

**HEALTH PROFESSIONS COUNCIL**

**ANNUAL FINANCIAL REPORT**

*For The Year Ended August 31, 2012*

**Gay Dodson**  
**Executive Director**





Texas Board of Chiropractic Examiners  
Texas State Board of Dental Examiners  
Texas Medical Board  
Texas Optometry Board  
Texas State Board of Pharmacy  
Texas Board of Nursing  
Texas State Board of Examiners of Psychologists

Council Chairperson  
Gay Dodson, R.Ph.



Texas State Board of Veterinary Medical Examiners  
Texas Department of State Health Services  
Professional Licensing and Certification Unit  
Texas Funeral Service Commission  
Texas State Podiatric Medical Examiners  
Executive Council of Physical Therapy and  
Occupational Therapy Examiners

Administrative Officer  
John Monk  
E-mail: john.monk@hpc.state.tx.us

## Health Professions Council

November 20, 2012

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

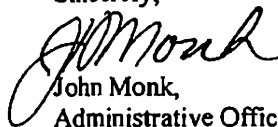
Dear Ladies and Gentlemen:

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

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

If you have any questions, please contact John Monk at 512-305-8551.

Sincerely,

  
John Monk,  
Administrative Officer

**This Page Intentionally Left Blank**

## 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	16
	10. Deferred Compensation	16
	11. Post Employment Health Care and Life Insurance Benefits	16
	12. Interfund Balances/Activities	16
	13. Continuance Subject to Review	17
	14. Adjustments to Fund Balances/Net Assets	17
	15. Contingencies and Commitments	17
	16. Subsequent Events	17
	17. Risk Management	17
	18. Management Discussion and Analysis/Material Changes to AFR	17
	19. The Financial Reporting Entity: Related Organizations	17
	20. Stewardship, Compliance and Accountability	17
	21. N/A	17
	22. Donor-Restricted Endowments	17
	23. Extraordinary and Special Items	17
	24: Disaggregation of Receivable and Payable Balances	17
	25: Termination Benefits	18
	26: Segment Information	18

**Financial  
Statements**

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
 EXHIBIT I  
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -  
 GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2012

	GOVERNMENTAL FUND TYPES GENERAL FUND 0001 U/F 0001	CAPITAL ASSETS ADJUSTMENTS
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current Assets:		
Legislative Appropriations	\$ 46,174.19	\$
Accounts Receivable		
Consumable Inventories	<u>1,035.51</u>	<u>                    </u>
<b>Total Current Assets</b>	<u>47,209.70</u>	<u>0.00</u>
Non-Current Assets:		
Capital Assets:		
Furniture and Equipment		41,618.96
Less Accumulated Depreciation		(41,618.96)
Computer Software		5,925.00
Less Accumulated Amortization		<u>(5,925.00)</u>
<b>Total Non-Current Assets</b>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL ASSETS</b>	<u>\$ 47,209.70</u>	<u>\$ 0.00</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Payables from :		
Accounts Payable	\$ (539.99)	\$
Payroll Payable	44,466.55	
Due to Other Agencies (Agy 503, Fd 0001)	0.00	
Employees' Compensable Leave		
<b>Total Current Liabilities</b>	<u>43,926.56</u>	<u>0.00</u>
Non-Current Liabilities:		
Employees' Compensable Leave		
<b>Total Non-Current Liabilities</b>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL LIABILITIES</b>	<u>43,926.56</u>	<u>0.00</u>
Fund Financial Statements - Fund		
<b>FUND BALANCES (DEFICITS):</b>		
	\$	\$
NonSpendable Consumable Inventories	1,035.51	
Unassigned	<u>2,247.63</u>	<u>0.00</u>

