



**TEXAS**  
Health and Human  
Services

**Texas Department of State  
Health Services**

**Annual Financial Report**  
**Year Ended August 31, 2017**





**TEXAS**  
Health and Human  
Services

**Texas Department of State Health Services**

**John Hellerstedt, M.D.**  
Commissioner

November 20, 2017

Honorable Greg Abbott, Governor  
Honorable Glenn Hegar, Texas Comptroller  
Ursula M. Parks, Director, Legislative Budget Board  
Lisa R. Collier, CPA, CFE, CIDA, State Auditor

Lady and Gentlemen:

We are pleased to submit the annual financial report of the Texas Department of State Health Services for the year ended August 31, 2017, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Shirley Perry at 512 776-6246. She may also be contacted for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Sheppard", written over a faint, dotted grid background.

Donna Sheppard  
Chief Financial Officer





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## Basic Financial Statements

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Texas Department of State Health Services (537)  
 Exhibit I - Combined Balance Sheet - Governmental Funds  
 August 31, 2017

|                                      | Governmental Fund Types               |                                       |                                   | Governmental<br>Funds Total |
|--------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------|
|                                      | General Revenue<br>Funds<br>(Exh A-1) | Capital Project<br>Funds<br>(Exh D-1) | Permanent<br>Funds<br>(Fund 5048) |                             |
| <b>ASSETS</b>                        |                                       |                                       |                                   |                             |
| Current Assets:                      |                                       |                                       |                                   |                             |
| Cash and Cash Equivalents            |                                       |                                       |                                   |                             |
| On Hand                              | \$ 51,045.30                          |                                       |                                   | \$ 51,045.30                |
| In Bank (Note 3)                     | 373,325.00                            |                                       |                                   | 373,325.00                  |
| In State Treasury                    | 234,710,463.72                        |                                       | 58,285.95                         | 234,768,749.67              |
| Legislative Appropriations           | 107,206,479.29                        | 34,937,443.89                         |                                   | 142,143,923.18              |
| Receivables from:                    |                                       |                                       |                                   |                             |
| Accounts (Note 24)                   | 4,945,558.53                          |                                       |                                   | 4,945,558.53                |
| Federal                              | 3,626,931.80                          |                                       |                                   | 3,626,931.80                |
| Due From Other Agencies              | 1,469,013.71                          | -                                     |                                   | 1,469,013.71                |
| Consumable Inventories               | 86,791,266.60                         |                                       |                                   | 86,791,266.60               |
| Merchandise Inventories              | 18,900.61                             |                                       |                                   | 18,900.61                   |
| Total Current Assets                 | <u>439,192,984.56</u>                 | <u>34,937,443.89</u>                  | <u>58,285.95</u>                  | <u>474,188,714.40</u>       |
| Non-Current Assets:                  |                                       |                                       |                                   |                             |
| Capital Assets (Note 2)              |                                       |                                       |                                   |                             |
| Non-Depreciable or Non-Amortizable   |                                       |                                       |                                   |                             |
| Depreciable or Amortizable, Net      |                                       |                                       |                                   |                             |
| Total Non-Current Assets             | <u>-</u>                              | <u>-</u>                              | <u>-</u>                          | <u>-</u>                    |
| Total Assets                         | <u>439,192,984.56</u>                 | <u>34,937,443.89</u>                  | <u>58,285.95</u>                  | <u>474,188,714.40</u>       |
| <b>LIABILITIES AND FUND BALANCES</b> |                                       |                                       |                                   |                             |
| Current Liabilities:                 |                                       |                                       |                                   |                             |
| Payables from:                       |                                       |                                       |                                   |                             |
| Accounts Payable                     | 36,039,072.00                         | -                                     | -                                 | 36,039,072.00               |
| Payroll Payable                      | 46,624,505.22                         |                                       |                                   | 46,624,505.22               |
| Interfund Payable (Note 12)          | -                                     | 23,506.72                             |                                   | 23,506.72                   |
| Due to Other Agencies                | 2,511,630.62                          |                                       | 202,500.00                        | 2,714,130.62                |
| Deferred Revenues                    | -                                     |                                       |                                   | -                           |
| Employees Compensable Leave (Note 5) |                                       |                                       |                                   |                             |
| Total Current Liabilities            | <u>85,175,207.84</u>                  | <u>23,506.72</u>                      | <u>202,500.00</u>                 | <u>85,401,214.56</u>        |
| Non-Current Liabilities:             |                                       |                                       |                                   |                             |
| Employees Compensable Leave (Note 5) |                                       |                                       |                                   |                             |
| Interfund Payables (Note 12)         | -                                     | 145,068.42                            |                                   | 145,068.42                  |
| Total Non-Current Liabilities        | <u>-</u>                              | <u>145,068.42</u>                     | <u>-</u>                          | <u>145,068.42</u>           |
| Total Liabilities                    | <u>85,175,207.84</u>                  | <u>168,575.14</u>                     | <u>202,500.00</u>                 | <u>85,546,282.98</u>        |



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| <u>Capital Assets<br/>Adjustments</u> | <u>Long-Term<br/>Liabilities<br/>Adjustments</u> | <u>Statement<br/>of Net Assets</u> |
|---------------------------------------|--|------------------------------------|
|                                       |  | \$ 51,045.30                       |
|                                       |  | 373,325.00                         |
|                                       |  | 234,768,749.67                     |
|                                       |  | 142,143,923.18                     |
|                                       |  | 4,945,558.53                       |
|                                       |  | 3,626,931.80                       |
|                                       |  | 1,469,013.71                       |
|                                       |  | 86,791,266.60                      |
|                                       |  | 18,900.61                          |
| -                                     | -  | <u>474,188,714.40</u>              |
| 24,765,266.63                         |  | 24,765,266.63                      |
| 39,924,878.54                         |  | 39,924,878.54                      |
| 64,690,145.17                         | -  | 64,690,145.17                      |
| <u>64,690,145.17</u>                  | <u>-</u>   | <u>538,878,859.57</u>              |
|                                       |  | 36,039,072.00                      |
|                                       |  | 46,624,505.22                      |
|                                       |  | 23,506.72                          |
|                                       |  | 2,714,130.62                       |
|                                       | 28,569,673.25                                    | 28,569,673.25                      |
| -                                     | 28,569,673.25                                    | <u>113,970,887.81</u>              |
|                                       | 17,832,444.48                                    | 17,832,444.48                      |
| -                                     | 17,832,444.48                                    | 145,068.42                         |
| -                                     | 17,832,444.48                                    | <u>17,977,512.90</u>               |
| -                                     | 46,402,117.73                                    | <u>131,948,400.71</u>              |

Texas Department of State Health Services (537)  
 Exhibit I - Combined Balance Sheet - Governmental Funds  
 August 31, 2017

|                                     | Governmental Fund Types               |                                       |                                   | Governmental<br>Funds Total |
|-------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------|
|                                     | General Revenue<br>Funds<br>(Exh A-1) | Capital Project<br>Funds<br>(Exh D-1) | Permanent<br>Funds<br>(Fund 5048) |                             |
| <b>FUND FINANCIAL STATEMENT</b>     |                                       |                                       |                                   |                             |
| Fund Balances (Deficits):           |                                       |                                       |                                   |                             |
| Nonspendable                        | 86,810,167.21                         |                                       | -                                 | 86,810,167.21               |
| Restricted                          | 8,515,349.73                          | 34,768,868.75                         | -                                 | 43,284,218.48               |
| Committed                           | 186,261,904.32                        | -                                     | -                                 | 186,261,904.32              |
| Assigned                            | -                                     | -                                     | -                                 | -                           |
| Unassigned                          | 72,430,355.46                         | -                                     | (144,214.05)                      | 72,286,141.41               |
| Total Fund Balances                 | <u>354,017,776.72</u>                 | <u>34,768,868.75</u>                  | <u>(144,214.05)</u>               | <u>388,642,431.42</u>       |
| Total Liabilities and Fund Balances | <u>\$ 439,192,984.56</u>              | <u>\$ 34,937,443.89</u>               | <u>\$ 58,285.95</u>               | <u>\$ 474,188,714.40</u>    |

Government-Wide Statement of Net Assets

Net Assets

Invested in Capital Assets, Net of Related Debt  
 Restricted For  
 Employee Benefits

Net Assets

The accompanying *Notes to the Financial Statements* are an integral part of this statement.

UNAUDITED

| <u>Capital Assets<br/>Adjustments</u> | <u>Long-Term<br/>Liabilities<br/>Adjustments</u> | <u>Statement<br/>of Net Assets</u> |
|---------------------------------------|--|------------------------------------|
|                                       |  | 86,810,167.21                      |
|                                       |  | 43,284,218.48                      |
|                                       |  | 186,261,904.32                     |
|                                       |  | 72,286,141.41                      |
|                                       |  | <u>388,642,431.42</u>              |
| 64,690,145.17                         |  | 64,690,145.17                      |
|                                       | (46,402,117.73)                                  | (46,402,117.73)                    |
| <u>\$ 64,690,145.17</u>               | <u>\$ (46,402,117.73)</u>                        | <u>\$ 406,930,458.86</u>           |

**Texas Department of State Health Services (537)**  
**Exhibit II - Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds**  
For the Fiscal Year Ended August 31, 2017

|  | Governmental Funds                    |                                       |                                |
|--|---------------------------------------|---------------------------------------|--------------------------------|
|  | General Revenue<br>Funds<br>(Exh A-2) | Capital Project<br>Funds<br>(Exh D-2) | Permanent Funds<br>(Fund 5048) |
| <b>REVENUES</b>  |                                       |                                       |                                |
| Legislative Appropriations:                            |                                       |                                       |                                |
| Original Appropriations                                | \$ 1,357,481,876.26                   | \$ -                                  |                                |
| Additional Appropriations                              | 148,380,518.91                        | -                                     |                                |
| Federal Revenue  | 867,688,087.25                        |                                       |                                |
| Federal Grant Pass-Through Revenue                     | 37,831,715.00                         |                                       |                                |
| State Grant Pass-Through Revenue                       | 931,513.92                            |                                       |                                |
| Other Operating Grant Revenue                          | -                                     |                                       |                                |
| Licenses, Fees & Permits                               | 177,890,227.03                        |                                       |                                |
| Interest and Other Investment Income                   | 868,576.30                            |                                       | 1,611.86                       |
| Land Income  | 56,201.66                             |                                       |                                |
| Sales of Goods and Services                            | 104,225,437.18                        |                                       |                                |
| Other General Revenues                                 | 312,799,852.37                        | 1,837.07                              | 251.45                         |
| <b>Total Revenues</b>                                  | <b>3,008,154,005.88</b>               | <b>1,837.07</b>                       | <b>1,863.31</b>                |
| <b>EXPENDITURES</b>                                    |                                       |                                       |                                |
| Salaries and Wages                                     | 497,627,430.59                        |                                       | 20.38                          |
| Payroll Related Costs                                  | 178,129,671.30                        |                                       | 2,654.53                       |
| Professional Fees and Services                         | 114,989,452.85                        | 1,328,135.06                          | 77,307.74                      |
| Travel   | 7,814,762.76                          |                                       | -                              |
| Materials and Supplies                                 | 234,792,547.13                        | 416,024.12                            | -                              |
| Communication and Utilities                            | 15,877,198.85                         |                                       | 101,127.48                     |
| Repairs and Maintenance                                | 17,840,374.80                         | 7,353,807.44                          | -                              |
| Rentals and Leases (Note 8)                            | 13,451,756.00                         | 580.00                                | -                              |
| Printing and Reproduction                              | 3,617,468.71                          |                                       |                                |
| Claims and Judgments                                   | 251,705.85                            |                                       |                                |
| Federal Grant Pass-Through Expenditures                | 123,921,407.31                        |                                       |                                |
| State Grant Pass-Through Expenditures                  | 147,171,813.50                        |                                       | 810,000.00                     |
| Intergovernmental Payments                             | 203,930,380.80                        |                                       |                                |
| Public Assistance Payments                             | 602,799,617.28                        |                                       |                                |
| Interest   | 54,222.03                             |                                       |                                |
| Other Expenditures                                     | 113,927,985.00                        | 545,731.69                            | -                              |
| Capital Outlay   | 5,583,455.12                          | 211,245.49                            |                                |
| Depreciation and Amortization Expense                  |                                       |                                       |                                |
| <b>Total Expenditures/Expenses</b>                     | <b>2,281,781,249.88</b>               | <b>9,855,523.80</b>                   | <b>991,110.13</b>              |
| Excess (Deficiency) of Revenues over<br>Expenditures   | 726,372,756.00                        | (9,853,686.73)                        | (989,246.82)                   |
| <b>OTHER FINANCING SOURCES (USES)</b>                  |                                       |                                       |                                |
| Bond Proceeds  |                                       |                                       |                                |
| Increase in Obligations Under Capital Leases           |                                       |                                       |                                |
| Sale of Capital Assets                                 | 105,782.99                            |                                       |                                |
| Transfer In  | 357,677,154.13                        | 2,519,651.50                          | 799,181.60                     |
| Transfer Out   | (381,533,689.78)                      |                                       |                                |
| Legislative Transfer In (Note 12)                      | 368,899.00                            | 1,362,273.84                          |                                |
| Legislative Transfer Out (Note 12)                     | (855,145,596.35)                      |                                       |                                |
| Gains (Losses) on Sale of Capital Assets               |                                       |                                       |                                |
| Inc/(Dec) in Net Assets Due to Interagency<br>Transfer |                                       |                                       |                                |
| <b>Total Other Financing Sources (Uses)</b>            | <b>(878,527,450.01)</b>               | <b>3,881,925.34</b>                   | <b>799,181.60</b>              |
| <b>Net Change in Fund Balances/Net Assets</b>          | <b>(152,154,694.01)</b>               | <b>(5,971,761.39)</b>                 | <b>(190,065.22)</b>            |

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| Governmental Funds<br>Total | Capital Assets<br>Adjustments | Long-Term<br>Liabilities<br>Adjustments | Statement of<br>Activities |
|-----------------------------|-------------------------------|---|----------------------------|
| \$ 1,357,481,876.26         |                               |   | \$ 1,357,481,876.26        |
| 148,380,518.91              |                               |   | 148,380,518.91             |
| 867,688,087.25              |                               |   | 867,688,087.25             |
| 37,831,715.00               |                               |   | 37,831,715.00              |
| 931,513.92                  |                               |   | 931,513.92                 |
| 177,890,227.03              |                               |   | 177,890,227.03             |
| 870,188.16                  |                               |   | 870,188.16                 |
| 56,201.66                   |                               |   | 56,201.66                  |
| 104,225,437.18              |                               |   | 104,225,437.18             |
| 312,801,940.89              |                               |   | 312,801,940.89             |
| <u>3,008,157,706.26</u>     | <u>-</u>                      | <u>-</u>                                | <u>3,008,157,706.26</u>    |
| 497,627,450.97              |                               | (983,246.21)                            | 496,644,204.76             |
| 178,132,325.83              |                               |   | 178,132,325.83             |
| 116,394,895.65              |                               |   | 116,394,895.65             |
| 7,814,762.76                |                               |   | 7,814,762.76               |
| 235,208,571.25              |                               |   | 235,208,571.25             |
| 15,978,326.33               |                               |   | 15,978,326.33              |
| 25,194,182.24               |                               |   | 25,194,182.24              |
| 13,452,336.00               |                               |   | 13,452,336.00              |
| 3,617,468.71                |                               |   | 3,617,468.71               |
| 251,705.85                  |                               |   | 251,705.85                 |
| 123,921,407.31              |                               |   | 123,921,407.31             |
| 147,981,813.50              |                               |   | 147,981,813.50             |
| 203,930,380.80              |                               |   | 203,930,380.80             |
| 602,799,617.28              |                               |   | 602,799,617.28             |
| 54,222.03                   |                               |   | 54,222.03                  |
| 114,473,716.69              |                               |   | 114,473,716.69             |
| 5,794,700.61                | (5,794,700.61)                |   | -                          |
|                             | 16,385,060.32                 |   | 16,385,060.32              |
| <u>2,292,627,883.81</u>     | <u>10,590,359.71</u>          | <u>(983,246.21)</u>                     | <u>2,302,234,997.31</u>    |
| 715,529,822.45              | (10,590,359.71)               | 983,246.21                              | 705,922,708.95             |
| 105,782.99                  | (105,782.99)                  |   | -                          |
| 360,995,987.23              |                               |   | 360,995,987.23             |
| (381,533,689.78)            |                               |   | (381,533,689.78)           |
| 1,731,172.84                |                               |   | 1,731,172.84               |
| (855,145,596.35)            |                               |   | (855,145,596.35)           |
|                             | (376,908.60)                  |   | (376,908.60)               |
|                             | (111,472,821.69)              |   | (111,472,821.69)           |
| <u>(873,846,343.07)</u>     | <u>(111,955,513.28)</u>       | <u>-</u>                                | <u>(985,801,856.35)</u>    |
| (158,316,520.62)            | (122,545,872.99)              | 983,246.21                              | (279,879,147.40)           |

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**Texas Department of State Health Services (537)**  
**Exhibit II - Combined Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds**  
For the Fiscal Year Ended August 31, 2017

|   | <u>Governmental Funds</u>                      |  |  |
|---|--|--|--|
|   | <u>General Revenue<br/>Funds<br/>(Exh A-2)</u> | <u>Capital Project<br/>Funds<br/>(Exh D-2)</u> | <u>Permanent Funds<br/>(Fund 5048)</u> |
| <b>Fund Financial Statement - Fund Balances</b> |  |  |  |
| Fund Balances, September 1, 2016                | 514,277,687.34                                 | 41,781,230.05                                  | 45,851.17                              |
| Appropriations Lapsed                           | (8,105,216.61)                                 | (1,040,599.91)                                 |  |
| Fund Balances - August 31, 2017                 | <u>\$ 354,017,776.72</u>                       | <u>\$ 34,768,868.75</u>                        | <u>\$ (144,214.05)</u>                 |

**Government-Wide Statement of Net Assets**

Net Change in Net Assets  
Net Assets, September 1, 2016  
Restatements  
Net Assets, September 1, 2016 as Restated  
  
Net Assets as of August 31, 2017

The accompanying *Notes to the Financial Statements* are an integral part of this statement.

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| <u>Governmental Funds<br/>Total</u> | <u>Capital Assets<br/>Adjustments</u> | <u>Long-Term<br/>Liabilities<br/>Adjustments</u> | <u>Statement of<br/>Activities</u> |
|-------------------------------------|---------------------------------------|--|------------------------------------|
| 556,104,768.56                      |                                       |  | 556,104,768.56                     |
| (9,145,816.52)                      |                                       |  | (9,145,816.52)                     |
| <u>\$ 388,642,431.42</u>            | <u>\$ (122,545,872.99)</u>            | <u>\$ 983,246.21</u>                             | <u>\$ 267,079,804.64</u>           |
|                                     | 187,289,557.76                        | (47,385,363.94)                                  | 139,904,193.82                     |
|                                     | (53,539.60)                           |  | (53,539.60)                        |
|                                     | <u>187,236,018.16</u>                 | <u>(47,385,363.94)</u>                           | <u>139,850,654.22</u>              |
|                                     | <u>\$ 64,690,145.17</u>               | <u>\$ (46,402,117.73)</u>                        | <u>\$ 406,930,458.86</u>           |

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Texas Department of State Health Services (537)  
 Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds  
 August 31, 2017

|                                      | Private Purpose<br>Trust Funds<br>Fund 6014 U/F 9999 | Agency Funds<br>(Exhibit J-1) | Totals                  |
|--------------------------------------|--|-------------------------------|-------------------------|
| <b>ASSETS</b>                        |  |                               |                         |
| Cash and Cash Equivalents:           |  |                               |                         |
| Cash in Bank (Note 3)                | \$ 82,813.67   | \$ 98,479.59                  | \$ 181,293.26           |
| Cash in State Treasury               |  | 220,550.61                    | 220,550.61              |
| Shared Cash                          |  | (65,622.18)                   | (65,622.18)             |
| Short Term Investments (Note 3)      |  |                               |                         |
| Miscellaneous Investments (Note 3)   | 497,500.00   | 24,000.00                     | 521,500.00              |
| Repurchase Agreements (Note 3)       | 394,702.18   | 513,200.00                    | 907,902.18              |
| Other Assets                         |  | 72,361,289.84                 | 72,361,289.84           |
| Total Current Assets                 | <u>975,015.85</u>                                    | <u>73,151,897.86</u>          | <u>74,126,913.71</u>    |
| <b>LIABILITIES</b>                   |  |                               |                         |
| Current Liabilities                  |  |                               |                         |
| Funds Held for Others                |  | 73,130,855.89                 | 73,130,855.89           |
| Other Liabilities                    |  | 21,041.97                     | 21,041.97               |
| Total Current Liabilities            | <u>-</u>   | <u>\$ 73,151,897.86</u>       | <u>\$ 73,151,897.86</u> |
| <b>NET ASSETS</b>                    |  |                               |                         |
| Held in Trust For:                   |  |                               |                         |
| Individuals, Organizations and Other | 975,015.85   |                               | 975,015.85              |
| Total Net Assets                     | <u>\$ 975,015.85</u>                                 | <u>\$ -</u>                   | <u>\$ 975,015.85</u>    |

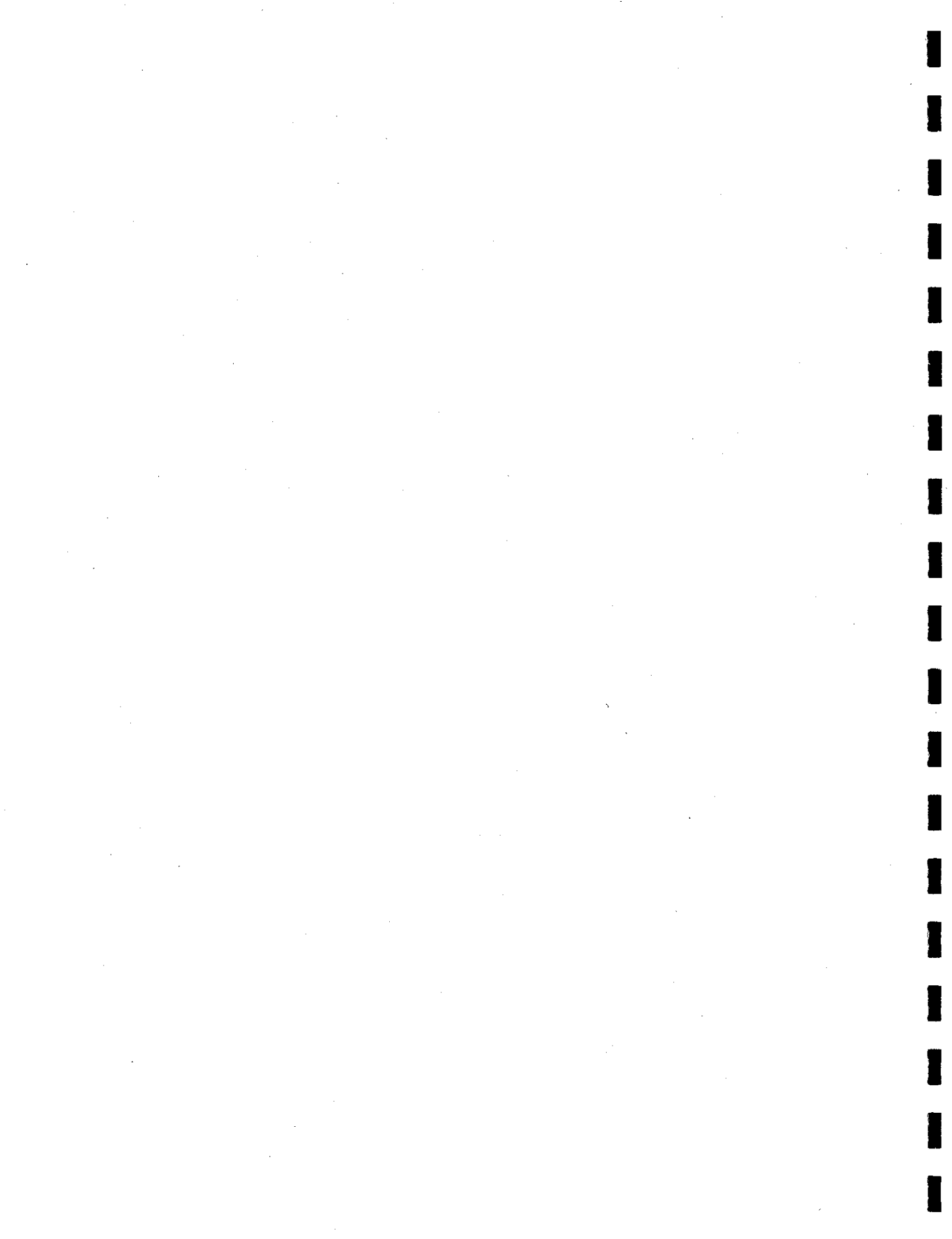
The accompanying *Notes to the Financial Statements* are an integral part of this statement.



