

# PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

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STATE OF NEW MEXICO  
BOARD OF VETERINARY MEDICINE

Financial Statements, Supplementary Information  
and  
Independent Auditor's Report

June 30, 2018

STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE

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STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE

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STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE

List of Principal Officials

June 30, 2018

**Board of Directors**

Rebecca J. Washburn, DVM	Chair
Dr. Manuel A. Garcia	Vice Chair
Dr. Edward James Fallen	Secretary
Dr. Lawrence D. Young	Member
Dr. Samantha R. Uhrig	Member
Marybeth Brown-Pirrone	Public Member

**Staff**

Frances R. Sowers	Executive Director
Reina Meza	IT Administrator
Catherine Hernandez	Clerk

**Independent Auditor's Report**

Mr. Wayne Johnson, New Mexico State Auditor and  
The Board of Directors  
State of New Mexico Board of Veterinary Medicine  
Albuquerque, New Mexico

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the major fund, and the budgetary comparison for the general fund of the State of New Mexico Board of Veterinary Medicine (Board), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion.

Mr. Wayne Johnson, New Mexico State Auditor and  
The Board of Directors  
State of New Mexico Board of Veterinary Medicine  
Albuquerque, New Mexico

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the State of New Mexico Board of Veterinary Medicine, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

As discussed in Note 1, the financial statements of the State of New Mexico Board of Veterinary Medicine are intended to present the financial position and the changes in financial position of only that portion of the governmental activities, the major fund and its budgetary comparison of the State of New Mexico that is attributable to the transactions of the Board. They do not purport to, and do not, present fairly the financial position of the State of New Mexico as of June 30, 2018, and the changes in its financial position for the year ended in conformity with accounting principles generally accepted in the United States of America.

Mr. Wayne Johnson, New Mexico State Auditor and  
The Board of Directors  
State of New Mexico Board of Veterinary Medicine  
Albuquerque, New Mexico

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2018 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

*Porch & Associates LLC*

Albuquerque, New Mexico  
September 20, 2018

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2018**

This *Management’s Discussion & Analysis (MD&A)* is provided pursuant to the requirements of Statement 34 of the *Government Accounting Standards Board (GASB 34)*. The MD&A introduces the basic financial statements and provides an analytical overview of the State of New Mexico Board of Veterinary Medicine’s (Board) financial activities.

The Board is a single-purpose agency with only one fund. The accompanying government-wide financial statements differ from the fund financial statements by reporting capital assets, depreciation, and compensated absences.

Basic Financial Statements – Statement of Net Position and Statement of Activities

The basic financial statements report information about the Board as a whole using accounting methods similar to those used in the private sector. The statement of net position includes all of the government assets and liabilities. All of the current year’s revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The basic financial statements report the Board’s net position and how it has changed.

Fund Financial Statements – Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance

The fund financial statements provide more detailed information about the Board’s only fund – the general fund. The Board operates on its own self-generated revenues (examination fees, license fees, penalties, and miscellaneous services) and expends funds based on a budget approved by the New Mexico State Legislature annually.

Analysis of Financial Position – Statement of Net Position

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
Cash	\$ 139,547	140,446	(899)
Capital assets, net of depreciation	2,792	4,132	(1,340)
Total assets	<u>142,339</u>	<u>144,578</u>	<u>(2,239)</u>
Current liabilities	23,924	21,730	2,194
Long-term liabilities	9,720	11,440	(1,720)
Total liabilities	<u>33,644</u>	<u>33,170</u>	<u>474</u>
Total net position	<u>\$ 108,695</u>	<u>111,408</u>	<u>(2,713)</u>



**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
MANAGEMENT’S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2018**

Results of Operations – Statement of Activities

	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>Change</u>
<b>Program Revenues</b>			
Licensing and fees	\$ 316,536	317,347	(811)
Current services and penalties	25,234	32,456	(7,222)
Total revenues	<u>341,770</u>	<u>349,803</u>	<u>(8,033)</u>
<b>Expenses</b>			
Personal services/employee benefits	179,499	180,889	(1,390)
Contractual services	104,591	113,226	(8,635)
Other costs	60,393	58,127	2,266
Total expenses	<u>344,483</u>	<u>352,242</u>	<u>(7,759)</u>
Change in net position	(2,713)	(2,439)	(274)
Net position, beginning	<u>111,408</u>	<u>113,847</u>	<u>(2,439)</u>
Net position, ending	<u>\$ 108,695</u>	<u>111,408</u>	<u>(2,713)</u>

In compliance with state law, the Board adopts an annual appropriated budget and the Board’s original, final, and expended budget are shown in the budgetary statement.