UNAUDITED

<u>LONG-TERM LIABILITIES ADJUSTMENTS</u>	<u>OTHER ADJUSTMENTS</u>	<u>STATEMENT OF NET ASSETS</u>
\$	\$	\$ 46,174.19
		0.00
		1,035.51
<u>0.00</u>	<u>0.00</u>	<u>47,209.70</u>
\$	\$	\$
		41,618.96
		(41,618.96)
		5,925.00
		(5,925.00)
<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<u>\$ 0.00</u>	<u>\$ 0.00</u>	<u>\$ 47,209.70</u>
\$	\$	\$
		(539.99)
		44,466.55
		0.00
<u>21,795.30</u>	<u>0.00</u>	<u>21,795.30</u>
<u>21,795.30</u>	<u>0.00</u>	<u>65,721.86</u>
<u>15,334.85</u>	<u>0.00</u>	<u>15,334.85</u>
<u>15,334.85</u>	<u>0.00</u>	<u>15,334.85</u>
<u>37,130.15</u>	<u>0.00</u>	<u>81,056.71</u>
\$	\$	\$
		0.00
		1,035.51
<u>0.00</u>	<u>0.00</u>	<u>2,247.63</u>



UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
 EXHIBIT I  
 COMBINED BALANCE SHEET/ STATEMENT OF NET ASSETS -  
 GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2012

	GOVERNMENTAL FUND TYPES GENERAL FUND 0001 U/F 0001	CAPITAL ASSETS ADJUSTMENTS
TOTAL FUND BALANCES	<u>3,283.14</u>	<u>0.00</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 47,209.70</u>	<u>\$ 0.00</u>
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		<u>\$ 0.00</u>

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

UNAUDITED

LONG-TERM LIABILITIES ADJUSTMENTS	OTHER ADJUSTMENTS	STATEMENT OF NET ASSETS
<u>0.00</u>	<u>0.00</u>	<u>3,283.14</u>
\$ <u>37,130.15</u>	\$ <u>0.00</u>	\$ <u>84,339.85</u>
		0.00
		0.00
		0.00
<u>(37,130.15)</u>	<u>                    </u>	<u>(37,130.15)</u>
\$ <u>(37,130.15)</u>	\$ <u>0.00</u>	\$ <u>(33,847.01)</u>
		\$ <u>47,209.70</u>

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
 EXHIBIT II  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND  
 BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2012

	General Funds FUND 0001 U/F 0001	<u>Capital Asset Adjustments</u>
REVENUES:	\$	\$
Legislative Appropriations:		
Original Appropriations	(6,706.00)	
Additional Appropriations	51,311.79	
Sales of Goods and Services	14,381.18	
Other Revenue	199.99	
	<u>59,186.96</u>	<u>0.00</u>
Total Revenues		
EXPENDITURES:		
Salaries and Wages	299,049.77	
Payroll Related Costs	73,947.27	
Professional Fees & Services	910,261.76	
Materials and Supplies	3,957.50	
Communication and Utilities	895.52	
Repairs and Maintenance	13,916.00	
Rentals and Leases	19,533.02	
Printing and Reproduction	566.61	
Other Operating Expenditures	5,039.61	
Capital Outlay		
Depreciation Expense		2,374.32
	<u>1,327,167.06</u>	<u>2,374.32</u>
Total Expenditures		
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,267,980.10)</u>	<u>(2,374.32)</u>
OTHER FINANCING SOURCES (USES):		
Legislative Transfers In	862,585.00	
Legislative Transfers Out	0.00	
	<u>862,585.00</u>	<u>0.00</u>
Total Other Financing Sources (Uses)		
NET CHANGE IN FUND BALANCES/NET ASSETS	<u>(405,395.10)</u>	<u>(2,374.32)</u>
FUND BALANCES - Beginning	455,804.26	
Lapsed Appropriations	<u>(47,126.02)</u>	
FUND BALANCES - Ending	<u>\$ 3,283.14</u>	

UNAUDITED

<u>Long-term Liabilities Adjustments</u>	<u>Statement of Activities</u>
\$	\$
	(6,706.00)
	51,311.79
	14,381.18
	199.99
<u>0.00</u>	<u>59,186.96</u>
(18,763.56)	280,286.21
	73,947.27
	910,261.76
	3,957.50
	895.52
	13,916.00
	19,533.02
	566.61
	5,039.61
	0.00
	2,374.32
<u>(18,763.56)</u>	<u>1,310,777.82</u>
<u>18,763.56</u>	<u>(1,251,590.86)</u>
	862,585.00
	0.00
<u>0.00</u>	<u>862,585.00</u>
<u>18,763.56</u>	<u>(389,005.86)</u>
	\$ 455,804.26
	<u>(47,126.02)</u>
	\$