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DEPARTMENT OF STATE HEALTH SERVICES (537)  
Annual Financial Report  
FOR THE YEAR ENDED AUGUST 31, 2017

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UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit VII - Combined Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended August 31, 2017

|                                     | Private Purpose<br>Trust Funds<br><u>Fund 6014 U/F 9999</u> |
|-------------------------------------|---|
| <b>ADDITIONS</b>                    |   |
| Interest and Investment Income      | \$ -  |
| Sale of Goods and Services          |   |
| Other Revenue                       | <u>25,473.86</u>  |
| <b>Total Additions</b>              | <u>25,473.86</u>  |
| <br>                                |   |
| <b>DEDUCTIONS</b>                   |   |
| Materials and Supplies              | 32,903.64   |
| Other Expenditures                  | <u>45,497.05</u>  |
| <b>Total Deductions</b>             | <u>78,400.69</u>  |
| <br>                                |   |
| <b>NET INCREASE (DECREASE)</b>      | <u>(52,926.83)</u>  |
| <br>                                |   |
| <b>Net Assets - Beginning</b>       | 1,027,942.68  |
| <br>                                |   |
| <b>Net Assets - End of the Year</b> | <u>\$ 975,015.85</u>  |

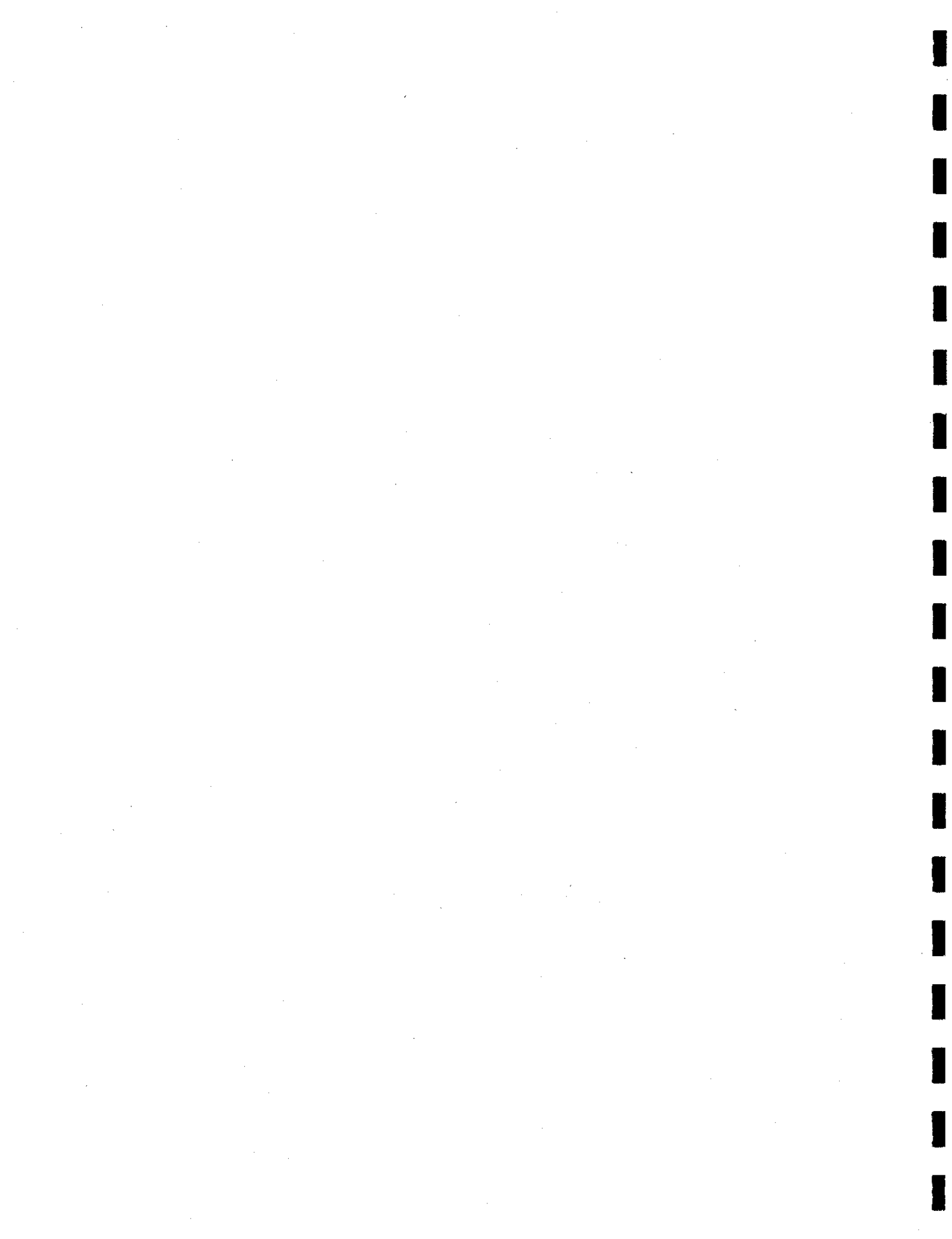
The accompanying *Notes to the Financial Statements* are an integral part of this statement.



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## Notes to the Financial Statements

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## Notes to the Financial Statements

### NOTE 1: Summary of Significant Accounting Policies

#### ENTITY

The Department of State Health Services operates under the authority of Texas Government Code Title 4, Chapter 531. Our mission is to improve health and well-being in Texas.

Our financial records comply with state statutes and regulations. This includes compliance with the Comptroller of Public Accounts' *Reporting Requirements for Annual Financial Reports of State Agencies and Universities*.

The Department of State Health Services has no component units requiring blended or discrete presentation as defined by GASB Statement No. 14.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement (GASB) 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 reports 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.

#### FUND STRUCTURE

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

#### Governmental Fund Types and Government-wide Adjustment Fund Types

##### General Revenue Funds

The General Revenue Fund (fund 0001) is the principle operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund. The American Recovery and Reinvestment Act (ARRA) fund 0369 roll up to fund 0001 and are not presented as separate funds per AFR guidelines.

Following are descriptions of other general funds in GAAP Fund Type 01 used by this agency.

##### Vital Statistics Fund 0019

*Texas Health & Safety Code Ann. §191.005* To receive revenue derived from fees for certified copies of birth/death records and to defray expenses incurred in the enforcement of and operation of the Vital Statistics Act.

##### Texas Department of Insurance Fund 0036

*Texas Insurance Code Ann. Art 1.31A* To receive money from taxes and fees as required by the Insurance Code and money received by the Board from sales, reimbursements and fees authorized by other statutes. This fund is administered by the Texas Department of Insurance, Agency 454.

Hospital Licensing Fund 0129

*Texas Health & Safety Code Ann. §241.025.* For deposit of all license fees used by the Texas Department of State Health Services in the administration and enforcement of the Texas Hospital Licensing Law.

Federal Health and Health Lab Fund 0273

*Texas Health & Safety Code Ann. §12.011.* To serve as depository for various grants of federal money received by the Texas Department of State Health Services to support programs for substance abuse, mental health, cancer, sexually transmitted diseases, children with special needs, maternal and child health, general health and hospital building.

Food and Drug Retail Fees Fund 0341

*Texas Health & Safety Code Ann. §437.0125(e).* To receive permit, inspection, and other fees for regulating food service establishments, retail food stores, mobile food units or temporary food service establishments. Used for enforcement, inspection and administration.

Freestanding Emergency Medical Care Facility Licensing Fund 0373

*Texas Health & Safety Code Ann. §254.104.* To receive all fees related to the licensing of freestanding emergency medical care facilities for use by the department in administering and enforcing Chapter 254. The agency has not been given appropriation authority in the current appropriations bill to expend from this fund.

Bureau of Emergency Management Fund 0512

*Texas Health & Safety Code Ann. §773.060(b).* To receive all fees and other funds, including federal funds under the Emergency Medical Services Act. Used only for the administration of this Act.

Public Health Services Fees Fund 0524

*Texas Health & Safety Code Ann. §12.035* To receive fees charged to persons who receive public health services from the department. Fees are used to defray administrative costs.

Texas Capital Trust Fund 0543

*Texas Government Code Ann. §2201.001* To finance acquisition, construction, repair, improvement or equipping of a building by a state agency. To finance acquisition of real or personal property or administration of General Land Office asset management division. Income deposited to General Revenue (0001). If Legislature authorizes a real estate transaction involving real property owned by the state, proceeds are deposited in this account unless legislation provides otherwise. This fund is administered by the General Land Office, Agency 305.

License Plate Trust Fund 0802

*Texas Transportation Code Ann. §§504.6012(f), 771.077* Created in the treasury for deposit of specialty license plate fees and related revenue collected under Subchapter G, Transportation Code previously deposited in various General Revenue accounts. Also includes balances of specialty license plate General Revenue accounts for specialty license plate established under Subchapter G, Transportation Code. Dedicated balances and revenues are to be deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

Commission on State Emergency Communications Fund 5007

*Texas Health & Safety Code Ann. §§771.072(f), 771.077* Created in General Revenue to receive 9-1-1 equalization surcharges imposed on each customer receiving intrastate long-distance service, not to exceed (NTE) 1-3/10 of 1 percent of charges for intrastate long-distance service. Surcharges allocated to regional planning commissions, poison control centers and the Texas Department of State Health Services. Late penalties assessed against a service provider who fails to timely deliver the surcharges in an amount NTE \$100 a day are also deposited to this account. This fund is administered by the Commission on State Emergency Communications, Agency 477.



**Children with Special Healthcare Needs Fund 5009**

*Texas Health & Safety Code Ann §§35.007, 35.008* Created to receive recovery of costs for services provided to children with special health care needs. Charges are for that part of the cost of the services that the child or person legally obligated is financially able to pay. The agency has not been given appropriation authority in the current appropriations bill to expend from this fund.

**Asbestos Removal Licensure Fund 5017**

*Texas Revised Civil Statutes Ann. Art. 4477-3a §12(d)* Created in General Revenue to receive all fees related to asbestos removal licensing. Used only for purposes of asbestos health protection. Not more than 25 percent may be used for administration and the remainder shall be used for additional enforcement personnel necessary to investigate compliance.

**Workplace Chemicals List Fund 5020**

*Texas Health & Safety Code Ann. §§505.016, 506.017* Created in General Revenue to receive fees from facility operators for filing tier two forms relating to hazardous chemicals. Up to 20 percent used for grants to local emergency planning committees and up to 15 percent to administer Ch. 502, Hazardous Communications Act. The remainder is for administering Manufacturing Facility (Ch. 505) and Public Employer Community (Ch. 506) Right-to-Know Acts.

**Certification of Mammography Systems Fund 5021**

*Texas Health & Safety Code Ann. §§401.421-401.431* This account is created in General Revenue to receive all fees related to certification of a mammography system and for use in administering the Chapter.

**Oyster Sales Fund 5022**

*Texas Health & Safety Code Ann. §436.103* Created in General Revenue to receive all fees and penalties collected from certified shellfish dealers who harvest, purchase, handle, store, pack, label, unload at dockside or hold oysters taken from waters of this state. Also receives related penalties. Fees and penalties are used for oyster related activities including: collecting bay water and shellfish meat samples, contracting for water sample analysis, marking boundaries designated as open or closed, studying oyster diseases and other concerns, studying organisms associated with human illness, promotion and advertising the Texas oyster industry, and other oyster related activities. Money in the account shall first be allocated to fund bay water and shellfish meat sample collection and analysis and for wholesale, retail and consumer education.

**Food and Drug Registration Fund 5024**

*Texas Health & Safety Code Ann. §431.224* Created in General Revenue to receive fees related to licensing and inspection of food manufacturers and wholesale distributors and warehouse operators. Not less than one-half of license fees collected are used for inspections and the remainder for administration.

**Health and Tobacco Education and Enforcement Fund 5044**

*Texas Government Code Ann. §403.105* This account is created in General Revenue to record receipt of money transferred at the direction of the legislature from General Revenue (tobacco settlement), gifts, and grants and the available earnings of the account. Only the available earnings of the account may be appropriated by the legislature for programs to reduce the use of cigarettes and tobacco products in this state.

**Children and Public Health Fund 5045**

*Texas Government Code Ann. §403.1055* This account is created in General Revenue to record receipt of money transferred at the direction of the legislature from General Revenue (tobacco settlement), gifts, and grants and the available earnings of the account. Only the available earnings of the account may be appropriated by the legislature for developing and demonstrating cost-effective prevention and intervention strategies for improving health outcomes for children and the public, and for providing grants to local communities to address specific public health priorities.

**Emergency Medical Services and Trauma Care Fund 5046**

*Texas Government Code Ann. §403.106* This account is created in General Revenue to record receipt of money transferred at the direction of the legislature from General Revenue (tobacco settlement), gifts, and grants and the available earnings of the account. Only the available earnings of the account may be appropriated by the legislature for programs to provide emergency medical services and trauma care in this state.

**State Owned Multi-categorical Teaching Hospital Fund 5049**

*Texas Government Code Ann. §466.408* To record receipt of unclaimed lottery prize money, not to exceed \$40 million each biennium.

**Perpetual Care Fund 5096**

*Texas Health & Safety Code Ann. §§401.003(11), 401.109* To receive fees and administrative penalties collected under chapter 401 relating to radioactive waste, other than licensing and regulation and nuclear reactor facility fees that are deposited to GR 0001. Used to mitigate abandoned radioactive materials, default on lawful obligations by a license holder and protection of public health from radiation effects. May receive transfer from GR Account – Low Level Radioactive Waste (0088) to pay refunds under §401.303. This fund is administered by the Texas Commission on Environmental Quality, Agency 582.

**EMS, Trauma Facilities, Trauma Care Systems Fund 5108**

*Texas Health & Safety Code Ann. §773.006* Account in the General Revenue Fund to receive additional \$100 court cost on intoxication convictions. Used to fund county and regional emergency medical services, designated trauma facilities and trauma care systems.

**Designated Trauma Facility and EMS Fund 5111**

*Texas Health & Safety Code Ann. §780.003* Account in the General Revenue Fund to receive 33 percent of additional court fines for persons convicted of traffic related offenses and 49.5 percent of the driver responsibility program surcharges. May only be used by the Commissioner to fund designated trauma facilities, county and regional emergency medical services and trauma care systems. In each fiscal year the Commissioner shall maintain a reserve of \$500,000 for extraordinary emergencies. Money not spent in a fiscal year shall be transferred to the reserve for the following year.

**Childhood Immunization Fund 5125**

*Texas Health & Safety Code Ann. §§ 192.0021, 194.005* A fee not to exceed \$50 for an heirloom birth certificate and a fee of \$50 for an heirloom wedding anniversary certificate shall be charged by the department. 50% of the fees are deposited to this account. Money in the account may be used only to make grants to fund childhood immunizations and related education programs. The remaining 50% is deposited to the General Revenue Fund (0001).

**TPFA Commercial Paper Series A&B Cancer Project Fund 7639**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. ch. 1232* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs as defined in the bond resolution. Note: This is funded by commercial paper but is not a capital project.

**Capital Project Funds**

Capital project funds are used to account for general obligation bonds issued by the Texas Public Finance Authority. The purpose of these bonds is to provide financial resources used for the acquisition, repair, renovation or construction of major capital facilities (other than those financed by proprietary or similar trust funds).

**MH Construction Project GR Fund 3001**

Funds are for construction projects at various state mental hospitals.

**TPFA General Obligation Bond DSHS Project Fund 7212**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. chs. 1232, 1401* To receive the deposit of proceeds from the sale of bonds (except for amounts deposited to the Interest and Sinking Fund) and

investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

**TPFA General Obligation Bond DSHS TCID Project Fund 7214**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. chs. 1232, 1401* To receive the deposit of proceeds from the sale of bonds (except for amounts deposited to the Interest and Sinking Fund) and investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

**TPFA General Obligation Bond DSHS Project Fund 7215**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. chs. 1232, 1401* To receive the deposit of proceeds from the sale of bonds (except for amounts deposited to the Interest and Sinking Fund) and investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

**TPFA General Obligation Bond DSHS Project 1B Fund 7643**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. ch. 1232* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs as defined in the bond resolution.

**TPFA General Obligation Bond DSHS Project 1C Fund 7651**

*Tex. Const. Art. III § 49h; Texas Government Code Ann. ch. 1232* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs as defined in the bond resolution.

**TPFA General Obligation Bond DSHS Project 1C Fund 7660**

*Tex. Const. Art. III § 50-g; Texas Government Code Ann. ch. 1232* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs as defined in the bond resolution.

**Permanent Funds**

Permanent funds are used to account for resources restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs – that is, for the benefit of the government or its citizens.

**Permanent Hospital Fund for Capital Improvements and the Texas Center for Infectious Disease Fund 5048**

*Texas Government Code Ann. §403.1066.* This account is created in General Revenue to record receipt of money transferred to the account at the direction of the Legislature from General Revenue (tobacco settlement), gifts, and grants contributed to the account and the available earnings of the account. Only the available earnings of the account may be appropriated by the legislature to provide grants, loans, or loan guarantees to public or non-profit community hospitals with 125 beds or fewer located in an urban area of the state and for services at the Texas Center for Infectious Disease.

**Capital Assets Adjustment Fund Type**

The capital asset adjustment fund (fund 9998) is used to convert governmental fund types' capital assets from modified accrual to full accrual.

**Long-Term Liabilities Adjustment Fund Type**

The long-term liability fund type (fund 9997) is used to convert all other governmental fund types' debt from modified accrual to full accrual.

**Fiduciary Fund Types**

Fiduciary Funds account for assets held by the state in a trustee capacity.

**Agency Funds** involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Funds that are specific to the Department are:

**Unappropriated Collections – General Revenue Fund 0002**

Unappropriated receipts are funds that an agency receives and has no appropriation authority to spend.

**Asbestos Penalty Escrow Account Fund 0880**

*Texas Occupation Code Ann. §1954.354* A person paying an administrative penalty relating to asbestos violations may file for judicial review contesting the violation or penalty amount. The penalty will be held in escrow pending the outcome of the review.

Note: This fund used to hold securities relating to nuclear and radioactive materials regulation when required to provide security to assure performance of holder's obligations. Securities included cash deposit, surety bond, certificate of deposit, irrevocable letter of credit, government securities or other acceptable security. Redirected to GR Account – Perpetual Care (5096) by HB 1567 and HB 1678, 78<sup>th</sup> Leg, RS. Asbestos penalties were added on 06/01/2002 and transferred to this agency on 09/01/2004 by HB 2292, 78<sup>th</sup> Leg, RS.

**Asbestos Penalty Escrow Account Fund 5880**

Holds security portion relating to asbestos violations.

**Depository Interest Default Fund 8880**

Holds any interest earned on penalties in escrow.

**Child Support Employee Deductions 8070**

To hold deductions for child support.