Analysis of the Board’s Overall Financial Position and Results of Operations

The changes in the Board’s financial position (Statement of Net Position) and operations (Statement of Activities) from the prior year is due to a slight increase in fees for state examinations, licenses, facilities, and late fees. Overall expenses have increased due to more personal services and employee benefit costs and other general and administrative costs in the current year, due to an increase in salaries.

The Board’s did not acquire any capital assets during the year ending June 30, 2018.

The Board did not acquire any debt during the current fiscal year. As such there is no related debt liability within the accompanying financial statements as of June 30, 2018. The only long-term liability is due to the amount of compensated absences expected to be paid after one year.

The Board expects to maintain its revenue stream as more veterinary technicians continue to become licensed in New Mexico due to new veterinary technician programs offered in the state. In addition, more doctors of veterinary medicine are opting for the higher examination fee enabling immediate licensure upon successfully passing the state examination.

The Board is in sound financial condition with \$123,623 in its fund balance. The Board is a non-reverting agency to the State General Fund. The Board was budgeted \$413,800 for the year ending June 30, 2018. There was one budget adjustment from the original approved budget during the year increasing the budget to \$12,000. The budget was under-expended by \$89,131.

The only liabilities the Board has are vouchers payable, accrued payroll, and compensated absences. The total of these liabilities is \$33,644.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
June 30, 2018**

The Board has developed expenditure restrictions that have resulted in responsible monitoring of the budget as evidenced by the under-expended amount of the approved budget noted above.

Requests for Information

This financial report is designed to provide a general overview of the Board's finances and to show the Board's accountability for the money it receives. Questions about this report or requests for additional financial information should be directed to:

Frances R. Sowers, Executive Director  
Board of Veterinary Medicine  
7301 Jefferson Street, N.E., Suite H  
Albuquerque, New Mexico 87109

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**STATEMENT OF NET POSITION**  
**June 30, 2018**

	Governmental Activities
<b>ASSETS</b>	
Current Assets	
Cash	\$ 139,547
Capital Assets	
Equipment	6,700
Accumulated depreciation	(3,908)
<b>Total capital assets</b>	<u>2,792</u>
<b>Total assets</b>	<u>142,339</u>
<b>LIABILITIES</b>	
Current Liabilities	
Vouchers payable	8,734
Stale dated warrants	519
Accrued payroll and related liabilities	6,671
Compensated absences, current portion	8,000
<b>Total current liabilities</b>	<u>23,924</u>
Long-term Liabilities	
Compensated absences	9,720
<b>Total liabilities</b>	<u>33,644</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,792
Restricted	105,903
<b>Total net position</b>	<u>\$ 108,695</u>

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**STATEMENT OF ACTIVITIES**  
**Year Ended June 30, 2018**

	Governmental Activities
<b>EXPENSES</b>	
Personal services and employee benefits	\$ 179,499
Contractual services	104,591
Other costs	<u>60,393</u>
<b>Total expenses</b>	<u>344,483</u>
<b>Program Revenues</b>	
Charges for services:	
Licensing and fees	316,536
Current services and penalties	<u>25,234</u>
<b>Total revenues</b>	<u>341,770</u>
<b>Change in Net Position</b>	<u>(2,713)</u>
Net position, beginning	<u>111,408</u>
<b>Net position, ending</b>	<u><u>\$ 108,695</u></u>

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2018**

	General
<b>ASSETS</b>	
Cash	<u>\$ 139,547</u>
<b>LIABILITIES AND FUND BALANCE</b>	
Liabilities	
Vouchers payable	\$ 8,734
Stale dated warrants	519
Accrued payroll, taxes, and benefits	<u>6,671</u>
<b>Total liabilities</b>	<u>15,924</u>
Fund Balance	
Restricted for Board of Veterinary Medicine services and activities	<u>123,623</u>
<b>Total liabilities and fund balance</b>	<u>\$ 139,547</u>

