



TEXAS
Health and Human
Services

**Texas Department of State
Health Services**

Annual Financial Report
Year Ended August 31, 2019



DEPARTMENT OF STATE HEALTH SERVICES (537)

Annual Financial Report

FOR THE YEAR ENDED AUGUST 31, 2019





TEXAS
Health and Human
Services

Texas Department of State Health Services

John Hellerstedt, M.D.
Commissioner

November 20, 2019

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Ms. Sarah Keyton, Legislative Budget Board
Ms. Lisa R. Collier, CPA, CFE, CIDA, State Auditor

Ladies 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, 2019, 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 dark ink, appearing to read "D Sheppard".

Donna Sheppard
Chief Financial Officer





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Basic Financial Statements

Texas Department of State Health Services (537)
 Exhibit I - Combined Balance Sheet - Governmental Funds
 August 31, 2019

| | Governmental Fund Types | | | Governmental Funds Total |
|--------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------|
| | General Revenue Funds (Exh A-1) | Capital Project Funds (Exh D-1) | Permanent Funds (Fund 5048) | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | | | | |
| On Hand | \$ 5,750.00 | | | \$ 5,750.00 |
| In Bank (Note 3) | 308,300.00 | | | 308,300.00 |
| In State Treasury | 208,825,994.37 | | 133,314.26 | 208,959,308.63 |
| Legislative Appropriations | 78,785,849.55 | 19,129,426.31 | | 97,915,275.86 |
| Receivables from: | | | | |
| Accounts (Note 24) | 9,792,581.52 | | | 9,792,581.52 |
| Federal | 45,249,072.90 | | | 45,249,072.90 |
| Due From Other Agencies | 388,072.90 | - | | 388,072.90 |
| Consumable Inventories | 46,812,790.07 | | | 46,812,790.07 |
| Total Current Assets | <u>390,168,411.31</u> | <u>19,129,426.31</u> | <u>133,314.26</u> | <u>409,431,151.88</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>390,168,411.31</u> | <u>19,129,426.31</u> | <u>133,314.26</u> | <u>409,431,151.88</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts Payable | 81,169,425.62 | 18,423.82 | 86,939.95 | 81,274,789.39 |
| Payroll Payable | 17,619,783.96 | | | 17,619,783.96 |
| Interfund Payable (Note 12) | - | - | | - |
| Due to Other Agencies | 5,050,535.68 | | | 5,050,535.68 |
| Deferred Revenues | 298,999.78 | | | 298,999.78 |
| Employees Compensable Leave (Note 5) | | | | |
| Total Current Liabilities | <u>104,138,745.04</u> | <u>18,423.82</u> | <u>86,939.95</u> | <u>104,244,108.81</u> |
| Non-Current Liabilities: | | | | |
| Employees Compensable Leave (Note 5) | | | | |
| Interfund Payables (Note 12) | - | - | | - |
| Total Non-Current Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>104,138,745.04</u> | <u>18,423.82</u> | <u>86,939.95</u> | <u>104,244,108.81</u> |

UNAUDITED

| Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Net Assets |
|-------------------------------|---|----------------------------|
| | | \$ 5,750.00 |
| | | 308,300.00 |
| | | 208,959,308.63 |
| | | 97,915,275.86 |
| | | 9,792,581.52 |
| | | 45,249,072.90 |
| | | 388,072.90 |
| | | <u>46,812,790.07</u> |
| - | - | <u>409,431,151.88</u> |
| | | |
| 21,105,318.89 | | 21,105,318.89 |
| <u>32,636,542.32</u> | | <u>32,636,542.32</u> |
| <u>53,741,861.21</u> | - | <u>53,741,861.21</u> |
| <u>53,741,861.21</u> | - | <u>463,173,013.09</u> |
| | | |
| | | 81,274,789.39 |
| | | 17,619,783.96 |
| | | 5,050,535.68 |
| | | 298,999.78 |
| | <u>9,438,336.74</u> | <u>9,438,336.74</u> |
| - | <u>9,438,336.74</u> | <u>113,682,445.55</u> |
| | | |
| | 5,273,210.53 | 5,273,210.53 |
| - | <u>5,273,210.53</u> | <u>5,273,210.53</u> |
| - | <u>14,711,547.27</u> | <u>118,955,656.08</u> |

Texas Department of State Health Services (537)
 Exhibit I - Combined Balance Sheet - Governmental Funds
 August 31, 2019

| | Governmental Fund Types | | | Governmental Funds Total |
|-------------------------------------|---------------------------------------|---------------------------------------|-----------------------------------|-----------------------------|
| | General Revenue Funds (Exh A-1) | Capital Project Funds (Exh D-1) | Permanent Funds (Fund 5048) | |
| FUND FINANCIAL STATEMENT | | | | |
| Fund Balances (Deficits): | | | | |
| Nonspendable | 46,812,790.07 | | - | 46,812,790.07 |
| Restricted | 48,021,745.80 | 19,111,002.49 | - | 67,132,748.29 |
| Committed | 153,473,408.22 | - | | 153,473,408.22 |
| Assigned | - | - | | - |
| Unassigned | 37,721,722.18 | - | 46,374.31 | 37,768,096.49 |
| Total Fund Balances | <u>286,029,666.27</u> | <u>19,111,002.49</u> | <u>46,374.31</u> | <u>305,187,043.07</u> |
| Total Liabilities and Fund Balances | <u>\$ 390,168,411.31</u> | <u>\$ 19,129,426.31</u> | <u>\$ 133,314.26</u> | <u>\$ 409,431,151.88</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 Adjustments</u> | <u>Long-Term Liabilities Adjustments</u> | <u>Statement of Net Assets</u> |
|---------------------------------------|--|------------------------------------|
| | | 46,812,790.07 |
| | | 67,132,748.29 |
| | | 153,473,408.22 |
| | | - |
| | | <u>37,768,096.49</u> |
| - | - | <u>305,187,043.07</u> |
| | | |
| 53,741,861.21 | | 53,741,861.21 |
| | (14,711,547.27) | (14,711,547.27) |
| <u>\$ 53,741,861.21</u> | <u>\$ (14,711,547.27)</u> | <u>\$ 344,217,357.01</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, 2019

| | Governmental Funds | | |
|--|---------------------------------------|---------------------------------------|--------------------------------|
| | General Revenue Funds (Exh A-2) | Capital Project Funds (Exh D-2) | Permanent Funds (Fund 5048) |
| REVENUES | | | |
| Legislative Appropriations: | | | |
| Original Appropriations | \$ 240,911,844.00 | \$ - | |
| Additional Appropriations | 23,273,337.06 | - | |
| Federal Revenue | 308,525,699.24 | | |
| Federal Grant Pass-Through Revenue | 32,314,450.99 | | |
| State Grant Pass-Through Revenue | - | | |
| Other Operating Grant Revenue | - | | |
| Licenses, Fees & Permits | 152,872,752.53 | | |
| Interest and Other Investment Income | 737,979.77 | | |
| Land Income | (29,900.00) | | |
| Sales of Goods and Services | 65,438,819.78 | | |
| Other General Revenues | 110,948,369.63 | - | - |
| Total Revenues | <u>934,993,353.00</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | |
| Salaries and Wages | 156,209,692.29 | | - |
| Payroll Related Costs | 65,801,806.84 | | - |
| Professional Fees and Services | 53,135,051.26 | - | 69,934.43 |
| Travel | 8,164,240.35 | | - |
| Materials and Supplies | 188,947,490.71 | - | 341,496.57 |
| Communication and Utilities | 4,877,966.76 | | 103,506.78 |
| Repairs and Maintenance | 10,534,839.62 | 811,080.81 | 65,685.00 |
| Rentals and Leases (Note 8) | 5,286,193.55 | - | 921.06 |
| Printing and Reproduction | 2,701,432.21 | | - |
| Claims and Judgments | 38,328.51 | | |
| Federal Grant Pass-Through Expenditures | 25,224,234.89 | | |
| State Grant Pass-Through Expenditures | 118,095,304.50 | | 202,500.00 |
| Intergovernmental Payments | 121,193,448.30 | | |
| Public Assistance Payments | 56,268,380.49 | | |
| Interest | - | | |
| Other Expenditures | 85,371,734.45 | - | 17,748.42 |
| Capital Outlay | 2,332,310.06 | - | |
| Depreciation and Amortization Expense | | | |
| Total Expenditures/Expenses | <u>904,182,454.79</u> | <u>811,080.81</u> | <u>801,792.26</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>30,810,898.21</u> | <u>(811,080.81)</u> | <u>(801,792.26)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Bond Proceeds | | | |
| Increase in Obligations Under Capital Leases | | | |
| Sale of Capital Assets | 334.56 | | |
| Transfer In | 37,630,102.65 | 227,622.54 | 799,181.60 |
| Transfer Out | (92,819,256.23) | - | (350,000.00) |
| Legislative Transfer In (Note 12) | 923,418.00 | 722,706.80 | |
| Legislative Transfer Out (Note 12) | (722,706.80) | | |
| Gains (Losses) on Sale of Capital Assets | | | |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | | | |
| Total Other Financing Sources (Uses) | <u>(54,988,107.82)</u> | <u>950,329.34</u> | <u>449,181.60</u> |
| Net Change in Fund Balances/Net Assets | <u>(24,177,209.61)</u> | <u>139,248.53</u> | <u>(352,610.66)</u> |

UNAUDITED

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|-----------------------------|-------------------------------|---|----------------------------|
| \$ 240,911,844.00 | | | \$ 240,911,844.00 |
| 23,273,337.06 | | | 23,273,337.06 |
| 308,525,699.24 | | | 308,525,699.24 |
| 32,314,450.99 | | | 32,314,450.99 |
| 152,872,752.53 | | | 152,872,752.53 |
| 737,979.77 | | | 737,979.77 |
| (29,900.00) | | | (29,900.00) |
| 65,438,819.78 | | | 65,438,819.78 |
| 110,948,369.63 | | | 110,948,369.63 |
| <u>934,993,353.00</u> | | | <u>934,993,353.00</u> |
| 156,209,692.29 | | 283,198.73 | 156,492,891.02 |
| 65,801,806.84 | | | 65,801,806.84 |
| 53,204,985.69 | | | 53,204,985.69 |
| 8,164,240.35 | | | 8,164,240.35 |
| 189,288,987.28 | | | 189,288,987.28 |
| 4,981,473.54 | | | 4,981,473.54 |
| 11,411,605.43 | | | 11,411,605.43 |
| 5,287,114.61 | | | 5,287,114.61 |
| 2,701,432.21 | | | 2,701,432.21 |
| 38,328.51 | | | 38,328.51 |
| 25,224,234.89 | | | 25,224,234.89 |
| 118,297,804.50 | | | 118,297,804.50 |
| 121,193,448.30 | | | 121,193,448.30 |
| 56,268,380.49 | | | 56,268,380.49 |
| 85,389,482.87 | | | 85,389,482.87 |
| 2,332,310.06 | (2,332,310.06) | | |
| | 4,647,982.18 | | 4,647,982.18 |
| <u>905,795,327.86</u> | <u>2,315,672.12</u> | <u>283,198.73</u> | <u>908,394,198.71</u> |
| <u>29,198,025.14</u> | <u>(2,315,672.12)</u> | <u>(283,198.73)</u> | <u>26,599,154.29</u> |
| 334.56 | (334.56) | | |
| 38,656,906.79 | | | 38,656,906.79 |
| (93,169,256.23) | | | (93,169,256.23) |
| 1,646,124.80 | | | 1,646,124.80 |
| (722,706.80) | | | (722,706.80) |
| | (288,341.92) | | (288,341.92) |
| | 2,405,888.18 | | 2,405,888.18 |
| <u>(53,588,596.88)</u> | <u>2,117,211.70</u> | | <u>(51,471,385.18)</u> |
| <u>(24,390,571.74)</u> | <u>(198,460.42)</u> | <u>(283,198.73)</u> | <u>(24,872,230.89)</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, 2019

| | Governmental Funds | | |
|---|---------------------------------------|---------------------------------------|--------------------------------|
| | General Revenue Funds (Exh A-2) | Capital Project Funds (Exh D-2) | Permanent Funds (Fund 5048) |
| Fund Financial Statement - Fund Balances | | | |
| Fund Balances, September 1, 2018 | 317,413,666.64 | 18,971,753.96 | 398,984.97 |
| Restatements | (654,056.07) | | |
| Fund Balances, September 1, 2018 as Restated | 316,759,610.57 | 18,971,753.96 | 398,984.97 |
| Appropriations Lapsed | (6,552,734.69) | | |
| Fund Balances - August 31, 2019 | <u>\$ 286,029,666.27</u> | <u>\$ 19,111,002.49</u> | <u>\$ 46,374.31</u> |

Government-Wide Statement of Net Assets

Net Change in Net Assets

Net Assets, September 1, 2018

Restatements

Net Assets, September 1, 2018 as Restated

Net Assets as of August 31, 2019

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

UNAUDITED

| Governmental Funds Total | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Statement of Activities |
|-------------------------------------|---------------------------------------|--|------------------------------------|
| 336,784,405.57 | | | 336,784,405.57 |
| (654,056.07) | | | (654,056.07) |
| 336,130,349.50 | | | 336,130,349.50 |
| (6,552,734.69) | | | (6,552,734.69) |
| <u>\$ 305,187,043.07</u> | <u>\$ (198,460.42)</u> | <u>\$ (283,198.73)</u> | <u>\$ 304,705,383.92</u> |
| | 53,753,963.85 | (14,428,348.54) | 139,904,193.82 |
| | 186,357.78 | | 186,357.78 |
| | <u>53,940,321.63</u> | <u>(14,428,348.54)</u> | <u>39,511,973.09</u> |
| | <u>\$ 53,741,861.21</u> | <u>\$ (14,711,547.27)</u> | <u>\$ 344,217,357.01</u> |