**City, County, MTA and SPD Sales Taxes 0882**

To record the receipt of local sales and use tax collected by the Comptroller for each city, county, metropolitan transit authority (MTA) and special purpose district (SPD) authorizing the collection. Such receipts to be transmitted at least twice each year. Provision for retention of a portion of the authority's share to cover returned checks and refunds is permissible. An amount equal to 2 percent of collections is transmitted to the General Revenue Fund to offset administrative costs.

**Departmental Suspense Fund 0900**

To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the General Revenue Fund, or refunded to the payer.

**Correction Account for Direct Deposit Fund 0980**

To hold money returned by financial institutions which had been transmitted for direct deposit where problems prevented credit being given to individual depositors. Entries are made to the credit of the agency issuing the original payment. The agency is then responsible for correction of the amounts in the correction account by either: (a) transfer of the funds back to the original issuing fund (b) refund to person for whom original payment was made.

**Perpetual Care Fund 5096**

To hold securities relating to nuclear and radioactive materials regulation. Securities may include cash, surety bond, certificate of deposit, letter of credit, government or other acceptable security. This fund is controlled by the Texas Commission on Environmental Quality.

**Local Funds 6015**

Local Funds are comprised of a Merchandise Coupon Fund, which is used to account for outstanding merchandise coupons held by individual clients in lieu of cash, which may be redeemed by clients at the

canteen, and a Custodial Trust Fund, which is used to account for accumulated deposits of individual clients.

**USPS Direct Deposit Return Money Fund 9014**

To hold money returned by financial institutions, which had been transmitted for direct deposit where problems prevented credit being given to individual depositors. Entries are made to the credit of the agency issuing the original payment. The agency is then responsible for correction of the amounts in the correction account by either: (a) processing a payroll in USPS that reissues payment to the employee (b) submitting new direct deposit information if incorrect account information caused the direct deposit instructions to be cancelled.

**USPS Overpayments to Employees Fund 9015**

To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the various Special Funds or the General Revenue Fund.

**Warrant Hold Offset – Government Code 403.0551 Fund 9016**

To provide for deductions for repayment of certain debts or tax delinquencies.

**Private Purpose Trust Funds** are used to account for all other trust arrangements whose principal and interest benefit individuals, private organizations or other governments.

**Patient Benefit Fund 6014**

Established by private donation and/or fund raising activities, and are restricted funds. Expenditures must be for the general benefit of patients.

**BASIS OF ACCOUNTING**

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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 basis, 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 accrual basis. 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 basis of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments and full accrual revenues and expenses. The activity will be recognized in these fund types.

**Budget 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.

## **Assets, Liabilities, and Fund Balances/Net Assets**

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### **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 revenues set aside for statutory or contractual requirements.

#### **Inventories and Prepaid Items**

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. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

#### **Capital Assets**

Tangible Assets with an initial, individual cost of at least \$5,000 or more and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if purchased, at appraised fair market 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. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

#### **Current Receivables - Other**

Other receivables include year-end revenue accruals not included in any other receivable category. Receivables for this agency include an estimation of receivable revenue from three laboratories, located in Austin, San Antonio and Harlingen. The ten statewide mental health facilities also estimate receivables at year end as does the Texas Center for Infectious Disease. See Note 24 for detailed information.

#### **Other Assets**

Under Fund type 09, Agency funds, fund 5996 is reporting a balance of \$72,361,289.84 for FY17 held by the Treasury Safekeeping Trust Department.

### **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.

#### **Current Payables - Other**

Other payables are the accrual at year-end of expenditure transactions not included in any of other payable descriptions. Other payables may be included in either the governmental or proprietary fund types.

#### **Employees' Compensable Leave Balances**

Employees' Compensable Leave Balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements, and uses of leave balances by covered employees. Liabilities are reported separately as either current or non-current in the statement of net assets.

### **FUND BALANCE / NET ASSETS**

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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** – the fund balance amounts for governmental funds were reclassified in accordance with GASB 54. Amounts previously reported as reserved and unreserved are now reported as non-spendable, restricted, committed, assigned or unassigned.

Non-spendable fund balance includes 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 imposed by a formal action of the Texas Legislature, the state's highest level of decision making 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 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, assigned to specific purposes within the general fund.

#### **INTERFUND ACTIVITIES AND BALANCES**

The agency has the following types of transactions between 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. Reimbursements are not displayed in financial statements.
- (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 Activities and Balances are presented in Note 12.

UNAUDITED

**NOTE 2: Capital Assets**

Revenue received from the sale of Surplus Property has been transferred to Unappropriated General Revenue in accordance with HB7, Sec. 20. Twenty-five percent of this revenue was reappropriated per Art IX, sec 8.04.

|  | PRIMARY GOVERNMENT      |                    |                                    |  |                                       |                        |                       | Balance<br>8/31/2017   |
|--|-------------------------|--------------------|------------------------------------|--|---------------------------------------|------------------------|-----------------------|------------------------|
|  | Balance<br>9/1/2016     | Adjustments        | Reclassifications<br>Completed CIP | Reclassifications<br>Inco-Int'gy Trans | Reclassifications<br>Dec-Int'gy Trans | Additions              | Deletions             |                        |
| <b>GOVERNMENTAL ACTIVITIES</b>                         |                         |                    |                                    |  |                                       |                        |                       |                        |
| <b>Non-depreciable or Non-amortizable Assets</b>       |                         |                    |                                    |  |                                       |                        |                       |                        |
| Land and Land Improvements - Infrastructure            | 1,162,540.88            | -                  | -                                  | -                                      | (516,499.30)                          | -                      | -                     | 646,041.58             |
| Construction in Progress                               | 30,496,168.91           | -                  | (6,533,823.24)                     | -                                      | -                                     | 156,744.40             | -                     | 24,119,090.07          |
| Other Capital Assets                                   | 77,089.44               | -                  | -                                  | -                                      | (76,954.44)                           | -                      | -                     | 135.00                 |
| Land Use Rights - Permanent                            | -                       | -                  | -                                  | -                                      | -                                     | -                      | -                     | -                      |
| <b>Total Non-depreciable or Non-amortizable Assets</b> | <b>31,735,799.21</b>    | <b>-</b>           | <b>(6,533,823.24)</b>              | <b>-</b>                               | <b>(593,453.74)</b>                   | <b>156,744.40</b>      | <b>-</b>              | <b>24,765,266.63</b>   |
| <b>Depreciable Assets</b>                              |                         |                    |                                    |  |                                       |                        |                       |                        |
| Buildings and Building Improvements Infrastructure     | 328,429,468.44          | -                  | 6,365,406.17                       | 2,437,523.01                           | (265,237,323.14)                      | -                      | (310,486.06)          | 71,684,606.42          |
| Facilities and Other Improvements                      | 6,211,280.72            | -                  | -                                  | -                                      | (5,591,080.10)                        | -                      | -                     | 620,200.62             |
| Furniture and Equipment                                | 17,015,595.49           | -                  | 168,417.07                         | -                                      | (14,513,307.62)                       | -                      | -                     | 2,670,704.94           |
| Vehicle, Boats and Aircraft                            | 75,710,917.89           | (53,539.60)        | -                                  | -                                      | (69,847,823.76)                       | 4,957,541.89           | (3,411,256.09)        | 7,355,836.33           |
| Other Capital Assets                                   | 16,823,895.77           | -                  | -                                  | 23,463.00                              | (13,660,197.46)                       | 680,414.32             | (1,102,969.51)        | 2,764,606.10           |
| <b>Total Depreciable Assets at Historical Cost</b>     | <b>444,399,227.31</b>   | <b>(53,539.60)</b> | <b>6,533,823.24</b>                | <b>2,460,986.01</b>                    | <b>(368,849,732.10)</b>               | <b>5,637,956.21</b>    | <b>(4,824,713.66)</b> | <b>85,304,007.41</b>   |
| <b>Less Accumulated Depreciation for:</b>              |                         |                    |                                    |  |                                       |                        |                       |                        |
| Buildings and Building Improvements Infrastructure     | (207,345,230.40)        | -                  | -                                  | (6,771.38)                             | 179,766,835.93                        | (9,893,195.19)         | 88,486.18             | (37,371,872.86)        |
| Facilities and Other Improvements                      | (1,735,361.90)          | -                  | -                                  | -                                      | 1,846,810.89                          | (236,693.83)           | -                     | (123,244.84)           |
| Furniture and Equipment                                | (14,865,843.66)         | -                  | -                                  | -                                      | 13,224,290.80                         | (220,641.36)           | -                     | (1,662,194.22)         |
| Vehicles, Boats and Aircraft                           | (51,995,858.93)         | -                  | -                                  | -                                      | 50,208,757.86                         | (5,194,806.96)         | 3,152,529.02          | (3,829,079.01)         |
| Other Capital Assets                                   | (12,894,017.15)         | -                  | -                                  | (1,675.92)                             | 10,451,129.96                         | (830,266.26)           | 1,101,004.87          | (2,173,824.50)         |
| <b>Total Accumulated Depreciation</b>                  | <b>(288,845,468.78)</b> | <b>-</b>           | <b>-</b>                           | <b>(10,447.30)</b>                     | <b>255,510,368.72</b>                 | <b>(16,375,603.80)</b> | <b>4,342,022.07</b>   | <b>(45,379,128.87)</b> |
| <b>Depreciable Assets, Net</b>                         | <b>155,553,758.55</b>   | <b>(53,539.60)</b> | <b>6,533,823.24</b>                | <b>2,450,538.71</b>                    | <b>(113,339,363.38)</b>               | <b>(10,737,647.39)</b> | <b>(482,591.59)</b>   | <b>39,924,876.54</b>   |
| <b>Intangible Capital Assets - Amortizable</b>         |                         |                    |                                    |  |                                       |                        |                       |                        |
| Land Use Rights - Term                                 | -                       | -                  | -                                  | -                                      | -                                     | -                      | -                     | -                      |
| Computer Software - Intangible                         | 2,603,573.56            | -                  | -                                  | -                                      | (1,977,660.83)                        | -                      | (25,819.20)           | 600,093.53             |
| Other Intangible Capital Assets - Term                 | -                       | -                  | -                                  | -                                      | -                                     | -                      | -                     | -                      |
| <b>Total Intangible Assets at Historical Cost</b>      | <b>2,603,573.56</b>     | <b>-</b>           | <b>-</b>                           | <b>-</b>                               | <b>(1,977,660.83)</b>                 | <b>-</b>               | <b>(25,819.20)</b>    | <b>600,093.53</b>      |
| <b>Less Accumulated Amortization for:</b>              |                         |                    |                                    |  |                                       |                        |                       |                        |
| Land Use Rights - Term                                 | -                       | -                  | -                                  | -                                      | -                                     | -                      | -                     | -                      |
| Computer Software - Intangible                         | (2,603,573.56)          | -                  | -                                  | -                                      | 1,977,660.83                          | -                      | 25,819.20             | (600,093.53)           |
| Other Intangible Capital Assets - Term                 | -                       | -                  | -                                  | -                                      | -                                     | -                      | -                     | -                      |
| <b>Total Accumulated Amortization</b>                  | <b>(2,603,573.56)</b>   | <b>-</b>           | <b>-</b>                           | <b>-</b>                               | <b>1,977,660.83</b>                   | <b>-</b>               | <b>25,819.20</b>      | <b>(600,093.53)</b>    |
| <b>Amortizable Assets, Net</b>                         | <b>-</b>                | <b>-</b>           | <b>-</b>                           | <b>-</b>                               | <b>-</b>                              | <b>-</b>               | <b>-</b>              | <b>-</b>               |
| <b>Governmental Activities Capital Assets, Net</b>     | <b>187,289,557.76</b>   | <b>(53,539.60)</b> | <b>-</b>                           | <b>2,450,538.71</b>                    | <b>(113,832,817.12)</b>               | <b>(10,580,902.99)</b> | <b>(482,661.59)</b>   | <b>84,690,145.17</b>   |

A summary of changes in Capital Assets for the year ended August 31, 2017, is presented above: The adjustment column has a prior period adjustment of \$(53,539.60) resulting from a consolidation correction.



**NOTE 3: Deposits, Investments & Repurchase Agreements**

The Department of State Health Services has the authority to make investments for patient or client funds and for benefit funds according to the Health and Safety Code, Chapter 551. There were no significant violations of legal provisions during the period.

Deposits of Cash in Bank

As of August 31, 2017, the carrying amount of deposits was \$1,076,118.26 as presented below.

|   |               |
|---|---------------|
| <b>Governmental Activities – Fund Type 01</b>   |               |
| Cash in Bank – Carrying Value   | \$ 373,325.00 |
| Cash in Bank per AFR  | \$ 373,325.00 |
| <b>Fiduciary Funds – Fund Types 09 and 20</b>   |               |
| Cash in Bank – Carrying Value   | \$702,793.26  |
| Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent | 521,500.00    |
| Cash in Bank per AFR  | \$181,293.26  |

These amounts consist of all cash in local banks and a portion of short-term investments in the form of non-negotiable Certificates of Deposits with a maturity period between one hundred eighty days and thirty six months. These amounts are included on the Combined Statement of Net Assets as part of the "Cash and Cash Equivalents" account.

The agency has a deposit policy for custodial credit risk. Only deposits to a federally insured bank in the State of Texas, or investments in federal bonds or obligations, or bonds or obligations for which the faith and credit of the United States are pledged are authorized.

Investments

As of August 31, 2017, the fair value of investments is as presented below.

|   |               |
|---|---------------|
| <b>Fiduciary Funds – Fund Types 09 and 20</b>           |               |
| Repurchase Agreements (Texas Safekeeping Trust Company) | \$ 907,902.18 |
| Investments per Exhibits                                | \$ 907,902.18 |

The agency has an investment policy for custodial credit risk. Only investments with a federally insured bank in the State of Texas, or investments in federal bonds or obligations, or bonds or obligations for which the faith and credit of the United States are pledged are authorized. The Repurchase Agreements held in the Texas Safekeeping Trust Company are categorized as Triple AAA securities.

**NOTE 4: Short Term Debt**

This note is not applicable to the Department of State Health Services.

**NOTE 5: Long Term Liabilities**

Changes in Long-Term Liabilities

During the year ended August 31, 2017, the following changes occurred in liabilities.

| Governmental Activities              | Balance<br>9/01/16      | Additions            | Reductions           | Exhibit I<br>Balance<br>8/31/17 | Exhibit I<br>Amounts<br>Due Within<br>One Year |
|--------------------------------------|-------------------------|----------------------|----------------------|---------------------------------|--|
| Compensable Leave                    | \$ 47,385,363.94        | 64,990,568.21        | 65,973,814.48        | \$ 46,402,117.73                | \$ 28,569,673.25                               |
| <b>Total Governmental Activities</b> | <b>\$ 47,385,363.94</b> | <b>64,990,568.27</b> | <b>65,973,814.48</b> | <b>\$ 46,402,117.73</b>         | <b>\$ 28,569,673.25</b>                        |

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 fund types 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**

This note is not applicable to the Department of State Health Services.

**NOTE 7: Derivatives**

This note is not applicable to the Department of State Health Services.

**NOTE 8: Leases**

**Capital Leases**

The Department of State Health Services does not have any capital leases.

**Operating Leases**

Included in the expenditures report in the financial statements are the following amounts of rent paid or due under operating leases:

| Fund Type             | Amount                 |
|-----------------------|------------------------|
| General Revenue (01)  | \$ 13,451,756.00       |
| Capital Projects (04) | 580.00                 |
| <b>Total, Exh II</b>  | <b>\$13,452,336.00</b> |

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

| Year Ended August 31,                             |                        |
|---|------------------------|
| 2018  | \$ 3,813,053.94        |
| 2019  | 3,075,974.63           |
| 2020  | 469,880.53             |
| 2021  | 51,275.82              |
| 2022-2026   | 10,505.58              |
| 2027-2031   | 0.00                   |
| <b>Total Minimum Future Lease Rental Payments</b> | <b>\$ 7,420,690.50</b> |

**NOTE 9: Pension Plans**

This note is not applicable to the Department of State Health Services.

**NOTE 10: Deferred Compensation**

This note is not applicable to the Department of State Health Services.

**NOTE 11: Post Employment Health Care and Life Insurance Benefits**

This note is not applicable to the Department of State Health Services.

**NOTE 12: Interfund Activities and Transactions**

The Department of State Health Services experienced routine transfers with other state agencies, which were consistent with the activities of the fund making the transfer.

Individual balances and activity at August 31, 2017 follows:

|                                    | Legislative Transfers In | Legislative Transfers Out | Purpose                |
|------------------------------------|--------------------------|---------------------------|------------------------|
| <b>GENERAL (01)</b>                |                          |                           |                        |
| Appd Fund 0001, D23 Fund 0001      |                          |                           |                        |
| Agency 364, D23 Fund 0001          |                          | 11,846.00                 | Benefit Appropriations |
| Agency 529, D23 Fund 0001          | 368,899.00               | 853,771,476.51            | Benefit Appropriations |
| Agency 537, D23 Fund 0001          |                          | 1,362,273.84              | Benefit Appropriations |
| Subtotal – General Fund (01)       | 368,899.00               | 855,145,596.35            |                        |
| <b>CAPITAL PROJECTS (04)</b>       |                          |                           |                        |
| Appd Fund 3046, D23 Fund 3001      |                          |                           |                        |
| Agency 537, D23 Fund 3001          | 1,362,273.84             |                           | Benefit Appropriations |
| <b>Total Legislative Transfers</b> | <b>\$ 1,731,172.84</b>   | <b>\$ 855,145,596.35</b>  |                        |

|   | Interfund Receivable | Interfund Payable    | Purpose          |
|---|----------------------|----------------------|------------------|
| <b>CAPITAL PROJECTS (04)</b>                        |                      |                      |                  |
| Current Portion<br>Appd Fund 3046, D23 Fund 3001    |                      | 23,506.72            | LoanStar Program |
| NonCurrent Portion<br>Appd Fund 3046, D23 Fund 3001 |                      | 145,068.42           | LoanStar Program |
| <b>Subtotal – Capital Projects (04)</b>             |                      | <b>\$ 168,575.14</b> |                  |

The detailed State Grant Pass Through information is listed on Schedule 1B – Schedule of State Grant Pass through From/To State Agencies.

Details of Due from Other Agencies, Due to Other Agencies, Transfers In and Transfers Out can be found in the appropriate DAFR8910 report obtained from USAS.

**NOTE 13: Continuance Subject to Review**

Under SB200 of the Texas Government Code, the Department of State Health Services will be abolished effective September 1, 2023, unless continued in existence by new legislation. The Sunset Advisory Commission shall conduct a limited-scope review of HHSC to provide, evaluation and recommendations the need to continue DSHS as a state agency separate from the commission.

**NOTE 14: Adjustments to Fund Balances / Net Assets**

The adjustment column in Note 2 Capital Assets includes a restated amount of \$(53,539.60).

|  | Capital Assets Adjustments |
|--|----------------------------|
| <b>Net Assets at August 31, 2016</b>               | \$187,289,557.76           |
| Restatement  | (53,539.60)                |
| <b>Net Assets at September 1, 2016 as restated</b> | <b>\$ 187,236,018.16</b>   |

**NOTE 15: Contingencies and Commitments**

**Unpaid Claims and Lawsuits**

As of August 31, 2017, certain unpaid claims and lawsuits were pending against the Department. The unpaid claims and lawsuits for FY17, which may present contingent liability are referenced below:

| Claimant/Plaintiff       | Defendant | Type of Claim/Litigation | Damages Sought  | Probability of Liability | Possible Loss | Description of Case  |
|--------------------------|-----------|--------------------------|---|--------------------------|---------------|--|
| Castillo, Jesus          | DSHS      | Tort Claim               | Unknown   | Unknown                  | Unknown       | Vehicle Accident   |
| Garcia, Edgar            | DSHS/EPC  | Employment Lawsuit       | \$200,000.00 but not more than \$1,000,000.00 and nonmonetary relief            | Unknown                  | Unknown       | Wrongful Termination   |
| Gebhardt-Brown, Julie    | DSHS/BSH  | Employment Lawsuit       | \$300,000.00 plus attorney's fees and expenses                                  | Unknown                  | Unknown       | Accommodations, Discrimination, Retaliating and Breach of Contract |
| Gonzales, Teresita       | DSHS      | Tort Claim               | Unknown   | Unknown                  | Unknown       | Vehicle Accident   |
| Moncada, Health Alan     | DSHS/BSH  | Tort Lawsuit             | Unknown   | Unknown                  | Unknown       | Vehicle Accident   |
| Mora, Gean               | DSHS      | Tort Claim               | Unknown   | Unknown                  | Unknown       | Vehicle Accident   |
| Preston, Katie           | DSHS      | Employment Lawsuit       | \$200,000.00 but not more than \$1,000,000.00 plus attorney's fees and expenses | Unknown                  | Unknown       | Discrimination and Retaliation                                     |
| Prince, Brenda           | DSHS/NTSH | Tort Claim               | Unknown   | Unknown                  | Unknown       | Vehicle Accident   |
| Resendiz, Gustavo        | DSHS/EPC  | Employment Lawsuit       | \$200,000.00 but not more than \$1,000,000.00 and nonmonetary relief            | Unknown                  | Unknown       | Discrimination and Harassment                                      |
| Schindeler-Trachta, D.O. | DSHS/ASH  | Employment Lawsuit       | Unknown   | Unknown                  | Unknown       | Retaliation  |

The probability of an unfavorable outcome and the range of potential loss to the agency related to these cases are indeterminable because:

- (1) The cases are pending in either state or federal court wherein it is impossible to accurately predict the damages that a judge or jury may or may not award;

- (2) Even if the foregoing information were known, it is unwise, should this report be subject to the Texas Public Information Act, to divulge liabilities or weaknesses in these cases and allow the plaintiffs to exploit this report and obtain an unfair advantage in the pending litigation; and
- (3) Some of this information may be privileged under the attorney-client provisions of the State Bar Code of Ethics on client communications and, if disclosed, may be subject to ethical sanctions.