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
June 30, 2018**

Amounts reported for governmental activities in the statement of net position are different because:

<b>Total fund balances - governmental funds</b>	\$ 123,623
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	2,792
Compensated absences payable are not due and payable in the current period and, therefore, are not reported in the governmental funds.	<u>(17,720)</u>
<b>Net position - governmental activities</b>	<u><u>\$ 108,695</u></u>

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
Year Ended June 30, 2018**

	General
Revenues	
Licenses and fees	\$ 316,536
Other	25,234
<b>Total revenues</b>	<u>341,770</u>
Expenditures	
Current:	
Personal services and employee benefits	178,853
Contractual services	104,591
Other costs	59,053
<b>Total expenditures</b>	<u>342,497</u>
<b>Change in fund balances</b>	(727)
Fund balance, beginning of year	<u>124,350</u>
<b>Fund balance, end of year</b>	<u><u>\$ 123,623</u></u>

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2018**

Amounts reported for governmental activities in the statement of activities are different because:

**Changes in fund balances - governmental funds** \$ (727)

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The following is the amount by which capital outlay exceeded depreciation in the current period.

Depreciation expense (1,340)

Accrued compensated absences are expensed under the accrual method, and not the modified accrual method. (646)

**Change in net position - governmental activities** \$ (2,713)

*The accompanying notes are an integral part of these financial statements.*



**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
STATEMENT OF REVENUES AND EXPENDITURES -  
BUDGET AND ACTUAL - (NON-GAAP BUDGETARY BASIS)  
GENERAL FUND  
Year Ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Trade and professions licenses	\$ 239,000	239,000	236,156	(2,844)
Trade and professions permits	40,500	40,500	41,125	625
Registration for trades and professions	1,500	1,500	1,625	125
Trades and professional exam fees	32,000	32,000	37,630	5,630
Other current services	7,200	7,200	7,178	(22)
Other penalties	12,000	12,000	18,056	6,056
<b>Total revenues</b>	<b>332,200</b>	<b>332,200</b>	<b>341,770</b>	<b>9,570</b>
Expenditures				
Personal services and employee benefits	183,000	183,000	178,853	4,147
Contractual services	156,800	159,800	104,591	55,209
Other costs	77,000	89,000	59,225	29,775
<b>Total expenditures</b>	<b>416,800</b>	<b>431,800</b>	<b>342,669</b>	<b>89,131</b>
Net change in fund balance	(84,600)	(99,600)	(899)	98,701
Prior year fund balance required to balance the budget	84,600	99,600		
	<u>\$ -</u>	<u>-</u>		
Non-GAAP budgetary basis expenses			\$ 342,669	
Change in:				
Vouchers payable			(171)	
Stale dated warrants			101	
Accrued payroll, taxes, and benefits			(102)	
GAAP expenses			<u>\$ 342,497</u>	

*The accompanying notes are an integral part of these financial statements.*

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Entity.* The State of New Mexico Board of Veterinary Medicine (Board) was created by the Veterinary Practice Act, New Mexico Statutes 1978 Annotated 61-14-1 through 61-14-20. The Board is a non-reverting agency to the State General Fund.

The purpose of the Board is to protect the public health, safety, and welfare through regulation of minimum standards for the practice of veterinary medicine in the State of New Mexico.

The primary function of the Board is to examine, license, and regulate approximately 1,021 veterinarians, 229 registered veterinary technicians, and 21 bovine artificial insemination and bovine pregnancy diagnosis permits. Regulations include continuing education requirements. The Board conducts investigations and hearings to determine if violations of the Veterinary Practice Act occur, issues, renews, suspends, or revokes licenses, inspects approximately 320 veterinary facilities annually, and employs personnel necessary to carry out its duties.

**A. Financial Reporting Entity**

The Board, a seven-member group consisting of an on-going entity, is the level of government which has governance responsibilities over all activities related to Doctors of Veterinary Medicine. The Board is not included in any other government "reporting entity" as defined in Section 2100, *Codification of Governmental Accounting and Financial Reporting Standards*. Even though board members are appointed by the governor, they have decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters

Included within the reporting entity is the Board as described above. Other executive branch entities of government are excluded because they are established separately by statutes.