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
 EXHIBIT II  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND  
 BALANCES / STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS  
 For the Year Ended August 31, 2012

	General Funds FUND 0001 U/F 0001	<u>Capital Asset Adjustments</u>
Government-wide Statement - Net Assets		
Change in Net Assets		<u>(2,374.32)</u>
Net Assets Beginning		0.00
Adjustments to Beginning Net Assets		
Restatement		2,374.32
Net Assets Beginning as Restated and Adjusted		<u>2,374.32</u>
Net Assets Ending	\$	<u>\$ 0.00</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>18,763.56</u>	
\$ (55,893.71) \$	(55,893.71)
<u>(55,893.71)</u>	<u>2,374.32</u> <u>(53,519.39)</u>
\$ <u><u>(37,130.15)</u></u> \$	\$ <u><u>(33,847.01)</u></u>

**Notes**  
**To The**  
**Financial**  
**Statements**

## UNAUDITED

### HEALTH PROFESSIONS COUNCIL (364) NOTES TO THE FINANCIAL STATEMENTS

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. ENTITY

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

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

##### Blended Component Units

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

##### B. FUND STRUCTURE

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

##### GOVERNMENTAL FUND TYPES & GOVERNMENT-WIDE ADJUSTMENT FUND TYPES

##### General Fund

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

##### 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.

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

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 ASSETS

ASSETS

Cash and Cash Equivalents

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

Restricted Assets

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

Inventories

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

## UNAUDITED

### HEALTH PROFESSIONS COUNCIL (364) NOTES TO THE FINANCIAL STATEMENTS

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 ASSETS

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

##### Fund Balance Components

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

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

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

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



UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

authority.

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

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

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

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

F. INTERFUND TRANSACTIONS AND BALANCES

The agency has the following types of transactions among funds:

1) Transfers: Legally required transfers that are reported when incurred as "Transfers In" by the recipient fund and as "Transfers Out" by the disbursing fund.

2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

3) Interfund receivables and payables: Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current."

4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund. The composition of the agency's Interfund receivables and payables at August 31, 2012, if any, is presented in Note 12.

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 2: CAPITAL ASSETS**

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

	<u>Balance 9/1/11</u>	<u>Adjustments *</u>	<u>Completed CIP</u>	<u>Inc Int'gy Trans</u>	<u>Dec Int'gy Trans</u>
Governmental Activities:					
Furniture and Equipment	\$ 20,252.00	\$ 21,366.96	\$	\$	\$
Computer Software	<u>5,925.00</u>	<u></u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Capital Assets	26,177.00	21,366.96	0.00	0.00	0.00
Less Accum Deprec/Amort for:					
Furniture and Equip	(20,252.00)	(18,992.64)			
Computer Software	<u>(5,925.00)</u>	<u></u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total Accum Deprec/Amor	<u>(26,177.00)</u>	<u>(18,992.64)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
<b>TOTAL</b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>2,374.32</u></b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>0.00</u></b>

continued:	<u>Addition</u>	<u>Deletions</u>	<u>Balance 8/31/12</u>
Governmental Activities:			
Furniture and Equipment	\$	\$	\$ 41,618.96
Software	<u>0.00</u>	<u>0.00</u>	<u>5,925.00</u>
Total capital assets	0.00	0.00	47,543.96
Less Accum Deprec/Amort for:			
Furniture and Equip	(2,374.32)	0.00	(41,618.96)
Other Cap Assets	<u></u>	<u></u>	<u>(5,925.00)</u>
Total Accum Deprec/Amor	<u>(2,374.32)</u>	<u>0.00</u>	<u>(47,543.96)</u>
<b>TOTAL</b>	<b>\$ <u>(2,374.32)</u></b>	<b>\$ <u>0.00</u></b>	<b>\$ <u>0.00</u></b>

\*Adjustments - 3 servers were transferred from another agency to Health Professions Council in the prior year that were not recorded until the current year requiring a restatement of \$2,374.32 from the net adjustment of the increase of the asset of \$21,366.96 and accumulated depreciation of (\$18,992.64).

