



**TEXAS**  
**Health and Human Services**

**Annual Financial Report**

***For the Year Ended August 31, 2019***





**TEXAS**  
Health and Human  
Services

**Texas Health and Human Services Commission**

Dr. Courtney N. Phillips  
Executive Commissioner

November 25, 2019

The Honorable Greg Abbott  
Governor  
State Capitol Building, Room 2S.1  
Austin, Texas 78701

The Honorable Glenn Hegar  
Comptroller of Public Accounts  
111 East 17<sup>th</sup> Street  
Austin, Texas 78701

Ms. Sarah Keyton  
Assistant Director  
Legislative Budget Board  
1501 North Congress Avenue, 5<sup>th</sup> Floor  
Austin, Texas 78701

Ms. Lisa Collier  
First Assistant State Auditor  
State Auditor's Office  
1501 North Congress Avenue  
Austin, Texas 78701

Dear Governor Abbott, Comptroller Hegar, Ms. Keyton, and Ms. Collier:

We are pleased to submit the Annual Financial Report of the Health and Human Services Commission for the year ended August 31, 2019, in compliance with Texas Government Code Annotated, § 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

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

Please let me know if you have questions or need additional information. Ms. Trinity Raines serves as the lead staff on this matter and she can be reached at (512) 424-6907 or by email at [Trinity.Raines@hhsc.state.tx.us](mailto:Trinity.Raines@hhsc.state.tx.us). Mr. Colton Caffey may be contacted at (512) 462-6295 or by email at [Colton.Caffey@hhsc.state.tx.us](mailto:Colton.Caffey@hhsc.state.tx.us) for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,



Ruth T. Johnson  
Chief Operating Officer

Attachment



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Texas Health and Human Services Commission (529)  
 Exhibit I - Combined Balance Sheet/Statement of Net Assets – Governmental Funds  
 August 31, 2019

	Governmental Fund Types			Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)				
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents							
On Hand	102,550.00	-	-	102,550.00	-	-	102,550.00
In Bank (Note 3)	814,950.30	-	-	814,950.30	-	-	814,950.30
In State Treasury	101,409,560.69	1,242.83	-	101,410,803.52	-	-	101,410,803.52
Legislative Appropriations	2,665,838,588.58	-	-	2,665,838,588.58	-	-	2,665,838,588.58
Receivables From:							
Federal	1,631,517,502.67	-	-	1,631,517,502.67	-	-	1,631,517,502.67
Intergovernmental Other	-	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-	-
Other Receivables	57,159,966.54	-	-	57,159,966.54	-	-	57,159,966.54
Interfund Receivable (Note 12)	-	-	-	-	-	-	-
Due From Other Funds (Note 12)	-	-	-	-	-	-	-
Due From Other Agencies (Note 12)	14,748,383.51	-	628,853.54	15,377,237.05	-	-	15,377,237.05
Consumable Inventories	9,580,123.53	-	-	9,580,123.53	-	-	9,580,123.53
Merchandise Inventories	85,094.14	-	-	85,094.14	-	-	85,094.14
Loans & Contracts	-	-	-	-	-	-	-
Other Current Assets	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>4,481,256,719.96</b>	<b>1,242.83</b>	<b>628,853.54</b>	<b>4,481,886,816.33</b>	<b>-</b>	<b>-</b>	<b>4,481,886,816.33</b>
Non-Current Assets:							
Restricted:							
Receivables:	400,410,921.42	-	-	400,410,921.42	-	-	400,410,921.42
Capital Assets (Note 2):							
Depreciable or Amortizable, Net	-	-	-	-	184,806,787.44	-	184,806,787.44
Non-Depreciable or Non-Amortizable, Net	-	-	-	-	166,419,292.89	-	166,419,292.89
<b>Total Non-Current Assets</b>	<b>400,410,921.42</b>	<b>-</b>	<b>-</b>	<b>400,410,921.42</b>	<b>351,226,080.33</b>	<b>-</b>	<b>751,637,001.75</b>
<b>Total Assets</b>	<b>4,881,667,641.38</b>	<b>1,242.83</b>	<b>628,853.54</b>	<b>4,882,297,737.75</b>	<b>351,226,080.33</b>	<b>-</b>	<b>5,233,523,818.08</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Deferred Outflows of Resources (Note 28)	-	-	-	-	-	1,688,888.89	1,688,888.89
<b>Total Deferred Outflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,688,888.89</b>	<b>1,688,888.89</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Current Liabilities:							
Payables From:							
Accounts	2,732,290,324.39	-	628,853.54	2,732,919,177.93	-	-	2,732,919,177.93
Payroll	155,717,825.35	-	-	155,717,825.35	-	-	155,717,825.35
Interfund Payable (Note 12)	-	-	-	-	-	-	-
Due to Other Funds (Note 12)	-	-	-	-	-	-	-
Due To Other Agencies (Note 12)	6,658,315.66	-	-	6,658,315.66	-	-	6,658,315.66
Deferred Revenues	-	-	-	-	-	-	-
Asset Retirement Obligations (Note 5)	-	-	-	-	-	-	-
Employees' Compensable Leave (Note 5)	-	-	-	-	-	99,695,369.25	99,695,369.25
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-	26,040.15	26,040.15
Pollution Remediation Obligations	-	-	-	-	-	15,840.00	15,840.00
Fund Held for Others	-	-	-	-	-	-	-
<b>Total Current Liabilities</b>	<b>2,894,666,465.40</b>	<b>-</b>	<b>628,853.54</b>	<b>2,895,295,318.94</b>	<b>-</b>	<b>99,737,249.40</b>	<b>2,995,032,568.34</b>