As required by GAAP, financial statements are presented for the Board and its component units. A legally separate organization that does not qualify as a primary government is a potential component unit. The normal criterion for deciding whether a potential component unit is, in fact, a component unit is financial accountability. Financial accountability is determined by analyzing fiscal dependency, board appointments, financial benefit or burden relationships, or the ability of the primary government to impose its will on the potential component unit. Based on these criteria, the Board has no component units.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**B. Government Wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the Board as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type activities. The Board has only governmental type activities. In the government-wide statement of net position, the governmental column reflects a full accrual economic resources basis, which incorporates long-term assets as well a long-term debt and other obligations. Neither fiduciary funds nor component units that are fiduciary in nature are included.

The government-wide statement of activities reflects both the gross and net cost per functional category which is otherwise being supplied by general government revenue. The statement of activities reduces gross expenses (including depreciation) by related program revenues, and operating and capital grants. The program revenues are directly associated with the function. The Board includes only one function in its statement of activities (general government).

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Amounts reported as *program revenues* in the Statement of Activities include 1) licensing and fees, and 2) current services and penalties.

Governmental financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is made.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are recorded.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**  
**(Continued)**

The Board recognizes revenue in accordance with GASB Codification Section 1600, paragraph 112. This paragraph states that although an entity may send an invoice for a business license, it is not possible to know if the business will renew the license. This guidance also applies to professional licenses. Therefore, the point of renewal of a professional license is the time of payment because the Board would not know if a license is being renewed until the payment is received. As a result, the board does not recognize accounts receivable or income for invoiced but unpaid licenses at year-end.

Other revenues susceptible to accrual are investment income. All other revenues are recognized when they are received and are not susceptible to accrual because they are usually not measurable until payment is actually received.

The Board reports the following major governmental funds:

*General Fund (Fund #074 – non-reverting).* The General Fund is the Board's primary operating fund. It accounts for all of the financial resources of the general government. The General Fund is funded primarily through license and registration fees. The General Fund is a non-reverting fund created by Sections 61-14-1 through 61-14-20, NMSA 1978.

**D. Cash – Fiscal Agent**

The New Mexico Department of Finance and Administration acts as the fiscal agent for the Board. The fiscal agent is responsible for the processing of all cash disbursements and payroll functions. The New Mexico State Treasurer maintains the Board's cash and cash receipts.

**E. Inventory**

Office supply inventory items are expended when purchased. Therefore, the financial statements do not reflect inventories of office supplies on hand at year-end.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**F. Capital Assets**

Capital assets, which are comprised of equipment, are reported in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of one year.

Assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Such assets, including infrastructure, have higher limits that must be met before they are capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Equipment	3 - 10 years
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The Audit Act, 12-6-10, NMSA 1978, requires all assets which cost more than \$5,000 and have a life greater than one year to be added to the General Fixed Asset Account Group and a yearly inventory of those assets must be taken.

**G. Accrued Compensated Absences**

Full-time employees are entitled to accumulated annual leave at a rate based on years of service. A maximum of thirty working days of such accumulated annual leave may be carried forward into the beginning of the calendar leave year and any excess is lost. When employees terminate, they are compensated for accumulated unpaid annual leave as of the date of termination, up to a maximum of thirty days.

Employees are entitled to accumulated sick leave at the rate of one day for each calendar month of service. There is no limit to the amount of sick leave which an employee may accumulate. State agencies are allowed to pay fifty percent (50%) of each employee's hourly rate for accumulated sick leave over 50 hours up to 120 hours.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**H. Fund Balances**

The Board follows GASB Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions.” This Statement defines fund balance categories to make the nature and extent of the constraints placed on a government’s fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance—amounts that are not in nonspendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance—amounts constrained to specific purposes by the Board itself, using its highest level of decision-making authority (i.e., Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Board takes the same highest level action to remove or change the constraint.
- Assigned fund balance—amounts the Board intends to use for a specific purpose. Intent can be expressed by the Board of Directors or by an official or body to which the Board of Directors delegates the authority.
- Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

The Board has reviewed each of the classifications and has determined that the fund balance is restricted for Board services and activities in compliance with 61-14-4 E of the Veterinary Practice Act.