**NOTE 16: Subsequent Events**

This note is not applicable to the Department of State Health Services.

**NOTE 17: Risk Management**

The Department of State Health Services is exposed to a variety of civil claims resulting from the performance of its duties. It is the agency's policy to periodically assess the proper combination of commercial insurance and retention of risk to cover losses to which it may be exposed.

The Department of State Health Services assumes substantially all risks associated with tort claims and liability claims due to the performance of its duties. Currently there is no purchase of commercial insurance, nor is the agency involved in any risk pools with other government entities.

The Department of State Health Services' liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities are re-evaluated periodically to consider current settlements, frequency of claims, past experience and economic factors.

In fiscal year 2017, the Department of State Health Services reported Court expenditures and other legal fees, under the Claims and Judgement category per the Comptroller's requirements. The table below represents a roll-forward schedule for these liability claims.

|      | Beginning Balance | Increases     | Decreases    | Ending Balance |
|------|-------------------|---------------|--------------|----------------|
| 2017 | \$0.00            | \$ 251,705.85 | \$251,705.85 | \$ 0.00        |

**NOTE 18: Management Discussion and Analysis**

The Department of State Health Services' (DSHS) mission is to improve the health and well-being of Texas. In this capacity, DSHS is responsible for addressing a broad range of health issues that face Texans, either in a leadership or support role. These health challenges include mental illness, substance abuse, chronic disease, infectious disease, emergency response, food safety, children's health and access to health care.

**NOTE 19: The Financial Reporting Entity**

This note is not applicable to the Department of State Health Services.

**NOTE 20: Stewardship, Compliance, & Accountability**

This note is not applicable to the Department of State Health Services.

**NOTE 21: Not Applicable to the AFR**

This note is not applicable to the Department of State Health Services

**NOTE 22: Donor-Restricted Endowments**

This note is not applicable to the Department of State Health Services.

**NOTE 23: Extraordinary or Special Items**

This note is not applicable to the Department of State Health Services.

**NOTE 24: Disaggregation of Receivable and Payable Balances**

The Department of State Health Services has three laboratories in Austin, San Antonio and Harlingen. These laboratories provide a variety of services that test and evaluate human and animal specimens as well as environmental samples to insure the health and well-being of individuals in the State of Texas.

The Department of State Health Services also has ten mental health facilities that provide direct care mental health services, plus the Texas Center for Infectious Disease that provides treatment for tuberculosis.

These services incur estimated receivables that are collected from a variety of sources: federal government, state and local government, insurance companies and private individuals.

Net other receivables at August 31, 2017, as reported in the general fund (Exhibit I), are detailed by type as follows:

| Receivables related to:                   | Amount                |
|---|-----------------------|
| Immunization Branch Services              | 1,343,381.24          |
| Laboratory Services                       | 3,602,177.29          |
| <b>Total Net Other Receivables (0270)</b> | <b>\$4,945,558.53</b> |

**NOTE 25: Termination Benefits**

This note is not applicable to the Department of State Health Services.

**NOTE 26: Segment Information**

This note is not applicable to the Department of State Health Services.

**NOTE 27: Service Concession Arrangements**

This note is not applicable to the Department of State Health Services.

**NOTE 28: Deferred Outflows of Resources and Deferred Inflows of Resources**

This note is not applicable to the Department of State Health Services.

**NOTE 29: Troubled Debt Restructuring**

This note is not applicable to the Department of State Health Services.

**NOTE 30: Non-Exchanged Financial Guarantees**

This note is not applicable to the Department of State Health Services.

**NOTE 31: Tax Abatements**

This note is not applicable to the Department of State Health Services.

## NOTE 32: Fund Balance

| GAAP Fund | Fund              | AFR 54 Class  | Citation  | Comments  |
|-----------|-------------------|---------------|---|---|
| 0001      | 0001              | Non-Spendable | GASB 54   | Funds for a specific purpose, Inventory   |
| 0001      | 0001              | Restricted    | Federal CFDA 20.600                                     | Federal Funds, restrictions are externally imposed by federal government agencies.  |
| 0019      | 0019              | Committed     | Texas Health & Safety Code Ann §191.005                 | Funds for a specific purpose, certified copies of birth/death records.  |
| 0036      | 0036              | Committed     | Texas Insurance Code Ann Art 1.31A                      | Funds for a specific purpose, taxes and fees as required by the Texas Insurance Code  |
| 0129      | 0129              | Committed     | Texas Health & Safety Code Ann §241.025                 | Funds for a specific purpose, License fees in the administration and enforcement of the Texas Hospital Licensing Law                  |
| 0273      | 0273              | Restricted    | Texas Health & Safety Code Ann §12.011                  | Funds for a specific purpose, Various grants of Federal money   |
| 0341      | 0341              | Committed     | Texas Health & Safety Code Ann §437.0125(e)             | Funds for a specific purpose, Fees for regulating food service establishments   |
| 0373      | 0373              | Committed     | Texas Health & Safety Code Ann §254.104                 | Funds for a specific purpose, Fees related to the licensing of freestanding emergency medical care facilities                         |
| 0512      | 0512              | Committed     | Texas Health & Safety Code Ann §773.060(b)              | Funds for a specific purpose, Fees under the Emergency Medical Services Act   |
| 0524      | 0524              | Committed     | Texas Health & Safety Code Ann §12.035                  | Funds for a specific purpose, Fees charged to persons who receive public health services.   |
| 0543      | 0543              | Committed     | Texas Government Code Ann §2201.001                     | Funds for a specific purpose, To finance acquisition, construction, repair, improvement, or equipping of a building by a state agency |
| 0802      | 0802<br>-<br>0806 | Committed     | Texas Transportation Code Ann §§504.6012(f)             | Funds for a specific purpose, Specialty license plate fees and related revenue  |
| 5007      | 5007              | Committed     | Texas Health & Safety Code Ann §§771.072(f)             | Funds for a specific purpose, to receive 9-1-1 equalization surcharges  |
| 5009      | 5009              | Committed     | Texas Health & Safety Code Ann §§35.007, 35.008         | Funds for a specific purpose, Receive recovery of costs for services provided to children with special health care needs              |
| 5017      | 5017              | Committed     | Texas Revised Civil Statutes Code Ann Art 4477-3a§12(d) | Funds for a specific purpose, Fees related to asbestos removal licensing.   |
| 5020      | 5020              | Committed     | Texas Health & Safety Code Ann §§505.016,, 506.017      | Funds for a specific purpose. Fees from facility operators for filing tier two forms relating to hazardous chemicals.                 |
| 5021      | 5021              | Committed     | Texas Health & Safety Code Ann §§401.421-401.431        | Funds for a specific purpose, Fees related to certification of a mammography system.  |



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|      |      |            |   |   |
|------|------|------------|---|---|
| 5022 | 5022 | Committed  | Texas Health & Safety Code Ann§§436.103                       | Funds for a specific purpose, Fees and penalties collected from certified shellfish dealers   |
| 5024 | 5024 | Committed  | Texas Health & Safety Code Ann§431.224                        | Funds for a specific purpose, Fees related to licensing and inspection of food manufactures, wholesale distributors and warehouse operators |
| 5044 | 5044 | Committed  | Texas Government Code Ann§403.105                             | Funds for a specific purpose, receipt of money to reduce the use of cigarettes and tobacco products   |
| 5045 | 5045 | Committed  | Texas Government Code Ann§403.1055                            | Funds for a specific purpose, receipt of money to improve health outcomes for children and the specific public health                       |
| 5046 | 5046 | Committed  | Texas Government Code Ann§403.106                             | Funds for a specific purpose, receipt of money to provide emergency medical services and trauma care  |
| 5049 | 5049 | Committed  | Texas Government Code Ann§466.408                             | Funds for a specific purpose, receipt of unclaimed lottery prize money  |
| 5096 | 5096 | Committed  | Texas Health & Safety Code Ann§401.003(11), 401.109           | Funds for a specific purpose, Fees collected relating to radioactive waste and nuclear reactor facilities fees                              |
| 5108 | 5108 | Committed  | Texas Health & Safety Code Ann§773.006                        | Funds for a specific purpose, Court cost fees on intoxication convictions   |
| 5111 | 5111 | Committed  | Texas Health & Safety Code Ann§780.003                        | Funds for a specific purpose, Court cost fees for designated trauma facilities, county and regional emergency medical services              |
| 5125 | 5125 | Committed  | Texas Health & Safety Code Ann§§192.0021, 194.005             | Fund for a specific purpose, Fee for heirloom birth and wedding anniversary certificates  |
| 7639 | 7639 | Committed  | Texas Const.Art.III §49h; Texas Government Code Ann. Ch. 1232 | Funds for a specific purpose, proceeds from the sale of bonds funded by commercial paper  |
| 3046 | 3001 | Restricted | GASB 54   | Funds for a specific purpose, Funds are for construction projects at various state mental hospitals   |



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Combining and Individual Fund  
Financial Statements

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Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2017

|  | <u>Consolidated Accounts</u>   |                               |                                |                                   |
|--|--------------------------------|-------------------------------|--------------------------------|-----------------------------------|
|  | General Revenue<br>Fund (0001) | Vital Statistics<br>Fund 0019 | Insurance Board<br>Fund (0036) | Hospital Licensing<br>Fund (0129) |
|  | (0005) (0369)<br>(9001)        | U/F (0019)                    | U/F (0036)                     | U/F (0129)                        |
|  | <u>U/F (0001)</u>              | <u>U/F (0019)</u>             | <u>U/F (0036)</u>              | <u>U/F (0129)</u>                 |
| <b>ASSETS</b>                              |                                |                               |                                |                                   |
| Current Assets:                            |                                |                               |                                |                                   |
| Cash and Cash Equivalents                  |                                |                               |                                |                                   |
| Cash on Hand                               | \$ 49,465.30                   |                               |                                |                                   |
| Cash in Bank                               | 120,025.00                     |                               |                                |                                   |
| Cash in State Treasury                     | (76,364.23)                    | 23,468,162.94                 |                                | 18,752,770.32                     |
| Legislative Appropriations                 | 107,206,479.29                 |                               |                                |                                   |
| Receivables from:                          |                                |                               |                                |                                   |
| Accounts                                   | 4,945,558.53                   |                               |                                |                                   |
| Federal                                    | 90,303.56                      |                               |                                |                                   |
| Interfund Receivable                       | -                              |                               |                                |                                   |
| Due From Other Agencies                    | -                              |                               | 259,216.15                     |                                   |
| Consumable Inventories                     | 86,791,266.60                  |                               |                                |                                   |
| Merchandise Inventories                    | 18,900.61                      |                               |                                |                                   |
| <b>Total Current Assets</b>                | <u>199,145,634.66</u>          | <u>23,468,162.94</u>          | <u>259,216.15</u>              | <u>18,752,770.32</u>              |
| <b>LIABILITIES AND FUND BALANCES</b>       |                                |                               |                                |                                   |
| Current Liabilities:                       |                                |                               |                                |                                   |
| Payables from:                             |                                |                               |                                |                                   |
| Accounts                                   | 106,546.65                     |                               |                                |                                   |
| Payroll                                    | 39,135,924.49                  | 333,463.18                    | 259,216.15                     | 105,172.62                        |
| Interfund Payable                          | -                              |                               |                                |                                   |
| Due To Other Agencies                      | 394,678.34                     |                               |                                |                                   |
| Deferred Revenues                          | -                              |                               |                                |                                   |
| <b>Total Current Liabilities</b>           | <u>39,637,149.48</u>           | <u>333,463.18</u>             | <u>259,216.15</u>              | <u>105,172.62</u>                 |
| Fund Balances (Deficits):                  |                                |                               |                                |                                   |
| Nonspendable                               | 86,810,167.21                  |                               |                                |                                   |
| Restricted                                 | 90,303.56                      |                               |                                |                                   |
| Committed                                  | -                              | 23,134,699.76                 | -                              | 18,647,597.70                     |
| Assigned                                   | -                              |                               |                                |                                   |
| Unassigned                                 | 72,608,014.41                  |                               |                                |                                   |
| <b>Total Fund Balances</b>                 | <u>159,508,485.18</u>          | <u>23,134,699.76</u>          | <u>-</u>                       | <u>18,647,597.70</u>              |
| <b>Total Liabilities and Fund Balances</b> | <u>\$ 199,145,634.66</u>       | <u>\$ 23,468,162.94</u>       | <u>\$ 259,216.15</u>           | <u>\$ 18,752,770.32</u>           |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Consolidated Accounts

| <u>Federal Health<br/>Fund (0273)<br/>U/F (0273)</u> | <u>Food Service<br/>Establishment<br/>Fund (0341)<br/>U/F (0341)</u> | <u>Emergency<br/>Medical Care<br/>License<br/>Fund (0373)<br/>U/F (0373)</u> | <u>Emergency<br/>Medical Services<br/>Fund (0512)<br/>U/F (0512)</u> | <u>Public Health<br/>Services<br/>Fund (0524)<br/>U/F (0524)</u> | <u>Capital Trust<br/>Fund (0543)<br/>U/F (0543)</u> | <u>License Plate<br/>Trust<br/>Fund (0802)<br/>(0803-0806)<br/>U/F (0802)</u> |
|--|--|--|--|--|---|---|
| 1,580.00   |  |  |  |  |   |   |
| 253,300.00   |  |  |  |  |   |   |
| 47,487,550.67  | 14,453,502.28  | 6,405,841.60   | 6,184,298.98   | 8,628,167.29   |   |   |
| 3,536,628.24   |  |  |  |  |   |   |
|  |  |  |  |  |   | 1,045,707.23  |
| <u>51,279,058.91</u>                                 | <u>14,453,502.28</u>   | <u>6,405,841.60</u>  | <u>6,184,298.98</u>  | <u>8,628,167.29</u>  | <u>-</u>  | <u>1,045,707.23</u>   |
| 35,932,525.35  |  |  |  |  |   |   |
| 4,831,910.95   | 121,049.40   |  | 177,278.52   | 539,694.31   |   |   |
| 1,834,696.44   |  |  |  |  |   |   |
| <u>42,599,132.74</u>                                 | <u>121,049.40</u>  | <u>-</u>   | <u>177,278.52</u>  | <u>539,694.31</u>  | <u>-</u>  | <u>-</u>  |
| 8,425,046.17   |  |  |  |  |   |   |
| 254,880.00   | 14,332,452.88  | 6,405,841.60   | 6,007,020.46   | 8,088,472.98   |   | 1,045,707.23  |
| <u>8,679,926.17</u>                                  | <u>14,332,452.88</u>   | <u>6,405,841.60</u>  | <u>6,007,020.46</u>  | <u>8,088,472.98</u>  | <u>-</u>  | <u>1,045,707.23</u>   |
| <u>\$ 51,279,058.91</u>                              | <u>\$ 14,453,502.28</u>  | <u>\$ 6,405,841.60</u>   | <u>\$ 6,184,298.98</u>   | <u>\$ 8,628,167.29</u>   | <u>\$ -</u>   | <u>\$ 1,045,707.23</u>  |

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2017

| Consolidated Accounts                      |   |  |  |  |  |
|--|---|--|--|--|--|
|  | Emergency<br>Communications<br>Fund (5007)<br><u>U/F (5007)</u> | Children with<br>Special Needs<br>Fund (5009)<br><u>U/F (5009)</u> | Asbestos<br>Removal<br>Licensure<br>Fund (5017)<br><u>U/F (5017)</u> | Workplace<br>Chemical List<br>Fund (5020)<br><u>U/F (5020)</u> | Certification of<br>Mammography<br>Systems<br>Fund (5021)<br><u>U/F (5021)</u> |
| <b>ASSETS</b>                              |   |  |  |  |  |
| Current Assets:                            |   |  |  |  |  |
| Cash and Cash Equivalents                  |   |  |  |  |  |
| Cash on Hand                               |   |  |  |  |  |
| Cash in Bank                               |   |  |  |  |  |
| Cash in State Treasury                     |   |  |  |  |  |
|  |   | 390,574.53   | 27,340,816.78  | -  | 4,234,977.19   |
| Legislative Appropriations                 |   |  |  |  |  |
| Receivables from:                          |   |  |  |  |  |
| Accounts                                   |   |  |  |  |  |
| Federal                                    |   |  |  |  |  |
| Interfund Receivable                       |   |  |  |  |  |
| Due From Other Agencies                    |   |  |  |  |  |
| Consumable Inventories                     |   |  |  |  |  |
| Merchandise Inventories                    |   |  |  |  |  |
| <b>Total Current Assets</b>                |   |  |  |  |  |
|  | -   | <u>390,574.53</u>  | <u>27,340,816.78</u>   | -  | <u>4,234,977.19</u>  |
| <b>LIABILITIES AND FUND BALANCES</b>       |   |  |  |  |  |
| Current Liabilities:                       |   |  |  |  |  |
| Payables from:                             |   |  |  |  |  |
| Accounts                                   |   |  |  |  |  |
|  | 6,919.42  |  | 266,972.49   | -  | 63,250.97  |
| Payroll                                    |   |  |  |  |  |
| Interfund Payable                          |   |  |  |  |  |
| Due To Other Agencies                      |   |  |  |  |  |
| Deferred Revenues                          |   |  |  |  |  |
| <b>Total Current Liabilities</b>           |   |  |  |  |  |
|  | <u>6,919.42</u>   | -  | <u>266,972.49</u>  | -  | <u>63,250.97</u>   |
| Fund Balances (Deficits):                  |   |  |  |  |  |
| Nonspendable                               |   |  |  |  |  |
| Restricted                                 |   |  |  |  |  |
|  | -   | 390,574.53   | 27,073,844.29  | -  | 4,171,726.22   |
| Committed                                  |   |  |  |  |  |
| Assigned                                   |   |  |  |  |  |
| Unassigned                                 |   |  |  |  |  |
|  | <u>(6,919.42)</u>   |  |  |  |  |
| <b>Total Fund Balances</b>                 |   |  |  |  |  |
|  | <u>(6,919.42)</u>   | <u>390,574.53</u>  | <u>27,073,844.29</u>   | -  | <u>4,171,726.22</u>  |
| <b>Total Liabilities and Fund Balances</b> |   |  |  |  |  |
|  | <u>\$ -</u>   | <u>\$ 390,574.53</u>   | <u>\$ 27,340,816.78</u>  | <u>\$ -</u>  | <u>\$ 4,234,977.19</u>   |

The accompanying *Notes to the Financial Statements* are an integral part of this statement.

UNAUDITED

Consolidated Accounts

| Oyster Sales<br>Fund (5022)<br>U/F (5022) | Food and Drug<br>Registration<br>Fund (5024)<br>U/F (5024) | Tobacco<br>Education and<br>Enforcement<br>Fund (5044)<br>U/F (5044) | Children and<br>Public Health<br>Fund (5045)<br>U/F (5045) | EMS and<br>Trauma Care<br>Fund (5046)<br>U/F (5046) |
|---|--|--|--|---|
| 569,951.27                                | 36,805,031.30  | 133,546.06   | 177,794.53   | 796,877.55  |
| 30.00                                     |  |  |  |   |
| <u>569,981.27</u>                         | <u>36,805,031.30</u>                                       | <u>133,546.06</u>  | <u>177,794.53</u>  | <u>796,877.55</u>                                   |
| -   | 474,247.43   | 32,082.85  | 10,614.98  | 60,917.45   |
| 10,053.10                                 |  | 272,202.74   |  | -   |
| <u>10,053.10</u>                          | <u>474,247.43</u>  | <u>304,285.59</u>  | <u>10,614.98</u>   | <u>60,917.45</u>                                    |
| 559,928.17                                | 36,330,783.87  | -  | 167,179.55   | 735,960.10  |
| <u>559,928.17</u>                         | <u>36,330,783.87</u>                                       | <u>(170,739.53)</u>  | <u>167,179.55</u>  | <u>735,960.10</u>                                   |
| <u>\$ 569,981.27</u>                      | <u>\$ 36,805,031.30</u>                                    | <u>\$ 133,546.06</u>   | <u>\$ 177,794.53</u>                                       | <u>\$ 796,877.55</u>                                |

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2017

| <u>Consolidated Accounts</u>         |   |  |   |   |
|--------------------------------------|---|--|---|---|
|                                      | <u>State Owned<br/>Teaching Hospital<br/>Fund (5049)<br/>U/F (5049)</u> | <u>Perpetual Care<br/>Fund (5096)<br/>U/F (5096)</u> | <u>Trauma System<br/>Fund (5108)<br/>U/F (5108)</u> | <u>EMS/Trauma<br/>Facility<br/>Fund (5111)<br/>U/F (5111)</u> |
| <b>ASSETS</b>                        |   |  |   |   |
| Current Assets:                      |   |  |   |   |
| Cash and Cash Equivalents            |   |  |   |   |
| Cash on Hand                         |   |  |   |   |
| Cash in Bank                         |   |  |   |   |
| Cash in State Treasury               |   |  |   |   |
|                                      | 5,366,898.86  |  | 20,197,047.41                                       | 13,247,250.97   |
| Legislative Appropriations           |   |  |   |   |
| Receivables from:                    |   |  |   |   |
| Accounts                             |   |  |   |   |
| Federal                              |   |  |   |   |
| Interfund Receivable                 |   |  |   |   |
| Due From Other Agencies              |   |  |   |   |
| Consumable Inventories               |   |  |   |   |
| Merchandise Inventories              |   |  |   |   |
| Total Current Assets                 |   |  |   |   |
|                                      | <u>5,366,898.86</u>   | <u>-</u>   | <u>20,197,047.41</u>                                | <u>13,247,250.97</u>  |
| <b>LIABILITIES AND FUND BALANCES</b> |   |  |   |   |
| Current Liabilities:                 |   |  |   |   |
| Payables from:                       |   |  |   |   |
| Accounts                             |   |  |   |   |
| Payroll                              |   |  |   |   |
|                                      |   |  | 6,214.84  | 35,514.84   |
| Interfund Payable                    |   |  |   |   |
| Due To Other Agencies                |   |  |   |   |
| Deferred Revenues                    |   |  |   |   |
| Total Current Liabilities            |   |  |   |   |
|                                      | <u>-</u>  | <u>-</u>   | <u>6,214.84</u>                                     | <u>35,514.84</u>  |
| Fund Balances (Deficits):            |   |  |   |   |
| Nonspendable                         |   |  |   |   |
| Restricted                           |   |  |   |   |
| Committed                            |   |  |   |   |
|                                      | 5,366,898.86  | -  | 20,190,832.57                                       | 13,211,736.13   |
| Assigned                             |   |  |   |   |
| Unassigned                           |   |  |   |   |
| Total Fund Balances                  |   |  |   |   |
|                                      | <u>5,366,898.86</u>   | <u>-</u>   | <u>20,190,832.57</u>                                | <u>13,211,736.13</u>  |
| Total Liabilities and Fund Balances  |   |  |   |   |
|                                      | <u>\$ 5,366,898.86</u>  | <u>\$ -</u>  | <u>\$ 20,197,047.41</u>                             | <u>\$ 13,247,250.97</u>                                       |

The accompanying *Notes to the Financial Statements* are an integral part of this statement.



