROLL RELATED COSTS	1,605,465.82
04	650		0220	7240		CONSULTANT SERVICES-OTHER	0.00
				7245		FINANCIAL AND ACCOUNTING SERV	27,467.50
				7246		LEGAL SERVICES	12,289.64
				7253		OTHER PROFESSIONAL SERVICES	2,880.00
				7254		OTHER WITNESS FEES	14,581.95
				7258		LEGAL SERVICES-NOT REQ. APP. BY ATTY GEN	1,000.00
				7275		COMPUTER PROGRAMMING SERVICES	16,600.00
* GAAP SRC/OBJ			0220			PROFESSIONAL FEES AND SERVICES	74,819.09
04	650		0230	7101		TRAV IN-STATE-PUB TRANS FARES	113,748.66
				7102		TRAV IN-STATE MILEAGE	62,708.18
				7104		TRAV IN-STATE-ACT EXP-OVERNIGHT TRAVEL	1,869.00

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP						CURRENT		
GAAP	GAAP	GL	ACCT	GL	GAAP	COMPT	TITLE	CURRENT
CATEGORY	FUNC	CLASS	ACCT	SRC/OBJ	OBJ			YEAR
04		650		0230	7105		TRAV IN-STATE-INCIDENTAL EXPEN	18,919.67
					7106		TRAVEL-IN-STATE MEALS/LODGING	47,830.16
					7107		TRAVEL IN-STATE (NON-OVERNITE,MEALS)	3,519.11
					7108		TRAV IN ST-ACTUAL EXP MEALS-NO OVERNIGHT	66.00
					7110		TRAV INSTATE-BRD/CMSN MEMB MEAL/LODG EXP	45,174.93
					7111		TRAV OUT-OF-ST-PUB TRANS FARES	2,562.72
					7112		TRAV OUT-OF-ST-MILEAGE	30.86
					7115		TRAV OUT-OF-ST-INCIDENTAL EXP	434.37
					7116		TRAVEL OOS MEAL/LODGE-NTE LOCALITY ALLOW	2,034.60
					7124		TRAV IN ST-TWIN ENG AIRCRAFT MILEAGE	736.95
					7135		TRAV IS-HOTEL TAX EXCL GALV, PORT A &SFI	0.00
					7136		TRAV IN-ST-HOTEL TAX INSIDE GALVESTON CL	0.00
* GAAP SRC/OBJ				0230			TRAVEL	299,635.21
04		650		0240	7291		POSTAL SERVICES	113,600.56
					7300		CONSUMABLES	85,292.30
					7303		SUBS, PERIODICALS & INFO SERV	0.00
					7304		FUELS AND LUBRICANTS-OTHER	9,739.62
					7334		PERSONAL PROP-FURN, EQUIP AND OTHER-EXP	14,840.28
					7335		PERSONAL PROP-PARTS-COMPUTER EQUIP-EXP	35,045.15
					7374		PERSONAL PROP-FURNISHING & EQUIP(CONTRL)	0.00
					7377		PERSONAL PROP-COMPUTER EQUIPMENT-EXP	10,197.76
					7378		PERSONAL PROP-COMPUTER EQUIP(CONTROLLED)	83,253.49
					7380		INTANGIBLE-COMPUTER SOFTWARE-EXPENSED	22,621.80
					7382		PERS PROP-BOOKS & REF MATERIALS-EXPENSED	317.92
					7510		TELECOM PARTS & SUPPLIES	2,512.00
					7517		PERSONAL PROPERTY-TELECOMM EQUIPMENT-EXP	312.55
* GAAP SRC/OBJ				0240			MATERIALS AND SUPPLIES	377,733.43
04		650		0250	7276		COMMUNICATION SERVICES	39,934.02
					7503		TELECOMMS-LONG DISTANCE	3,649.66
					7504		TELECOMMS-MONTHLY CHARGE	40,813.99
					7516		TELECOMMS-OTHER SERV CHARGES	1,711.87
					7526		WASTE DISPOSAL	2,265.00
					7961		STS (TEX-AM) TRANSFERS TO GR FUND 0001	9,811.86
					7962		CAPITOL COMPLEX TRANSFERS TO GR FND 0001	22,655.83
* GAAP SRC/OBJ				0250			COMMUNICATION AND UTILITIES	120,842.23