The Board would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**I. Net Position**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvements of those assets. Net investment in capital assets excludes unspent debt proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Board or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The entire net position of the Board is restricted by enabling legislation.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**J. Budgetary Information**

The Board follows the following procedures for establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Board submits to the Department of Finance and Administration, State of New Mexico, a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them as approved by the State Legislature.
2. Budget appropriations lapse if not encumbered at the end of the fiscal year. Unexpended funds do not revert to State General Fund.
3. Amendments to budget line items are obtained by filing a budget adjustment request with the Budget Division of the Department of Finance and Administration, State of New Mexico. Increase in the total must be approved by the State Legislature.
4. The Board's budget for the fiscal year ending June 30 was amended in a legally permissible manner by reallocating line item totals as the need arose during the fiscal year.

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**  
**(CONTINUED)**

**L. Implementation of New Accounting Standards**

During the year ended June 30, 2018, the Board adopted the following Government Accounting Standards Board Statements (GASB):

*GASB No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. The statement will not have a material impact on the Board’s financial statements.

*GASB No. 85 – Omnibus.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The statement will not have a material impact on the Board’s financial statements.

**NOTE 2. CASH**

State law requires the Board’s cash be managed by the New Mexico State Treasurer's Office. Accordingly, the cash of the Board consists of cash in the General Fund Investment Pool (GFIP) or (Pool) managed by the New Mexico State Treasurer's Office.

Cash invested with the New Mexico State Treasurer at June 30, 2018 is as follows:

Name of Depository	Account Name	Agency Number	Fund #	Balance per Depository	Reconciling Items		Balance per Books
					Outstanding Warrants	Other	
NM State Treasurer	Board of Veterinary Medicine	04900	074	\$ 139,547	-	-	\$ 139,547



**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2. CASH (CONTINUED)**

Cash accounts on deposit with the New Mexico State Treasurer do not require collateral to be pledged because they are deposits with another governmental entity. The Board is not authorized to make investments with funds on deposit with the New Mexico State Treasurer.

The New Mexico State Treasurer's Office (STO) has the power to invest money held in demand deposits and not immediately needed for the operation of state government in securities in accordance with Sections 6-10-10, I through P, NMSA 1978, as amended. STO, with the advice and consent of the State Board of Finance, can invest money held in demand deposits and investments not immediately needed for the operation of state government in:

- (a) Securities issued by the United States (U.S.) government or by its department or agencies and direct obligations of the U.S. or are backed by the full faith and credit of the U.S. government or agencies sponsored by the U.S. government;
- (b) Contracts for the present purchase and resale at a specified time in the future, not to exceed one year or, in case of bond proceeds, not to exceed three years, of specific securities at specified prices at a price difference representing the interest income to be earned by the state. No such contract shall be invested in unless the contract is fully secured by obligations of the U.S. of other securities backed by the U.S. having a market value of at least one hundred two percent of the amount of the contract;
- (c) Contracts for the temporary exchange of state-owned securities for the use of broker-dealers, banks or other recognized institutional investors in securities, for periods not to exceed one year for a specified fee rate. No such contract shall be invested in unless the contract is fully secured by exchange of an irrevocable letter of credit running to the state, cash or equivalent collateral of at least 102% of the market value of the securities plus accrued interest temporarily exchanged. The collateral required for either of the forms of investment in sections (b) and (c) shall be delivered to the fiscal agent of STO or its designee contemporaneously with the transfer of funds or delivery of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on the same-day basis. Neither of the contracts in (b) or (c) shall be invested in unless the contracting bank, brokerage firm or recognized institutional investor has a net worth in excess of five hundred million dollars;

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2. CASH (CONTINUED)**

- (d) Any of the following investments in an amount not to exceed forty percent of any fund that the STO invests: (1) commercial paper rated "prime" quality by a national rating service, issued by corporations organized and operating within the U.S.; (2) medium-term notes and corporate notes with a maturity not exceeding five years that are rated A or its equivalent or better by a nationally recognized rating service and that are issued by a corporation organized and operating in the U.S.; or (3) an asset-backed obligation with a maturity obligation with a maturity not exceeding five years that is rated AAA or its equivalent by a nationally recognized rating service;
- (e) Shares of a diversified investment company registered pursuant to the Federal Investment Company Act of 1940 that invests in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment company has total assets under management of at least one billion dollars and the investments made by STO pursuant to this paragraph are less than five percent of the assets of the investment company; or
- (f) Individual, common or collective trust funds of banks or trust companies that invest in U.S. fixed income securities or debt instruments authorized pursuant to (a), (b) and (d) above provided that the investment manager has assets under management of at least one billion dollars and the investments made by STO pursuant to this paragraph are less than five percent of the assets of the individual, common, or collective trust fund.