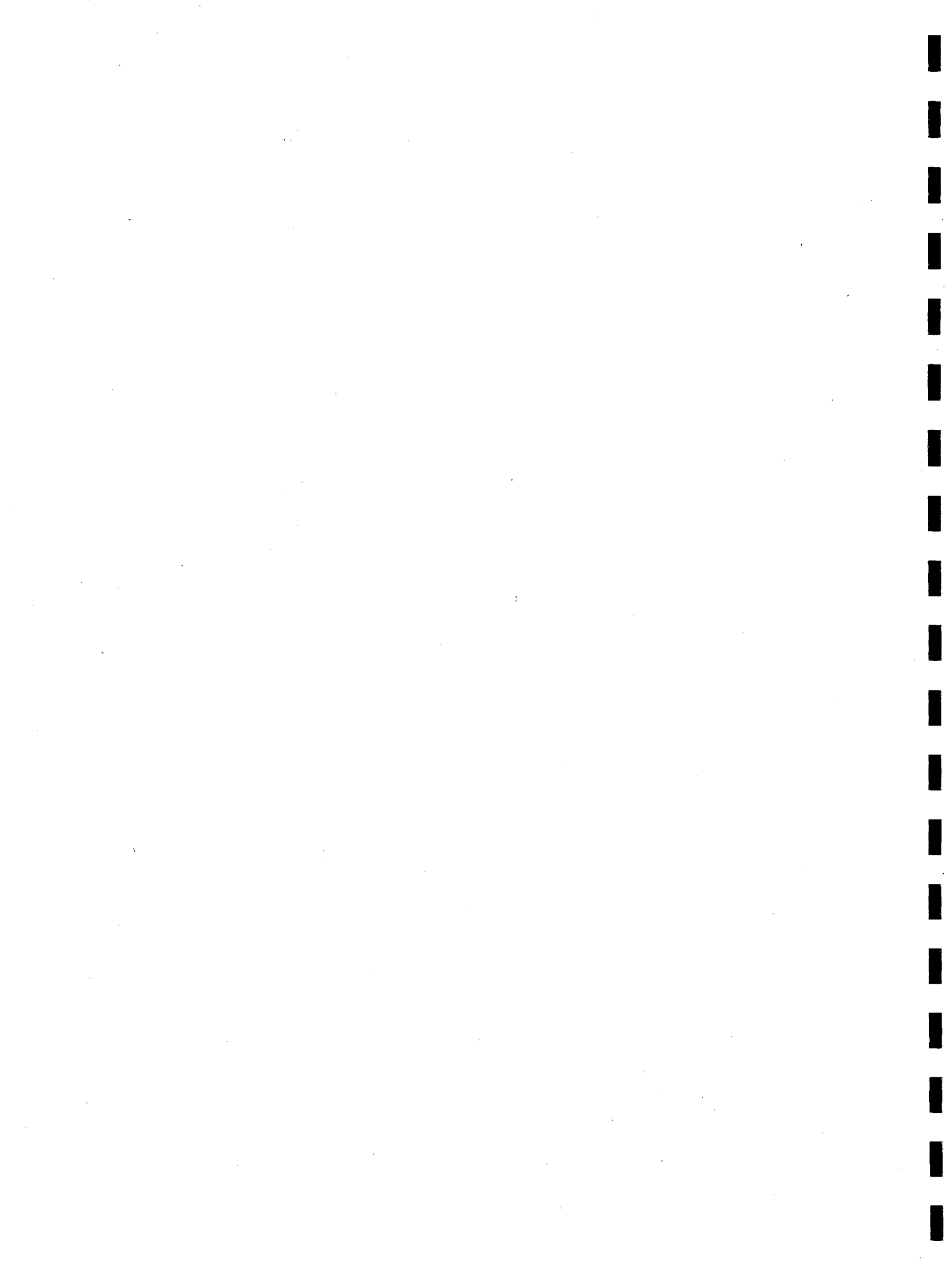
UNAUDITED
Texas Department of State Health Services (537)
Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds
August 31, 2019

| | Agency Funds (Exhibit J-1) | Totals |
|--------------------------------------|-------------------------------|-------------------------|
| ASSETS | | |
| Cash and Cash Equivalents: | | |
| Cash in Bank (Note 3) | \$ - | \$ - |
| Cash in State Treasury | 105,041.87 | 105,041.87 |
| Shared Cash | (65,622.18) | (65,622.18) |
| Short Term Investments (Note 3) | | |
| Miscellaneous Investments (Note 3) | - | - |
| Repurchase Agreements (Note 3) | - | - |
| Other Assets | <u>80,387,993.00</u> | <u>80,387,993.00</u> |
| Total Current Assets | <u>80,427,412.69</u> | <u>80,427,412.69</u> |
| LIABILITIES | | |
| Current Liabilities | | |
| Funds Held for Others | 80,427,412.69 | 80,427,412.69 |
| Other Liabilities | - | - |
| Total Current Liabilities | <u>\$ 80,427,412.69</u> | <u>\$ 80,427,412.69</u> |
| NET ASSETS | | |
| Held in Trust For: | | |
| Individuals, Organizations and Other | - | - |
| Total Net Assets | <u>\$ -</u> | <u>\$ -</u> |

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



Notes to the Financial Statements



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. Fund 0129 has transferred to Texas Health and Human Services on September 01, 2017.

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.

Economic Stabilization Fund 0599

Texas Government Code Ann. §316.092 Revenue to the fund consists of transfers from General Revenue Fund 001 of 1.) At least one-half of an amount equal to 75 percent of oil production and natural gas production tax revenues in any fiscal year that exceeds fiscal 1987 collections. 2.) One-half of any unencumbered General Revenue surplus at the end of each biennium. Fund may include any other money appropriated to the fund by the legislature. Fund may be used to eliminate temporary cash deficiency in Fund (0001). Legislature may appropriate the fund for any purpose if two-thirds vote of members present in each house is received. The Constitution caps the maximum balance at an amount not to exceed 10% of GR deposited during the previous biennium excluding investment income, interest income and amounts borrowed from special funds. Minimum balance is equal to 7% of certified General Revenue-related appropriations made for the fiscal biennium. The balance may be invested by the Comptroller with $\frac{1}{4}$ of the balance invested in a manner that ensure liquidity.

License Plate Trust Fund 0802

Texas Transportation Code Ann. §§504.6012(f), 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.

Texas Home Visiting Program Trust Fund 0803

Texas Government Code Ann. §531.287 Created as a trust fund outside the treasury, with the comptroller, administered by Health and Human Service Commission (529). Consists of voluntary contributions at the time of issuance of a marriage license (revenue code 3041). May be spent without appropriation for the purpose of the Texas Home Visiting Program.

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. Fund 5049 has transferred to Texas Health and Human Services on September 01, 2017.

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, 78th Leg, RS. Asbestos penalties were added on 06/01/2002 and transferred to this agency on 09/01/2004 by HB 2292, 78th 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. Fund 5096 has transferred to Texas Health and Human Services on September 01, 2017.

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. Fund 6014 has transferred to Texas Health and Human Services on September 01, 2017.

BASIS OF ACCOUNTING

The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual 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

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 \$80,387,993.00 for FY19 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

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".

UNAUDITED

- (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.

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 8/31/2019 |
|--|----------------------|-------------------|------------------------------------|---------------------------------------|---------------------------------------|-----------------------|---------------------|----------------------|
| | Balance 9/1/2018 | Adjustments | Reclassifications Completed CIP | Reclassifications Inc-Int'gy Trans | Reclassifications Dec-Int'gy Trans | Additions | Deletions | |
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| Non-depreciable or Non-amortizable Assets | | | | | | | | |
| Land and Land Improvements | 646,041.56 | - | - | - | - | - | - | 646,041.56 |
| Infrastructure | - | - | - | - | - | - | - | - |
| Construction in Progress | 20,459,177.33 | - | - | - | - | - | - | 20,459,177.33 |
| Other Capital Assets | 135.00 | - | - | - | - | - | (35.00) | 100.00 |
| Land Use Rights - Permanent | - | - | - | - | - | - | - | - |
| Total Non-depreciable or Non-amortizable Assets | 21,105,353.89 | - | - | - | - | - | (35.00) | 21,105,318.89 |
| Depreciable Assets | | | | | | | | |
| Buildings and Building Improvements | 66,219,063.08 | - | - | - | - | - | - | 66,219,063.08 |
| Infrastructure | 620,200.62 | - | - | - | - | - | - | 620,200.62 |
| Facilities and Other Improvements | 2,502,287.87 | - | - | - | - | - | - | 2,502,287.87 |
| Furniture and Equipment | 11,809,539.57 | 9,383.80 | - | 14,111,901.78 | (335,179.93) | 2,124,879.58 | (1,407,547.39) | 26,312,977.41 |
| Vehicle, Boats and Aircraft | 2,891,462.78 | - | - | 425,779.72 | (31,377.00) | 207,430.48 | (65,700.71) | 3,427,595.27 |
| Other Capital Assets | 208,049.00 | - | - | - | - | - | - | 208,049.00 |
| Total Depreciable Assets at Historical Cost | 84,250,602.92 | 9,383.80 | - | 14,537,681.50 | (366,556.93) | 2,332,310.06 | (1,473,248.10) | 99,290,173.25 |
| Less Accumulated Depreciation for: | | | | | | | | |
| Buildings and Building Improvements | (39,653,772.45) | - | - | - | - | (2,352,973.59) | - | (42,006,746.04) |
| Infrastructure | (147,098.68) | - | - | - | - | (23,853.84) | - | (170,952.52) |
| Facilities and Other Improvements | (1,932,425.43) | - | - | - | - | (60,406.80) | - | (1,992,832.23) |
| Furniture and Equipment | (7,487,045.27) | 28,111.82 | - | (11,629,833.24) | 179,491.22 | (1,824,038.43) | 1,118,905.91 | (19,614,407.99) |
| Vehicles, Boats and Aircraft | (2,353,280.97) | 148,862.16 | - | (341,301.83) | 26,407.46 | (377,252.80) | 65,700.71 | (2,830,865.27) |
| Other Capital Assets | (28,370.16) | - | - | - | - | (9,456.72) | - | (37,826.88) |
| Total Accumulated Depreciation | (51,601,992.96) | 176,973.98 | - | (11,971,135.07) | 205,898.68 | (4,647,982.18) | 1,184,606.62 | (66,653,630.93) |
| Depreciable Assets, Net | 32,648,609.96 | 186,357.78 | - | 2,566,546.43 | (160,658.25) | (2,315,672.12) | (288,641.48) | 32,636,542.32 |
| Intangible Capital Assets - Amortizable | | | | | | | | |
| Land Use Rights - Term | - | - | - | - | - | - | - | - |
| Computer Software - Intangible | 1,659,186.28 | - | - | - | - | - | (135,153.53) | 1,524,032.75 |
| Other Intangible Capital Assets - Term | - | - | - | - | - | - | - | - |
| Total Intangible Assets at Historical Cost | 1,659,186.28 | - | - | - | - | - | (135,153.53) | 1,524,032.75 |
| Less Accumulated Amortization for: | | | | | | | | |
| Land Use Rights - Term | - | - | - | - | - | - | - | - |
| Computer Software - Intangible | (1,659,186.28) | - | - | - | - | - | 135,153.53 | (1,524,032.75) |
| Other Intangible Capital Assets - Term | - | - | - | - | - | - | - | - |
| Total Accumulated Amortization | (1,659,186.28) | - | - | - | - | - | 135,153.53 | (1,524,032.75) |
| Amortizable Assets, Net | - | - | - | - | - | - | - | - |
| Governmental Activities Capital Assets, Net | 53,753,963.85 | 186,357.78 | - | 2,566,546.43 | (160,658.25) | (2,315,672.12) | (288,676.48) | 53,741,861.21 |

A summary of changes in Capital Assets for the year ended August 31, 2019, is presented above: The adjustment column has a prior period adjustment of \$186,357.78 resulting from further 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, 2019, the carrying amount of deposits was \$308,300.00 as presented below.

| Governmental Activities – Fund Type 01 | |
|---|---------------|
| Cash in Bank – Carrying Value | \$ 308,300.00 |
| Cash in Bank per AFR | \$ 308,300.00 |

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, 2019, the following changes occurred in liabilities.

| Governmental Activities | Balance 9/01/18 | Additions | Reductions | Exhibit I Balance 8/31/19 | Exhibit I Amounts Due Within One Year |
|--------------------------------------|----------------------------|----------------------|----------------------|--|--|
| Compensable Leave | \$ 14,428,348.54 | 14,561,210.58 | 14,278,011.85 | \$ 14,711,547.27 | \$ 9,438,336.74 |
| Total Governmental Activities | \$ 14,428,348.54 | 14,561,210.58 | 14,278,011.85 | \$ 14,711,547.27 | \$ 9,438,336.74 |

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.