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Texas Health and Human Services Commission (529)

Exhibit I - Combined Balance Sheet/Statement of Net Assets – Governmental Funds - continued

August 31, 2019

	Governmental Fund Types			Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
	General Funds (Ex A-1)	Special Revenue Funds (Ex B-1)	Capital Projects Funds (Ex D-1)				
<b>Non-Current Liabilities:</b>							
Interfund Payable (Note 12)	-	-	-	-	-	-	-
Asset Retirement Obligations (Note 5)	-	-	-	-	-	1,900,000.00	1,900,000.00
Employees' Compensable Leave (Note 5)	-	-	-	-	-	58,593,399.63	58,593,399.63
Capital Lease Obligations (Note 5, 8)	-	-	-	-	-	-	-
Pollution Remediation Obligations	-	-	-	-	-	518,000.00	518,000.00
Total Non-Current Liabilities	-	-	-	-	-	61,011,399.63	61,011,399.63
Total Liabilities	2,894,666,465.40	-	628,853.54	2,895,295,318.94	-	160,748,649.03	3,056,043,967.97
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>							
Fund Balances (Deficits):							
Nonspendable	410,076,139.09	-	-	410,076,139.09	-	-	410,076,139.09
Restricted	-	1,242.83	-	1,242.83	-	-	1,242.83
Committed	100,779,384.18	-	-	100,779,384.18	-	-	100,779,384.18
Assigned	-	-	-	-	-	-	-
Unassigned	1,476,145,652.71	-	-	1,476,145,652.71	-	-	1,476,145,652.71
Total Fund Balances	1,987,001,175.98	1,242.83	-	1,987,002,418.81	-	-	1,987,002,418.81
Total Liabilities and Fund Balances	4,881,667,641.38	1,242.83	628,853.54	4,882,297,737.75	-	-	
<b>GOVERNMENT-WIDE STATEMENT-NET ASSETS</b>							
Net Assets							
Invested in Capital Assets, net of Related Debt	-	-	-	-	351,226,080.33	(26,040.15)	351,200,040.18
Restricted	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	(159,033,719.99)	(159,033,719.99)
Total Net Assets	-	-	-	-	351,226,080.33	(159,059,760.14)	2,179,168,739.00

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

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Texas Health and Human Services Commission (529)

Exhibit II - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds  
For the Fiscal Year Ended August 31, 2019