Consolidated Accounts

| <u>Childhood<br/>Immunization<br/>Fund (5125)<br/>U/F (5125)</u> | <u>TPFA Cancer<br/>Project<br/>Fund (7639)<br/>U/F (7639)</u> | <u>Totals<br/>Exh - I</u> |
|--|---|---------------------------|
|  |   | \$ 51,045.30              |
|  |   | 373,325.00                |
| 145,767.42   |   | 234,710,463.72            |
|  |   | 107,206,479.29            |
|  |   | 4,945,558.53              |
|  |   | 3,626,931.80              |
|  | 164,060.33  | 1,469,013.71              |
|  |   | 86,791,266.60             |
|  |   | 18,900.61                 |
| <u>145,767.42</u>  | <u>164,060.33</u>   | <u>439,192,984.56</u>     |
|  |   | 36,039,072.00             |
|  | 164,060.33  | 46,624,505.22             |
|  |   | 2,511,630.62              |
|  | <u>164,060.33</u>   | <u>85,175,207.84</u>      |
|  |   | 86,810,167.21             |
| 145,767.42   |   | 8,515,349.73              |
|  |   | 186,261,904.32            |
|  |   | 72,430,355.46             |
| <u>145,767.42</u>  | <u>-</u>  | <u>354,017,776.72</u>     |
| <u>\$ 145,767.42</u>   | <u>\$ 164,060.33</u>  | <u>\$ 439,192,984.56</u>  |

## UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2017

|   | Consolidated Accounts              |                                 |                                   |                                      |
|---|------------------------------------|---------------------------------|-----------------------------------|--------------------------------------|
|   | General Revenue<br>Fund (0001)     | Vital Statistics<br>Fund (0019) | Insurance<br>Board<br>Fund (0036) | Hospital<br>Licensing<br>Fund (0129) |
|   | (0005) (0369) (9001)<br>U/F (0001) | U/F (0019)                      | U/F (0036)                        | U/F (0129)                           |
| <b>REVENUES</b>                                   |                                    |                                 |                                   |                                      |
| Legislative Appropriations:                       |                                    |                                 |                                   |                                      |
| Original Appropriations                           | \$ 1,357,481,876.26                |                                 |                                   |                                      |
| Additional Appropriations                         | 148,380,518.91                     |                                 |                                   |                                      |
| Federal Revenue                                   | 27,975,828.15                      |                                 |                                   |                                      |
| Federal Pass-Through Revenue                      | 37,395,942.76                      |                                 |                                   |                                      |
| State Pass-Through Revenue                        | 931,308.01                         |                                 |                                   |                                      |
| Other Operating Grant Revenue                     |                                    |                                 |                                   |                                      |
| Licenses, Fees & Permits                          | 3,016,659.46                       | 9,208,469.13                    |                                   | 2,799,835.38                         |
| Investment Income                                 | 489,836.60                         |                                 |                                   |                                      |
| Land Income                                       |                                    |                                 |                                   |                                      |
| Sales of Goods and Services                       | 104,225,437.18                     |                                 |                                   |                                      |
| Other General Revenues                            | 114,105,548.83                     | 8,842,642.38                    |                                   |                                      |
| <b>Total Revenues</b>                             | <u>1,794,002,956.16</u>            | <u>18,051,111.51</u>            | -                                 | <u>2,799,835.38</u>                  |
| <b>EXPENDITURES</b>                               |                                    |                                 |                                   |                                      |
| Salaries and Wages                                | 429,749,663.99                     | 2,758,079.65                    | 2,189,397.79                      | 930,611.65                           |
| Payroll Related Costs                             | 150,373,649.60                     | 829,792.17                      | 803,599.05                        | 310,502.46                           |
| Professional Fees and Services                    | 76,646,258.10                      | 1,742,018.46                    | 25,973.89                         | 4,232.12                             |
| Travel  | 4,635,688.13                       |                                 | 83,279.67                         | 94,250.09                            |
| Materials and Supplies                            | 132,090,556.23                     | 2,234,528.48                    | 3,920,867.98                      | 46,741.38                            |
| Communication and Utilities                       | 12,805,469.73                      | 46,748.70                       | 29,150.93                         | 1,188.16                             |
| Repairs and Maintenance                           | 12,062,827.58                      | 66,969.32                       | 11,065.26                         | 118.50                               |
| Rentals and Leases                                | 11,652,091.64                      | 52,924.86                       | 24,419.15                         | 5,819.68                             |
| Printing and Reproduction                         | 749,885.94                         |                                 | 1,230.88                          |                                      |
| Claims and Judgments                              | 236,705.85                         |                                 |                                   |                                      |
| Federal Pass-Through Expenditures                 | (53.81)                            |                                 |                                   |                                      |
| State Pass-Through Expenditures                   | 5,493,987.89                       |                                 |                                   |                                      |
| Intergovernmental Payments                        | 44,535,460.54                      |                                 |                                   |                                      |
| Public Assistance Payments                        | 45,884,452.03                      |                                 |                                   |                                      |
| Interest Expense - Other                          | (724.85)                           |                                 |                                   |                                      |
| Other Expenditures                                | 83,532,854.05                      | 7,889,723.90                    | 777,655.60                        | 406,908.28                           |
| Capital Outlay                                    | 3,957,027.51                       |                                 |                                   |                                      |
| <b>Total Expenditures</b>                         | <u>1,014,405,800.15</u>            | <u>15,620,785.54</u>            | <u>7,866,640.20</u>               | <u>1,800,372.32</u>                  |
| Excess (Deficiency) of Revenues over Expenditures | <u>779,597,156.01</u>              | <u>2,430,325.97</u>             | <u>(7,866,640.20)</u>             | <u>999,463.06</u>                    |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                                    |                                 |                                   |                                      |
| Sale of Capital Assets                            | 105,782.99                         |                                 |                                   |                                      |
| Transfer In                                       | 314,125,204.45                     |                                 | 7,866,640.20                      |                                      |
| Transfer Out                                      | (364,717,193.17)                   |                                 |                                   |                                      |
| Legislative Transfer In                           | 368,899.00                         |                                 |                                   |                                      |
| Legislative Transfer Out                          | (855,145,596.35)                   |                                 |                                   |                                      |
| <b>Total Other Financing Sources (Uses)</b>       | <u>(905,262,903.08)</u>            | -                               | <u>7,866,640.20</u>               | -                                    |
| <b>Net Change in Fund Balances</b>                | <u>(125,665,747.07)</u>            | <u>2,430,325.97</u>             | -                                 | <u>999,463.06</u>                    |
| <b>Fund Financial Statement - Fund Balances</b>   |                                    |                                 |                                   |                                      |
| Fund Balances, September 1, 2016                  | 293,279,448.86                     | 20,704,373.79                   | -                                 | 17,648,134.64                        |
| Appropriations Lapsed                             | (8,105,216.61)                     |                                 |                                   |                                      |
| <b>Fund Balances, August 31, 2017</b>             | <u>\$ 159,508,485.18</u>           | <u>\$ 23,134,699.76</u>         | <u>\$ -</u>                       | <u>\$ 18,647,597.70</u>              |

The accompanying *Notes to the Financial Statements* are an integral part of this statement.

UNAUDITED

Consolidated Accounts

| <u>Federal Health<br/>Fund (0273)</u><br>U/F (0273) | <u>Food Service<br/>Establishment<br/>Fund (0341)</u><br>U/F (0341) | <u>Emergency<br/>Medical Care<br/>License Fund (0373)</u><br>U/F (0373) | <u>Emergency<br/>Medical Services<br/>Fund (0512)</u><br>U/F (0512) | <u>Public Health<br/>Services<br/>Fund (0524)</u><br>U/F (0524) | <u>Capital Trust<br/>Fund (0543)</u><br>U/F (0543) | <u>License Plate<br/>Fund (0802)<br/>(0803-0806)</u><br>U/F (0802) |
|---|---|---|---|---|--|--|
| 839,712,259.10                                      |   |   |   |   |  |  |
| 432,733.03  |   |   |   | 3,039.21  |  |  |
|   |   |   |   | 205.91  |  |  |
| 48,315.22   | 2,743,031.27  | 1,153,230.00  | 2,460,096.00  | 22,142,140.70   |  | 253,868.03   |
| 50,222.50   |   |   |   |   |  | 10,861.05  |
|   |   |   |   |   | 56,201.66  |  |
| 189,755,645.51                                      |   |   |   | 90,064.24   |  |  |
| <u>1,029,999,175.36</u>                             | <u>2,743,031.27</u>   | <u>1,153,230.00</u>   | <u>2,460,096.00</u>   | <u>22,235,450.06</u>  | <u>56,201.66</u>                                   | <u>264,729.08</u>  |
| 45,220,133.17                                       | 1,037,570.02  | -   | 1,590,199.77  | 4,548,922.71  |  |  |
| 20,253,451.14                                       | 314,899.01  | -   | 450,958.13  | 1,980,860.29  |  | 42,828.70  |
| 34,628,275.93                                       | 6,443.36  |   | 6,312.00  | 457,466.24  |  | 185,680.79   |
| 2,346,983.82  | 139,149.70  |   | 81,900.33   | 3,492.84  |  |  |
| 91,708,147.33                                       | 20,531.39   |   | 41,073.84   | 4,320,817.28  |  |  |
| 2,361,074.87  | 2,154.04  |   | 10,011.45   | 8,274.85  |  |  |
| 4,742,549.77  | 5,977.24  |   | 12.00   | 834,714.50  |  |  |
| 1,452,091.16  | 2,032.04  |   | 10,981.52   | 98,541.70   |  |  |
| 2,854,948.24  | 296.45  |   | 4,240.15  |   |  |  |
| 15,000.00   |   |   |   |   |  |  |
| 123,920,412.88                                      |   |   |   |   |  |  |
| 158,288,419.99                                      |   |   |   |   |  |  |
| 551,054,350.30                                      |   |   | 200.00  | 782,246.93  |  |  |
|   |   |   |   |   |  |  |
| 16,084,232.43                                       | 487,085.34  |   | 391,812.82  | 1,184,278.04  |  | 528.00   |
| 1,614,489.61  |   |   |   |   |  |  |
| <u>1,056,544,560.64</u>                             | <u>2,015,938.59</u>   | <u>-</u>  | <u>2,587,702.01</u>   | <u>14,219,615.38</u>  | <u>-</u>   | <u>229,037.49</u>  |
| (26,545,385.28)                                     | 727,092.68  | 1,153,230.00  | (127,606.01)  | 8,015,834.68  | 56,201.66  | 35,691.59  |
| 22,909,019.92                                       |   |   |   | (1,896,399.18)  | (56,201.66)  |  |
|   |   |   |   |   |  |  |
| <u>22,909,019.92</u>                                | <u>-</u>  | <u>-</u>  | <u>-</u>  | <u>(1,896,399.18)</u>   | <u>(56,201.66)</u>                                 | <u>-</u>   |
| (3,636,365.36)                                      | 727,092.68  | 1,153,230.00  | (127,606.01)  | 6,119,435.50  | -  | 35,691.59  |
| 12,316,291.53                                       | 13,605,360.20   | 5,252,611.60  | 6,134,626.47  | 1,969,037.48  |  | 1,010,015.64   |
| <u>\$ 8,679,926.17</u>                              | <u>\$ 14,332,452.88</u>   | <u>\$ 6,405,841.60</u>  | <u>\$ 6,007,020.46</u>  | <u>\$ 8,088,472.98</u>  | <u>\$ -</u>  | <u>\$ 1,045,707.23</u>   |

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2017

|   | Consolidated Accounts                      |   |   |   |   |
|---|--|---|---|---|---|
|   | Emergency<br>Communications<br>Fund (5007) | Children with<br>Special Needs<br>Fund (5009) | Asbestos<br>Removal<br>Licensure<br>Fund (5017) | Workplace<br>Chemical List<br>Fund (5020) | Certification of<br>Mammography<br>Systems<br>Fund (5021) |
|   | U/F (5007)                                 | U/F (5009)                                    | U/F (5017)                                      | U/F (5020)                                | U/F (5021)  |
| <b>REVENUES</b>                                   |  |   |   |   |   |
| Legislative Appropriations:                       |  |   |   |   |   |
| Original Appropriations                           |  |   |   |   |   |
| Additional Appropriations                         |  |   |   |   |   |
| Federal Revenue                                   |  |   |   |   |   |
| Federal Pass-Through Revenue                      |  |   |   |   |   |
| State Pass-Through Revenue                        |  |   |   |   |   |
| Other Operating Grant Revenue                     |  |   |   |   |   |
| Licenses, Fees & Permits                          |  |   | 4,156,014.06                                    | -   | 1,347,157.40  |
| Investment Income                                 |  |   |   |   |   |
| Land Income                                       |  |   |   |   |   |
| Sales of Goods and Services                       |  |   |   |   |   |
| Other General Revenues                            |  |   |   |   |   |
| <b>Total Revenues</b>                             | <b>-</b>                                   | <b>-</b>                                      | <b>4,156,014.06</b>                             | <b>-</b>                                  | <b>1,347,157.40</b>                                       |
| <b>EXPENDITURES</b>                               |  |   |   |   |   |
| Salaries and Wages                                | 51,876.99                                  |   | 2,300,781.43                                    | -   | 561,992.28  |
| Payroll Related Costs                             | 11,234.43                                  |   | 667,707.75                                      | -   | 176,847.54  |
| Professional Fees and Services                    | 61.00                                      |   | 53,256.00                                       | 466.31                                    | 734.00  |
| Travel  | 7,131.99                                   |   | 61,890.00                                       | -   | 48,231.39   |
| Materials and Supplies                            | 4,717.62                                   |   | 92,227.37                                       | -   | 15,848.14   |
| Communication and Utilities                       | 23.92                                      |   | 1,040.64  | 731.64                                    | 24,615.98   |
| Repairs and Maintenance                           | -  |   | 4,352.08  | -   | 17,118.32   |
| Rentals and Leases                                | 249.56                                     |   | 56,943.88                                       | 987.49                                    | 2,486.25  |
| Printing and Reproduction                         | -  |   | 1,740.34  | -   | 206.78  |
| Claims and Judgments                              |  |   |   |   |   |
| Federal Pass-Through Expenditures                 |  |   |   |   |   |
| State Pass-Through Expenditures                   |  |   |   |   |   |
| Intergovernmental Payments                        | 11,356.59                                  |   |   |   |   |
| Public Assistance Payments                        | 1,493,958.52                               |   |   |   |   |
| Interest Expense - Other                          | -  |   |   |   |   |
| Other Expenditures                                | 35,418.00                                  |   | 662,432.62                                      | 134,204.86                                | 200,019.97  |
| Capital Outlay                                    |  |   |   |   | 11,938.00   |
| <b>Total Expenditures</b>                         | <b>1,616,028.62</b>                        | <b>-</b>                                      | <b>3,902,372.11</b>                             | <b>136,390.30</b>                         | <b>1,060,038.65</b>                                       |
| Excess (Deficiency) of Revenues over Expenditures | (1,616,028.62)                             | -   | 253,641.95                                      | (136,390.30)                              | 287,118.75  |
| <b>OTHER FINANCING SOURCES (USES)</b>             |  |   |   |   |   |
| Sale of Capital Assets                            |  |   |   |   |   |
| Transfer In                                       | 1,609,109.20                               |   |   | 136,390.30                                |   |
| Transfer Out                                      | -  |   |   | -   |   |
| Legislative Transfer In                           |  |   |   |   |   |
| Legislative Transfer Out                          |  |   |   |   |   |
| <b>Total Other Financing Sources (Uses)</b>       | <b>1,609,109.20</b>                        | <b>-</b>                                      | <b>-</b>  | <b>136,390.30</b>                         | <b>-</b>  |
| Net Change in Fund Balances                       | (6,919.42)                                 | -   | 253,641.95                                      | -   | 287,118.75  |
| <b>Fund Financial Statement - Fund Balances</b>   |  |   |   |   |   |
| Fund Balances, September 1, 2016                  |  | 390,574.53                                    | 26,820,202.34                                   | -   | 3,884,607.47  |
| Appropriations Lapsed                             |  |   |   |   |   |
| Fund Balances, August 31, 2017                    | <u>\$ (6,919.42)</u>                       | <u>\$ 390,574.53</u>                          | <u>\$ 27,073,844.29</u>                         | <u>\$ -</u>                               | <u>\$ 4,171,726.22</u>                                    |

The accompanying Notes to the Financial Statements are an integral part of this statement.

UNAUDITED

| Consolidated Accounts       |  |   |   |                                       |
|-----------------------------|--|---|---|---------------------------------------|
| Tobacco                     |  |   |   |                                       |
| Oyster Sales<br>Fund (5022) | Food and Drug<br>Registration<br>Fund (5024) | Education and<br>Enforcement<br>Fund (5044) | Children and Public<br>Health Fund (5045) | EMS and<br>Trauma Care<br>Fund (5046) |
| U/F (5022)                  | U/F (5024)                                   | U/F (5044)                                  | U/F (5045)                                | U/F (5046)                            |
| 177,272.40                  | 10,083,622.84                                | 155,348.46                                  | 80,177.54                                 | 82,130.15                             |
| <u>177,272.40</u>           | <u>10,083,622.84</u>                         | <u>155,348.46</u>                           | <u>80,177.54</u>                          | <u>82,130.15</u>                      |
|                             | 4,047,740.92                                 | 241,029.92                                  | 92,306.57                                 | 513,078.83                            |
|                             | 1,207,244.84                                 | 45,134.56                                   | 20,693.09                                 | 68,520.02                             |
| 21,525.00                   | 28,478.45                                    | 730,933.63                                  | 374,719.21                                | 2,531.00                              |
| 18,841.79                   | 267,822.35                                   | 4,121.27                                    | 4,171.54                                  | -                                     |
| 51,128.57                   | 119,926.41                                   | 381.37                                      | 4,863.42                                  | 162.97                                |
| 2,318.07                    | 52,173.00                                    | 9,054.55                                    | 478,335.68                                | -                                     |
| 14,805.47                   | 73,002.29                                    | 3,493.30                                    | -   | -                                     |
| 15,396.00                   | 44,240.66                                    | 1,237.32                                    | -   | 1,845.12                              |
| 1,195.64                    | 1,192.99                                     | -   | 974.16                                    | -                                     |
|                             | 1,048.24                                     |   |   |                                       |
|                             |  | 1,677,825.61                                |   |                                       |
|                             |  | 58,689.34                                   | 557,231.32                                | -                                     |
|                             |  | 179,439.13                                  | -   | 622,541.00                            |
| 84,419.77                   | 1,659,235.48                                 | 39,336.68                                   | 16,661.13                                 | 32,671.03                             |
| <u>209,630.31</u>           | <u>7,502,105.63</u>                          | <u>2,990,676.68</u>                         | <u>1,549,956.12</u>                       | <u>1,241,349.97</u>                   |
| <u>(32,357.91)</u>          | <u>2,581,517.21</u>                          | <u>(2,835,328.22)</u>                       | <u>(1,469,778.58)</u>                     | <u>(1,159,219.82)</u>                 |
| (99,940.00)                 |  | 1,790,185.00                                | 895,104.52                                | 895,103.88                            |
| <u>(99,940.00)</u>          | <u>-</u>                                     | <u>1,790,185.00</u>                         | <u>895,104.52</u>                         | <u>895,103.88</u>                     |
| <u>(132,297.91)</u>         | <u>2,581,517.21</u>                          | <u>(1,045,143.22)</u>                       | <u>(574,674.06)</u>                       | <u>(264,115.94)</u>                   |
| 692,226.08                  | 33,749,266.66                                | 874,403.69                                  | 741,853.61                                | 1,000,076.04                          |
| <u>\$ 559,928.17</u>        | <u>\$ 36,330,783.87</u>                      | <u>\$ (170,739.53)</u>                      | <u>\$ 167,179.55</u>                      | <u>\$ 735,960.10</u>                  |