The Department of State Health Services did not receive enough information to reasonably estimate a weighted average for lab equipment, e.g. X-Ray equipment. In FY2020, an ARO maybe reported if the liability can be reasonably estimated.

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) | \$ 5,286,193.55 |
| Permanent Fund (19) | 921.06 |
| Total, Exh II | \$5,287,114.61 |

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, | |
|---|------------------------|
| 2020 | \$ 3,061,673.18 |
| 2021 | 1,467,025.76 |
| 2022 | 469,880.53 |
| 2023-2026 | 51,275.82 |
| 2027-2032 | 10,505.58 |
| Total Minimum Future Lease Rental Payments | \$ 5,060,360.87 |

NOTE 9: Defined Benefit Pension and Defined Contribution 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, 2019 follows:

| | Legislative Transfers In | Legislative Transfers Out | Purpose |
|------------------------------------|--------------------------|---------------------------|------------------------|
| GENERAL (01) | | | |
| Appd Fund 0001, D23 Fund 0001 | | | |
| Agency 529, D23 Fund 0001 | 923,418.00 | | Benefit Appropriations |
| Agency 537, D23 Fund 3001 | | 722,706.80 | Benefit Appropriations |
| Subtotal – General Fund (01) | 923,418.00 | 722,706.80 | |
| CAPITAL PROJECTS (04) | | | |
| Appd Fund 3046, D23 Fund 3001 | | | |
| Agency 537, D23 Fund 0001 | 722,706.80 | | Benefit Appropriations |
| Total Legislative Transfers | \$ 1,646,124.80 | \$ 722,706.80 | |

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 \$186,357.78.

| | Capital Assets Adjustments |
|--|----------------------------|
| Net Assets at August 31, 2018 | \$53,753,963.85 |
| Restatement | 186,357.78 |
| Net Assets at September 1, 2018 as restated | \$53,940,321.63 |

The GR reconciliation under the BRP column includes a restated amount of \$654,056.07. This restatement amount is due to internal transfers that inflated the actual amount of BRP for prior years.

NOTE 15: Contingencies and Commitments

Unpaid Claims and Lawsuits

As of August 31, 2019, certain unpaid claims and lawsuits were pending against the Department. The unpaid claims and lawsuits for FY19, 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 |
|--------------------------------------|-----------|--------------------------|---|--------------------------|---------------|--|
| Lopez, Marlene v. HHSC & VSC of SASH | DSHS | Tort Claim | Past & future medical expenses; future physical pain, mental anguish & impairment; and property damage. | Unknown | Unknown | Plaintiff seeks personal injury damages pursuant to the Texas Tort Claims Act (TTCA), against DSHS for alleged negligent operation of a motor vehicle driven by a TCID employee. |
| Kerr, Lonzo Jr. v. DSHS | DSHS | Employment | Lost earnings & benefits; future earnings; other equitable relief, and attorney's fees and expenses | Unknown | Unknown | Plaintiff, a former manager in the Vital Statics Unit at DSHS, claims race and age discrimination under the Texas Labor Code. |
| Harris, Geraldine v. DSHS | DSHS | Employment | Lost earnings & benefits, as well as compensatory damages | Unknown | Unknown | Plaintiff, the former DSHS State Registrar for Vital Statics Unit (VSU) sued DSHS claiming age and race discrimination and retaliation under the Texas Labor Code. |
| Preston, Katie | DSHS | Employment | Settled for \$25K She sought lost earnings & benefits, as well as compensatory damages | Unknown | Unknown | Current DSHS accountant claims retaliation for her previous lawsuit against the agency. Plaintiff lost at a jury trial in 2014 on claims of race discrimination. |
| Lara, Annette v. DSHS | DSHS | Employment | Lost earnings & benefits, as well as compensatory damages | Unknown | Unknown | Plaintiff is a former employee of the DSHS in the Vital Statistics Section (VSS). Plaintiff alleges her termination was based on national origin discrimination in violation of the Texas Labor Code Section 21.001, et seq. Plaintiff claims that other employees, who were not Hispanic, committed the same actions that lead to Plaintiff's termination and were not disciplined. |

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 2019, 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 |
|------|-------------------|--------------|--------------|----------------|
| 2019 | \$0.00 | \$ 38,328.51 | \$ 38,328.51 | \$ 0.00 |
| 2018 | 0.00 | 250,000.00 | 250,000.00 | 0.00 |

NOTE 18: Management Discussion and Analysis

The Department of State Health Services' (DSHS) mission is to improve the health, safety and well-being of Texans. 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 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: Tobacco Settlement

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 two laboratories in Austin 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 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, 2019, as reported in the general fund (Exhibit I), are detailed by type as follows:

| Receivables related to: | Amount |
|---|-----------------------|
| Immunization Unit Services | 1,967,387.37 |
| Laboratory Services | 4,259,904.55 |
| Consumer Protective Division - USDA | 165,400.00 |
| Consumer Protective Division - FDA | 83,022.74 |
| Funds Reporting Unit | 648,674.20 |
| Vital Statistics | 1,145,032.82 |
| TCID - Medical | 1,459,976.21 |
| TCID – Non Medical | 32,600.00 |
| Other Misc. Receivables | 30,583.63 |
| Total Net Other Receivables (0270) | \$9,792,581.52 |

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 | Amount | Citation | Comments |
|-----------|------|----------------------|-----------------------------|---|--|
| 0001 | 0001 | Non-Spendable | \$ 38,341,359.89 | GASB 54 | Funds for a specific purpose, Inventory |
| 0019 | 0019 | Committed | 17,161,019.20 | Texas Health & Safety Code Ann §191.005 | Funds for a specific purpose, certified copies of birth/death records. |
| 0036 | 0036 | Committed | 0 | Texas Insurance Code Ann Art 1.31A | Funds for a specific purpose, taxes and fees as required by the Texas Insurance Code |
| 0273 | 0273 | Committed Restricted | 254,380.00 33,178,735.96 | Texas Health & Safety Code Ann §12.011 | Funds for a specific purpose, Various grants of Federal money |
| 0341 | 0341 | Committed | 14,843,009.84 | Texas Health & Safety Code Ann §437.0125(e) | Funds for a specific purpose, Fees for regulating food service establishments |
| 0373 | 0373 | Committed | 0 | 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 | 5,293,150.90 | Texas Health & Safety Code Ann §773.060(b) | Funds for a specific purpose, Fees under the Emergency Medical Services Act |
| 0524 | 0524 | Committed | 670,415.45 | Texas Health & Safety Code Ann §12.035 | Funds for a specific purpose, Fees charged to persons who receive public health services. |
| 0543 | 0543 | Committed | 0 | 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 |
| 0599 | 0599 | Committed | 0 | Texas Government Code Ann §316.092 | Funds for a specific purpose. Revenue to the fund is at least one-half of an amount equal to 75 percent of oil production and natural gas production tax revenues. |

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|------|-------------------|-----------|---------------|---|---|
| 0802 | 0802 - 0806 | Committed | 0 | Texas Transportation Code Ann§§504.6012(f) | Funds for a specific purpose, Specialty license plate fees and related revenue |
| 0803 | 0803 - 6803 | Committed | 0 | Texas Government Code Ann §531.287 | Funds for a specific purpose. Consists of voluntary contributions at the time of issuance of a marriage license. |
| 5007 | 5007 | Committed | 0 | Texas Health & Safety Code Ann§§771.072(f) | Funds for a specific purpose, to receive 9-1-1 equalization surcharges |
| 5009 | 5009 | Committed | 390,574.53 | 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 | 27,609,054.69 | 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 | 0 | 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 | 3,960,957.20 | Texas Health & Safety Code Ann§§401.421-401.431 | Funds for a specific purpose, Fees related to certification of a mammography system. |
| 5022 | 5022 | Committed | 621,386.09 | Texas Health & Safety Code Ann§§436.103 | Funds for a specific purpose, Fees and penalties collected from certified shellfish dealers |
| 5024 | 5024 | Committed | 38,104,528.59 | 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 | 2,426,435.27 | 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 | 346,153.83 | 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 |

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|------|------|------------|---------------|---|--|
| 5046 | 5046 | Committed | 2,119,416.26 | Texas Government Code Ann§403.106 | Funds for a specific purpose, receipt of money to provide emergency medical services and trauma care |
| 5096 | 5096 | Committed | 0 | 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 | 21,936,594.87 | Texas Health & Safety Code Ann§773.006 | Funds for a specific purpose, Court cost fees on intoxication convictions |
| 5111 | 5111 | Committed | 32,412,848.43 | 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 | 166,492.91 | 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 | 0 | 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 | 19,111,002.49 | GASB 54 | Funds for a specific purpose, Funds are for construction projects. |



Combining and Individual Fund
Financial Statements

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2019

| | <u>Consolidated Accounts</u> | | | | |
|--------------------------------------|--------------------------------|-------------------------------|--------------------------------|-------------------------------|------------|
| | General Revenue Fund (0001) | Vital Statistics Fund 0019 | Insurance Board Fund (0036) | Federal Health Fund (0273) | |
| | (0005) (0369) (9001) | | | | U/F (0001) |
| | U/F (0001) | U/F (0019) | U/F (0036) | U/F (0273) | |
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | | | | | |
| Cash on Hand | \$ 4,670.00 | | | \$ 1,080.00 | |
| Cash in Bank | 55,000.00 | | | 253,300.00 | |
| Cash in State Treasury | 22,217.21 | 19,263,755.22 | | 32,741,408.12 | |
| Legislative Appropriations | 78,785,849.55 | | | | |
| Receivables from: | | | | | |
| Accounts | 9,761,997.89 | | | | |
| Federal | - | | | 45,249,072.90 | |
| Interfund Receivable | - | | | | |
| Due From Other Agencies | - | | 220,678.75 | | |
| Consumable Inventories | 46,812,790.07 | | | | |
| Merchandise Inventories | - | | | | |
| Total Current Assets | <u>135,442,524.72</u> | <u>19,263,755.22</u> | <u>220,678.75</u> | <u>78,244,861.02</u> | |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | 38,341,359.89 | 1,644,330.76 | 499.76 | 37,708,418.70 | |
| Payroll | 10,875,377.22 | 458,405.26 | 220,178.99 | 3,642,801.79 | |
| Interfund Payable | - | | | | |
| Due To Other Agencies | 1,691,275.36 | | | 3,161,524.79 | |
| Deferred Revenues | - | | | 298,999.78 | |
| Total Current Liabilities | <u>50,908,012.47</u> | <u>2,102,736.02</u> | <u>220,678.75</u> | <u>44,811,745.06</u> | |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | 46,812,790.07 | | | | |
| Restricted | - | | | 33,178,735.96 | |
| Committed | - | 17,161,019.20 | | 254,380.00 | |
| Assigned | - | | | | |
| Unassigned | 37,721,722.18 | | | | |
| Total Fund Balances | <u>84,534,512.25</u> | <u>17,161,019.20</u> | <u>-</u> | <u>33,433,115.96</u> | |
| Total Liabilities and Fund Balances | <u>\$ 135,442,524.72</u> | <u>\$ 19,263,755.22</u> | <u>\$ 220,678.75</u> | <u>\$ 78,244,861.02</u> | |

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

UNAUDITED

Consolidated Accounts

| Food Service Establishment Fund (0341) U/F (0341) | Emergency Medical Care License Fund (0373) U/F (0373) | Emergency Medical Services Fund (0512) U/F (0512) | Public Health Services Fund (0524) U/F (0524) | Capital Trust Fund (0543) U/F (0543) | Economic Stabilization Fund (0599) U/F (0599) | License Plate Trust Fund (0802) (0803-0806) U/F (0802) |
|--|---|---|--|--|--|--|
| 15,327,334.70 | - | 5,524,289.81 | 3,425,179.48 | - | 15,585.70 | 13,322.77 |
| <u>15,327,334.70</u> | <u>-</u> | <u>5,524,289.81</u> | <u>3,425,179.48</u> | <u>-</u> | <u>15,585.70</u> | <u>13,322.77</u> |
| 390,754.75 93,570.11 | - - | 66,159.75 164,979.16 | 1,672,657.01 1,082,107.02 | - - | 15,585.70 | 13,322.77 |
| <u>484,324.86</u> | <u>-</u> | <u>231,138.91</u> | <u>2,754,764.03</u> | <u>-</u> | <u>15,585.70</u> | <u>13,322.77</u> |
| 14,843,009.84 | - | 5,293,150.90 | 670,415.45 | - | - | - |
| <u>14,843,009.84</u> | <u>-</u> | <u>5,293,150.90</u> | <u>670,415.45</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 15,327,334.70</u> | <u>\$ -</u> | <u>\$5,524,289.81</u> | <u>\$ 3,425,179.48</u> | <u>\$ -</u> | <u>\$ 15,585.70</u> | <u>\$ 13,322.77</u> |

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Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2019