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

Not applicable

**NOTE 4: SHORT TERM DEBT**

Not applicable

HEALTH PROFESSIONS COUNCIL (364)  
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, 2012.

Changes In Long-Term Liabilities

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

Governmental Activities:	Balance 9/01/11	Additions	Deductions	Balance 8/31/12	Amounts Due Within One Yr
Compensable Leave	\$ 55,893.71	\$ 37,333.99	\$ (56,097.55)	\$ 37,130.15	\$ 21,795.30
<b>TOTAL</b>	<u>\$ 55,893.71</u>	<u>\$ 37,333.99</u>	<u>\$ (56,097.55)</u>	<u>\$ 37,130.15</u>	<u>\$ 21,795.30</u>

**Employees' Compensable Leave**

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

**NOTE 6: BONDED INDEBTEDNESS**

Not applicable

**NOTE 7: DERIVATIVE INSTRUMENTS**

Not applicable

**NOTE 8: LEASES**

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	\$ <u>13,452.60</u>

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

Year Ended August 31,	
2013	\$ 12,557.84
2014	226.29
2015	0.00
2016	0.00

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

2017	
2018 and beyond	
Total Minimum Future Lease	_____
Rental Payment Requirements	\$ 12,784.13

**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, 2012 were as follows:

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

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

	Legislative Transfers In	Legislative Transfers Out
Governmental Funds:		
Appd Fund 0001, D23 Fund 0001		
Agency 456, D23 Fund 0001	161,664.00	
Agency 464, D23 Fund 0001	16,005.00	
Agency 503, D23 Fund 0001	29,266.00	
Agency 504, D23 Fund 0001	228,328.00	
Agency 507, D23 Fund 0001	25,832.00	
Agency 508, D23 Fund 0001	6,202.00	
Agency 512, D23 Fund 0001	5,565.00	
Agency 513, D23 Fund 0001	9,663.00	
Agency 514, D23 Fund 0001	19,896.00	
Agency 515, D23 Fund 0001	288,169.00	
Agency 520, D23 Fund 0001	36,595.00	
Agency 533, D23 Fund 0001	12,557.00	
Agency 537, D23 Fund 0001	13,517.00	
Agency 578, D23 Fund 0001	9,326.00	
	\$ 862,585.00	\$ 0.00

UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

**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**

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



UNAUDITED

HEALTH PROFESSIONS COUNCIL (364)  
NOTES TO THE FINANCIAL STATEMENTS

**NOTE 25: TERMINATION BENEFITS**

Not applicable

**NOTE 26: SEGMENT INFORMATION**

Not applicable

# USAS and Interagency Activity Certification Form – State Agencies

Agency No. 364

Agency Name Health Professions Council

All agencies are required to sign and submit this form to the Comptroller of Public Accounts, Financial Reporting section on or before Nov. 20, 2012. The form may be submitted via hard copy, email or fax. For the agencies that are reconciled, their data may be extracted for the *Comprehensive Annual Financial Report (CAFR)*.

This form is required for all agencies regardless of whether they are a simplified reporting or a full reporting agency. The interagency transactions are extracted from USAS for all agencies. Please check the items that are applicable for each type of transaction.

Agencies are required to ensure and certify that their financial data correctly reflects their financial position as recorded in USAS and, if applicable, any internal accounting system, as of Aug. 31, 20CY. For more information regarding the required levels of USAS reconciliation, see the Required Year-End Review and/or Reconciliation of Financial Data and Balances in USAS.

Please complete this interactive form, print it out, sign the last page and submit to your financial reporting analyst.

## I. USAS Reconciliation

Check the appropriate statement, either section 1 or 2:

- 1  I certify that for the above agency, the fiscal 2012 financial data contained in the Uniform Statewide Accounting System (USAS) and our internal accounting system, if applicable, were adjusted and the balances accurately reflect the agency's fund financial and/or government-wide financial position.