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2017

|   | Consolidated Accounts  |                     |                         |                         | Consolidated         |
|---|------------------------|---------------------|-------------------------|-------------------------|----------------------|
|   | State Owned            | Perpetual           | Trauma System           | EMS/Trauma              | Childhood            |
|   | Teaching               | Care                | Fund (5108)             | Facility                | Immunization         |
|   | Hospital               | Fund (5096)         | Fund (5108)             | Fund (5111)             | Fund (5125)          |
|   | U/F (5049)             | U/F (5096)          | U/F (5108)              | U/F (5111)              | U/F (5125)           |
| <b>REVENUES</b>                                   |                        |                     |                         |                         |                      |
| Legislative Appropriations:                       |                        |                     |                         |                         |                      |
| Original Appropriations                           |                        |                     |                         |                         |                      |
| Additional Appropriations                         |                        |                     |                         |                         |                      |
| Federal Revenue                                   |                        |                     |                         |                         |                      |
| Federal Pass-Through Revenue                      |                        |                     |                         |                         |                      |
| State Pass-Through Revenue                        |                        |                     |                         |                         |                      |
| Other Operating Grant Revenue                     |                        |                     |                         |                         |                      |
| Licenses, Fees & Permits                          |                        | 751,801.28          | 3,607,557.86            | 113,895,161.00          | 45,995.00            |
| Investment Income                                 |                        |                     |                         |                         |                      |
| Land Income                                       |                        |                     |                         |                         |                      |
| Sales of Goods and Services                       |                        |                     |                         |                         |                      |
| Other General Revenues                            |                        |                     | 290.00                  | 5,531.41                | -                    |
| <b>Total Revenues</b>                             | <b>-</b>               | <b>751,801.28</b>   | <b>3,607,847.86</b>     | <b>113,900,692.41</b>   | <b>45,995.00</b>     |
| <b>EXPENDITURES</b>                               |                        |                     |                         |                         |                      |
| Salaries and Wages                                |                        |                     | 49,472.11               | 287,062.13              |                      |
| Payroll Related Costs                             |                        |                     | 10,785.73               | 142,183.94              |                      |
| Professional Fees and Services                    |                        |                     | 124.00                  | 952.88                  |                      |
| Travel  |                        |                     | 779.91                  | 3,935.28                |                      |
| Materials and Supplies                            |                        |                     | 2,666.35                | 51,450.32               | 40,606.60            |
| Communication and Utilities                       |                        |                     | 51.82                   | 40,928.47               |                      |
| Repairs and Maintenance                           |                        |                     | -                       | 209.17                  |                      |
| Rentals and Leases                                |                        |                     | 491.01                  | 11,319.01               |                      |
| Printing and Reproduction                         |                        |                     | -                       | -                       |                      |
| Claims and Judgments                              |                        |                     | -                       | -                       |                      |
| Federal Pass-Through Expenditures                 |                        |                     |                         |                         |                      |
| State Pass-Through Expenditures                   | -                      |                     |                         | 140,000,000.00          |                      |
| Intergovernmental Payments                        |                        |                     | 153,321.00              | 283,073.32              |                      |
| Public Assistance Payments                        |                        |                     | 2,044,274.15            | 552,474.43              |                      |
| Interest Expense - Other                          |                        |                     | -                       | 54,946.88               |                      |
| Other Expenditures                                |                        |                     | 5,496.00                | -                       |                      |
| Capital Outlay                                    |                        |                     |                         |                         |                      |
| <b>Total Expenditures</b>                         | <b>-</b>               | <b>-</b>            | <b>2,267,462.08</b>     | <b>141,428,535.83</b>   | <b>40,606.60</b>     |
| Excess (Deficiency) of Revenues over Expenditures | -                      | 751,801.28          | 1,340,385.78            | (27,527,843.42)         | 5,388.40             |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                        |                     |                         |                         |                      |
| Sale of Capital Assets                            |                        |                     |                         |                         |                      |
| Transfer In                                       | 4,904,882.00           |                     |                         |                         |                      |
| Transfer Out                                      | (4,904,882.00)         | (751,801.28)        |                         | (9,107,272.49)          |                      |
| Legislative Transfer In                           |                        |                     |                         |                         |                      |
| Legislative Transfer Out                          |                        |                     |                         |                         |                      |
| <b>Total Other Financing Sources (Uses)</b>       | <b>-</b>               | <b>(751,801.28)</b> | <b>-</b>                | <b>(9,107,272.49)</b>   | <b>-</b>             |
| Net Change in Fund Balances                       | -                      | -                   | 1,340,385.78            | (36,635,115.91)         | 5,388.40             |
| <b>Fund Financial Statement - Fund Balances</b>   |                        |                     |                         |                         |                      |
| Fund Balances, September 1, 2016                  | 5,366,898.86           | -                   | 18,850,446.79           | 49,846,852.04           | 140,379.02           |
| Appropriations Lapsed                             |                        |                     |                         |                         |                      |
| Fund Balances, August 31, 2017                    | <u>\$ 5,366,898.86</u> | <u>\$ -</u>         | <u>\$ 20,190,832.57</u> | <u>\$ 13,211,736.13</u> | <u>\$ 145,767.42</u> |

The accompanying Notes to the Financial Statements are an integral part of this statement.

d Accounts

| TPFA<br>Cancer Project<br>Fund (7639) |                          | <u>Totals</u>   |
|---------------------------------------|--------------------------|-----------------|
| <u>U/F (7639)</u>                     |                          | <u>Exh - II</u> |
|                                       | \$ 1,357,481,876.26      |                 |
|                                       | 148,380,518.91           |                 |
|                                       | 867,688,087.25           |                 |
|                                       | 37,831,715.00            |                 |
|                                       | 931,513.92               |                 |
|                                       | 177,890,227.03           |                 |
|                                       | 868,576.30               |                 |
|                                       | 56,201.66                |                 |
|                                       | 104,225,437.18           |                 |
| 130.00                                | 312,799,852.37           |                 |
| <u>130.00</u>                         | <u>3,008,154,005.88</u>  |                 |
| 1,457,510.66                          | 497,627,430.59           |                 |
| 461,807.55                            | 178,129,671.30           |                 |
| 258,691.27                            | 114,989,452.85           |                 |
| 13,092.66                             | 7,814,762.76             |                 |
| 25,304.08                             | 234,792,547.13           |                 |
| 3,852.35                              | 15,877,198.85            |                 |
| 3,160.00                              | 17,840,374.80            |                 |
| 17,657.95                             | 13,451,756.00            |                 |
| 1,557.14                              | 3,617,468.71             |                 |
|                                       | 251,705.85               |                 |
|                                       | 123,921,407.31           |                 |
|                                       | 147,171,813.50           |                 |
|                                       | 203,930,380.80           |                 |
|                                       | 602,799,617.28           |                 |
|                                       | 54,222.03                |                 |
| 303,011.00                            | 113,927,985.00           |                 |
|                                       | 5,583,455.12             |                 |
| <u>2,545,644.66</u>                   | <u>2,281,781,249.88</u>  |                 |
| <u>(2,545,514.66)</u>                 | <u>726,372,756.00</u>    |                 |
|                                       | 105,782.99               |                 |
| 2,545,514.66                          | 357,677,154.13           |                 |
|                                       | (381,533,689.78)         |                 |
|                                       | 368,899.00               |                 |
|                                       | (855,145,596.35)         |                 |
| <u>2,545,514.66</u>                   | <u>(878,527,450.01)</u>  |                 |
| <u>-</u>                              | <u>(152,154,694.01)</u>  |                 |
|                                       | 514,277,687.34           |                 |
|                                       | (8,105,216.61)           |                 |
| <u>\$ -</u>                           | <u>\$ 354,017,776.72</u> |                 |

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds  
 August 31, 2017

|                                      | General Revenue<br>Capital Projects<br>Fund (3001)<br>U/F (0001) | TPFA<br>Project<br>Fund (7660)<br>U/F (7660) | Totals<br>Exh - 1       |
|--------------------------------------|--|--|-------------------------|
| <b>ASSETS</b>                        |  |  |                         |
| Current Assets:                      |  |  |                         |
| Legislative Appropriations           | \$ 34,937,443.89   |  | \$ 34,937,443.89        |
| Due From Other Agencies              |  | -  |                         |
| Total Current Assets                 | <u>34,937,443.89</u>   | <u>-</u>                                     | <u>34,937,443.89</u>    |
| Total Assets:                        | <u>34,937,443.89</u>   | <u>-</u>                                     | <u>34,937,443.89</u>    |
| <b>LIABILITIES AND FUND BALANCES</b> |  |  |                         |
| Current Liabilities:                 |  |  |                         |
| Payables from:                       |  |  |                         |
| Accounts                             |  |  |                         |
| Interfund Payable                    | <u>23,506.72</u>   | <u>-</u>                                     | <u>23,506.72</u>        |
| Total Current Liabilities            | <u>23,506.72</u>   | <u>-</u>                                     | <u>23,506.72</u>        |
| Non-Current Liabilities:             |  |  |                         |
| Interfund Payable                    | <u>145,068.42</u>  | <u>-</u>                                     | <u>145,068.42</u>       |
| Total Liabilities:                   | <u>168,575.14</u>  | <u>-</u>                                     | <u>168,575.14</u>       |
| Fund Balances (Deficits):            |  |  |                         |
| Restricted                           | <u>34,768,868.75</u>   | <u>-</u>                                     | <u>34,768,868.75</u>    |
| Total Fund Balances                  | <u>34,768,868.75</u>   | <u>-</u>                                     | <u>34,768,868.75</u>    |
| Total Liabilities and Fund Balances  | <u>\$ 34,937,443.89</u>  | <u>\$ -</u>                                  | <u>\$ 34,937,443.89</u> |

The accompanying *Notes to the Financial Statements* are an integral part of this statement.



UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit D-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Capital Projects Funds  
 For the Fiscal Year Ended August 31, 2017

|  | General Revenue<br>Capital Project<br>Fund (3001) | TPFA<br>Project<br>Fund (7660) | Totals           |
|--|---|--------------------------------|------------------|
|  | U/F (0001)  | U/F (7660)                     | Exh - II         |
| <b>REVENUES</b>                                      |   |                                |                  |
| Legislative Appropriations:                          |   |                                |                  |
| Original Appropriations                              | -   |                                | \$ -             |
| Additional Appropriations                            | -   |                                | -                |
| Land Income  |   |                                | -                |
| Other  | 1,837.07  |                                | 1,837.07         |
| Total Revenues                                       | \$ 1,837.07                                       | \$ -                           | \$ 1,837.07      |
| <b>EXPENDITURES</b>                                  |   |                                |                  |
| Professional Fees and Services                       | 1,043,231.26                                      | 284,903.80                     | 1,328,135.06     |
| Materials and Supplies                               | 416,024.12  |                                | 416,024.12       |
| Communication and Utilities                          | -   |                                | -                |
| Repairs and Maintenance                              | 5,274,560.36                                      | 2,079,247.08                   | 7,353,807.44     |
| Rentals & Leases                                     | 580.00  |                                | 580.00           |
| Other Expenditures                                   | 440,359.10  | 105,372.59                     | 545,731.69       |
| Capital Outlay                                       | 211,245.49  | -                              | 211,245.49       |
| Total Expenditures/Expenses                          | 7,386,000.33                                      | 2,469,523.47                   | 9,855,523.80     |
| Excess (Deficiency) of Revenues over<br>Expenditures | (7,384,163.26)                                    | (2,469,523.47)                 | (9,853,686.73)   |
| <b>OTHER FINANCING SOURCES (USES)</b>                |   |                                |                  |
| Transfers In   | 50,128.03   | 2,469,523.47                   | 2,519,651.50     |
| Transfers Out  | -   |                                | -                |
| Legislative Transfers In                             | 1,362,273.84                                      |                                | 1,362,273.84     |
| Total Other Financing Sources (Uses)                 | 1,412,401.87                                      | 2,469,523.47                   | 3,881,925.34     |
| Net Change in Fund Balances                          | (5,971,761.39)                                    | -                              | (5,971,761.39)   |
| <b>FUND FINANCIAL STATEMENT -</b>                    |   |                                |                  |
| Fund Balances - Beginning                            | 41,781,230.05                                     |                                | 41,781,230.05    |
| Appropriations Lapsed                                | (1,040,599.91)                                    |                                | (1,040,599.91)   |
| Fund Balances--August 31, 2016                       | \$ 34,768,868.75                                  | \$ -                           | \$ 34,768,868.75 |

The accompanying Notes to the Financial Statements are an integral part of this statement.



UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2017

|   | Beginning<br>Balance<br>September 1, 2016 | Additions           | Deductions          | Ending<br>Balance<br>August 31, 2017 |
|---|---|---------------------|---------------------|--------------------------------------|
| <b><u>Radiation/Perpetual Care Security (0880)</u></b>      |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | \$ 5,967.41                               | \$ 33,272.25        | \$ 33,272.25        | \$ 5,967.41                          |
| Shared Cash   | 11.00                                     | -                   | -                   | 11.00                                |
| Total Assets  | <u>5,978.41</u>                           | <u>33,272.25</u>    | <u>33,272.25</u>    | <u>5,978.41</u>                      |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Funds Held for Others                                       | 5,978.41                                  | -                   | -                   | 5,978.41                             |
| Total Liabilities   | <u>5,978.41</u>                           | <u>-</u>            | <u>-</u>            | <u>5,978.41</u>                      |
| <b><u>Asbestos Escrow Account (5880)</u></b>                |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | 1,335.76                                  | 233.23              | 164.39              | 1,404.60                             |
| Total Assets  | <u>1,335.76</u>                           | <u>233.23</u>       | <u>164.39</u>       | <u>1,404.60</u>                      |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Funds Held for Others                                       | 1,335.76                                  | 68.84               | -                   | 1,404.60                             |
| Total Liabilities   | <u>1,335.76</u>                           | <u>68.84</u>        | <u>-</u>            | <u>1,404.60</u>                      |
| <b><u>Depository Interest Default Fund (8880)</u></b>       |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | 3,948.21                                  | 170.75              | 120.50              | 3,998.46                             |
| Total Assets  | <u>3,948.21</u>                           | <u>170.75</u>       | <u>120.50</u>       | <u>3,998.46</u>                      |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Funds Held for Others                                       | 3,948.21                                  | 50.25               | -                   | 3,998.46                             |
| Total Liabilities   | <u>3,948.21</u>                           | <u>50.25</u>        | <u>-</u>            | <u>3,998.46</u>                      |
| <b><u>City, County, MTA, and SPD Sales Taxes (0882)</u></b> |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | -   | 47,290.04           | 47,290.04           | -                                    |
| Total Assets  | <u>-</u>                                  | <u>47,290.04</u>    | <u>47,290.04</u>    | <u>-</u>                             |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Funds Held for Others                                       | -   | 47,290.04           | 47,290.04           | -                                    |
| Total Liabilities   | <u>-</u>                                  | <u>47,290.04</u>    | <u>47,290.04</u>    | <u>-</u>                             |
| <b><u>Child Support Addenda Deducts-Suspense (8070)</u></b> |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | 122,546.09                                | 2,343,217.08        | 2,346,506.94        | 119,256.23                           |
| Total Assets  | <u>122,546.09</u>                         | <u>2,343,217.08</u> | <u>2,346,506.94</u> | <u>119,256.23</u>                    |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Vouchers Payable  | -   | 2,217,136.79        | 2,217,136.79        | -                                    |
| Funds Held for Others                                       | 122,546.09                                | 2,343,217.08        | 2,346,506.94        | 119,256.23                           |
| Total Liabilities   | <u>122,546.09</u>                         | <u>4,560,353.87</u> | <u>4,563,643.73</u> | <u>119,256.23</u>                    |
| <b><u>Departmental Suspense Fund (0900)</u></b>             |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | 116.34                                    | 1,769,382.04        | 1,768,355.43        | 1,142.95                             |
| Total Assets  | <u>116.34</u>                             | <u>1,769,382.04</u> | <u>1,768,355.43</u> | <u>1,142.95</u>                      |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Vouchers Payable  | -   | 5,829.68            | 5,829.68            | -                                    |
| Funds Held for Others                                       | 116.34                                    | 1,769,382.04        | 1,768,355.43        | 1,142.95                             |
| Total Liabilities   | <u>116.34</u>                             | <u>1,775,211.72</u> | <u>1,774,185.11</u> | <u>1,142.95</u>                      |
| <b><u>Correction Account - Direct Deposit (0980)</u></b>    |   |                     |                     |                                      |
| <b>ASSETS</b>   |   |                     |                     |                                      |
| Cash in State Treasury                                      | 2,578.99                                  | 30,756.22           | 31,225.29           | 2,109.92                             |
| Total Assets  | <u>2,578.99</u>                           | <u>30,756.22</u>    | <u>31,225.29</u>    | <u>2,109.92</u>                      |
| <b>LIABILITIES</b>  |   |                     |                     |                                      |
| Funds Held for Others                                       | 2,578.99                                  | 30,751.67           | 31,220.74           | 2,109.92                             |
| Total Liabilities   | <u>2,578.99</u>                           | <u>30,751.67</u>    | <u>31,220.74</u>    | <u>2,109.92</u>                      |



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Texas Department of State Health Services (537)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2017

|  | Beginning<br>Balance<br>September 1, 2016 | Additions     | Deductions    | Ending<br>Balance<br>August 31, 2017 |
|--|---|---------------|---------------|--------------------------------------|
| <b>USPS - Direct Deposit Return Money (9014)</b>     |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in State Treasury                               | 5.00                                      | 68,291.82     | 68,296.82     | -                                    |
| Total Assets   | 5.00                                      | 68,291.82     | 68,296.82     | -                                    |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Funds Held for Others                                | 5.00                                      | 68,219.10     | 68,224.10     | -                                    |
| Total Liabilities                                    | 5.00                                      | 68,219.10     | 68,224.10     | -                                    |
| <b>USPS - Overpayments to Employees (9015)</b>       |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in State Treasury                               | 46,974.27                                 | 98,988.81     | 124,889.22    | 21,073.86                            |
| Total Assets   | 46,974.27                                 | 98,988.81     | 124,889.22    | 21,073.86                            |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Funds Held for Others                                | 46,974.27                                 | 77,914.95     | 103,815.36    | 21,073.86                            |
| Total Liabilities                                    | 46,974.27                                 | 77,914.95     | 103,815.36    | 21,073.86                            |
| <b>Warrant Hold Offset Code 403.0551 (9016)</b>      |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in State Treasury                               | -   | 3,209.62      | 3,209.62      | -                                    |
| Total Assets   | -   | 3,209.62      | 3,209.62      | -                                    |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Funds Held for Others                                | -   | 3,209.62      | 3,209.62      | -                                    |
| Total Liabilities                                    | -   | 3,209.62      | 3,209.62      | -                                    |
| <b>Unappropriated Collect General Revenue (0002)</b> |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in State Treasury                               | -   | 52,808,610.55 | 52,808,646.55 | (36.00)                              |
| Shared Cash  | -   | -             | -             | -                                    |
| Total Assets   | -   | 52,808,610.55 | 52,808,646.55 | (36.00)                              |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Vouchers Payable                                     | -   | 197,336.19    | 197,336.19    | -                                    |
| Due to Other Agencies                                | -   | 1,196.00      | 1,196.00      | -                                    |
| Funds Held for Others                                | -   | 52,694,965.57 | 52,695,001.57 | (36.00)                              |
| Total Liabilities                                    | -   | 52,893,497.76 | 52,893,533.76 | (36.00)                              |
| <b>Radiation/Perpetual Care (5096)</b>               |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in State Treasury                               | 65,633.18                                 | -             | -             | 65,633.18                            |
| Shared Cash  | (65,633.18)                               | -             | -             | (65,633.18)                          |
| Other Assets   | 67,272,524.14                             | 5,088,765.70  | -             | 72,361,289.84                        |
| Total Assets   | 67,272,524.14                             | 5,088,765.70  | -             | 72,361,289.84                        |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Funds Held for Others                                | 67,272,524.14                             | 5,088,765.70  | -             | 72,361,289.84                        |
| Total Liabilities                                    | 67,272,524.14                             | 5,088,765.70  | -             | 72,361,289.84                        |
| <b>Custodial Trust Fund (6015)</b>                   |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in Bank   | 370,182.44                                | -             | 292,744.82    | 77,437.62                            |
| Cash Equivalents-Miscellaneous Investments           | 26,674.42                                 | -             | 2,674.42      | 24,000.00                            |
| Repurchase Agreements                                | 499,432.17                                | 13,767.83     | -             | 513,200.00                           |
| Total Assets   | 896,289.03                                | 13,767.83     | 295,419.24    | 614,637.62                           |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| Funds Held For Others                                | 896,289.03                                | -             | 281,651.41    | 614,637.62                           |
| Total Liabilities                                    | 896,289.03                                | -             | 281,651.41    | 614,637.62                           |
| <b>Merchandise Coupon Fund (6015)</b>                |   |               |               |                                      |
| <b>ASSETS</b>  |   |               |               |                                      |
| Cash in Bank   | 11,750.54                                 | 9,291.43      | -             | 21,041.97                            |
| Total Assets   | 11,750.54                                 | 9,291.43      | -             | 21,041.97                            |
| <b>LIABILITIES</b>                                   |   |               |               |                                      |
| CI Other Liabilities                                 | 11,750.54                                 | 9,291.43      | -             | 21,041.97                            |
| Total Liabilities                                    | 11,750.54                                 | 9,291.43      | -             | 21,041.97                            |



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Texas Department of State Health Services (537)

Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds

August 31, 2017

|  | Beginning<br>Balance<br>September 1, 2016 | Additions                      | Deductions                     | Ending<br>Balance<br>August 31, 2017 |
|--|---|--------------------------------|--------------------------------|--------------------------------------|
| <b>Totals - All Agency Funds</b>           |   |                                |                                |                                      |
| <b>ASSETS</b>                              |   |                                |                                |                                      |
| Cash in Bank                               | \$ 381,932.98                             | \$ 9,291.43                    | \$ 292,744.82                  | \$ 98,479.59                         |
| Cash in State Treasury                     | 249,105.25                                | 57,203,422.41                  | 57,231,977.05                  | 220,550.61                           |
| Shared Cash                                | (65,622.18)                               | -                              | -                              | (65,622.18)                          |
| Other Assets                               | 67,272,524.14                             | 5,088,765.70                   | -                              | 72,361,289.84                        |
| Cash Equivalents-Miscellaneous Investments | 26,674.42                                 | -                              | 2,674.42                       | 24,000.00                            |
| Repurchase Agreements                      | 499,432.17                                | 13,767.83                      | -                              | 513,200.00                           |
| <b>Total Assets</b>                        | <b><u>68,364,046.78</u></b>               | <b><u>62,315,247.37</u></b>    | <b><u>57,527,396.29</u></b>    | <b><u>73,151,897.86</u></b>          |
| <b>LIABILITIES</b>                         |   |                                |                                |                                      |
| Vouchers Payable                           | -   | 2,420,302.66                   | 2,420,302.66                   | -                                    |
| Funds Held for Others                      | 68,352,296.24                             | 62,123,834.86                  | 57,345,275.21                  | 73,130,855.89                        |
| Other Liabilities                          | 11,750.54                                 | 9,291.43                       | -                              | 21,041.97                            |
| <b>Total Liabilities</b>                   | <b><u>\$ 68,364,046.78</u></b>            | <b><u>\$ 64,553,428.95</u></b> | <b><u>\$ 59,765,577.87</u></b> | <b><u>\$ 73,151,897.86</u></b>       |

The accompanying Notes to the Financial Statements are an integral part of this statement.