Consolidated Accounts

| | Texas Home Visiting Trust (0803-6803) U/F (0803) | Emergency Communications Fund (5007) U/F (5007) | Children with Special Needs Fund (5009) U/F (5009) | Asbestos Removal Licensure Fund (5017) U/F (5017) | Workplace Chemical List Fund (5020) U/F (5020) |
|--------------------------------------|---|--|---|---|---|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash and Cash Equivalents | | | | | |
| Cash on Hand | | | | | |
| Cash in Bank | | | | | |
| Cash in State Treasury | - | - | 390,574.53 | 27,925,320.64 | - |
| Legislative Appropriations | | | | | |
| Receivables from: | | | | | |
| Accounts | | 734.09 | | | 941.07 |
| Federal | | | | | |
| Interfund Receivable | | | | | |
| Due From Other Agencies | - | | | | |
| Consumable Inventories | | | | | |
| Merchandise Inventories | | | | | |
| Total Current Assets | <u>-</u> | <u>734.09</u> | <u>390,574.53</u> | <u>27,925,320.64</u> | <u>941.07</u> |
| LIABILITIES AND FUND BALANCES | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts | - | 734.09 | - | 79,524.71 | 941.07 |
| Payroll | - | - | - | 236,741.24 | - |
| Interfund Payable | | | | | |
| Due To Other Agencies | | | | | |
| Deferred Revenues | | | | | |
| Total Current Liabilities | <u>-</u> | <u>734.09</u> | <u>-</u> | <u>316,265.95</u> | <u>941.07</u> |
| Fund Balances (Deficits): | | | | | |
| Nonspendable | | | | | |
| Restricted | | | | | |
| Committed | - | - | 390,574.53 | 27,609,054.69 | - |
| Assigned | | | | | |
| Unassigned | - | - | - | - | - |
| Total Fund Balances | <u>-</u> | <u>-</u> | <u>390,574.53</u> | <u>27,609,054.69</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>\$ -</u> | <u>\$ 734.09</u> | <u>\$ 390,574.53</u> | <u>\$ 27,925,320.64</u> | <u>\$ 941.07</u> |

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

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Consolidated Accounts

| Certification of Mammography Systems Fund (5021) <u>U/F (5021)</u> | Oyster Sales Fund <u>U/F (5022)</u> | Food and Drug Registration Fund (5024) <u>U/F (5024)</u> | Tobacco Education and Enforcement Fund (5044) <u>U/F (5044)</u> | Children and Public Health Fund (5045) <u>U/F (5045)</u> |
|--|---|---|---|---|
| 4,134,713.97 | 659,290.46 | 38,956,930.64 | 2,626,608.78 | 835,683.14 |
| <u>4,134,713.97</u> | <u>659,290.46</u> | <u>38,956,930.64</u> | <u>2,626,608.78</u> | <u>835,683.14</u> |
| 83,952.30 89,804.47 | 27,839.81 | 335,857.92 516,544.13 | 12,502.54 | 478,027.33 11,501.98 |
| - | 10,064.56 | | 187,670.97 | - |
| <u>173,756.77</u> | <u>37,904.37</u> | <u>852,402.05</u> | <u>200,173.51</u> | <u>489,529.31</u> |
| 3,960,957.20 | 621,386.09 | 38,104,528.59 | 2,426,435.27 | 346,153.83 |
| <u>3,960,957.20</u> | <u>621,386.09</u> | <u>38,104,528.59</u> | <u>2,426,435.27</u> | <u>346,153.83</u> |
| <u>\$ 4,134,713.97</u> | <u>\$ 659,290.46</u> | <u>\$38,956,930.64</u> | <u>\$ 2,626,608.78</u> | <u>\$ 835,683.14</u> |

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Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2019

Consolidated Accounts

| | EMS and Trauma Care Fund (5046) <u>U/F (5046)</u> | Perpetual Care Fund (5096) <u>U/F (5096)</u> | Trauma System Fund (5108) <u>U/F (5108)</u> | EMS/Trauma Facility Fund (5111) <u>U/F (5111)</u> |
|--------------------------------------|---|--|---|--|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and Cash Equivalents | | | | |
| Cash on Hand | | | | |
| Cash in Bank | | | | |
| Cash in State Treasury | | | | |
| | 2,119,416.26 | | 22,120,682.12 | 32,586,096.38 |
| Legislative Appropriations | | | | |
| Receivables from: | | | | |
| Accounts | | | | |
| Federal | | | | |
| Interfund Receivable | | | | |
| Due From Other Agencies | | | | |
| Consumable Inventories | | | | |
| Merchandise Inventories | | | | |
| Total Current Assets | <u>2,119,416.26</u> | <u>-</u> | <u>22,120,682.12</u> | <u>32,586,096.38</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Current Liabilities: | | | | |
| Payables from: | | | | |
| Accounts | | | | |
| | - | | 179,375.38 | 116,473.11 |
| Payroll | | | | |
| | | | 4,711.87 | 56,774.84 |
| Interfund Payable | | | | |
| Due To Other Agencies | | | | |
| Deferred Revenues | | | | |
| Total Current Liabilities | <u>-</u> | <u>-</u> | <u>184,087.25</u> | <u>173,247.95</u> |
| Fund Balances (Deficits): | | | | |
| Nonspendable | | | | |
| Restricted | | | | |
| | 2,119,416.26 | | 21,936,594.87 | 32,412,848.43 |
| Committed | | | | |
| Assigned | | | | |
| Unassigned | | | | |
| Total Fund Balances | <u>2,119,416.26</u> | <u>-</u> | <u>21,936,594.87</u> | <u>32,412,848.43</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,119,416.26</u> | <u>\$ -</u> | <u>\$ 22,120,682.12</u> | <u>\$ 32,586,096.38</u> |

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

Consolidated Accounts

| Childhood Immunization Fund (5125) <u>U/F (5125)</u> | TPFA Cancer Project Fund (7639) <u>U/F (7639)</u> | <u>Totals</u> Exh - I |
|---|--|--------------------------|
| | | \$ 5,750.00 |
| | | 308,300.00 |
| 166,492.91 | | 208,825,994.37 |
| | | 78,785,849.55 |
| | | 9,792,581.52 |
| | | 45,249,072.90 |
| | 167,394.15 | 388,072.90 |
| | | 46,812,790.07 |
| <u>166,492.91</u> | <u>167,394.15</u> | <u>390,168,411.31</u> |
| | 1,108.27 | 81,169,425.62 |
| | 166,285.88 | 17,619,783.96 |
| | | 5,050,535.68 |
| | | 298,999.78 |
| | <u>167,394.15</u> | <u>104,138,745.04</u> |
| 166,492.91 | | 46,812,790.07 |
| | | 48,021,745.80 |
| | | 153,473,408.22 |
| | | 37,721,722.18 |
| <u>166,492.91</u> | <u>-</u> | <u>286,029,666.27</u> |
| <u>\$ 166,492.91</u> | <u>\$ 167,394.15</u> | <u>\$ 390,168,411.31</u> |

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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, 2019

| | Consolidated Accounts | | | | |
|---|-------------------------|-------------------------|---------------------------------|-----------------------------------|-------------------------------|
| | General Revenue | | Vital Statistics Fund (0019) | Insurance Board Fund (0036) | Federal Health Fund (0273) |
| | Fund (0001) | | | | |
| | (0005) | (0369) (9001) | U/F (0019) | U/F (0036) | U/F (0273) |
| U/F (0001) | | | | U/F (0273) | |
| REVENUES | | | | | |
| Legislative Appropriations: | | | | | |
| Original Appropriations | \$ 240,911,844.00 | | | | |
| Additional Appropriations | 23,273,337.06 | | | | |
| Federal Revenue | 5,042,320.78 | | | 303,483,378.46 | |
| Federal Pass-Through Revenue | 32,199,188.61 | | | | |
| State Pass-Through Revenue | - | | | | |
| Other Operating Grant Revenue | - | | | | |
| Licenses, Fees & Permits | 1,275,196.25 | 13,172,724.66 | | | |
| Investment Income | 710,707.03 | | | | |
| Land Income | - | | | | |
| Sales of Goods and Services | 42,094,561.05 | | | | |
| Other General Revenues | 107,578,768.98 | 3,356,003.60 | - | - | |
| Total Revenues | 453,085,923.76 | 16,528,728.26 | - | 303,483,378.46 | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 103,941,347.25 | 3,606,826.34 | 1,855,426.57 | 25,299,775.52 | |
| Payroll Related Costs | 32,162,578.68 | 2,424,759.94 | 1,211,092.41 | 15,979,375.01 | |
| Professional Fees and Services | 31,531,786.54 | 2,576,414.39 | 5,444.00 | 17,828,169.42 | |
| Travel | 4,128,788.88 | - | 101,214.43 | 3,129,902.20 | |
| Materials and Supplies | 109,559,315.47 | 1,926,073.81 | 3,574,630.19 | 66,412,587.11 | |
| Communication and Utilities | 3,149,751.89 | 41,651.10 | 56,140.38 | 1,091,188.31 | |
| Repairs and Maintenance | 8,188,733.49 | 537,741.54 | 6,419.57 | 754,793.85 | |
| Rentals and Leases | 3,071,632.40 | 14,646.64 | 8,416.84 | 1,992,412.77 | |
| Printing and Reproduction | 317,846.07 | - | 1,712.11 | 2,335,043.19 | |
| Claims and Judgments | 38,328.51 | - | - | - | |
| Federal Pass-Through Expenditures | 603,672.08 | | | 24,620,562.81 | |
| State Pass-Through Expenditures | 5,468,436.56 | | | | |
| Intergovernmental Payments | 50,843,733.51 | | | 69,449,878.34 | |
| Public Assistance Payments | 16,887,155.81 | | | 35,431,006.54 | |
| Interest Expense - Other | - | | | | |
| Other Expenditures | 62,466,135.95 | 8,930,372.37 | 285,153.29 | 6,991,299.56 | |
| Capital Outlay | 2,093,778.41 | | | 238,531.65 | |
| Total Expenditures | 434,453,021.50 | 20,058,486.13 | 7,105,649.79 | 271,554,526.28 | |
| Excess (Deficiency) of Revenues over Expenditures | 18,632,902.26 | (3,529,757.87) | (7,105,649.79) | 31,928,852.18 | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of Capital Assets | 334.56 | | | | |
| Transfer In | 22,656,094.38 | | 7,105,649.79 | | |
| Transfer Out | (76,762,103.17) | | | (8,545,127.02) | |
| Legislative Transfer In | 923,418.00 | | | | |
| Legislative Transfer Out | (722,706.80) | | | | |
| Gain (Loss) on Sale of Capital Assets | | | | | |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | | | | | |
| Total Other Financing Sources (Uses) | (53,904,963.03) | - | 7,105,649.79 | (8,545,127.02) | |
| Net Change in Fund Balances | (35,272,060.77) | (3,529,757.87) | - | 23,383,725.16 | |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances, September 1, 2018 | 127,013,363.78 | 20,690,777.07 | - | 10,049,390.80 | |
| Restatements | (654,056.07) | - | | | |
| Fund Balances September 1, 2018 as Restated | 126,359,307.71 | | | | |
| Appropriations Lapsed | (6,552,734.69) | | | | |
| Fund Balances, August 31, 2019 | \$ 84,534,512.25 | \$ 17,161,019.20 | \$ - | \$ 33,433,115.96 | |

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

UNAUDITED

Consolidated Accounts

| Food Service Establishment Fund (0341) U/F (0341) | Emergency Medical Care License Fund (0373) U/F (0373) | Emergency Medical Services Fund (0512) U/F (0512) | Public Health Services Fund (0524) U/F (0524) | Capital Trust Fund (0543) U/F (0543) | Economic Stabilization Fund (0599) U/F (0599) | License Plate Fund (0802) (0803-0806) U/F (0802) |
|--|--|--|--|--|--|---|
| - | | | 115,262.38 | - | | |
| - | | | | - | | |
| 2,620,786.34 | - | 2,558,064.76 | 92,430.35 | - | | 232,106.27 |
| - | | | | - | | 27,272.74 |
| - | | | | (29,900.00) | | - |
| - | | | 23,344,258.73 | - | | - |
| - | | (506.60) | 6,750.07 | - | | 7,353.58 |
| <u>2,620,786.34</u> | <u>-</u> | <u>2,557,558.16</u> | <u>23,558,701.53</u> | <u>(29,900.00)</u> | <u>-</u> | <u>266,732.59</u> |
| 959,548.76 | - | 1,367,576.41 | 9,780,727.05 | - | | |
| 640,754.44 | - | 1,030,673.08 | 6,409,171.83 | - | | |
| 4,934.42 | - | | 444,027.36 | - | 45,335.00 | - |
| 171,969.69 | - | 106,827.38 | 40,422.46 | - | | 1,365.58 |
| 17,460.85 | - | 93,135.07 | 6,534,429.00 | - | | |
| 116,250.77 | - | 20,973.17 | 66,921.97 | - | | |
| 7,760.77 | - | 4,407.57 | 722,322.84 | - | | |
| 1,917.07 | - | 23,260.71 | 88,471.42 | - | | |
| 79.20 | - | 902.26 | 11,816.70 | - | | |
| - | | | | | | |
| - | | | | | | 43,618.78 |
| - | | | | | | 167,728.31 |
| - | | | | | | |
| 747,437.05 | - | 546,109.46 | 2,743,153.07 | - | | 874.00 |
| <u>2,668,113.02</u> | <u>-</u> | <u>3,193,865.11</u> | <u>26,841,463.70</u> | <u>-</u> | <u>45,335.00</u> | <u>213,586.67</u> |
| <u>(47,326.68)</u> | <u>-</u> | <u>(636,306.95)</u> | <u>(3,282,762.17)</u> | <u>(29,900.00)</u> | <u>(45,335.00)</u> | <u>53,145.92</u> |
| - | (6,405,641.60) | | | 29,900.00 | 45,335.00 | (53,142.96) |
| - | (6,405,641.60) | - | - | 29,900.00 | 45,335.00 | (53,142.96) |
| <u>(47,326.68)</u> | <u>(6,405,641.60)</u> | <u>(636,306.95)</u> | <u>(3,282,762.17)</u> | <u>-</u> | <u>-</u> | <u>2.96</u> |
| 14,890,336.52 | 6,405,641.60 | 5,929,457.85 | 3,953,177.62 | - | | (2.96) |
| | | | | | | (2.96) |
| <u>\$ 14,843,009.84</u> | <u>\$ -</u> | <u>\$ 5,293,150.90</u> | <u>\$ 670,415.45</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</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, 2019