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP						CURRENT
GAAP	GAAP GL ACCT GL	GAAP	COMPT	TITLE		YEAR
CATEGORY FUNC CLASS	ACCT SRC/OBJ	OBJ				
04	650	0260	7262	PERS PROP-MAINT & REPAIR/COMP SFTWRE-EXP		131,052.60
			7267	PERS PROP-MAINT & REPAIR-COMP EQUIP-EXP		122.00
			7338	RP-FAC & OTHER IMPROV/MAINT & REPAIR-EXP		4,746.18
* GAAP SRC/OBJ		0260		REPAIRS AND MAINTENANCE		135,920.78
04	650	0270	7406	RENTAL OF FURNISHINGS/EQUIPMT		31,892.35
			7470	RENTAL OF SPACE		21,944.20
* GAAP SRC/OBJ		0270		RENTALS AND LEASES		53,836.55
04	650	0280	7218	PUBLICATIONS		12,482.59
			7273	REPRODUCTION & PRINTING SERVS		26,163.28
* GAAP SRC/OBJ		0280		PRINTING AND REPRODUCTION		38,645.87
04	650	0340	7201	MEMBERSHIP DUES		7,542.00
			7203	REGISTRATION FEES-EMPLOYEE TRAINING		20,733.00
			7210	FEES AND OTHER CHARGES		146.00
			7219	FEES FOR RECEIVING ELECTRONIC PAYMENTS		771,575.34
			7223	COURT COSTS		5,759.96
			7224	WITNESS FEES AND ALLOWANCES		4,069.58
			7274	TEMPORARY EMPLOYMENT AGENCIES		346.37
			7281	ADVERTISING SERVICES		3,946.00
			7286	FREIGHT/DELIVERY SERVICES		36,474.72
			7295	INVESTIGATION EXPENSES		95,197.49
			7299	PURCHASED CONTRACTED SERVICES		120,497.16
			7340	REAL PROPERTY & IMPROVEMENTS-EXP		17,031.96
			7806	PROMPT PAYMENT INTEREST		297.55
			7947	ST OFC OF RISK MGMT ASSESSMENTS		7,216.20
			7953	SWCAP REIMBURSEMENT TO UNAPP GR 0001		1,314.00
* GAAP SRC/OBJ		0340		OTHER EXPENDITURES		1,092,147.33
04	650	0430	7379	PERSONAL PROP-COMPUTER EQUIP-CAPITALIZED		191,764.05
* GAAP SRC/OBJ		0430		CAPITAL OUTLAY		191,764.05
* GL ACCT CLASS	650			FFS EXPENDITURES		11,022,902.52

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS
 REPORT PERIOD= ADJUSTMENT FY= 12

PERCENT OF YEAR ELAPSED: 100%

PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP
 GAAP GAAP GL ACCT GL GAAP COMPT CURRENT
 CATEGORY FUND CLASS ACCT SRC/OBJ OBJ TITLE YEAR