No public funds can be invested in negotiable securities, or loans to financial institutions fully secured by negotiable securities at current market value, unless there is a contemporaneous transfer of the securities at the earliest time industry practice permits, but in all cases, settlement shall be on a same-day basis either by physical delivery or, in the case of uncertified securities, by appropriate book entry on the books of the issuer, to the purchaser or to a reputable third party safekeeping financial institution acting as agent or trustee for the purchaser, which agent or trustee shall furnish timely confirmation to the purchaser.

For cash management and investment purposes, the Board's funds are deposited in the State General Fund Investment Pool (Pool), which is managed by STO. Claims on the Pool are reported as assets by various agencies investing in the Pool, including the Board.

***Credit Risk and Interest Rate Risk***

Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The Pool is not rated for credit risk.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 2. CASH (CONTINUED)**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have an investment policy that limits interest rate risk.

For additional GASB 40 disclosure information regarding cash held by STO, the reader should see the separate audit reports for STO for the fiscal year ended June 30, 2018.

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for the year ending June 30, 2018 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Equipment	\$ 13,273	-	(6,573)	<b>6,700</b>
Accumulated depreciation	(9,141)	(1,340)	6,573	<b>(3,908)</b>
<b>Capital assets, net</b>	<b>\$ 4,132</b>	<b>(1,340)</b>	<b>-</b>	<b>2,792</b>

Depreciation expense was charged to other costs in the general fund

**NOTE 4. COMPENSATED ABSENCES**

During the year ended June 30, 2018, the following changes occurred:

	Beginning Balance	Additions	Payments	Ending Balance	Due Within One Year
Compensated Absences payable	\$ 17,074	7,949	(7,303)	<b>17,720</b>	<b>8,000</b>

Compensated absences have been valued using the pay rates in effect at June 30, 2018 and does not include estimated payroll tax and fringe benefits. The general fund has been used to liquidate compensated absences.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2018**

**NOTE 5. LONG TERM LEASE CONTRACT**

In November 2006, the Board entered into a long-term lease for the rental of office space through November 2014. The lease was renewed for an additional five years through November 2019 at a rate of \$1,920 through November 2018 and \$2,020 through November 2019. The Board also leases a postage meter under a four-year lease agreement through October 2016 at a monthly rate of \$70. Rent expense for the year ended June 30, 2018 was \$23,800. The following payments are due for the year ending June 30:

2019	\$	25,080
2020		840
<b>Total</b>	<b>\$</b>	<b><u>25,920</u></b>

The lease is contingent upon the New Mexico Legislature granting sufficient authority. If this is not granted, the Board can terminate the lease by giving the lessor at least 60 days written notice.

**NOTE 6. PERA PENSION PLAN**

*Plan Description:* All of the Board’s full-time employees participate in a public employee retirement system authorized under the Public Employees Retirement Act (Chapter 10, Article 11 NMSA 1978). The Public Employees Retirement Association (PERA) is the administrator of the plan, which is a cost-sharing multiple-employer defined benefit retirement plan. The plan provides for retirement, disability benefits, survivor benefits and cost-of-living adjustments to plan members and beneficiaries. PERA issues a separate, publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to PERA, PO Box 2123, Santa Fe, New Mexico 87504-2123. The report is also available on PERA’s website at [www.pera.state.nm.us](http://www.pera.state.nm.us).

*Funding Policy.* Plan members are required to contribute 8.92% of their gross salary. The Board is required to contribute 16.99% of the gross covered salary. The contribution requirements of plan members and the Board are established under Chapter 10, Article 11 NMSA 1978. The requirements may be amended by acts of the legislature. The Board's contributions to PERA for the years ending June 30, 2018, 2017, and 2016 were \$22,036, \$22,121, and \$22,206, respectively, equal to the amount of the required contributions for each year.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 7. ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS**

The State of New Mexico follows the requirements of Government Accounting Standards Board Statement 68, *Accounting and Financial Reporting for Pensions*.