Consolidated Accounts

| | Texas Home Visiting Trust (0803-6803) U/F (0803) | Emergency Communications Fund (5007) U/F (5007) | Children with Special Needs Fund (5009) U/F (5009) | Asbestos Removal Licensure Fund (5017) U/F (5017) | Workplace Chemical List Fund (5020) U/F (5020) |
|---|---|--|---|---|---|
| REVENUES | | | | | |
| Legislative Appropriations: | | | | | |
| Original Appropriations | | | | | |
| Additional Appropriations | | | | | |
| Federal Revenue | | | | | |
| Federal Pass-Through Revenue | | | | | |
| State Pass-Through Revenue | | | | | |
| Other Operating Grant Revenue | | | | | |
| Licenses, Fees & Permits | 566.95 | | - | 4,131,355.41 | - |
| Investment Income | - | | | | |
| Land Income | | | | | |
| Sales of Goods and Services | | | | | |
| Other General Revenues | | | | | |
| Total Revenues | <u>566.95</u> | <u>-</u> | <u>-</u> | <u>4,131,355.41</u> | <u>-</u> |
| EXPENDITURES | | | | | |
| Salaries and Wages | - | 321.88 | - | 2,064,314.17 | - |
| Payroll Related Costs | - | 4,462.26 | - | 1,359,734.28 | - |
| Professional Fees and Services | - | | - | 7,044.50 | - |
| Travel | - | | - | 142,412.97 | - |
| Materials and Supplies | - | | - | 12,887.91 | - |
| Communication and Utilities | - | 24.21 | - | 977.31 | - |
| Repairs and Maintenance | - | | - | 34,218.78 | - |
| Rentals and Leases | - | 232.22 | - | 13,508.74 | - |
| Printing and Reproduction | - | | - | 4,837.52 | - |
| Claims and Judgments | | | | | |
| Federal Pass-Through Expenditures | | | | | |
| State Pass-Through Expenditures | | | | | |
| Intergovernmental Payments | - | 219,734.00 | | | |
| Public Assistance Payments | - | 1,041,804.04 | | | |
| Interest Expense - Other | - | | | | |
| Other Expenditures | - | 17,523.37 | - | 205,937.17 | 60,861.69 |
| Capital Outlay | | | | | |
| Total Expenditures | <u>-</u> | <u>1,284,101.98</u> | <u>-</u> | <u>3,845,873.35</u> | <u>60,861.69</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>566.95</u> | <u>(1,284,101.98)</u> | <u>-</u> | <u>285,482.06</u> | <u>(60,861.69)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of Capital Assets | | | | | |
| Transfer In | - | 1,721,591.42 | | | 62,684.00 |
| Transfer Out | (796.95) | | | | (83.44) |
| Legislative Transfer In | | | | | |
| Legislative Transfer Out | | | | | |
| Gain (Loss) on Sale of Capital Assets | | | | | |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | | | | | |
| Total Other Financing Sources (Uses) | <u>(796.95)</u> | <u>1,721,591.42</u> | <u>-</u> | <u>-</u> | <u>62,600.56</u> |
| Net Change in Fund Balances | <u>(230.00)</u> | <u>437,489.44</u> | <u>-</u> | <u>285,482.06</u> | <u>1,738.87</u> |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances, September 1, 2018 | 230.00 | (437,489.44) | 390,574.53 | 27,323,572.63 | (1,738.87) |
| Restatements | | | | | |
| Fund Balances September 1, 2018 as Restated | 230.00 | (437,489.44) | 390,574.53 | 27,323,572.63 | (1,738.87) |
| Appropriations Lapsed | | | | | |
| Fund Balances, August 31, 2019 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 390,574.53</u> | <u>\$ 27,609,054.69</u> | <u>\$ -</u> |

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

UNAUDITED

Consolidated Accounts

| Certification of Mammography Systems Fund (5021) U/F (5021) | Oyster Sales Fund (5022) U/F (5022) | Food and Drug Registration Fund (5024) U/F (5024) | Tobacco Education and Enforcement Fund (5044) U/F (5044) | Children and Public Health Fund (5045) U/F (5045) |
|---|---|--|--|--|
| 1,513,411.15 | 250,847.96 | 10,254,412.41 | - | - |
| <u>1,513,411.15</u> | <u>250,847.96</u> | <u>10,254,412.41</u> | <u>-</u> | <u>-</u> |
| 762,010.46 | - | 4,508,270.36 | 18,967.81 | 97,835.42 |
| 484,623.94 | - | 2,891,654.11 | 19,543.04 | 70,676.30 |
| - | - | 90,054.91 | 187,521.43 | 301,293.65 |
| 63,672.91 | 20,713.02 | 231,737.62 | - | 4,714.73 |
| 14,044.00 | 35,200.33 | 297,125.89 | - | 379,325.25 |
| 4,035.27 | 743.24 | 163,927.98 | 14,433.07 | 139,520.76 |
| - | 9,701.40 | 246,728.08 | - | 17,557.56 |
| 2,917.64 | 7,800.00 | 39,480.26 | 388.77 | 119.63 |
| 221.85 | 1,448.03 | 27,525.28 | - | - |
| - | - | - | - | - |
| - | - | - | 216,813.94 | 202,500.00 |
| - | - | - | - | - |
| - | - | - | - | 3,595.25 |
| - | - | - | - | - |
| 390,687.57 | 49,904.58 | 1,540,179.26 | 38,996.58 | 31,172.26 |
| <u>1,722,213.64</u> | <u>125,510.60</u> | <u>10,036,683.75</u> | <u>496,664.64</u> | <u>1,248,310.81</u> |
| <u>(208,802.49)</u> | <u>125,337.36</u> | <u>217,728.66</u> | <u>(496,664.64)</u> | <u>(1,248,310.81)</u> |
| - | 9,144.40 | - | 1,679,228.49 | 839,626.37 |
| - | (71,962.09) | - | - | - |
| - | <u>(62,817.69)</u> | <u>-</u> | <u>1,679,228.49</u> | <u>839,626.37</u> |
| <u>(208,802.49)</u> | <u>62,519.67</u> | <u>217,728.66</u> | <u>1,182,563.85</u> | <u>(408,684.44)</u> |
| 4,169,759.69 | 558,866.42 | 37,886,799.93 | 1,243,871.42 | 754,838.27 |
| <u>4,169,759.69</u> | <u>558,866.42</u> | <u>37,886,799.93</u> | <u>1,243,871.42</u> | <u>754,838.27</u> |
| <u>\$ 3,960,957.20</u> | <u>\$ 621,386.09</u> | <u>\$ 38,104,528.59</u> | <u>\$ 2,426,435.27</u> | <u>\$ 346,153.83</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, 2019

Consolidated Accounts

| | EMS and Trauma Care Fund (5046) U/F (5046) | Perpetual Care Fund (5096) U/F (5096) | Trauma System Fund (5108) U/F (5108) | EMS/Trauma Facility Fund (5111) U/F (5111) |
|--|---|--|--|---|
| REVENUES | | | | |
| Legislative Appropriations: | | | | |
| Original Appropriations | | | | |
| Additional Appropriations | | | | |
| Federal Revenue | | | | |
| Federal Pass-Through Revenue | | | | |
| State Pass-Through Revenue | | | | |
| Other Operating Grant Revenue | | | | |
| Licenses, Fees & Permits | | 980,399.00 | 2,946,940.61 | 112,796,494.41 |
| Investment Income | - | - | - | - |
| Land Income | | | | |
| Sales of Goods and Services | | | | |
| Other General Revenues | | | | |
| Total Revenues | - | 980,399.00 | 2,946,940.61 | 112,796,494.41 |
| EXPENDITURES | | | | |
| Salaries and Wages | - | - | 36,480.65 | 463,475.47 |
| Payroll Related Costs | - | - | 23,140.32 | 262,296.78 |
| Professional Fees and Services | 2,720.00 | - | - | - |
| Travel | 326.84 | - | - | - |
| Materials and Supplies | 1,536.66 | - | - | 52,254.40 |
| Communication and Utilities | - | - | 60.52 | 498.89 |
| Repairs and Maintenance | - | - | - | - |
| Rentals and Leases | - | - | 298.57 | 14,857.50 |
| Printing and Reproduction | - | - | - | - |
| Claims and Judgments | - | - | - | - |
| Federal Pass-Through Expenditures | | | | |
| State Pass-Through Expenditures | - | - | - | 112,207,554.00 |
| Intergovernmental Payments | - | - | 427,520.19 | 208,963.48 |
| Public Assistance Payments | 176,139.68 | - | 1,506,766.93 | 1,054,183.93 |
| Interest Expense - Other | - | - | - | - |
| Other Expenditures | - | - | 8,479.37 | 103,463.46 |
| Capital Outlay | | | | |
| Total Expenditures | 180,723.18 | - | 2,002,746.55 | 114,367,547.91 |
| Excess (Deficiency) of Revenues over Expenditures | (180,723.18) | 980,399.00 | 944,194.06 | (1,571,053.50) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of Capital Assets | | | | |
| Transfer In | 839,625.72 | - | - | - |
| Transfer Out | - | (980,399.00) | - | - |
| Legislative Transfer In | | | | |
| Legislative Transfer Out | | | | |
| Gain (Loss) on Sale of Capital Assets | | | | |
| Inc/(Dec) in Net Assets Due to Interagency Transfer | | | | |
| Total Other Financing Sources (Uses) | 839,625.72 | (980,399.00) | - | - |
| Net Change in Fund Balances | 658,902.54 | - | 944,194.06 | (1,571,053.50) |
| Fund Financial Statement - Fund Balances | | | | |
| Fund Balances, September 1, 2018 | 1,460,513.72 | - | 20,992,400.81 | 33,983,901.93 |
| Restatements | | | | |
| Fund Balances September 1, 2018 as Restated | 1,460,513.72 | - | 20,992,400.81 | 33,983,901.93 |
| Appropriations Lapsed | | | | |
| Fund Balances, August 31, 2019 | \$ 2,119,416.26 | \$ - | \$ 21,936,594.87 | \$ 32,412,848.43 |

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

Consolidated Accounts

| Childhood Immunization Fund (5125) U/F (5125) | TPFA Cancer Project Fund (7639) U/F (7639) | Totals Exh - II |
|--|---|--------------------|
| | | \$ 240,911,844.00 |
| | | 23,273,337.06 |
| | | 308,525,699.24 |
| | | 32,314,450.99 |
| | | - |
| 47,016.00 | - | 152,872,752.53 |
| | | 737,979.77 |
| | | (29,900.00) |
| | | 65,438,819.78 |
| | | 110,948,369.63 |
| 47,016.00 | - | 934,993,353.00 |
| - | 1,446,788.17 | 156,209,692.29 |
| - | 827,270.42 | 65,801,806.84 |
| - | 110,305.64 | 53,135,051.26 |
| - | 20,171.64 | 8,164,240.35 |
| 28,354.41 | 9,130.36 | 188,947,490.71 |
| - | 10,867.92 | 4,877,966.76 |
| - | 4,454.17 | 10,534,839.62 |
| - | 5,832.37 | 5,286,193.55 |
| | | 2,701,432.21 |
| | | 38,328.51 |
| | | 25,224,234.89 |
| - | - | 118,095,304.50 |
| - | - | 121,193,448.30 |
| - | - | 56,268,380.49 |
| 7,592.00 | 206,402.39 | 85,371,734.45 |
| | | 2,332,310.06 |
| 35,946.41 | 2,641,223.08 | 904,182,454.79 |
| 11,069.59 | (2,641,223.08) | 30,810,898.21 |
| | | 334.56 |
| - | 2,641,223.08 | 37,630,102.65 |
| | | (92,819,256.23) |
| | | 923,418.00 |
| | | (722,706.80) |
| | | - |
| - | 2,641,223.08 | (54,988,107.82) |
| 11,069.59 | - | (24,177,209.61) |
| 155,423.32 | - | 317,413,666.64 |
| | | (654,056.07) |
| 155,423.32 | - | 316,759,610.57 |
| | | (6,552,734.69) |
| \$ 166,492.91 | \$ - | \$ 286,029,666.27 |