* GAAP CATEGORY	04				EXPENDITURES	11,022,902.52
TOTAL EXPENDITURES						11,022,902.52
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						83,155.39
05	640	0578	9410		APPROPRIATION TRANSFER-IN COMMITTED	0.00
* GAAP SRC/OBJ		0578			LEGISLATIVE FINANCING SOURCES	0.00
* GL ACCT CLASS	640				FFS REVENUE	0.00
05	675	0591	9515		APPROPRIATION TRANSFER OUT-COMMITTED	29,266.00-
			9541		BRP TRF OUT TO STRATEGIES-COMMITTED	0.00
* GAAP SRC/OBJ		0591			LEGISLATIVE FINANCING USES	29,266.00-
* GL ACCT CLASS	675				FFS OTHER FINANCING SOURCES (USES)	29,266.00-
05	685	0600	9580		LAPSED COMMITTED REVENUE APPROPRIATIONS	357,835.70-
* GAAP SRC/OBJ		0600			APPROPRIATIONS LAPSED	357,835.70-
* GL ACCT CLASS	685				FFS OTHER CHANGES IN FUND BALANCE	357,835.70-
* GAAP CATEGORY	05				OTHER FINANCING SOURCES (USES)	387,101.70-
TOTAL OTHER FINANCING SOURCES (USES)						387,101.70-
NET CHANGE IN FUND BALANCE						303,946.31-
FUND BALANCE - BEGINNING						416,963.93
17	680	0850	3897		RESTATEMENTS-GR APPM. ACTIVITY ONLY	0.00
* GAAP SRC/OBJ		0850			RESTATEMENTS	0.00
* GL ACCT CLASS	680				FFS RESTATEMENTS	0.00

TEXAS MEDICAL BOARD (503)

OPERATING STATEMENT - GOVERNMENTAL FUNDS

REPORT PERIOD= ADJUSTMENT FY= 12

PROD SYSTEM

PERCENT OF YEAR ELAPSED: 100%

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GAAP FUND GROUP 01 GOVERNMENTAL

GAAP FUND TYPE 01 GENERAL

GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL

GAAP

GAAP	GAAP GL ACCT GL	GAAP COMPT	TITLE	CURRENT YEAR
CATEGORY	FUNC CLASS	ACCT SRC/OBJ OBJ		

* GAAP CATEGORY 17 RESTATEMENTS 0.00

FUND BALANCE - BEGINNING, AS RESTATED 416,963.93

FUND BALANCE - ENDING 113,017.62

* GAAP FUND 0001 GENERAL REVENUE (0001)-GENERAL 113,017.62

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 0055 MEDICAL REGISTRATION FD (0055)-GENERAL

GAAP						CURRENT
GAAP	GAAP GL	ACCT GL	GAAP	COMPT	TITLE	YEAR
CATEGORY	FUNC	CLASS	ACCT SRC/OBJ	OBJ		

NET CHANGE IN FUND BALANCE						0.00
FUND BALANCE - BEGINNING						0.00
FUND BALANCE - BEGINNING, AS RESTATED						0.00
FUND BALANCE - ENDING						0.00
* GAAP FUND	0055	MEDICAL REGISTRATION FD (0055)-GENERAL				0.00

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)

OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE

GAAP
 GAAP GAAP GL ACCT GL GAAP COMPT CURRENT
 CATEGORY FUND CLASS ACCT SRC/OBJ OBJ TITLE YEAR

01	640	0035	3572	HEALTH REL PROF FEES-HB11 & SB104 GR INC	2,934,010.90
* GAAP SRC/OBJ		0035		LICENSES, FEES AND PERMITS	2,934,010.90
01	640	0065	3752	SALE OF PUBLICATION/ADVERTISING	228.76
* GAAP SRC/OBJ		0065		SALES OF GOODS AND SERVICES	228.76
01	640	0080	3777	DEFAULT FUND-WARRANT VOIDED	18,250.23
			3970	REVENUE ADJ W/I AGY, FUND/ACCOUNT & FY	0.00
			3975	UB CASH BALANCE FORWARD - OTHER FUNDS	0.00
* GAAP SRC/OBJ		0080		OTHER	18,250.23
* GL ACCT CLASS	640			FFS REVENUE	2,952,489.89
* GAAP CATEGORY	01			REVENUES	2,952,489.89
TOTAL REVENUES					2,952,489.89
04	650	0200	7002	SAL/WAGES-CLASS&N/C-PERM FULTM	345,963.19
			7022	LONGEVITY PAY	6,560.00
			7050	BENEFIT REPLACEMENT PAY	4,095.37
* GAAP SRC/OBJ		0200		SALARIES AND WAGES	356,618.56
04	650	0210	7032	EMPLOYEE RETIREMENT-ST CONTRIB	62,452.93
			7041	EMPLOYEE INS PYMTS-EMPLR CONTR	124,354.68
			7042	PAYROLL HEALTH INSURANCE CONTRIBUTION	4,218.72
			7043	FICA EMPLOYER MATCHING CONTR	73,421.91
			7984	UNEMP COMP BEN-SP FD/ACCT 0001, 0165	567.27
* GAAP SRC/OBJ		0210		PAYROLL RELATED COSTS	265,015.51
04	650	0220	7240	CONSULTANT SERVICES-OTHER	1,639,267.32
			7254	OTHER WITNESS FEES	50,111.55

