

# **NORTH CAROLINA VETERINARY MEDICAL BOARD**

**Financial Statements for the  
Years Ended June 30, 2012 and 2011 and  
Independent Auditor's Report**

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## **BOARD MEMBERS (2011-2012)**

J. Linwood Jernigan, DVM, President

Richard W. Hawkins, DVM, Vice President

Dante R. Martin, DVM, Secretary-Treasurer

Dwight E. Cochran, DVM

Kim D. Gemeinhardt, DVM

David T. Marshall, DVM

Katie O. Morgan

Nancy K. Robinson, RVT

## **EXECUTIVE OFFICER**

Thomas M. Mickey, Executive Director

## **LEGAL COUNSEL**

George G. Hearn

# NORTH CAROLINA VETERINARY MEDICAL BOARD

## TABLE OF CONTENTS

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	<u>Page</u>
MANAGEMENT'S DISCUSSION AND ANALYSIS	1-2
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2012 AND 2011	
Statements of Net Assets	4
Statements of Revenues, Expenses and Changes in Net Assets	5-6
Statements of Cash Flows	7-8
Notes to Financial Statements	9-14

# **NORTH CAROLINA VETERINARY MEDICAL BOARD**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the Board's financial report represents Management's analysis of the Board's financial performance during the years ending June 30, 2012 and 2011. Please read it in conjunction with the financial statements which follow this section.

### **Financial Highlights**

During 2012, the Board's net assets increased by \$24,222, or 2.9%, due primarily to a decrease in expenses. During 2011, the Board's net assets decreased by \$151,811, or 15.5%, due primarily to an increase in expenses.

During 2012, the operating revenues of the Board increased by \$63,465, or 7.6%, due primarily to an increase in license fees revenue, examination fees revenue, and temporary permits revenue. During 2011, the operating revenues of the Board increased by \$29,923, or 3.7%, due primarily to an increase in license fees revenue, examination fees revenue, and hospital inspection fees.

During 2012, the non-operating revenues of the Board decreased by \$3,514, or 38.6%, due to a decrease in interest earnings rates. During 2011, the non-operating revenues of the Board decreased by \$5,416, or 37.3%, due to a decrease in cash on hand and due to a decrease in interest earnings rates.

During 2012, the operating expenses of the Board decreased by \$116,082, or 11.6%, due primarily to a decrease in legal fees, employee wages, and employee benefits expenses. During 2011, the operating expenses of the Board increased by \$140,441 or 16.4%, due primarily to an increase in legal fees, employee wages, and employee benefits expenses.

### **Overview of the Financial Statements**

This financial report consists of two sections: Management's Discussion and Analysis and the Financial Statements. The Board has no other supplementary information required by GASB 34. The Financial Statements also include notes to the financial statements that provide detail of the information included in the financial statements.

### **Basic Financial Statements**

The financial statements of the Board report information about the Board using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the activities of the Board.

The Statements of Net Assets present the current and long-term portions of assets and liabilities separately.

The Statements of Revenues, Expenses, and Changes in Net Assets present information on how the Board's assets changed as a result of its operations.

The Statements of Cash Flows present information on how the Board's cash changed as a result of its financial activities.

# NORTH CAROLINA VETERINARY MEDICAL BOARD

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Condensed Financial Information

The following presents condensed financial information on the operations of the Board:

	Current Year as of and for the year ended June 30, 2012	Current Year as of and for the year ended June 30, 2011
Current assets	\$ 618,030	\$ 581,756
Capital assets	696,312	701,145
Total assets	<u>\$ 1,314,342</u>	<u>\$ 1,282,901</u>
Current liabilities	\$ 412,145	\$ 407,451
Long-term liabilities	47,819	45,294
Total liabilities	<u>\$ 459,964</u>	<u>\$ 452,745</u>
Invested in capital assets	\$ 696,312	\$ 701,145
Unrestricted	158,066	129,011
Total net assets	<u>\$ 854,378</u>	<u>\$ 830,156</u>
Operating revenues	\$ 899,373	\$ 835,908
Operating expenses	880,733	( 996,815)
Operating income	18,640	( 160,907)
Non-operating revenues	5,582	9,096
Change in net assets	<u>\$ 24,222</u>	<u>\$ ( 151,811)</u>

### Events Affecting Future Operations

The Board has indicated it has no significant events affecting future operations which are reportable pursuant to GASB 34.