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds
 August 31, 2019

| | General Revenue Capital Projects Fund (3001) <u>U/F (0001)</u> | TPFA Project Fund (7660) <u>U/F (7660)</u> | Totals <u>Exh - I</u> |
|--------------------------------------|---|---|--------------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Legislative Appropriations | \$ 19,129,426.31 | | \$ 19,129,426.31 |
| Due From Other Agencies | | - | - |
| Total Current Assets | <u>19,129,426.31</u> | <u>-</u> | <u>19,129,426.31</u> |
| Total Assets: | <u>19,129,426.31</u> | <u>-</u> | <u>19,129,426.31</u> |
| LIABILITIES AND FUND BALANCES | | | |
| Current Liabilities: | | | |
| Payables from: | | | |
| Accounts | 18,423.82 | - | 18,423.82 |
| Interfund Payable | - | - | - |
| Total Current Liabilities | <u>18,423.82</u> | <u>-</u> | <u>18,423.82</u> |
| Non-Current Liabilities: | | | |
| Interfund Payable | - | - | - |
| Total Liabilities: | <u>18,423.82</u> | <u>-</u> | <u>18,423.82</u> |
| Fund Balances (Deficits): | | | |
| Restricted | 19,111,002.49 | | 19,111,002.49 |
| Total Fund Balances | <u>19,111,002.49</u> | <u>-</u> | <u>19,111,002.49</u> |
| Total Liabilities and Fund Balances | <u>\$ 19,129,426.31</u> | <u>\$ -</u> | <u>\$ 19,129,426.31</u> |

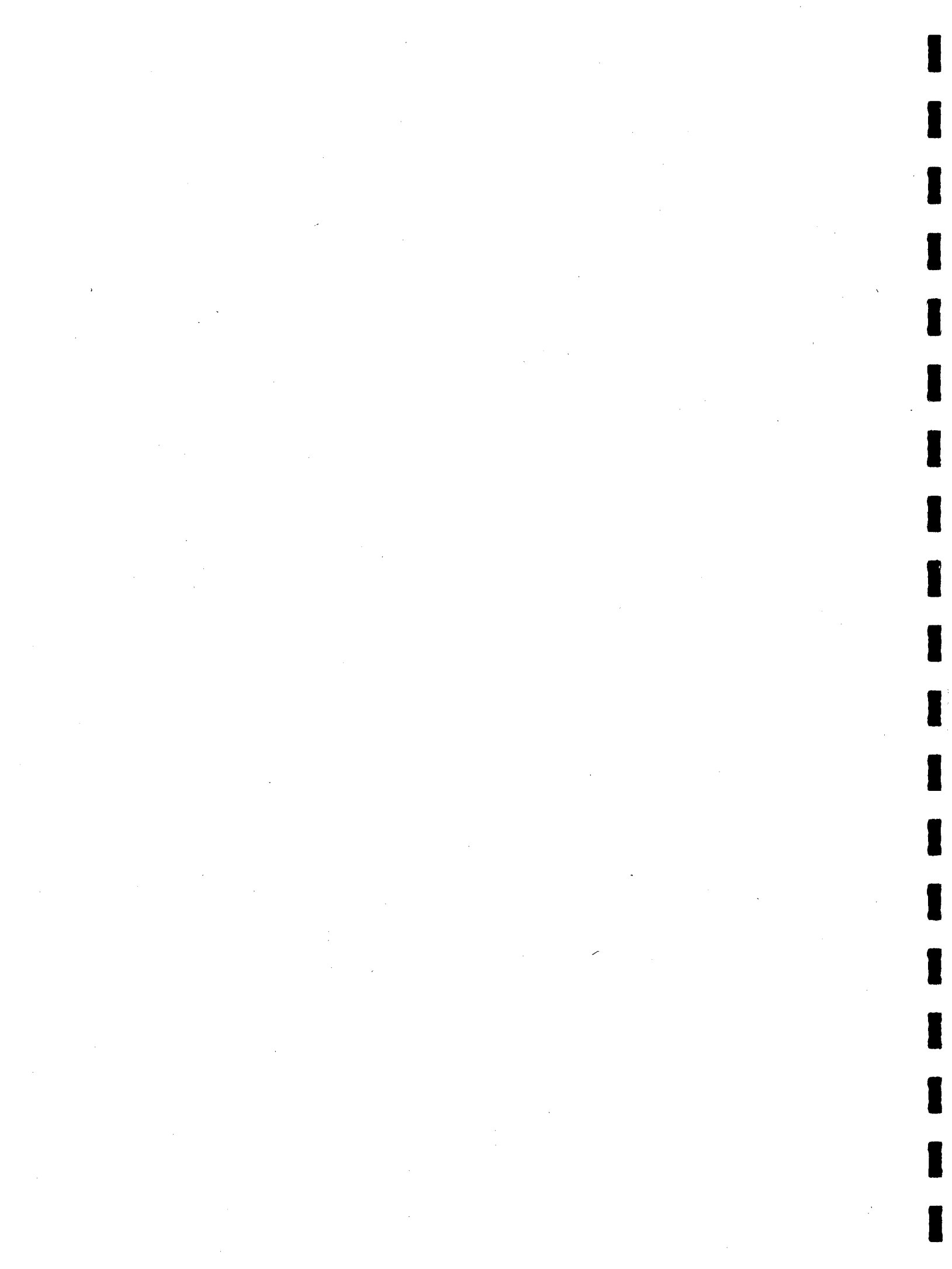
The accompanying *Notes to the Financial Statements* are an integral part of this statement.

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, 2019

| | General Revenue Capital Project Fund (3001) | TPFA Project Fund (7660) | Totals |
|--|---|--------------------------------|-------------------------|
| | U/F (0001) | U/F (7660) | Exh - II |
| REVENUES | | | |
| Legislative Appropriations: | | | |
| Original Appropriations | - | | \$ - |
| Additional Appropriations | - | | - |
| Land Income | - | | - |
| Other | - | | - |
| Total Revenues | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| EXPENDITURES | | | |
| Professional Fees and Services | - | - | - |
| Materials and Supplies | - | - | - |
| Communication and Utilities | - | - | - |
| Repairs and Maintenance | 756,271.11 | 54,809.70 | 811,080.81 |
| Rentals & Leases | - | - | - |
| Other Expenditures | - | - | - |
| Capital Outlay | - | - | - |
| Total Expenditures/Expenses | <u>756,271.11</u> | <u>54,809.70</u> | <u>811,080.81</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>(756,271.11)</u> | <u>(54,809.70)</u> | <u>(811,080.81)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers In | 172,812.84 | 54,809.70 | 227,622.54 |
| Transfers Out | - | - | - |
| Legislative Transfers In | 722,706.80 | - | 722,706.80 |
| Legislative Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | <u>895,519.64</u> | <u>54,809.70</u> | <u>950,329.34</u> |
| Net Change in Fund Balances | <u>139,248.53</u> | <u>-</u> | <u>139,248.53</u> |
| FUND FINANCIAL STATEMENT - | | | |
| Fund Balances - Beginning | <u>18,971,753.96</u> | <u>-</u> | <u>18,971,753.96</u> |
| Appropriations Lapsed | - | - | - |
| Fund Balances--August 31, 2018 | <u>\$ 19,111,002.49</u> | <u>\$ -</u> | <u>\$ 19,111,002.49</u> |

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, 2019

| | Beginning Balance September 1, 2018 | Additions | Deductions | Ending Balance August 31, 2019 |
|--|---|--------------|--------------|--------------------------------------|
| Radiation/Perpetual Care Security (0880) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | \$ 5,967.41 | \$ 22,181.50 | \$ 22,181.50 | \$ 5,967.41 |
| Shared Cash | 11.00 | - | - | 11.00 |
| Total Assets | 5,978.41 | 22,181.50 | 22,181.50 | 5,978.41 |
| LIABILITIES | | | | |
| Funds Held for Others | 5,978.41 | - | - | 5,978.41 |
| Total Liabilities | 5,978.41 | - | - | 5,978.41 |
| Asbestos Escrow Account (5880) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 1,512.89 | 486.37 | 323.72 | 1,675.54 |
| Total Assets | 1,512.89 | 486.37 | 323.72 | 1,675.54 |
| LIABILITIES | | | | |
| Funds Held for Others | 1,512.89 | 162.65 | - | 1,675.54 |
| Total Liabilities | 1,512.89 | 162.65 | - | 1,675.54 |
| Depository Interest Default Fund (8880) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 4,077.19 | 354.02 | 235.72 | 4,195.49 |
| Total Assets | 4,077.19 | 354.02 | 235.72 | 4,195.49 |
| LIABILITIES | | | | |
| Funds Held for Others | 4,077.19 | 118.30 | - | 4,195.49 |
| Total Liabilities | 4,077.19 | 118.30 | - | 4,195.49 |
| Child Support Addenda Deducts-Suspense (8070) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 19,527.48 | 296,675.86 | 293,423.72 | 22,779.62 |
| Total Assets | 19,527.48 | 296,675.86 | 293,423.72 | 22,779.62 |
| LIABILITIES | | | | |
| Vouchers Payable | - | 273,546.24 | 273,546.24 | - |
| Funds Held for Others | 19,527.48 | 296,675.86 | 293,423.72 | 22,779.62 |
| Total Liabilities | 19,527.48 | 570,222.10 | 566,969.96 | 22,779.62 |
| Departmental Suspense Fund (0900) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | - | 1,717,058.47 | 1,717,058.47 | - |
| Total Assets | - | 1,717,058.47 | 1,717,058.47 | - |
| LIABILITIES | | | | |
| Vouchers Payable | - | 22,985.91 | 22,985.91 | - |
| Funds Held for Others | - | 1,717,058.47 | 1,717,058.47 | - |
| Total Liabilities | - | 1,740,044.38 | 1,740,044.38 | - |
| Correction Account - Direct Deposit (0980) | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 126,825.02 | 171,386.36 | 298,211.38 | - |
| Total Assets | 126,825.02 | 171,386.36 | 298,211.38 | - |
| LIABILITIES | | | | |
| Funds Held for Others | 126,825.02 | 171,386.36 | 298,211.38 | - |
| Total Liabilities | 126,825.02 | 171,386.36 | 298,211.38 | - |



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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, 2019

| | Beginning Balance September 1, 2018 | Additions | Deductions | Ending Balance August 31, 2019 |
|---|---|---------------|---------------|--------------------------------------|
| <u>USPS - Direct Deposit Return Money (9014)</u> | | | | |
| ASSETS | | | | |
| Cash in State Treasury | - | 22,722.26 | 22,722.26 | - |
| Total Assets | - | 22,722.26 | 22,722.26 | - |
| LIABILITIES | | | | |
| Funds Held for Others | - | 22,722.26 | 22,722.26 | - |
| Total Liabilities | - | 22,722.26 | 22,722.26 | - |
| <u>USPS - Overpayments to Employees (9015)</u> | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 21,073.86 | 6,603.72 | 22,886.95 | 4,790.63 |
| Total Assets | 21,073.86 | 6,603.72 | 22,886.95 | 4,790.63 |
| LIABILITIES | | | | |
| Funds Held for Others | 21,073.86 | 6,603.72 | 22,886.95 | 4,790.63 |
| Total Liabilities | 21,073.86 | 6,603.72 | 22,886.95 | 4,790.63 |
| <u>Warrant Hold Offset Code 403.0551 (9016)</u> | | | | |
| ASSETS | | | | |
| Cash in State Treasury | - | 6,988.08 | 6,988.08 | - |
| Total Assets | - | 6,988.08 | 6,988.08 | - |
| LIABILITIES | | | | |
| Funds Held for Others | - | 6,988.08 | 6,988.08 | - |
| Total Liabilities | - | 6,988.08 | 6,988.08 | - |
| <u>Unappropriated Collect General Revenue (0002)</u> | | | | |
| ASSETS | | | | |
| Cash in State Treasury | - | 21,163,529.51 | 21,163,529.51 | - |
| Shared Cash | - | - | - | - |
| Total Assets | - | 21,163,529.51 | 21,163,529.51 | - |
| LIABILITIES | | | | |
| Vouchers Payable | - | 68,443.31 | 68,443.31 | - |
| Due to Other Agencies | - | - | - | - |
| Funds Held for Others | - | 21,163,529.51 | 21,163,529.51 | - |
| Total Liabilities | - | 21,231,972.82 | 21,231,972.82 | - |
| <u>Radiation/Perpetual Care (5096)</u> | | | | |
| ASSETS | | | | |
| Cash in State Treasury | 65,633.18 | | | 65,633.18 |
| Shared Cash | (65,633.18) | | | (65,633.18) |
| Other Assets | 73,045,289.84 | 7,342,703.16 | - | 80,387,993.00 |
| Total Assets | 73,045,289.84 | 7,342,703.16 | - | 80,387,993.00 |
| LIABILITIES | | | | |
| Funds Held for Others | 73,045,289.84 | 7,342,703.16 | - | 80,387,993.00 |
| Total Liabilities | 73,045,289.84 | 7,342,703.16 | - | 80,387,993.00 |



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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, 2019

| | Beginning Balance September 1, 2018 | Additions | Deductions | Ending Balance August 31, 2019 |
|--|---|-------------------------|-------------------------|--------------------------------------|
| Totals - All Agency Funds | | | | |
| ASSETS | | | | |
| Cash in Bank | \$ - | \$ - | \$ - | \$ - |
| Cash in State Treasury | 244,617.03 | 23,407,986.15 | 23,547,561.31 | 105,041.87 |
| Shared Cash | (65,622.18) | - | - | (65,622.18) |
| Other Assets | 73,045,289.84 | 7,342,703.16 | - | 80,387,993.00 |
| Cash Equivalents-Miscellaneous Investments | - | - | - | - |
| Repurchase Agreements | - | - | - | - |
| Total Assets | <u>73,224,284.69</u> | <u>30,750,689.31</u> | <u>23,547,561.31</u> | <u>80,427,412.69</u> |
| LIABILITIES | | | | |
| Vouchers Payable | - | 364,975.46 | 364,975.46 | - |
| Funds Held for Others | 73,224,284.69 | 30,727,948.37 | 23,524,820.37 | 80,427,412.69 |
| Other Liabilities | - | - | - | - |
| Total Liabilities | <u>\$ 73,224,284.69</u> | <u>\$ 31,092,923.83</u> | <u>\$ 23,889,795.83</u> | <u>\$ 80,427,412.69</u> |