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS
 REPORT PERIOD= ADJUSTMENT FY= 12

PERCENT OF YEAR ELAPSED: 100%

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE

GAAP
 GAAP GL ACCT GL GAAP COMPT CURRENT
 CATEGORY FUNC CLASS ACCT SRC/OBJ OBJ TITLE YEAR

* GAAP SRC/OBJ			0220		PROFESSIONAL FEES AND SERVICES	1,689,378.87
04	650		0230	7135	TRAV IS-HOTEL TAX EXCL GALV, PORT A & SPI	0.00
* GAAP SRC/OBJ			0230		TRAVEL	0.00
04	650		0240	7304	FUELS AND LUBRICANTS-OTHER	0.00
* GAAP SRC/OBJ			0240		MATERIALS AND SUPPLIES	0.00
04	650		0340	7224	WITNESS FEES AND ALLOWANCES	32,962.84
				7295	INVESTIGATION EXPENSES	41.58
				7299	PURCHASED CONTRACTED SERVICES	527.10
				7806	PROMPT PAYMENT INTEREST	228.25
				7947	ST OFC OF RISK MNGMT ASSESSMENTS	3,608.11
				7953	SWCAP REIMBURSEMENT TO UNAPP GR 0001	88,520.00
* GAAP SRC/OBJ			0340		OTHER EXPENDITURES	125,887.88
* GL ACCT CLASS	650				FFS EXPENDITURES	2,436,900.82
* GAAP CATEGORY	04				EXPENDITURES	2,436,900.82
TOTAL EXPENDITURES						2,436,900.82
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES						515,589.07
TOTAL OTHER FINANCING SOURCES (USES)						0.00
NET CHANGE IN FUND BALANCE						515,589.07
FUND BALANCE - BEGINNING						1,149,499.82
FUND BALANCE - BEGINNING, AS RESTATED						1,149,499.82
FUND BALANCE - ENDING						1,665,088.89
* GAAP FUND	5105				GR ACCT-PUBLIC ASSURANCE	1,665,088.89

TEXAS MEDICAL BOARD (503)

OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 01 GENERAL
 GAAP FUND 5105 GR ACCT-PUBLIC ASSURANCE

GAAP						CURRENT
GAAP	GAAP GL ACCT GL	GAAP	COMPT	TITLE		YEAR
CATEGORY	FUNC CLASS	ACCT SRC/OBJ	OBJ			

* GAAP FUND TY 01 GENERAL 1,778,106.51

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM

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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 11 CAPITAL ASSET BASIS CONVERSION ADJUSTMTS
 GAAP FUND 9998 GEN FIXED ASSETS ACCT GROUP