### Contacting the Board's Management

This financial report is designed to provide a general overview of the Board's finances and to demonstrate the Board's accountability for the money it receives. If you have any questions about this report or need additional information, contact: North Carolina Veterinary Medical Board, PO Box 37549, Raleigh, NC 27627.

***Shelton L. Hawley, CPA, PA***  
**Certified Public Accountant**

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Angier, North Carolina 27501-1545

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**INDEPENDENT AUDITOR'S REPORT**

Members of the Board  
North Carolina Veterinary Medical Board  
Raleigh, North Carolina

I have audited the accompanying financial statements as listed in the table of contents of the North Carolina Veterinary Medical Board (the "Board"), an agency of the State of North Carolina, as of June 30, 2012 and 2011, and for the years then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the North Carolina Veterinary Medical Board as of June 30, 2012 and 2011, and the results of its operations, changes in financial position, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis is not a required part of the financial statements but is supplementary information required by the Governmental Accounting Standards Board. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit this information and express no opinion thereon.

*Shelton L. Hawley, CPA, PA.*

October 24, 2012

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**STATEMENTS OF NET ASSETS**  
**JUNE 30, 2012 AND 2011**

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 517,491	\$ 279,546
Investments (Note 2)	100,000	300,000
Accrued interest receivable (on investments)	317	656
Prepaid expenses (Note 1)	<u>222</u>	<u>1,554</u>
Total current assets	618,030	581,756
Property and equipment (Note 1):		
Land and office building	\$ 578,303	\$ 591,722
Furniture and office equipment	<u>118,009</u>	<u>109,423</u>
Total property and equipment - net of depreciation	<u>\$ 696,312</u>	<u>\$ 701,145</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 1,314,342</u></u>	<u><u>\$ 1,282,901</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 30,743	\$ 33,727
Due to other state agencies	370	322
Accrued vacation - current portion (Note 1)	8,439	7,374
Deferred revenue (Note 3)	365,250	359,750
Other accrued liabilities	<u>7,343</u>	<u>6,278</u>
Total current liabilities	\$ 412,145	\$ 407,451
Long-term debt:		
Accrued vacation - long-term portion (Note 1)	<u>47,819</u>	<u>45,294</u>
Total long-term debt	<u>\$ 47,819</u>	<u>\$ 45,294</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 459,964</u></u>	<u><u>\$ 452,745</u></u>
<b>NET ASSETS (NOTE 4)</b>		
Invested in capital assets - net of related debt	696,312	701,145
Unrestricted net assets	<u>158,066</u>	<u>129,011</u>
<b>TOTAL NET ASSETS</b>	<u><u>\$ 854,378</u></u>	<u><u>\$ 830,156</u></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 1,314,342</u></u>	<u><u>\$ 1,282,901</u></u>

See notes to financial statements.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING REVENUES:		
License and renewal fees (including late fees)	\$ 744,475	\$ 721,025
Examination fees	75,800	50,000
Hospital inspection fees	47,475	45,900
Reinstatement fees	725	1,225
Temporary permits	11,840	4,410
Service verifications	3,387	2,940
Corporate registration and application fees	8,550	6,300
Miscellaneous income	7,121	4,108
Total operating revenues	\$ 899,373	\$ 835,908
OPERATING EXPENSES:		
Salaries - staff (including accumulated leave)	\$ 167,171	\$ 177,745
Salaries - inspections (including accumulated leave)	48,592	44,766
Salaries - investigations (including accumulated leave)	58,836	58,453
Payroll taxes	21,007	21,494
Retirement contributions (Note 6)	11,508	12,179
Employee insurance	31,715	36,095
Board members and meeting expenses (including hearing expenses)	38,832	20,755
Travel - staff	4,978	3,319
Travel - investigations	29,329	30,736
Travel - hospital inspections	21,753	17,965
Telephone (including internet related costs)	15,264	12,125
Building operating expenses	14,298	20,819
Depreciation	46,742	41,060
Impairment fund expenses	67,500	67,500