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



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, 2019

| Federal Grantor/ Pass-Through Grantor Program Title | CFDA Number | Identifying Number | Pass-Through From | | Direct Program Amount |
|---|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
| | | | Agy/ Univ No. | Agency or University Amount | |
| U. S. Department of Agriculture | | | | | |
| Cooperative Agreements for Intrastate Meat and Poultry Inspection | 10.475 | | | | \$ 5,763,321.80 |
| Special Supplemental Nutrition Programs for Women, Infants and Children | 10.557 | | | | |
| Pass Through To: | | | | | |
| Health and Human Service Commission | | | | | 1,766,148.24 |
| Totals - U. S. Department of Agriculture | | | | | <u>7,529,470.04</u> |
| Department of Housing and Urban Development | | | | | |
| Housing Opportunities for Persons with AIDS | 14.241 | | | | 6,101,127.98 |
| Totals-Department of Housing and Urban Development | | | | | <u>6,101,127.98</u> |
| Environmental Protection Agency | | | | | |
| National Estuary Program | 66.456 | | | | 152,854.11 |
| Pass Through From: | | | | | |
| Texas Commission on Environmental Quality (582) | | | 582 | 99,375.00 | |
| Performance Partnership Grants | 66.605 | | | | 400,881.08 |
| Pass Through From: | | | | | |
| Texas Commission on Environmental Quality (582) | | | 582 | 15,887.38 | |
| Totals - Environmental Protection Agency | | | | <u>115,262.38</u> | <u>553,735.19</u> |
| U. S. Department of Energy | | | | | |
| Transport of Transuranic Waste | 81.106 | | | | |
| Pass Through From: | | | | | |
| State Energy Conservation Office (907) | | | 907 | 334,794.73 | |
| State Energy Program Special Projects | 81.214 | | | | |
| Pass Through From: | | | | | |
| State Energy Conservation Office (907) | | | 907 | 237,345.27 | |
| Totals - U. S. Department of Energy | | | | <u>572,140.00</u> | |
| U. S. Department of Health and Human Services | | | | | |
| Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission | 93.018 | | | | 413,002.31 |
| Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure | 93.065 | | | | 191,980.16 |
| Public Health Emergency Preparedness | 93.069 | | | | 4,187,604.56 |
| Birth Defects and Developmental Disabilities - Prevention and Surveillance | 93.073 | | | | 240,378.49 |
| Pass Through To: | | | | | |
| Texas A&M University (711) | | | | | 52,630.06 |
| University of Texas Health Center at Tyler (785) | | | | | (2,948.10) |
| Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP) Aligned Cooperative Agreements | 93.074 | | | | 48,487,385.34 |
| Pass Through To: | | | | | |
| Texas Tech University (733) | | | | | 200,754.67 |
| University of Texas Health Science Center - Tyler (785) | | | | | 208,119.57 |
| Cooperative Agreements to Promote Adolescent Health through School- based HIV/STD Prevention and School-based Surveillance | 93.079 | | | | 93,016.97 |
| Food and Drug Administration Research | 93.103 | | | | 328,501.44 |
| Maternal and Child Health Federal Consolidated Programs | 93.110 | | | | 327,499.12 |

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| Total Pass-Through From and Direct Program Amount | Pass-Through To | | | Expenditure Amount | Total Pass-Through To and Expenditure Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
| | Agy/ Univ No. | Agency or University Amount | Non-State Entities Amount | | |
| \$ 5,763,321.80 | | | | \$ 5,763,321.80 | \$ 5,763,321.80 |
| 1,766,148.24 | 529 | 1,766,148.24 | | | 1,766,148.24 |
| <u>7,529,470.04</u> | | <u>1,766,148.24</u> | | <u>5,763,321.80</u> | <u>7,529,470.04</u> |
| 6,101,127.98 | | | 6,058,032.04 | 43,095.94 | 6,101,127.98 |
| <u>6,101,127.98</u> | | | <u>6,058,032.04</u> | <u>43,095.94</u> | <u>6,101,127.98</u> |
| 152,854.11 | | | | 152,854.11 | 152,854.11 |
| 99,375.00 | | | | 99,375.00 | 99,375.00 |
| 400,881.08 | | | | 400,881.08 | 400,881.08 |
| 15,887.38 | | | | 15,887.38 | 15,887.38 |
| <u>668,997.57</u> | | | | <u>668,997.57</u> | <u>668,997.57</u> |
| 334,794.73 | | | | 334,794.73 | 334,794.73 |
| 237,345.27 | | | | 237,345.27 | 237,345.27 |
| <u>572,140.00</u> | | | | <u>572,140.00</u> | <u>572,140.00</u> |
| 413,002.31 | | | 5,194.00 | 407,808.31 | 413,002.31 |
| 191,980.16 | | | | 191,980.16 | 191,980.16 |
| 4,187,604.56 | | | 2,216,522.33 | 1,971,082.23 | 4,187,604.56 |
| 240,378.49 | | | 22,495.87 | 217,882.62 | 240,378.49 |
| 52,630.06 | 711 | 52,630.06 | | | 52,630.06 |
| (2,948.10) | 785 | (2,948.10) | | | (2,948.10) |
| 48,487,385.34 | | | 32,431,020.15 | 16,056,365.19 | 48,487,385.34 |
| 200,754.67 | 733 | 200,754.67 | | | 200,754.67 |
| 208,119.57 | 785 | 208,119.57 | | | 208,119.57 |
| 93,016.97 | | | | 93,016.97 | 93,016.97 |
| 328,501.44 | | | 3,147.52 | 325,353.92 | 328,501.44 |
| 327,499.12 | | | | 327,499.12 | 327,499.12 |

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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, 2019

| Federal Grantor/ Pass-Through Grantor Program Title | CFDA Number | Identifying Number | Pass-Through From | | Direct Program Amount |
|---|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
| | | | Agy/ Univ No. | Agency or University Amount | |
| Project Grants and Cooperative Agreements for Tuberculosis Control Programs | 93.116 | | | | 7,948,540.01 |
| Cooperative Agreements to States/Territories for the Coordination and Development of Primary Care Offices | 93.130 | | | | 233,687.64 |
| Injury Prevention and Control Research and State and Community Based Programs | 93.136 | | | | 426,552.67 |
| Pass Through To: | | | | | |
| Office of the Attorney General (302) | | | | | 2,351,556.20 |
| Childhood Lead Poisoning Prevention Projects-State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children | 93.197 | | | | 574,667.84 |
| Hansen's Disease National Aulatory Care Program | 93.215 | | | | 477,810.26 |
| State Capacity Building | 93.240 | | | | 273,356.38 |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | | | | 414,002.46 |
| Pass Through To: | | | | | |
| University of Texas at Austin (721) | | | | | 281,737.35 |
| Universal Newborn Hearing Screening | 93.251 | | | | 207,290.49 |
| Occupational Safety and Health Program | 93.262 | | | | 124,871.58 |
| Adult Viral Hepatitis Prevention and Control | 93.270 | | | | 77,340.76 |
| Centers for Disease Control Prevention - Investigations and Technical Assistance | 93.283 | | | | 2,329,940.87 |
| National State Based Tobacco Control Programs | 93.305 | | | | 1,173,711.55 |
| Early Hearing Detection and Intervention Information System (EHDHS) Surveillance Program | 93.314 | | | | 33,000.00 |
| Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.323 | | | | 11,377,020.83 |
| Pass Through To: | | | | | |
| Texas A&M AgriLife Extension Service (555) | | | | | 19,999.95 |
| Texas Tech University (733) | | | | | 80,955.81 |
| University of Texas Health Center at Tyler(785) | | | | | 106,501.56 |
| Behavioral Risk Factor Surveillance System | 93.336 | | | | 104,818.00 |
| Public Health Emergency Response: Cooperative Agreement for Public Health Crisis Response | 93.354 | | | | 6,385,151.97 |
| Flexible Funding Model - Infrastructure Development and Maintenance for State Manufactured Food Regulatory Programs | 93.426 | | | | 443,178.99 |
| Pass Through To: | | | | | |
| Texas A&M AgriLife Research (556) | | | | | 90,323.19 |
| Improving the Health of Americans through Prevention and Management of Diabetes and Heart Disease and Stroke 2018 PPHF | 93.426 | | | | 1,527,866.30 |
| Pass Through To: | | | | | |
| University of Texas Health Center at Tyler (785) | | | | | 263,450.00 |
| Innovative State and Local Public Health Strategies to prevent and Manage Diabetes and Heart Disease and Stroke | 93.435 | | | | 282,314.05 |
| State Physical Activity and Nutrition (SPAN) | 93.439 | | | | 239,439.07 |
| Food Safety and Security Monitoring Project | 93.448 | | | | 358,637.97 |
| 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 | | | | 32,931.76 |

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| Total Pass-Through From and Direct Program Amount | Pass-Through To | | | Expenditure Amount | Total Pass-Through To and Expenditure Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
| | Agy/ Univ No. | Agency or University Amount | Non-State Entities Amount | | |
| 7,948,540.01 | | | 4,862,152.88 | 3,086,387.13 | 7,948,540.01 |
| 233,687.64 | | | | 233,687.64 | 233,687.64 |
| 426,552.67 | | | | 426,552.67 | 426,552.67 |
| 2,351,556.20 | 302 | 2,351,556.20 | | | 2,351,556.20 |
| 574,667.84 | | | | 574,667.84 | 574,667.84 |
| 477,810.26 | | | 66,912.24 | 410,898.02 | 477,810.26 |
| 273,356.38 | | | | 273,356.38 | 273,356.38 |
| 414,002.46 | | | 418,021.47 | (4,019.01) | 414,002.46 |
| 281,737.35 | 721 | 281,737.35 | | | 281,737.35 |
| 207,290.49 | | | 29,943.19 | 177,347.30 | 207,290.49 |
| 124,871.58 | | | | 124,871.58 | 124,871.58 |
| 77,340.76 | | | | 77,340.76 | 77,340.76 |
| 2,329,940.87 | | | 279,169.60 | 2,050,771.27 | 2,329,940.87 |
| 1,173,711.55 | | | | 1,173,711.55 | 1,173,711.55 |
| 33,000.00 | | | | 33,000.00 | 33,000.00 |
| 11,377,020.83 | | | 3,925,770.14 | 7,451,250.69 | 11,377,020.83 |
| 19,999.95 | 555 | 19,999.95 | | | 19,999.95 |
| 80,955.81 | 733 | 80,955.81 | | | 80,955.81 |
| 106,501.56 | 785 | 106,501.56 | | | 106,501.56 |
| 104,818.00 | | | | 104,818.00 | 104,818.00 |
| 6,385,151.97 | | | 1,758,383.55 | 4,626,768.42 | 6,385,151.97 |
| 443,178.99 | | | | 443,178.99 | 443,178.99 |
| 90,323.19 | 556 | 90,323.19 | | | 90,323.19 |
| 1,527,866.30 | | | 893,612.71 | 634,253.59 | 1,527,866.30 |
| 263,450.00 | 785 | 263,450.00 | | | 263,450.00 |
| 282,314.05 | | | 144,000.00 | 138,314.05 | 282,314.05 |
| 239,439.07 | | | 84,907.97 | 154,531.10 | 239,439.07 |
| 358,637.97 | | | | 358,637.97 | 358,637.97 |
| 32,931.76 | | | | 32,931.76 | 32,931.76 |