GAAP						CURRENT
GAAP	GAAP GL	ACCT GL	GAAP	COMPT	TITLE	YEAR
CATEGORY	FUNC	CLASS	ACCT	SRC/OBJ	OBJ	

NET CHANGE IN FUND BALANCE						0.00
FUND BALANCE - BEGINNING						0.00
FUND BALANCE - BEGINNING, AS RESTATED						0.00
FUND BALANCE - ENDING						0.00
* GAAP FUND	9998				GEN FIXED ASSETS ACCT GROUP	0.00
* GAAP FUND TY	11				CAPITAL ASSET BASIS CONVERSION ADJUSTMTS	0.00

(AGY)503 (ORG) (PRG) (NAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)
 OPERATING STATEMENT - GOVERNMENTAL FUNDS

PERCENT OF YEAR ELAPSED: 100% REPORT PERIOD= ADJUSTMENT FY= 12 PROD SYSTEM
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GAAP FUND GROUP 01 GOVERNMENTAL
 GAAP FUND TYPE 12 LONG-TERM LIAB BASIS CONVERSION ADJUSTMT
 GAAP FUND 9997 LONG-TERM LIABILITIES BASIS CONVERSION

GAAP
 GAAP GAAP GL ACCT GL GAAP COMPT CURRENT
 CATEGORY FUNC CLASS ACCT SRC/OBJ OBJ TITLE YEAR

NET CHANGE IN FUND BALANCE						0.00
FUND BALANCE - BEGINNING						0.00
FUND BALANCE - BEGINNING, AS RESTATED						0.00
FUND BALANCE - ENDING						0.00
* GAAP FUND	9997				LONG-TERM LIABILITIES BASIS CONVERSION	0.00
* GAAP FUND TY	12				LONG-TERM LIAB BASIS CONVERSION ADJUSTMT	0.00
* GAAP FD GRP	01				GOVERNMENTAL	1,778,106.51
* AGENCY	503					1,778,106.51

DAFR 8585

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - NET ASSET FORMAT

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

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GAAP FUND GROUP 03 FIDUCIARY
 GAAP FUND TYPE 09 AGENCY FUNDS
 GAAP FUND 0807 CHILD SUPPORT EMPLOY DEDUCT- OFFSET ACCT

GL CAT	GL CLS	COMP GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
	GL CLS	004	CA CASH IN STATE TREASURY		1,145.00	600.00
*	GLA CAT	01	CURRENT ASSETS		1,145.00	600.00
**	TOTAL ASSETS				1,145.00	600.00
	GL CLS	200	CL ACCOUNTS PAYABLE		.00	.00
	GL CLS	300	CL FUNDS HELD FOR OTHERS		1,145.00-	600.00-
*	GLA CAT	21	CURRENT LIABILITIES		1,145.00-	600.00-
**	TOTAL LIABILITIES				1,145.00-	600.00-
	GL CLS	372	NET ASSETS HELD IN TRUST-FIDUCIARY FDS		.00	.00
	GL CLS	620	FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
*	GLA CAT	51	FUND BALANCE (DEFICITS)		.00	.00
**	NET ASSETS WITH CURRENT CHANGES				.00	.00
*	GAAP FUND	0807	CHILD SUPPORT EMPLOY DEDUCT- OFFSET ACCT		.00	.00

(AGY)503 (ORG) (PRG) (MAC) (APP) (FND) (COB) (AOB) (GLA)
 (AGL) (GRT) (PRJ) (SS1) (SS2)

TEXAS MEDICAL BOARD (503)

STATEMENT OF NET ASSETS - NET ASSET FORMAT

PERCENT OF YEAR ELAPSED: 100%

REPORT PERIOD= ADJUSTMENT FY= 12

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GAAP FUND GROUP 03 FIDUCIARY
 GAAP FUND TYPE 09 AGENCY FUNDS
 GAAP FUND 0900 DEPARTMENTAL SUSPENSE (0900) - AGENCY