**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
	<u>Proprietary- Enterprise Fund</u>	<u>Proprietary- Enterprise Fund</u>
OPERATING EXPENSES (CONTINUED):		
Office equipment rental and maintenance expenses (Note 5)	14,959	14,568
Office and computer supplies	11,159	13,626
Online processing fees	17,398	18,109
Printing	2,015	4,282
Postage and shipping	9,306	10,643
Insurance and bonding	12,505	10,906
Dues and subscriptions	500	500
Legal, audit, and other professional fees	232,324	354,079
Miscellaneous expenses	3,042	5,091
Total operating expenses	<u>\$ 880,733</u>	<u>\$ 996,815</u>
Operating income	\$ 18,640	\$ ( 160,907)
NON-OPERATING REVENUES (EXPENSES):		
Interest income	<u>\$ 5,582</u>	<u>\$ 9,096</u>
Total non-operating revenues	<u>\$ 5,582</u>	<u>\$ 9,096</u>
Change in net assets	<u>\$ 24,222</u>	<u>\$ ( 151,811)</u>
Net assets - beginning of year	<u>830,156</u>	<u>981,967</u>
Net assets - end of year	<u><u>\$ 854,378</u></u>	<u><u>\$ 830,156</u></u>

See notes to financial statements.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	2012	2011
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Cash flows from operating activities:		
Cash received from fees and other income	\$ 905,873	\$ 859,258
Cash payments to employees for services (including benefits)	( 334,174)	( 347,354)
Cash payments for operating expenses	( 497,766)	( 614,015)
Net cash provided (used) by operating activities	\$ 73,933	\$ ( 102,111)
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	\$ ( 41,909)	\$ ( 37,167)
Net cash used in capital and related financing activities	\$ ( 41,909)	\$ ( 37,167)
Cash flows from investing activities:		
Transfer from (to) investments	\$ 200,000	
Interest on investments	5,921	\$ 9,043
Net cash provided by investing activities	\$ 205,921	\$ 9,043
Net increase (decrease) in cash	\$ 237,945	\$ ( 130,235)
Cash - beginning of year	279,546	409,781
Cash - end of year	\$ 517,491	\$ 279,546

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

	2012	2011
	Proprietary- Enterprise Fund	Proprietary- Enterprise Fund
Reconciliation of operating income		
to net cash provided by operating activities:		
Operating income	\$ 18,640	\$ ( 160,907)
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation	\$ 46,742	\$ 41,060
Changes in assets and liabilities:		
Prepaid expense	1,332	( 1,146)
Accounts payable	( 2,936)	( 7,846)
Deferred revenue	5,500	23,350
Other accrued liabilities	4,655	3,378
Total adjustments	\$ 55,293	\$ 58,796
Net cash provided (used) by operating activities	\$ 73,933	\$ ( 102,111)

See notes to financial statements.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

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Note 1 - Nature of Activities and Significant Accounting Policies

**Description of Organization**

The North Carolina Veterinary Medical Board (the "Board") is an independent State agency. It is an occupational licensing board and is authorized by Chapter 90 of the North Carolina General Statutes. The Board is composed of eight members who are appointed by the Governor, the General Assembly, and the Commissioner of Agriculture of the State of North Carolina.

The Board is established to maintain minimum standards for services provided by veterinarians.

The Board's operations are financed with self-generated revenues from fees charged to examinees and licensees.

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting principles and reporting standards. The Board applied all applicable Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

All activities of the Board are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

**Reporting Entity**

GASB Codification Section 2100 has defined the governmental reporting entity to be the State of North Carolina because the State exercises oversight responsibility in that the Governor, the General Assembly, and the Commissioner of Agriculture of the State of North Carolina appoint the Board members, and public service is rendered within the State's boundaries. The accompanying financial statements present only the activity of the North Carolina Veterinary Medical Board.