The State of New Mexico Board of Veterinary Medicine, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA). Disclosure requirements for governmental funds apply to the primary government as a whole, and as such, this information will be presented in the Component Appropriation Funds Annual Financial Report (General Fund) and the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net pension liability, pension expense, and pension-related deferred inflows and outflows of resources of the primary government will be contained in the General Fund and the CAFR and will be available, when issued, from the Office of State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

**NOTE 8. POST-EMPLOYMENT BENEFITS**

*Plan Description.* The Board contributes to the New Mexico Retiree Health Care Fund, a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the New Mexico Retiree Health Care Authority (RHCA). The RHCA provides health care insurance and prescription drug benefits to retired employees of participating New Mexico government agencies, their spouses, dependents, and surviving spouses and dependents. The RHCA Board was established by the Retiree Health Care Act (Chapter 10, Article 7C, NMSA 1978). The Board is responsible for establishing and amending benefit provisions of the healthcare plan and is also authorized to designate optional and/or voluntary benefits like dental, vision, supplemental life insurance, and long-term care policies.

Eligible retirees are: 1) retirees who make contributions to the fund for at least five years prior to retirement and whose eligible employer during that period of time made contributions as a participant in the RHCA plan on the person's behalf unless that person retires before the employer's RHCA effective date, in which event the time period required for employee and employer contributions shall become the time between the employer's effective date and the date of retirement; 2) Retirees defined by the Act who retired prior to July 1, 1990; 3) former governing authority members who served at least four years.

The RHCA issues a publicly available stand-alone financial report that includes financial statements and required supplementary information for the postemployment healthcare plan. That report and further information can be obtained by writing to the Retiree Health Care Authority at 4308 Carlisle NE, Suite 104, Albuquerque, NM 87107.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 8. POST-EMPLOYMENT BENEFITS (CONTINUED)**

*Funding Policy.* The Retiree Health Care Act (Section 10-7C-13 NMSA 1978) authorizes the RHCA Board to establish the monthly premium contributions that retirees are required to pay for healthcare benefits. Each participating retiree pays a monthly premium according to a service based subsidy rate schedule for the medical plus basic life plan plus an additional participation fee of five dollars if the eligible participant retired prior to the employer's RHCA effective date or is a former legislator or former governing authority member. Former legislators and governing authority members are required to pay 100% of the insurance premium to cover their claims and the administrative expenses of the plan. The monthly premium rate schedule can be obtained from the RHCA or viewed on their website at [www.nmrhca.state.nm.us](http://www.nmrhca.state.nm.us).

The employer, employee, and retiree contributions are required to be remitted to the RHCA on a monthly basis. The statutory requirements for the employer and employee contributions can be changed by the New Mexico State Legislature. Employers that choose to become participating employers after January 1, 1998, are required to make contributions to the RHCA fund in the amount determined to be appropriate by the board.

The Retiree Health Care Act (Section 10-7C-15 NMSA 1978) is the statutory authority that establishes the required contributions of participating employers and their employees. For employees that were members of an enhanced retirement plan (state police and adult correctional officer member coverage plan 1; municipal police member coverage plans 3, 4 or 5; municipal fire member coverage plan 3, 4 or 5; municipal detention officer member coverage plan 1; and members pursuant to the Judicial Retirement Act) during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.5% of each participating employee's annual salary and each participating employee was required to contribute 1.25% of their salary. For employees that were not members of an enhanced retirement plan during the fiscal year ended June 30, 2018, the statute required each participating employer to contribute 2.0% of each participating employee's annual salary; each participating employee was required to contribute 1.0% of their salary. In addition, pursuant to Section 10-7C-15(G) NMSA 1978, at the first session of the Legislature following July 1, 2013, the legislature shall review and adjust the distributions pursuant to Section 7-1-6.1 NMSA 1978 and the employer and employee contributions to the authority in order to ensure the actuarial soundness of the benefits provided under the Retiree Health Care Act. The Board's contributions to the RHCA for the years ended June 30, 2018, 2017, and 2016 were \$2,594, \$2,604, and \$2,614, respectively, which equal the required contributions for each year.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 9. POST-EMPLOYMENT BENEFITS – STATE RETIREE HEALTH CARE PLAN**

Compliant with the requirements of Government Accounting Standards Board Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, the State of New Mexico has implemented this standard for the fiscal year ended June 30, 2018.