GL CAT	GL CLS	COMP GL	TITLE	AGY GL	CURRENT YEAR	PRIOR YEAR
GL CLS	004		CA CASH IN STATE TREASURY		52.24	.00
GL CLS	052		CA ACCOUNTS RECEIVABLES, NET		.00	.00
* GLA CAT	01		CURRENT ASSETS		52.24	.00
**			TOTAL ASSETS		52.24	.00
GL CLS	200		CL ACCOUNTS PAYABLE		.00	.00
GL CLS	300		CL FUNDS HELD FOR OTHERS		52.24-	.00
* GLA CAT	21		CURRENT LIABILITIES		52.24-	.00
**			TOTAL LIABILITIES		52.24-	.00
GL CLS	372		NET ASSETS HELD IN TRUST-FIDUCIARY FDS		.00	.00
GL CLS	620		FUND BALANCE - UNRESERVED/UNDESIGNATED		.00	.00
* GLA CAT	51		FUND BALANCE (DEFICITS)		.00	.00
**			NET ASSETS WITH CURRENT CHANGES		.00	.00
* GAAP FUND			0900 DEPARTMENTAL SUSPENSE (0900) - AGENCY		.00	.00

NOTES TO THE
FINANCIAL STATEMENTS

**TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A: ENTITY

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

The Texas Medical Board operates under the authority of Texas Revised Civil Statutes Annotated, Article 4495. The Board was created in 1837, and recreated in 1907, to protect the public by licensing only those physicians who are properly trained. In addition, the Board receives complaints concerning physicians, investigates such allegations and carries out discipline against those physicians who warrant restrictions. In 1993, the Board was given additional licensing and regulation authority with the creation of the Board of Acupuncture Examiners and the Board of Physician Assistant Examiners. In 2002, the Board was given additional licensing and regulation authority over Surgical Assistants. Passed in June 2003, Senate Bill 104 gave the Board more enforcement authority and granted authority for the Board to collect an \$80 surcharge for each physician license renewal to fund increased enforcement activity.

Due to the significant changes related to Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual 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 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.

Blended Component Units

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

Discrete Component Units

No discrete component units have been identified for inclusion within the agency's financial report.

B. FUND STRUCTURE

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

GOVERNMENTAL FUND TYPES

General Fund

The general fund is the principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds.

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 capital assets, accumulated depreciation, 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 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). Encumbrance accounting is employed for budgetary control purposes. Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 consist of consumable supplies and are valued at cost. The consumption method of accounting is used to account for inventories that appear in the governmental fund types. 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 are capitalized. These assets are capitalized at cost or, if donated, 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. Assets are depreciated over the estimated useful life of the 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 Balances

Employees' Compensable Leave balances represent the liability that becomes "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 BALANCE/NET ASSETS

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

Reservations of Fund Balance

Fund balances for governmental funds are classified as either reserved or unreserved in the fund financial statements. Reservations are legally restricted to a specific future use or not available for expenditure.

UNAUDITED

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserved for Encumbrances

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.

Unreserved/Undesignated

This represents the unappropriated balance at year-end.

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.

F. INTERFUND TRANSACTIONS AND BALANCES

The agency makes legally required transfers that are reported when incurred as "Transfers in" by the recipient funds and as "Transfers out" by the disbursing fund.

NOTE 2: CAPITAL ASSETS

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

	PRIMARY GOVERNMENT			Balance 08/31/2012
	Balance 09/01/2011	Additions	Deletions	
GOVERNMENTAL ACTIVITIES				
Depreciable Assets				
Furniture and Equipment	749,117.09	191,764.05	-	940,881.14
Other Capital Assets	5,786.00	-	-	5,786.00
Total Depreciable Assets at Historical Cost	754,903.09	191,764.05	-	946,667.14
Less Accumulated Depreciation for:				
Furniture and Equipment	(517,746.02)	(77,319.24)	-	(595,065.26)
Other Capital Assets	(5,786.00)	-	-	(5,786.00)
Total Accumulated Depreciation	(523,532.02)	(77,319.24)	-	(600,851.26)
Depreciable Assets, Net	231,371.07	114,444.81	-	345,815.88
Intangible Capital Assets - Amortizable				
Computer Software – Intangible	295,015.51	-	-	295,015.51
Total Intangible Assets at Historical Cost	295,015.51	-	-	295,015.51
Less Accumulated Amortization for:				
Computer Software – Intangible	(295,015.51)	-	-	(295,015.51)
Total Accumulated Amortization	(295,015.51)	-	-	(295,015.51)
Amortizable Assets, Net	-	-	-	-
Governmental Activities Capital Assets, Net	231,371.07	114,444.81	-	345,815.88