I also certify that our USAS balances conform to the following:

- System clearing GL 9999 and basis conversion system clearing GL 9992 accounts equal zero at the D23 fund level.
- All balance sheet line items reconcile at the GL account level.
- Fund balance/net assets are allocated to the respective GL accounts (2XXX series) and agree with the related GL accounts.
- All operating statement items reconcile to the GAAP source/object level. The correct comptroller object codes were used to ensure accurate D08 government-wide roll-ups.
- D23 funds that roll-up to fund type 09 (GAAP agency funds) have operating statement activity that nets to zero at the GAAP source/object level in USAS.
- Legislative appropriations asset balance (GL 9000) agrees with the balance as calculated on the GR reconciliation.
- Legislative appropriations revenues agree with the balances as calculated on the GR reconciliation.
- Ending fund balance/net assets are the same on the operating statement and the balance sheet.
- There are not any "Back Out NA" on the operating statement.
- The USAS IT file is cleared of all AFR USAS batches.

—OR—

- 2  This reconciliation was not completed; therefore, I understand the agency is not in compliance with the Comptroller's reporting requirements and may be referred to the State Auditor's Office.

## II. Interagency Balances

Check the appropriate statement, either section 1 or 2:

- 1  I certify that for the above agency, the fiscal 2012 interagency and Interfund balances were coordinated and are posted accurately in USAS.

The DAFR8910 Interfund/Interagency Activity or the FMQuery-SIRS Interagency/Interfund report was run and the following items were verified. From the drop down menu, select "Yes," "No" or "N/A" as appropriate.

	Due From/ Due To	Federal Pass- Throughs	State Pass- Throughs	Transfers
Interagency item amount is posted accurately in USAS	N/A	N/A	N/A	Yes
All "NP" items were eliminated ("NP" items occur if the AGL [Agency General Ledger] information is blank)	N/A	N/A	N/A	Yes
AGL information is correct (the AGL consists of the opposite agency number, D23 fund and 0)	N/A	N/A	N/A	Yes
Federal grant pass-throughs match what is reported on the Schedule of Expenditures of Federal Awards		N/A		
State grant pass-throughs match what is reported on the Schedule of State Grant Pass-Throughs			N/A	

—OR—

- 2  I certify that for fiscal 2012, the above agency does not have any interagency activity reflected on the AFR.

## III. Required Signature

Sign and submit completed form via hard copy, email or fax to the Comptroller of Public Accounts, Financial Reporting section of the Fiscal Management Division.

  
Signature

Date

John Mark

Printed Name

Administrative Officer 512-305-8551

Title & Phone Number

Diane Fulmer 512-388-0582

AFR Contact Person & Phone Number

Patricia Ortiz 512-305-8550

USAS Contact Person & Phone Number

n/a

Federal Contact Person & Phone Number

### **Staff Members**

John Monk, Administrative Officer  
Patricia Ortiz, Administrative Assistant III  
James Kocurek, Project Manager III  
Angelique Berumen, Database Administrator IV  
Richard White , Systems Analyst II

# Health Professions Council

## Participating Agencies

- Texas Medical Board
- Texas Board of Nursing
- Texas State Board of Dental Examiners
- Executive Council of Physical Therapy  
And Occupational Therapy Examiners
- Texas State Board of Podiatric Medical  
Examiners
- Texas State Board of Examiners of  
Psychologists
- Texas Optometry Board
- Texas Board of Chiropractic Examiners
- Texas State Board of Veterinary  
Medical Examiners
- Texas Department of State Health  
Services Professional Licensing
- Texas Funeral Services Commission
- Texas State Board of Pharmacy

Gay Dodson  
Chair

Hemant Makan  
Vice-Chair

Sheri Meek  
Officer Elect

John Monk  
Administrative  
Officer

## Regulatory Database Project Staff

James Kocurek  
Database Administrator

Angie Berumen  
Database Administrator

Richard White  
Systems Analyst

## Council ITSS and Administrative Staff

Todd Landry  
Systems Analyst

Clay Niemann  
Systems Analyst

Patricia Ortiz  
Administrative  
Assistant





**Health Professions Council**

333 Guadalupe Street, Tower 2, Suite 220, Austin, Texas 78701-3942, Telephone (512) 305-8550, Fax (512) 305-8553