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## Supplementary Schedules

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TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor/<br>Pass-Through Grantor<br>Program Title                       | CFDA<br>Number | Identifying<br>Number | Pass-Through From    |                                   | Direct<br>Program<br>Amount |
|---|----------------|-----------------------|----------------------|-----------------------------------|-----------------------------|
|   |                |                       | Agyl/<br>Univ<br>No. | Agency or<br>University<br>Amount |                             |
| <b>U. S. Department of Agriculture</b>  |                |                       |                      |                                   |                             |
| Cooperative Agreements for Intrastate Meat and Poultry Inspection               | 10.475         |                       |                      |                                   | \$ 5,100,991.83             |
| Special Supplemental Nutrition Programs for Women, Infants and Children         | 10.557         |                       |                      |                                   | 480,214,411.07              |
| Pass Through To:  |                |                       |                      |                                   |                             |
| University of Texas Medical Branch at Galveston (723)                           |                |                       |                      |                                   | 7,572,557.90                |
| University of Texas Health Science Center Houston (744)                         |                |                       |                      |                                   | 4,809,488.93                |
| Totals - U. S. Department of Agriculture  |                |                       |                      |                                   | 497,697,449.73              |
| <b>Department of Housing and Urban Development</b>                              |                |                       |                      |                                   |                             |
| Housing Opportunities for Persons with AIDS                                     | 14.241         |                       |                      |                                   | 2,660,059.14                |
| Totals-Department of Housing and Urban Development                              |                |                       |                      |                                   | 2,660,059.14                |
| <b>General Services Administration</b>  |                |                       |                      |                                   |                             |
| Donation of Federal Surplus Personal Property (NON-MONETARY)                    | 39.003         |                       |                      |                                   |                             |
| Pass Through From:  |                |                       |                      |                                   |                             |
| Texas Facilities Commission (303)   |                |                       | 303                  | 8,592.82                          |                             |
| Totals-General Services Administration  |                |                       |                      | 8,592.82                          |                             |
| <b>Environmental Protection Agency</b>  |                |                       |                      |                                   |                             |
| Air Pollution Control Program Support   | 66.001         |                       |                      |                                   | 234,586.54                  |
| Performance Partnership Grants  | 66.605         |                       |                      |                                   | 117,619.51                  |
| Pass Through From:  |                |                       |                      |                                   |                             |
| Texas Commission on Environmental Quality (582)                                 |                |                       | 582                  | 3,039.21                          |                             |
| TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals | 66.707         |                       |                      |                                   | 273,639.03                  |
| Totals - Environmental Protection Agency  |                |                       |                      | 3,039.21                          | 625,845.08                  |
| <b>U. S. Department of Energy</b>   |                |                       |                      |                                   |                             |
| Transport of Transuranic Waste  | 81.106         |                       |                      |                                   |                             |
| Pass Through From:  |                |                       |                      |                                   |                             |
| State Energy Conservation Office (907)  |                |                       | 907                  | 147,936.34                        |                             |
| State Energy Program Special Projects   | 81.214         |                       |                      |                                   |                             |
| Pass Through From:  |                |                       |                      |                                   |                             |
| State Energy Conservation Office (907)  |                |                       | 907                  | 310,375.78                        |                             |
| Totals - U. S. Department of Energy   |                |                       |                      | 458,312.12                        |                             |

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| Total<br>Pass-Through From<br>and Direct Program<br>Amount | Pass-Through To     |                                   |                                 | Expenditure<br>Amount | Total<br>Pass-Through To<br>and Expenditure<br>Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
|  | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount | Non-State<br>Entities<br>Amount |                       |   |
| \$ 5,100,991.83  |                     |                                   |                                 | \$ 5,100,991.83       | \$ 5,100,991.83                                       |
| 480,214,411.07   |                     |                                   | 128,586,120.88                  | 351,628,290.19        | 480,214,411.07  |
| 7,572,557.90   | 723                 | 7,572,557.90                      |                                 |                       | 7,572,557.90  |
| 4,809,488.93   | 744                 | 4,809,488.93                      |                                 |                       | 4,809,488.93  |
| <u>497,697,449.73</u>                                      |                     | <u>12,382,046.83</u>              | <u>128,586,120.88</u>           | <u>356,729,282.02</u> | <u>497,697,449.73</u>                                 |
| 2,660,059.14   |                     |                                   | 2,583,847.12                    | 76,212.02             | 2,660,059.14  |
| <u>2,660,059.14</u>  |                     |                                   | <u>2,583,847.12</u>             | <u>76,212.02</u>      | <u>2,660,059.14</u>                                   |
| 8,592.82   |                     |                                   |                                 | 8,592.82              | 8,592.82  |
| <u>8,592.82</u>  |                     |                                   |                                 | <u>8,592.82</u>       | <u>8,592.82</u>                                       |
| 234,586.54   |                     |                                   |                                 | 234,586.54            | 234,586.54  |
| 117,619.51   |                     |                                   |                                 | 117,619.51            | 117,619.51  |
| 3,039.21   |                     |                                   |                                 | 3,039.21              | 3,039.21  |
| 273,639.03   |                     |                                   |                                 | 273,639.03            | 273,639.03  |
| <u>628,884.29</u>  |                     |                                   |                                 | <u>628,884.29</u>     | <u>628,884.29</u>                                     |
| 147,936.34   |                     |                                   |                                 | 147,936.34            | 147,936.34  |
| 310,375.78   |                     |                                   |                                 | 310,375.78            | 310,375.78  |
| <u>458,312.12</u>  |                     |                                   |                                 | <u>458,312.12</u>     | <u>458,312.12</u>                                     |

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor/<br>Pass-Through Grantor<br>Program Title   | CFDA<br>Number | Identifying<br>Number | Pass-Through From   |                                   | Direct<br>Program<br>Amount |
|---|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
|   |                |                       | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount |                             |
| <b>U. S. Department of Health and Human Services</b>  |                |                       |                     |                                   |                             |
| Strengthening Public Health Services at the Outreach Offices<br>of the U.S.-Mexico Border Health Commission                   | 93.018         |                       |                     |                                   | 286,832.58                  |
| Public Health Emergency Preparedness  | 93.069         |                       |                     |                                   | 1,142,178.88                |
| Birth Defects and Developmental Disabilities - Prevention and Surveillance  | 93.073         |                       |                     |                                   | 583,533.87                  |
| Pass Through To:  |                |                       |                     |                                   |                             |
| University of Texas Health Science Center Houston (744)   |                |                       |                     |                                   | 46,590.52                   |
| University of Texas Health Center at Tyler (785)  |                |                       |                     |                                   | 20,095.26                   |
| Hospital Preparedness Program (HPP) and Public Health Emergency<br>Preparedness (PHEP) Aligned Cooperative Agreements         | 93.074         |                       |                     |                                   | 53,128,182.32               |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Texas A&M Engineering Extension Service (716)   |                |                       |                     |                                   | 26,439.87                   |
| Texas Tech University (733)   |                |                       |                     |                                   | 421,810.70                  |
| University of Texas Health Science Center - Tyler (785)   |                |                       |                     |                                   | 452,433.67                  |
| Cooperative Agreements to Promote Adolescent Health through School-<br>based HIV/STD Prevention and School-based Surveillance | 93.079         |                       |                     |                                   | 59,215.16                   |
| Food and Drug Administration Research   | 93.103         |                       |                     |                                   | 961,868.13                  |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Texas AgriLife Research (556)   |                |                       |                     |                                   | 89,413.43                   |
| Maternal and Child Health Federal Consolidated Programs   | 93.110         |                       |                     |                                   | 181,510.03                  |
| Project Grants and Cooperative Agreements for Tuberculosis<br>Control Programs  | 93.116         |                       |                     |                                   | 6,920,715.99                |
| Cooperative Agreements to States/Territories for the Coordination and<br>Development of Primary Care Offices                  | 93.130         |                       |                     |                                   | 262,044.54                  |
| Injury Prevention and Control Research and State and<br>Community Based Programs  | 93.136         |                       |                     |                                   | 290,922.67                  |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Office of the Attorney General (302)  |                |                       |                     |                                   | 1,810,411.18                |
| Projects for Assistance in Transition from Homelessness (PATH)  | 93.150         |                       |                     |                                   | 0.45                        |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)   |                |                       |                     |                                   | 534,385.82                  |
| Affordable Care Act (ACA) Abstinence Education Program  | 93.235         |                       |                     |                                   | 31,220.95                   |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)   |                |                       |                     |                                   | 828,858.83                  |
| State Capacity Building   | 93.240         |                       |                     |                                   | 307,598.90                  |
| Substance Abuse and Mental Health Services Projects of Regional and<br>National Significance                                  | 93.243         |                       |                     |                                   | 721,269.83                  |
| Pass Through To:  |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)   |                |                       |                     |                                   | 1,108,393.30                |
| University of Texas at Austin (721)   |                |                       |                     |                                   | 219,280.82                  |
| Universal Newborn Hearing Screening   | 93.251         |                       |                     |                                   | 193,317.64                  |
| Occupational Safety and Health Program  | 93.262         |                       |                     |                                   | 54,772.90                   |
| Adult Viral Hepatitis Prevention and Control  | 93.270         |                       |                     |                                   | 26,280.47                   |
| Centers for Disease Control Prevention - Investigations<br>and Technical Assistance   | 93.283         |                       |                     |                                   | 2,184,464.48                |
| National State Based Tobacco Control Programs   | 93.305         |                       |                     |                                   | 1,674,728.99                |
| Early Hearing Detection and Intervention Information System (EHD-<br>IS) Surveillance Program                                 | 93.314         |                       |                     |                                   | 13,817.38                   |
| Epidermiology and Laboratory Capacity for Infectious Diseases (ELC)   | 93.323         |                       |                     |                                   | 3,623,336.59                |
| Pass Through To:  |                |                       |                     |                                   |                             |

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| Total<br>Pass-Through From<br>and Direct Program<br>Amount | Pass-Through To     |                                   |                                 | Expenditure<br>Amount | Total<br>Pass-Through To<br>and Expenditure<br>Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
|  | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount | Non-State<br>Entities<br>Amount |                       |   |
| 286,832.58   |                     |                                   |                                 | 286,832.58            | 286,832.58  |
| 1,142,178.88   |                     |                                   | 339,945.25                      | 802,233.63            | 1,142,178.88  |
| 583,533.87   |                     |                                   | 19,578.00                       | 563,955.87            | 583,533.87  |
| 46,590.52  | 744                 | 46,590.52                         |                                 |                       | 46,590.52   |
| 20,095.26  | 785                 | 20,095.26                         |                                 |                       | 20,095.26   |
| 53,128,182.32  |                     |                                   | 31,290,174.20                   | 21,838,008.12         | 53,128,182.32   |
| 26,439.87  | 716                 | 26,439.87                         |                                 |                       | 26,439.87   |
| 421,810.70   | 733                 | 421,810.70                        |                                 |                       | 421,810.70  |
| 452,433.67   | 785                 | 452,433.67                        |                                 |                       | 452,433.67  |
| 59,215.16  |                     |                                   |                                 | 59,215.16             | 59,215.16   |
| 961,868.13   |                     |                                   | 35,919.38                       | 925,948.75            | 961,868.13  |
| 89,413.43  | 556                 | 89,413.43                         |                                 |                       | 89,413.43   |
| 181,510.03   |                     |                                   |                                 | 181,510.03            | 181,510.03  |
| 6,920,715.99   |                     |                                   | 3,755,012.45                    | 3,165,703.54          | 6,920,715.99  |
| 262,044.54   |                     |                                   |                                 | 262,044.54            | 262,044.54  |
| 290,922.67   |                     |                                   |                                 | 290,922.67            | 290,922.67  |
| 1,810,411.18   | 302                 | 1,810,411.18                      |                                 |                       | 1,810,411.18  |
| 0.45   |                     |                                   |                                 | 0.45                  | 0.45  |
| 534,385.82   | 529                 | 534,385.82                        |                                 |                       | 534,385.82  |
| 31,220.95  |                     |                                   |                                 | 31,220.95             | 31,220.95   |
| 828,858.83   | 529                 | 828,858.83                        |                                 |                       | 828,858.83  |
| 307,598.90   |                     |                                   |                                 | 307,598.90            | 307,598.90  |
| 721,269.83   |                     |                                   | 626,236.83                      | 95,033.00             | 721,269.83  |
| 1,108,393.30   | 529                 | 1,108,393.30                      |                                 |                       | 1,108,393.30  |
| 219,280.82   | 721                 | 219,280.82                        |                                 |                       | 219,280.82  |
| 193,317.64   |                     |                                   | 35,412.32                       | 157,905.32            | 193,317.64  |
| 54,772.90  |                     |                                   |                                 | 54,772.90             | 54,772.90   |
| 26,280.47  |                     |                                   |                                 | 26,280.47             | 26,280.47   |
| 2,184,464.48   |                     |                                   |                                 | 2,184,464.48          | 2,184,464.48  |
| 1,674,728.99   |                     |                                   |                                 | 1,674,728.99          | 1,674,728.99  |
| 13,817.38  |                     |                                   |                                 | 13,817.38             | 13,817.38   |
| 3,623,336.59   |                     |                                   | 406,876.18                      | 3,216,460.41          | 3,623,336.59  |

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor/<br>Pass-Through Grantor<br>Program Title   | CFDA<br>Number | Identifying<br>Number | Pass-Through From    |                                   | Direct<br>Program<br>Amount |
|---|----------------|-----------------------|----------------------|-----------------------------------|-----------------------------|
|   |                |                       | Agyl/<br>Univ<br>No. | Agency or<br>University<br>Amount |                             |
| Texas Tech University (733)   |                |                       |                      |                                   | 2,742.81                    |
| University of Texas Health Center at Tyler(785)   |                |                       |                      |                                   | 17,669.38                   |
| Behavioral Risk Factor Surveillance System  | 93.336         |                       |                      |                                   | 265,076.02                  |
| Food Safety and Security Monitoring Project   | 93.448         |                       |                      |                                   | 539,487.10                  |
| PPHF National Public Health Improvement Initiative  | 93.507         |                       |                      |                                   | 79,200.83                   |
| The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements | 93.521         |                       |                      |                                   | 449,983.44                  |
| PPHF: Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds (PPHF)  | 93.539         |                       |                      |                                   | 9,685,649.94                |
| Refugee and Entrant Assistance_Discretionary Grants   | 93.576         |                       |                      |                                   | 90,008.38                   |
| Social Services Block Grant   | 93.667         |                       |                      |                                   | 21,587.26                   |
| Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF)   | 93.733         |                       |                      |                                   | 103,415.21                  |
| Capacity Funded in part by Prevention and Public Health Funds (PPHF)  | 93.735         |                       |                      |                                   | 1,254,798.11                |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds   | 93.752         |                       |                      |                                   | 463,411.05                  |
| Pass Through To:<br>Health and Human Service Commission (529)   |                |                       |                      |                                   | 4,947,953.78                |
| State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF)   | 93.757         |                       |                      |                                   | 887,631.95                  |
| Pass Through To:<br>University of Texas Health Center at Tyler(785)   |                |                       |                      |                                   | 90,000.00                   |
| Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)  | 93.758         |                       |                      |                                   | 2,598,705.53                |
| Pass Through To:<br>Office of the Attorney General (302)  |                |                       |                      |                                   | 567,264.54                  |
| Texas Tech Health Science Center (739)  |                |                       |                      |                                   | 45,425.66                   |
| Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)   | 93.815         |                       |                      |                                   | 573,542.23                  |
| Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities  | 93.817         |                       |                      |                                   | 1,564,330.43                |
| Pass Through To:<br>University of Texas Medical Branch at Galveston (723)   |                |                       |                      |                                   | 839,047.00                  |
| National Bioterrorism Hospital Preparedness Program   | 93.889         |                       |                      |                                   | 2,102.39                    |
| HIV Care Formula Grants   | 93.917         |                       |                      |                                   | 115,191,905.52              |
| Pass Through To:<br>Department of Criminal Justice (696)  |                |                       |                      |                                   | 318,641.00                  |
| University of Texas Medical Branch at Galveston (723)   |                |                       |                      |                                   | 107,713.91                  |
| HIV Prevention Activities Health Department Based   | 93.940         |                       |                      |                                   | 12,737,810.27               |
| Pass Through To:<br>Texas A&M University (711)  |                |                       |                      |                                   | 121,676.25                  |
| University of Texas Southwestern Medical Center at Dallas (729)   |                |                       |                      |                                   | 1,513,421.01                |
| University of Texas Health Science Center at San Antonio (745)  |                |                       |                      |                                   | (53.81)                     |
| Human Immunodeficiency Virus (HIV) Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance   | 93.944         |                       |                      |                                   | 2,437,295.33                |
| Pass Through To:  |                |                       |                      |                                   |                             |

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| Total<br>Pass-Through From<br>and Direct Program<br>Amount | Pass-Through To     |                                   |                                 | Expenditure<br>Amount | Total<br>Pass-Through To<br>and Expenditure<br>Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
|  | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount | Non-State<br>Entities<br>Amount |                       |   |
| 2,742.81   | 733                 | 2,742.81                          |                                 |                       | 2,742.81  |
| 17,669.38  | 785                 | 17,669.38                         |                                 |                       | 17,669.38   |
| 265,076.02   |                     |                                   |                                 | 265,076.02            | 265,076.02  |
| 539,487.10   |                     |                                   |                                 | 539,487.10            | 539,487.10  |
| 79,200.83  |                     |                                   |                                 | 79,200.83             | 79,200.83   |
| 449,983.44   |                     |                                   |                                 | 449,983.44            | 449,983.44  |
| 9,685,649.94   |                     |                                   | 7,466,789.12                    | 2,218,860.82          | 9,685,649.94  |
| 90,008.38  |                     |                                   | 87,085.66                       | 2,922.72              | 90,008.38   |
| 21,587.26  |                     |                                   |                                 | 21,587.26             | 21,587.26   |
| 103,415.21   |                     |                                   |                                 | 103,415.21            | 103,415.21  |
| 1,254,798.11   |                     |                                   |                                 | 1,254,798.11          | 1,254,798.11  |
| 463,411.05   |                     |                                   |                                 | 463,411.05            | 463,411.05  |
| 4,947,953.78   | 529                 | 4,947,953.78                      |                                 |                       | 4,947,953.78  |
| 887,631.95   |                     |                                   | 10,416.38                       | 877,215.57            | 887,631.95  |
| 90,000.00  | 785                 | 90,000.00                         |                                 |                       | 90,000.00   |
| 2,598,705.53   |                     |                                   | 1,663,212.94                    | 935,492.59            | 2,598,705.53  |
| 567,264.54   | 302                 | 567,264.54                        |                                 |                       | 567,264.54  |
| 45,425.66  | 739                 | 45,425.66                         |                                 |                       | 45,425.66   |
| 573,542.23   |                     |                                   |                                 | 573,542.23            | 573,542.23  |
| 1,564,330.43   |                     |                                   | 1,500,888.58                    | 63,441.85             | 1,564,330.43  |
| 839,047.00   | 723                 | 839,047.00                        |                                 |                       | 839,047.00  |
| 2,102.39   |                     |                                   |                                 | 2,102.39              | 2,102.39  |
| 115,191,905.52   |                     |                                   | 21,937,530.32                   | 93,254,375.20         | 115,191,905.52  |
| 318,641.00   | 696                 | 318,641.00                        |                                 |                       | 318,641.00  |
| 107,713.91   | 723                 | 107,713.91                        |                                 |                       | 107,713.91  |
| 12,737,810.27  |                     |                                   | 9,761,775.21                    | 2,976,035.06          | 12,737,810.27   |
| 121,676.25   | 711                 | 121,676.25                        |                                 |                       | 121,676.25  |
| 1,513,421.01   | 729                 | 1,513,421.01                      |                                 |                       | 1,513,421.01  |
| (53.81)  | 745                 | (53.81)                           |                                 |                       | (53.81)   |
| 2,437,295.33   |                     |                                   | 673,946.40                      | 1,763,348.93          | 2,437,295.33  |