**Basis of Accounting**

In accordance with *Statement of Governmental Accounting Standards 34*, the Board herewith presents Statements of Net Assets, Statements of Revenues, Expenses, and Changes in Net Assets; and Statements of Cash Flows. These statements reflect entity-wide operations of the Board. The Board has no fiduciary funds or component units.

The Statements of Revenues, Expenses, and Changes in Net Assets demonstrate the degree to which the direct expenses of the Board are offset by license fees.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

The financial statements report all activities of the North Carolina Veterinary Medical Board using the current financial resource measurement focus and the full accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable. Expenses are recognized when incurred, if measurable.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the Board. Operating revenues consist primarily of examination and license fees. Non-operating revenues and expenses consist of those revenues and expenses that are related to investing activities and are classified as non-operating in the financial statements.

**Cash and Cash Equivalents, and Investments**

These classifications include undeposited receipts, petty cash, checking accounts and time deposits held by the Board. Certificates of deposits are considered investments for Statements of Net Assets presentation.

**Fair value of financial instruments**

The carrying amounts of the Board's financial instruments approximate their fair value.

**Prepaid expenses**

This classification includes prepaid office equipment rental expense and prepaid trade show expense.

**Property and Equipment**

Property and equipment are stated at cost and are being depreciated over their useful lives on a straight-line basis. The Board capitalizes assets that have a value or cost of \$500 or greater at the date of acquisition and an estimated useful life of more than one year. Summaries follow:

	Cost 06-30-11	Acquisitions	Disposals	Cost 06-30-12	Accumulated Depreciation	Net Amount
Land and Building	\$ 686,776	\$ -	\$ -	\$ 686,776	\$ 108,473	\$ 578,303
Furniture/Equipment	264,902	41,909	-	306,811	188,802	118,009
	<u>\$ 951,678</u>	<u>\$ 41,909</u>	<u>\$ -</u>	<u>\$ 993,587</u>	<u>\$ 297,275</u>	<u>\$ 696,312</u>

  

	Cost 06-30-10	Acquisitions	Disposals	Cost 06-30-11	Accumulated Depreciation	Net Amount
Land and Building	\$ 686,776	\$ -	\$ -	\$ 686,776	\$ 95,054	\$ 591,722
Furniture/Equipment	228,370	37,167	635	264,902	155,479	109,423
	<u>\$ 915,146</u>	<u>\$ 37,167</u>	<u>\$ 635</u>	<u>\$ 951,678</u>	<u>\$ 250,533</u>	<u>\$ 701,145</u>

When an asset is disposed of, the cost of the asset and the related accumulated depreciation are removed from the books. Any gain or loss on disposition is reflected in earnings for the period.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

Note 1 - Nature of Activities and Significant Accounting Policies (Continued)

**Vacation and Sick Leave**

The vacation policy of the Board provides for the accumulation of vacation leave with such leave being fully vested when earned. Accumulated earned vacation payable at June 30, 2012 and 2011, consisted of the following:

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
Current portion	\$ 8,439	\$ 7,374
Long-term portion	47,819	45,294
Total	<u>\$ 56,258</u>	<u>\$ 52,668</u>

The Board's sick leave policy provides for an unlimited accumulation of earned sick leave. Since the Board has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made. The unrecorded contingent liability for sick leave accumulated is \$106,891 at June 30, 2012 and \$97,484 at June 30, 2011.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2 - Deposits and Investments

**Deposits**

All of the Board's deposits which are uninsured are uncollateralized by the financial institution holding said deposits. For deposits, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its deposits that are in the possession of the outside party. The Board does not have policies regarding custodial credit risk for deposits.