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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, 2019

| Federal Grantor/ Pass-Through Grantor Program Title | CFDA Number | Identifying Number | Pass-Through From | | Direct Program Amount |
|--|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
| | | | Agy/ Univ No. | Agency or University Amount | |
| PPHF: Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds (PPHF) | 93.539 | | | | 2,542,289.64 |
| Children's Justice Grants to States | 93.643 | | | | 98,485.29 |
| Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance - financed in part by the Prevention and Public Health Fund (PPHF) | 93.733 | | | | 229,311.39 |
| Capacity Funded in part by Prevention and Public Health Funds (PPHF) | 93.735 | | | | 1,194,742.85 |
| State and Local Public Health Actions to Prevent Obesity, Diabetes, Heart Disease and Stroke (PPHF) | 93.757 | | | | 130,699.59 |
| Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF) | 93.758 | | | | 6,632,490.11 |
| Pass Through To: | | | | | |
| Office of the Attorney General (302) | | | | | 580,160.95 |
| Texas Tech Health Science Center (739) | | | | | 51,966.14 |
| Domestic Ebola Supplement to the Epidemiology and Laboratory Capacity for Infectious Diseases (ELC) | 93.815 | | | | 628,741.30 |
| Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities | 93.817 | | | | 615,169.86 |
| Pass Through To: | | | | | |
| University of Texas Medical Branch at Galveston (723) | | | | | 144,884.02 |
| National Bioterrorism Hospital Preparedness Program | 93.889 | | | | 3,092,681.12 |
| HIV Care Formula Grants | 93.917 | | | | 93,268,956.41 |
| Pass Through To: | | | | | |
| Department of Criminal Justice (696) | | | | | 362,647.79 |
| University of Texas Medical Branch at Galveston (723) | | | | | 155,707.81 |
| HIV Prevention Activities Health Department Based | 93.940 | | | | 17,850,751.34 |
| Pass Through To: | | | | | |
| University of Texas Southwestern Medical Center at Dallas (729) | | | | | 1,826,204.17 |
| University of Texas Health Science Center at Houston (744) | | | | | 199,283.44 |
| Human Immunodeficiency Virus (HIV) Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance | 93.944 | | | | 1,787,395.61 |
| Pass Through To: | | | | | |
| University of Texas Southwestern Medical Center at Dallas (729) | | | | | 990,467.19 |
| Assistance Programs for Chronic Disease Prevention and Control | 93.945 | | | | 20,815.62 |
| Cooperative Agreements to Support State-Based Safe Motherhood and Infant Health Initiative Programs | 93.946 | | | | 135,736.88 |
| The Zika Health Care Services Program | 93.966 | | | | 560,702.74 |
| Preventive Health Services_Sexually Transmitted Diseases Control Grants | 93.977 | | | | 6,594,067.94 |
| Maternal and Child Health Services Block Grant to the States | 93.994 | | | | 21,851,981.19 |
| Pass Through To: | | | | | |
| Health and Human Service Commission (529) | | | | | 12,275,397.28 |
| Texas A&M University System Health Science Center (709) | | | | | 77,500.00 |
| Texas A&M University (711) | | | | | 1,139,469.15 |
| University of Texas at Austin (721) | | | | | 117,427.21 |
| University of Texas Southwestern Medical Center (729) | | | | | 4,133.54 |
| University of Houston (730) | | | | | 136,983.90 |
| Texas Tech Health Science Center (739) | | | | | 172,703.47 |
| University of Texas Health Science Center at Houston (744) | | | | | 887,995.13 |
| University of Texas Health Science Center San Antonio (745) | | | | | 1,108.12 |
| University of N. Texas Health Science Center at Ft. Worth (763) | | | | | 497,459.43 |
| University of Texas Health Center at Tyler(785) | | | | | 4,371.37 |

UNAUDITED

| Total Pass-Through From and Direct Program Amount | Pass-Through To | | | Expenditure Amount | Total Pass-Through To and Expenditure Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
| | Agy/ Univ No. | Agency or University Amount | Non-State Entities Amount | | |
| 2,542,289.64 | | | (1,861.23) | 2,544,150.87 | 2,542,289.64 |
| 98,485.29 | | | 98,129.27 | 356.02 | 98,485.29 |
| 229,311.39 | | | | 229,311.39 | 229,311.39 |
| 1,194,742.85 | | | | 1,194,742.85 | 1,194,742.85 |
| 130,699.59 | | | 1,479.03 | 129,220.56 | 130,699.59 |
| 6,632,490.11 | | | 5,515,493.54 | 1,116,996.57 | 6,632,490.11 |
| 580,160.95 | 302 | 580,160.95 | | | 580,160.95 |
| 51,966.14 | 739 | 51,966.14 | | | 51,966.14 |
| 628,741.30 | | | 2,433.01 | 626,308.29 | 628,741.30 |
| 615,169.86 | | | 615,169.86 | | 615,169.86 |
| 144,884.02 | 723 | 144,884.02 | | | 144,884.02 |
| 3,092,681.12 | | | 2,679,364.90 | 413,316.22 | 3,092,681.12 |
| 93,268,956.41 | | | 25,992,040.26 | 67,276,916.15 | 93,268,956.41 |
| 362,647.79 | 696 | 362,647.79 | | | 362,647.79 |
| 155,707.81 | 723 | 155,707.81 | | | 155,707.81 |
| 17,850,751.34 | | | 15,445,645.61 | 2,405,105.73 | 17,850,751.34 |
| 1,826,204.17 | 729 | 1,826,204.17 | | | 1,826,204.17 |
| 199,283.44 | 744 | 199,283.44 | | | 199,283.44 |
| 1,787,395.61 | | | 995,251.42 | 792,144.19 | 1,787,395.61 |
| 990,467.19 | 729 | 990,467.19 | | | 990,467.19 |
| 20,815.62 | | | | 20,815.62 | 20,815.62 |
| 135,736.88 | | | | 135,736.88 | 135,736.88 |
| 560,702.74 | | | 518,441.50 | 42,261.24 | 560,702.74 |
| 6,594,067.94 | | | 4,982,650.49 | 1,611,417.45 | 6,594,067.94 |
| 21,851,981.19 | | | 7,505,518.19 | 14,346,463.00 | 21,851,981.19 |
| 12,275,397.28 | 529 | 12,275,397.28 | | | 12,275,397.28 |
| 77,500.00 | 709 | 77,500.00 | | | 77,500.00 |
| 1,139,469.15 | 711 | 1,139,469.15 | | | 1,139,469.15 |
| 117,427.21 | 721 | 117,427.21 | | | 117,427.21 |
| 4,133.54 | 729 | 4,133.54 | | | 4,133.54 |
| 136,983.90 | 730 | 136,983.90 | | | 136,983.90 |
| 172,703.47 | 739 | 172,703.47 | | | 172,703.47 |
| 887,995.13 | 744 | 887,995.13 | | | 887,995.13 |
| 1,108.12 | 745 | 1,108.12 | | | 1,108.12 |
| 497,459.43 | 763 | 497,459.43 | | | 497,459.43 |
| 4,371.37 | 785 | 4,371.37 | | | 4,371.37 |

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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, 2019

| Federal Grantor/ Pass-Through Grantor Program Title | CFDA Number | Identifying Number | Pass-Through From | | Direct Program Amount |
|--|----------------|-----------------------|---------------------|-----------------------------------|-----------------------------|
| | | | Agy/ Univ No. | Agency or University Amount | |
| Refugee and Entrant Assistance State/Replacement Designee Administered Programs | 93.566 | | | | |
| Pass Through From: | | | | | |
| Health and Human Service Commission (529) | | | 529 | (365,948.28) | |
| Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations | 93.898 | | | | |
| Pass Through From: | | | | | |
| Health and Human Service Commission (529) | | | 529 | 2,243,166.50 | |
| Totals - U. S. Department of Health and Human Services | | | | <u>1,877,218.22</u> | <u>269,829,469.09</u> |
| U. S. Department of Homeland Security | | | | | |
| Disaster Grants-Public Assistance (Presidentially Declared Disasters) | 97.036 | | | | |
| Pass Through From: | | | | | |
| Department of Public Safety (405) | | | 405 | 19,844,766.16 | |
| Totals - U. S. Department of Homeland Security | | | | <u>19,844,766.16</u> | |
| Immunization Cluster | | | | | |
| U. S. Department of Health and Human Services | | | | | |
| Immunization Cooperative Agreement (NON-MONETARY) | 93.268 | | | | 486,868,718.00 |
| Immunization Cooperative Agreement | 93.268 | | | | 20,473,183.09 |
| Totals - U. S. Department of Health and Human Services | | | | | <u>507,341,901.09</u> |
| Highway Safety Cluster | | | | | |
| U. S. Department of Transportation | | | | | |
| State and Community Highway Safety | 20.600 | | | | |
| Pass Through From: | | | | | |
| Department of Transportation (601) | | | 601 | 350,121.43 | |
| National Priority Safety Programs | 20.616 | | | | |
| Pass Through From: | | | | | |
| Texas Department of Transportation (601) | | | 601 | 888,560.61 | |
| Totals - U. S. Department of Transportation | | | | <u>1,238,682.04</u> | |
| Medicaid Cluster | | | | | |
| U. S. Department of Health and Human Services | | | | | |
| State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare | 93.777 | | | | 869,557.30 |
| Medical Assistance Program | 93.778 | | | | 2,990,020.27 |
| Pass Through To: | | | | | |
| University of Texas Southwestern Medical Center (729) | | | | | 163,656.00 |
| University of Texas Health Science Center at Houston (744) | | | | | 15,480.28 |
| Pass Through From: | | | | | |
| Health and Human Services Commission (529) | | | 529 | 8,666,382.19 | |
| Totals - U. S. Department of Health and Human Services | | | | <u>8,666,382.19</u> | <u>4,038,713.85</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | <u>32,314,450.99</u> | <u>795,394,417.24</u> |

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| Total Pass-Through From and Direct Program Amount | Pass-Through To | | | Expenditure Amount | Total Pass-Through To and Expenditure Amount |
|--|---------------------|-----------------------------------|---------------------------------|-----------------------|---|
| | Agy/ Univ No. | Agency or University Amount | Non-State Entities Amount | | |
| (365,948.28) | | | | (365,948.28) | (365,948.28) |
| 2,243,166.50 | | | 61,065.71 | 2,182,100.79 | 2,243,166.50 |
| <u>271,706,687.31</u> | | <u>23,278,950.37</u> | <u>111,552,075.18</u> | <u>136,875,661.76</u> | <u>271,706,687.31</u> |
| 19,844,766.16 | | | 4,070,169.11 | 15,774,597.05 | 19,844,766.16 |
| <u>19,844,766.16</u> | | | <u>4,070,169.11</u> | <u>15,774,597.05</u> | <u>19,844,766.16</u> |
| 486,868,718.00 | | | | 486,868,718.00 | 486,868,718.00 |
| 20,473,183.09 | | | 6,612,342.52 | 13,860,840.57 | 20,473,183.09 |
| <u>507,341,901.09</u> | | | <u>6,612,342.52</u> | <u>500,729,558.57</u> | <u>507,341,901.09</u> |
| 350,121.43 | | | | 350,121.43 | 350,121.43 |
| 888,560.61 | | | | 888,560.61 | 888,560.61 |
| <u>1,238,682.04</u> | | | | <u>1,238,682.04</u> | <u>1,238,682.04</u> |
| 869,557.30 | | | | 869,557.30 | 869,557.30 |
| 2,990,020.27 | | | 1,081,941.62 | 1,908,078.65 | 2,990,020.27 |
| 163,656.00 | 729 | 163,656.00 | | | 163,656.00 |
| 15,480.28 | 744 | 15,480.28 | | | 15,480.28 |
| 8,666,382.19 | | | | 8,666,382.19 | 8,666,382.19 |
| <u>12,705,096.04</u> | | <u>179,136.28</u> | <u>1,081,941.62</u> | <u>11,444,018.14</u> | <u>12,705,096.04</u> |
| <u>827,708,868.23</u> | | <u>25,224,234.89</u> | <u>129,374,560.47</u> | <u>673,110,072.87</u> | <u>827,708,868.23</u> |



TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2019

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, 2019 was \$486,868,718.00.

Note 2 - Reconciliation

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

| | |
|--|--------------------------|
| Federal Revenues | \$ 308,525,699.24 |
| Federal Pass Through Revenues | 32,314,450.99 |
| | <u>340,840,150.23</u> |
| Reconciling Items: | |
| Non-Monetary Assistance 93.268 - Note 1 | 486,868,718.00 |
| Non-Monetary Assistance 39.003 - Note 1 | - |
| | <u>486,868,718.00</u> |
| Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards | <u>\$ 827,708,868.23</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

| | |
|--------------|----------------------|
| CFDA #93.539 | \$ 15,634.13 |
| CFDA #93.757 | 4,750.72 |
| CFDA #93.944 | 230,144.20 |
| CFDA #93.815 | 7,668.48 |
| CFDA #93.521 | 40,802.23 |
| | <u>\$ 298,999.78</u> |

Note 8 - Disaster Grants - Public Assistance

| | |
|-------------------------------|------|
| Project Name: | |
| All Current year expenditures | \$ - |

Note 9 - Economic Adjustment Assistance

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



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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, 2019

Note 10 - 10% de Minimis Indirect Cost Rate

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



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, 2019

| Pass Through To: | <u>Grant ID</u> | <u>Agency Number</u> | <u>Amount</u> |
|--|-----------------|----------------------|---------------------------------|
| Tobacco Use Prevention and Control Texas State University - San Marcos | 537.0008 | 754 | 2,720,559.49 |
| Public Health Emergency Response University of Texas Health Center at Tyler | 537.0012 | 785 | 4,999.26 |
| Tuberculosis Elimination Program University of Texas Health Center at Tyler | 537.0017 | 785 | 810,000.00 |
| Texas Diabetes Program University of Texas at Austin | 537.0018 | 721 | (2,079.49) |
| Family Health Services Texas Tech University | 537.0024 | 733 | 4,690.00 |
| University of Texas Health Science Center at Houston | | 744 | 257,425.08 |
| University of Texas Health Science Center at San Antonio | | 745 | 24,779.55 |
| University of Texas at Tyler | | 750 | 34,569.23 |
| | | | <u>321,463.86</u> |
| Population Based Genetic Services University of Texas Health Science Center at Houston | 537.0025 | 744 | 68,235.18 |
| Texas Environmental Health University of Texas Southwestern Medical Center | 537.0027 | 729 | 1,390,603.85 |
| EMS/Trauma Care System Health and Human Services Commission | 537.0028 | 529 | 112,207,554.00 |
| Healthy Texas Babies Initiative Texas A&M University | 537.0035 | 711 | 12,525.45 |
| Texas Youth Tobacco Awareness Program Texas A&M University | 537.0043 | 711 | 126,511.47 |
| University of Texas at Austin | | 721 | 637,431.43 |
| | | | <u>763,942.90</u> |
| Total Pass-Through to Other Agencies (Exh II): | | | <u><u>\$ 118,297,804.50</u></u> |