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TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor/<br>Pass-Through Grantor<br>Program Title  | CFDA<br>Number | Identifying<br>Number | Pass-Through From   |                                   | Direct<br>Program<br>Amount |
|--|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
|  |                |                       | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount |                             |
| University of Texas Southwestern Medical Center at Dallas (729)  |                |                       |                     |                                   | 327,779.70                  |
| Assistance Programs for Chronic Disease Prevention and Control   | 93.945         |                       |                     |                                   | 601,431.43                  |
| Cooperative Agreements to Support State-Based Safe Motherhood and<br>Infant Health Initiative Programs | 93.946         |                       |                     |                                   | 175,966.92                  |
| Block Grants for Community Mental Health Service   | 93.958         |                       |                     |                                   | 58,362.39                   |
| Pass Through To:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       |                     |                                   | 19,662,901.82               |
| University of Texas Health Science Center @ San Antonio (745)  |                |                       |                     |                                   | (40,961.56)                 |
| Block Grants for Prevention and Treatment of Substance   | 93.959         |                       |                     |                                   | 671,707.36                  |
| Pass Through To:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       |                     |                                   | 63,316,326.97               |
| University of Texas at Arlington (714)   |                |                       |                     |                                   | (401,380.60)                |
| Preventive Health Services_Sexually Transmitted Diseases Control Grants                                | 93.977         |                       |                     |                                   | 6,089,724.81                |
| Mental Health Disaster Assistance and Emergency Mental Health  | 93.982         |                       |                     |                                   |                             |
| Pass Through To:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       |                     |                                   | 113,630.00                  |
| Preventative Health and Health Services Block Grant  | 93.991         |                       |                     |                                   | 1,362,057.80                |
| Pass Through To:   |                |                       |                     |                                   |                             |
| Texas Tech Health Science Center (739)   |                |                       |                     |                                   | 10,197.22                   |
| Maternal and Child Health Services Block Grant to the States   | 93.994         |                       |                     |                                   | 18,455,291.50               |
| Pass Through To:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       |                     |                                   | 13,279,595.76               |
| Texas A&M University (711)   |                |                       |                     |                                   | 225,093.33                  |
| University of Texas at Austin (721)  |                |                       |                     |                                   | 58,311.71                   |
| University of Houston (730)  |                |                       |                     |                                   | 126,966.17                  |
| Texas Tech Health Science Center (739)   |                |                       |                     |                                   | 241,970.47                  |
| University of Texas Health Science Center at Houston (744)   |                |                       |                     |                                   | 272,474.90                  |
| University of Texas Health Science Center San Antonio (745)  |                |                       |                     |                                   | 134,712.63                  |
| University of Texas Health Center at Tyler(785)  |                |                       |                     |                                   | 82,127.03                   |
| Refugee and Entrant Assistance State/Replacement Designee Administered<br>Programs                     | 93.566         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       | 529                 | 10,347,576.57                     |                             |
| Social Service Bock Grant  | 93.667         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       | 529                 | 3,550,271.98                      |                             |
| Children's Health Insurance Program  | 93.767         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       | 529                 | (266.76)                          |                             |
| Money Follows the Person Rebalancing Demonstration   | 93.791         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Health and Human Service Commission (529)  |                |                       | 529                 | 19,934.88                         |                             |
| Totals - U. S. Department of Health and Human Services   |                |                       |                     | <u>13,917,516.67</u>              | <u>360,547,656.43</u>       |
| <b>U. S. Department of Homeland Security</b>   |                |                       |                     |                                   |                             |
| Crisis Counseling  | 97.032         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Department of Public Safety (405)  |                |                       | 405                 | 764,624.08                        |                             |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters)                                  | 97.036         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Department of Public Safety (405)  |                |                       | 405                 | 399,273.49                        |                             |



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| Total<br>Pass-Through From<br>and Direct Program<br>Amount | Pass-Through To     |                                   |                                 | Expenditure<br>Amount | Total<br>Pass-Through To<br>and Expenditure<br>Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
|  | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount | Non-State<br>Entities<br>Amount |                       |   |
| 327,779.70   | 729                 | 327,779.70                        |                                 |                       | 327,779.70  |
| 601,431.43   |                     |                                   | 14,009.30                       | 587,422.13            | 601,431.43  |
| 175,966.92   |                     |                                   |                                 | 175,966.92            | 175,966.92  |
| 58,362.39  |                     |                                   |                                 | 58,362.39             | 58,362.39   |
| 19,662,901.82  | 529                 | 19,662,901.82                     |                                 |                       | 19,662,901.82   |
| (40,961.56)  | 745                 | (40,961.56)                       |                                 |                       | (40,961.56)   |
| 671,707.36   |                     |                                   | 485,836.76                      | 185,870.60            | 671,707.36  |
| 63,316,326.97  | 529                 | 63,316,326.97                     |                                 |                       | 63,316,326.97   |
| (401,380.60)   | 714                 | (401,380.60)                      |                                 |                       | (401,380.60)  |
| 6,089,724.81   |                     |                                   | 4,510,833.59                    | 1,578,891.22          | 6,089,724.81  |
| 113,630.00   | 529                 | 113,630.00                        |                                 |                       | 113,630.00  |
| 1,362,057.80   |                     |                                   | 1,277,200.01                    | 84,857.79             | 1,362,057.80  |
| 10,197.22  | 739                 | 10,197.22                         |                                 |                       | 10,197.22   |
| 18,455,291.50  |                     |                                   | 7,771,289.19                    | 10,684,002.31         | 18,455,291.50   |
| 13,279,595.76  | 529                 | 13,279,595.76                     |                                 |                       | 13,279,595.76   |
| 225,093.33   | 711                 | 225,093.33                        |                                 |                       | 225,093.33  |
| 58,311.71  | 721                 | 58,311.71                         |                                 |                       | 58,311.71   |
| 126,966.17   | 730                 | 126,966.17                        |                                 |                       | 126,966.17  |
| 241,970.47   | 739                 | 241,970.47                        |                                 |                       | 241,970.47  |
| 272,474.90   | 744                 | 272,474.90                        |                                 |                       | 272,474.90  |
| 134,712.63   | 745                 | 134,712.63                        |                                 |                       | 134,712.63  |
| 82,127.03  | 785                 | 82,127.03                         |                                 |                       | 82,127.03   |
| 10,347,576.57  |                     |                                   | 7,483,985.20                    | 2,863,591.37          | 10,347,576.57   |
| 3,550,271.98   |                     |                                   |                                 | 3,550,271.98          | 3,550,271.98  |
| (266.76)   |                     |                                   |                                 | (266.76)              | (266.76)  |
| 19,934.88  |                     |                                   |                                 | 19,934.88             | 19,934.88   |
| <u>374,465,173.10</u>                                      |                     | <u>111,539,360.48</u>             | <u>101,153,953.27</u>           | <u>161,771,859.35</u> | <u>374,465,173.10</u>                                 |
| 764,624.08   |                     |                                   |                                 | 764,624.08            | 764,624.08  |
| 399,273.49   |                     |                                   | 373.47                          | 398,900.02            | 399,273.49  |

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TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2017

| Federal Grantor/<br>Pass-Through Grantor<br>Program Title                                    | CFDA<br>Number | Identifying<br>Number | Pass-Through From   |                                   | Direct<br>Program<br>Amount |
|--|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
|  |                |                       | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount |                             |
| Totals - U. S. Department of Homeland Security   |                |                       |                     | 1,163,897.57                      |                             |
| <b>Immunization Cluster</b>  |                |                       |                     |                                   |                             |
| <b>U. S. Department of Health and Human Services</b>   |                |                       |                     |                                   |                             |
| Immunization Cooperative Agreement (NON-MONETARY)  | 93.268         |                       |                     |                                   | 459,240,714.69              |
| Immunization Cooperative Agreement   | 93.268         |                       |                     |                                   | 5,290,575.65                |
| Totals - U. S. Department of Health and Human Services                                       |                |                       |                     |                                   | 464,531,290.34              |
| <b>Highway Safety Cluster</b>  |                |                       |                     |                                   |                             |
| <b>U. S. Department of Transportation</b>  |                |                       |                     |                                   |                             |
| State and Community Highway Safety   | 20.600         |                       |                     |                                   | 90,303.56                   |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Department of Transportation (601)   |                |                       | 601                 | 688,822.16                        |                             |
| National Priority Safety Programs  | 20.616         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Texas Department of Transportation (601)   |                |                       | 601                 | 1,358,954.22                      |                             |
| Totals - U. S. Department of Transportation  |                |                       |                     | 2,047,776.38                      | 90,303.56                   |
| <b>Medicaid Cluster</b>  |                |                       |                     |                                   |                             |
| <b>U. S. Department of Health and Human Services</b>   |                |                       |                     |                                   |                             |
| State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare | 93.777         |                       |                     |                                   | 776,197.66                  |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Department of Aging and Disability Services (539)  |                |                       | 539                 | 6,450,326.00                      |                             |
| Medical Assistance Program   | 93.778         |                       |                     |                                   |                             |
| Pass Through From:   |                |                       |                     |                                   |                             |
| Health and Human Services Commission (529)   |                |                       | 529                 | 13,790,847.05                     |                             |
| Totals - U. S. Department of Health and Human Services                                       |                |                       |                     | 20,241,173.05                     | 776,197.66                  |
| <b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>  |                |                       |                     | <b>37,840,307.82</b>              | <b>1,326,928,801.94</b>     |

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| Total<br>Pass-Through From<br>and Direct Program<br>Amount | Pass-Through To     |                                   |                                 | Total<br>Pass-Through To<br>and Expenditure<br>Amount |                       |
|--|---------------------|-----------------------------------|---------------------------------|---|-----------------------|
|  | Agy/<br>Univ<br>No. | Agency or<br>University<br>Amount | Non-State<br>Entities<br>Amount |   | Expenditure<br>Amount |
| 1,163,897.57   |                     |                                   | 373.47                          | 1,163,524.10  | 1,163,897.57          |
| 459,240,714.69   |                     |                                   |                                 | 459,240,714.69  | 459,240,714.69        |
| 5,290,575.65   |                     |                                   |                                 | 5,290,575.65  | 5,290,575.65          |
| 464,531,290.34   |                     |                                   |                                 | 464,531,290.34  | 464,531,290.34        |
| 90,303.56  |                     |                                   |                                 | 90,303.56   | 90,303.56             |
| 688,822.16   |                     |                                   |                                 | 688,822.16  | 688,822.16            |
| 1,358,954.22   |                     |                                   |                                 | 1,358,954.22  | 1,358,954.22          |
| 2,138,079.94   |                     |                                   |                                 | 2,138,079.94  | 2,138,079.94          |
| 776,197.66   |                     |                                   |                                 | 776,197.66  | 776,197.66            |
| 6,450,326.00   |                     |                                   |                                 | 6,450,326.00  | 6,450,326.00          |
| 13,790,847.05  |                     |                                   | 1,500,623.85                    | 12,290,223.20   | 13,790,847.05         |
| 21,017,370.71  |                     |                                   | 1,500,623.85                    | 19,516,746.86   | 21,017,370.71         |
| 1,364,769,109.76   |                     | 123,921,407.31                    | 233,824,918.59                  | 1,007,022,783.86                                      | 1,364,769,109.76      |



**TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2017**

**Note 1 - NonMonetary Assistance**

The Childhood Immunization Program (CFDA 93.268) received vaccines from the US Department of Health and Human Services - Center for Disease Control. The dollar value of the vaccines for the fiscal year ended August 31, 2017 was \$459,240,714.69.

The agency received personal property as part of the General Service Administration donation of Federal Surplus Personal Property (CFDA 39.003). The dollar value of personal property for the fiscal year ended August 31, 2016 was \$8,592.82. The North Texas State Hospital received \$3,907.39 Fair Market Value. The Laboratory Service Section received \$1,133.29 Fair Market Value and the San Antonio State Hospital received \$3,552.14 Fair Market Value.

**Note 2 - Reconciliation**

Per Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types (Exhibit II)

|   |                            |
|---|----------------------------|
| Federal Revenues  | \$ 867,688,087.25          |
| Federal Pass Through Revenues   | 37,831,715.00              |
|   | <u>905,519,802.25</u>      |
| Reconciling Items:  |                            |
| Non-Monetary Assistance 93.268 - Note 1   | 459,240,714.69             |
| Non-Monetary Assistance 39.003 - Note 1   | 8,592.82                   |
|   | <u>459,249,307.51</u>      |
| Total Pass-Through and Expenditures per<br>Schedule of Expenditures of Federal Awards | <u>\$ 1,364,769,109.76</u> |

**Note 3 - Student Loans**

This note is not applicable to the Department of State Health Services.

**Note 4 - Government Publications**

This note is not applicable to the Department of State Health Services.

**Note 5 - Unemployment Insurance**

This note is not applicable to the Department of State Health Services.

**Note 6 - Rebates from the Special Supplemental Food Program for Women, Infants and Children (WIC)**

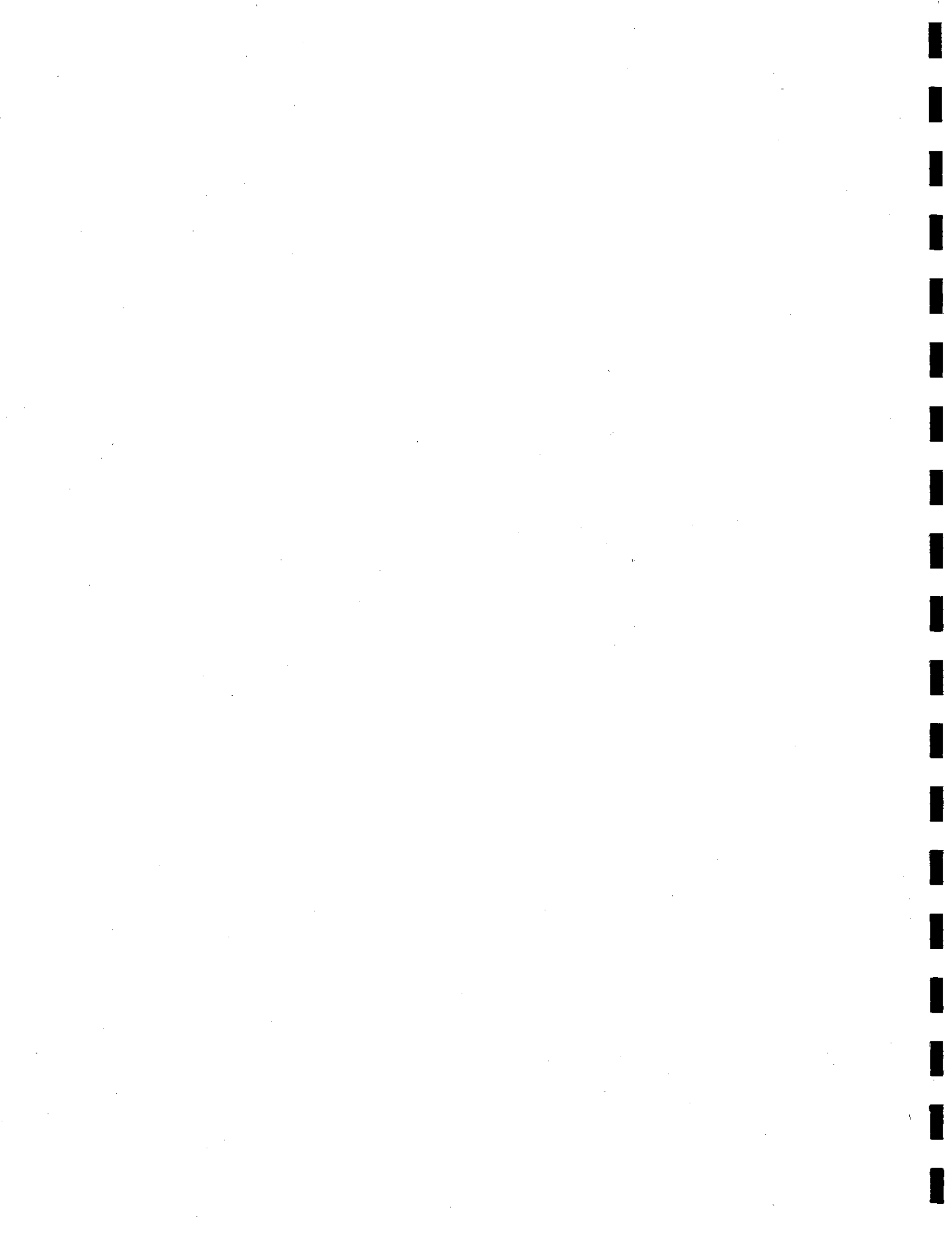
This note is not applicable going forward to the Department of State Health Services.

**Note 7 - Federal Deferred Revenue**

This note is not applicable to the Department of State Health Services.

**Note 8 - Disaster Grants - Public Assistance**

| Project Name:          | Current Year Expenditures |
|------------------------|---------------------------|
| Disaster 4266, PW#142  | \$ 312,531.11             |
| Disaster 4245, SW PW#1 | 344,327.93                |
| Disaster 4266, SW PW#1 | 74,305.50                 |
| Disaster 4269, SW PW#1 | 345,990.65                |
| Disaster 4269, PW#283  | 86,742.38                 |
|                        | <u>\$ 1,163,897.57</u>    |



UNAUDITED

**TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2017**

**Note 9 - Economic Adjustment Assistance**

This note is not applicable to the Department of State Health Services.

**Note 10 - 10% de Minimis Indirect Cost Rate**

This note is not applicable to the Department of State Health Services.





UNAUDITED

**Texas Department of State Health Services (537)  
Schedule 1B - Schedule of State Grant Pass Through  
From/To State Agencies  
For the Fiscal Year Ended August 31, 2017**

| <b>Pass Through From:</b>  | <b>Grant ID</b> | <b>Agency Number</b> | <b>Amount</b>        |
|--|-----------------|----------------------|----------------------|
| <b>Criminal Justice Planning Grants - GR-D Fund 0421</b><br>Governor - Fiscal  | 300.0004        | 300                  | \$ 13,800.09         |
| <b>PP120029-Evidence-Based Cancer Prevention Services</b><br>Cancer Prevention & Research Inst of Tx   | 542.0018        | 542                  | 791,993.92           |
| <b>Research of Hazardous and Solid Waste - Superfund sites</b><br>Texas Commission on Environmental Quality  | 582.0077        | 582                  | (2,245.79)           |
| <b>Support for the Technical functions of the TCEQ on an as needed basis,<br/>in carrying out programs, as specified with the clear air act</b><br>Texas Commission on Environmental Quality | 582.0100        | 582                  | 205.91               |
| <b>Total Maximum Daily Load (TDML) Fish Contaminant Studies (2014-2016)</b><br>Texas Commission on Environmental Quality   | 582.0103        | 582                  | 127,759.79           |
| <b>Total Pass-through from Other Agencies (Exh II):</b>  |                 |                      | <b>\$ 931,513.92</b> |

| <b>Pass Through To:</b>   | <b>Grant ID</b> | <b>Agency Number</b> | <b>Amount</b>     |
|---|-----------------|----------------------|-------------------|
| <b>Epilepsy Project</b><br>Texas Tech University Health Science Cntr El Paso          | 537.0006        | 774                  | (47,603.45)       |
| <b>Tobacco Use Prevention and Control</b><br>Texas State University - San Marcos      | 537.0008        | 754                  | 3,029,010.72      |
| <b>Public Health Emergency Response</b><br>University of Texas Health Center at Tyler | 537.0012        | 785                  | 5,257.06          |
| <b>SHS Child W Spec Health Care Needs</b><br>University of Houston                    | 537.0014        | 730                  | 13,468.35         |
| University of Texas Health Science Center at Houston                                  |                 | 744                  | 164,277.31        |
| University of Texas Health Science Center at San Antonio                              |                 | 745                  | 13,502.76         |
|   |                 |                      | <u>191,248.42</u> |
| <b>Substance Abuse Treatment</b><br>Texas Juvenile Justice Department                 | 537.0015        | 644                  | (125,432.57)      |
| <b>Tuberculosis Elimination Program</b><br>University of Texas Health Center at Tyler | 537.0017        | 785                  | 810,000.00        |
| <b>Texas Diabetes Program</b><br>University of Texas at Austin                        | 537.0018        | 721                  | 185,429.56        |
| <b>HIV Testing</b><br>Texas A&M University  | 537.0020        | 711                  | 57,807.00         |
| <b>Family Health Services</b>   | 537.0024        |                      |                   |



UNAUDITED

| <b>Pass Through To:</b>                                  | <b>Grant ID</b> | <b>Agency Number</b> | <b>Amount</b>                   |
|--|-----------------|----------------------|---------------------------------|
| Health and Human Services Commission                     |                 | 529                  | 13,800.09                       |
| University of Houston                                    |                 | 730                  | 591,948.94                      |
| Texas Tech University Health Sciences Center             |                 | 739                  | (35,733.86)                     |
| University of Texas Health Science Center at Houston     |                 | 744                  | 280,247.66                      |
| University of Texas Health Center at Tyler               |                 | 785                  | (167,143.88)                    |
|  |                 |                      | <u>683,118.95</u>               |
| <b>Population Based Genetic Services</b>                 | 537.0025        |                      |                                 |
| University of Texas Health Science Center at Houston     |                 | 744                  | 99,999.00                       |
| <b>Texas Environmental Health</b>                        | 537.0027        |                      |                                 |
| University of Texas Southwestern Medical Center          |                 | 729                  | 284,139.52                      |
| <b>EMS/Trauma Care System</b>                            | 537.0028        |                      |                                 |
| Health and Human Services Commission                     |                 | 529                  | 140,000,000.00                  |
| <b>Healthy Texas Babies Initiative</b>                   | 537.0035        |                      |                                 |
| Texas Tech University Health Science Cntr El Paso        |                 | 774                  | (413.62)                        |
| <b>Cardiovascular Health and Wellness Program</b>        | 537.0036        |                      |                                 |
| University of Texas System                               |                 | 720                  | 2,250,000.00                    |
| <b>Texas Youth Tobacco Awareness Program</b>             | 537.0038        |                      |                                 |
| University of Texas at Austin                            |                 | 721                  | 698,973.43                      |
| <b>Medcares</b>  | 537.0043        |                      |                                 |
| Texas Tech University Health Science Center              |                 | 739                  | 200,420.70                      |
| University of Texas Health Science Center at Houston     |                 | 744                  | 412,421.35                      |
|  |                 |                      | <u>612,842.05</u>               |
| <b>Mental Health Peer Counseling Program</b>             | 537.0045        |                      |                                 |
| Texas A&M University Health Science Center               |                 | 709                  | (63,499.19)                     |
| University of Texas Health Science Center at San Antonio |                 | 745                  | 49,561.62                       |
| University of Texas Health Center at Tyler               |                 | 785                  | (738,625.00)                    |
|  |                 |                      | <u>(752,562.57)</u>             |
| <b>Total Pass-Through to Other Agencies (Exh II):</b>    |                 |                      | <u><u>\$ 147,981,813.50</u></u> |