At June 30, 2012, the Board's deposits had a carrying amount (including undeposited receipts) of \$617,491 and a bank balance of \$615,563. Of the bank balance, \$262,276 was covered by federal depository insurance, and \$353,287 was uninsured and uncollateralized. A certificate of deposit in the amount of \$100,000 is considered a time deposit for this disclosure and is classified as an investment on the Statements of Net Assets. At June 30, 2011, the Board's deposits had a carrying amount of \$579,546 and a bank balance of \$605,260. Of the bank balance, \$280,693 was covered by federal depository insurance, and \$324,567 was uninsured and uncollateralized. Certificates of deposit in the amount of \$300,000 are considered time deposits for this disclosure and are classified as investments on the Statements of Net Assets.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

Note 2 - Deposits and Investments (Continued)

**Investments**

At June 30, 2012 and 2011, the Board had the following investments and maturities.

Investment Type	June 30, 2012		June 30, 2011	
	Fair Value	6-12 Months	Fair Value	6-12 Months
Certificate of Deposit	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Certificate of Deposit			100,000	100,000
Certificate of Deposit			100,000	100,000
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 300,000</u>	<u>\$ 300,000</u>

Interest rate risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the Board limits its investment in certificates of deposits to maturities of no more than 24 months.

Credit risk - State law limits the investments of the Board to certain types of investments, however the Board's present policy for managing credit risk is to limit its investments to certificates of deposits.

Custodial credit risk - For an investment, custodial credit risk is the risk that in the event of the failure of the depository (or counterparty), the Board will not be able to recover the value of its investments that are in the possession of the outside party. The Board does not have policies regarding custodial credit risk for investments.

Concentration of credit risk - The Board places no limit on the amount that it may invest in any one issuer. All of the Board's deposits and investments are with one financial institution.

Note 3 - Deferred Revenue

The Board's fees are assessed and collected on both an annual and a biennial basis, some of which correspond with the Board's accounting period and some of which correspond with the calendar year. License renewal fees received in the latter part of the fiscal year are deferred and recognized as revenue over the periods to which they relate.

**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

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Note 4 - Net Assets

Invested in capital assets - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any loan proceeds that are attributable to the acquisition, construction, or improvement of those capital assets.

Restricted net assets - expendable - This component of net assets consists of net assets which the Board is legally or contractually obligated to spend in accordance with restrictions imposed by external parties. The Board had no restricted net assets at year end.

Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of *restricted or invested in capital assets*.

Note 5 - Operating Leases

The Board leased office equipment under an operating lease. Total rent expense charged to operations under the lease agreement was \$2,668 in 2012 and \$1,726 in 2011.

Rental commitments under noncancellable operating leases at June 30, 2012 are as follows:

<b>Year Ending June 30,</b>		
2013	\$	2,664
2014		2,664
2015		2,664
2016		1,554
	\$	<u>9,546</u>

Note 6 - Pension Plan and Postemployment Benefits other Than Pensions

***Simplified Employee Pension Plan***

On April 14, 1997, the Board entered into a Simplified Employee Pension plan agreement on behalf of employees of the Board. The Board's payroll for employees covered by the plan for the year ended June 30, 2012 was \$230,160; the Board's total payroll was \$274,599. The Board's covered payroll for the year ended June 30, 2011 was \$243,580; total payroll was \$280,964. The Board's covered payroll for the year ended June 30, 2010 was \$221,540; total payroll was \$267,934. The Board's pension contribution amounted to \$11,508 for 2012, \$12,179 for 2011 and \$11,077 for 2010. The Board assumes no liability for retiree benefits provided by this program other than its required contributions. The Board has no postemployment benefits other than this defined contribution retirement plan.



**NORTH CAROLINA VETERINARY MEDICAL BOARD**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED JUNE 30, 2012 AND 2011**

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Note 7 - Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These exposures to loss are handled by participation in state-administered risk programs and self retention of certain risks. Additionally, the Board protects itself from exposure to loss through the purchase of commercial insurance coverage.

Note 8 - Contingencies

The Board is involved in a number of disciplinary hearings throughout the year which arise in the ordinary course of its operations. In the opinion of management of the Board, the results of such actions during the years under audit do not materially affect the Board's operations, changes in financial position, or cash flows for the years herein ended.

Note 9 - Subsequent Events

Subsequent events have been evaluated through October 24, 2012, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.