The Board, as part of the primary government of the State of New Mexico, is a contributing employer to a cost-sharing multiple-employer defined benefit postemployment health care plan that provides comprehensive group health insurance for persons who have retired from certain public service positions in New Mexico. The other postemployment benefits (OPEB) Plan is administered by the Retiree Health Care Authority of the State of New Mexico. Overall, total OPEB liability exceeds OPEB Plan net position resulting in a net OPEB liability. The State has determined the State's share of the net OPEB liability to be a liability of the State as a whole, rather than any agency or department of the State and the liability will not be reported in the department or agency level financial statements of the State. All required disclosures will be presented in the Comprehensive Annual Financial Report (CAFR) of the State of New Mexico.

Information concerning the net liability, benefit expense, and benefit-related deferred inflows and deferred outflows of resources of the primary government will be contained in the State of New Mexico Comprehensive Annual Financial Report (CAFR) for the year ended June 30, 2018 and will be available, when issued, from the Office of the State Controller, Room 166, Bataan Memorial Building, 407 Galisteo Street, Santa Fe, New Mexico, 87501.

**NOTE 10. 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 and natural disasters for which the government carries commercial insurance. The Board maintains commercial insurance coverage through the Risk Management Division for workers compensation, auto liability, general liability, civil rights, and property and contents. Management believes that a potential loss would be adequately covered by insurance and would not result in any material adverse effect on the financial condition of the Board. During the past three years the Board has not had any significant reductions in insurance coverage or settlements exceeding insurance coverage.

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2018**

**NOTE 11. TRANSFER OF OPERATIONS**

House Bill 219, dated April 6, 2018, transfers the powers, duties, personnel, property, contracts and references from the Animal Sheltering Board to the Board of Veterinary Medicine effective July 1, 2018. The Board will follow the provisions of GASB 69 – *Government Combinations and Disposals of Government Operations*, paragraphs 46 through 50, when effecting this transaction. On July 1, 2018, the Board obtained control of the assets and become obligated for the liabilities of the operations transferred. The Board will report a transfer of operations revenue or expense for the net difference between assets and liabilities transferred. Assets and liabilities transferred will be recognized at their carrying values as of the transfer date.

**NOTE 12. SUBSEQUENT EVENTS**

The Board has evaluated subsequent events through September 20, 2018, the date the financial statements were available to be issued. The only material subsequent event is the transfer of operations noted above.



# PORCH & ASSOCIATES LLC

CERTIFIED PUBLIC ACCOUNTANTS  
10612 ROYAL BIRKDALE NE  
ALBUQUERQUE, NM 87111

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Mr. Wayne Johnson, New Mexico State Auditor and  
The Board of Directors  
State of New Mexico Board of Veterinary Medicine  
Albuquerque, New Mexico

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund and its budgetary comparison of the State of New Mexico Board of Veterinary Medicine (Board) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements, and have issued our report thereon dated September 20, 2018.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Mr. Wayne Johnson, New Mexico State Auditor and  
The Board of Directors  
State of New Mexico Board of Veterinary Medicine  
Albuquerque, New Mexico

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Porch & Associates LLC*

Albuquerque, New Mexico  
September 20, 2018

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
SCHEDULE OF FINDINGS AND RESPONSES  
Year Ended June 30, 2018**

None

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
Year Ended June 30, 2018**

**Findings from Year Ended June 30, 2017:**  
None

**Current Status:**

**STATE OF NEW MEXICO BOARD OF VETERINARY MEDICINE  
EXIT CONFERENCE  
Year Ended June 30, 2018**

An exit conference was held on September 21, 2018, and attended by the following:

State of New Mexico Board of Veterinary Medicine

Frances R. Sowers, Executive Director

Edward J. Fallen, DVM, Board Secretary

Porch & Associates LLC

Thad Porch, Managing Principal

\* \* \* \* \*

The financial statements were prepared by Porch & Associates LLC from the books and records of the Board. However, the contents of these financial statements remain the responsibility of the Board's management.