UNAUDITED

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: DEPOSITS, INVESTMENTS, & REPURCHASE AGREEMENTS

Not Applicable

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.

Changes in Long-Term Liabilities (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. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

During the year ended August 31, 2012, the following changes occurred in Employees Compensable Leave:

<u>Balance</u> <u>09/01/2011</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>08/31/2012</u>	<u>Amounts Due</u> <u>Within One Year</u>
\$ 796,440.68	\$ 759,383.75	\$ 750,148.49	\$ 805,675.94	\$ 522,866.01

NOTE 6: BONDED INDEBTEDNESS

Not Applicable

NOTE 7: DERIVATIVES

Not Applicable

NOTE 8: LEASES

The agency has no future minimum lease rental payments under noncancelable operating leases having an initial term in excess of one year. The agency has occupied state owned office space since November 1995.

NOTE 9: PENSION PLANS

Not Applicable

UNAUDITED

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: DEFERRED COMPENSATION

Not Applicable

NOTE 11: POST EMPLOYMENT HEALTH CARE AND LIFE INSURANCE BENEFITS

Not Applicable

NOTE 12: INTERFUND ACTIVITY AND TRANSACTIONS

The agency experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer, as shown below:

General (0001)	Legislative Transfers In	Legislative Transfers Out
Appd Fund 0001, D23 Fund 0001		
Agency 364, D23 Fund 0001		\$ 29,266.00
Total Legislative Transfers		\$ 29,266.00

NOTE 13: CONTINUANCE SUBJECT TO REVIEW

The Texas Medical Board is subject to Chapter 325, Government Code (Texas Sunset Act). Unless continued in existence as provided by that chapter, the Board is abolished and this Act expires September 1, 2017.

NOTE 14: ADJUSTMENTS TO FUND BALANCE/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

Not Applicable

TEXAS MEDICAL BOARD (503)
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. Five FTEs are assigned to the agency: an administrator, an administrative assistant and three informational technology support staff.

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 Optometry Board
- Texas State Board of Pharmacy
- Texas State Board of Podiatric Medical Examiners
- Texas Board of Veterinary Medical Examiners
- Texas Medical Board
- Texas Board of Nursing
- Texas State Board of Examiners of Psychologists
- Texas Funeral Service Commission
- Executive Council of Physical Therapy and Occupational Therapy Examiners
- Texas Department of State Health Service's Professional Licensing and Certification Unit
- Office of the Governor
- Office of the Attorney General

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 with shared conference rooms, reception areas and 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 cost 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.
- * Shared legislative tracking of bills during legislative session and shared information regarding effects of proposed legislation.

TEXAS MEDICAL BOARD (503)
NOTES TO THE FINANCIAL STATEMENTS

NOTE 19: THE FINANCIAL REPORTING ENTITY: RELATED ORGANIZATIONS (continued)

* Coordination of Staff Training. The Council provides training through an ongoing schedule of varied programs for member agencies, most of which are too small to provide staff development programs.

* 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.

A pro rata share of appropriations from each member agency funds HPC. The Board's pro rata share during fiscal year 2012 was \$29,266. In addition, the board reimbursed HPC a nominal amount for its pro rata share of operation of the toll-free telephone complaint system.

NOTE 20: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Not Applicable

NOTE 21: NOT APPLICABLE

Not Applicable

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