	General Funds (Ex A-2)	Special Revenue Funds (Ex B-2)	Capital Projects Funds (Ex D-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES</b>							
Legislative Appropriations:							
Original Appropriations (GR)	14,459,938,872.00	-	-	14,459,938,872.00			14,459,938,872.00
Additional Appropriations (GR)	286,967,092.92	-	-	286,967,092.92			286,967,092.92
Federal Revenue (PR-Operating or Capital)	32,038,477,197.04	-	-	32,038,477,197.04			32,038,477,197.04
Federal Grant Pass-Through Revenue (GR)	70,418,217.56	-	-	70,418,217.56			70,418,217.56
State Grant Pass-Through Revenue (GR)	128,767,805.81	-	-	128,767,805.81			128,767,805.81
Licenses, Fees & Permits (PR)	116,218,384.48	-	-	116,218,384.48			116,218,384.48
Interest and Other Investment Income (GR)	3,962,218.64	29.39	-	3,962,248.03			3,962,248.03
Land Income	883,180.03	-	-	883,180.03			883,180.03
Settlement of Claims (GR)	575,846.75	-	-	575,846.75			575,846.75
Sales of Goods and Services (PR)	4,218,830,473.80	-	-	4,218,830,473.80			4,218,830,473.80
Other (PR-Chg for Serv, Operating or Capital)	-	-	-	-			-
Other (GR)	2,720,714,508.63	-	-	2,720,714,508.63			2,720,714,508.63
<b>Total Revenues</b>	<b>54,045,753,797.66</b>	<b>29.39</b>	<b>-</b>	<b>54,045,753,827.05</b>	<b>-</b>	<b>-</b>	<b>54,045,753,827.05</b>
<b>EXPENDITURES</b>							
Salaries and Wages	1,689,141,104.76	-	-	1,689,141,104.76		5,822,686.09	1,694,963,790.85
Payroll Related Costs	558,119,931.82	-	-	558,119,931.82			558,119,931.82
Professional Fees and Services	861,271,988.19	-	(169,136.62)	861,102,851.57			861,102,851.57
Travel	33,933,812.77	-	-	33,933,812.77			33,933,812.77
Materials and Supplies	177,271,263.22	-	-	177,271,263.22			177,271,263.22
Communication and Utilities	64,292,584.61	-	-	64,292,584.61			64,292,584.61
Repairs and Maintenance	122,999,068.48	-	294,526.76	123,293,595.24			123,293,595.24
Rentals & Leases	148,155,369.02	-	-	148,155,369.02			148,155,369.02
Printing and Reproduction	4,370,074.41	-	-	4,370,074.41			4,370,074.41
Claims and Judgments	767,620.41	-	-	767,620.41			767,620.41
Federal Grant Pass-Through Expenditures	581,649,854.54	-	-	581,649,854.54			581,649,854.54
State Grant Pass-Through Expenditures	8,616,667.59	-	-	8,616,667.59			8,616,667.59
Intergovernmental Payments	222,714,220.35	-	-	222,714,220.35			222,714,220.35
Public Assistance Payments	48,370,109,040.74	(598.34)	-	48,370,108,442.40			48,370,108,442.40
Other Expenditures	203,294,746.17	-	-	203,294,746.17			203,294,746.17
Debt Service:							
Principal	-	-	-	-			-
Interest	-	-	-	-			-
Interest (All General Long-Term Debt)	846.88	-	-	846.88			846.88
Capital Outlay	150,763,258.39	-	199,545.00	150,962,803.39	(151,104,534.39)		(141,731.00)
Depreciation Expense	-	-	-	-	43,037,973.60		43,037,973.60
<b>Total Expenditures/Expenses</b>	<b>53,197,471,452.35</b>	<b>(598.34)</b>	<b>324,935.14</b>	<b>53,197,795,789.15</b>	<b>(108,066,560.79)</b>	<b>5,822,686.09</b>	<b>53,095,551,914.45</b>
Excess (Deficiency) of Revenues Over Expenditures	848,282,345.31	627.73	(324,935.14)	847,958,037.90	108,066,560.79	(5,822,686.09)	950,201,912.60



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Texas Health and Human Services Commission (529)

Exhibit II - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances/Statement of Activities – Governmental Funds - *continued*

For the Fiscal Year Ended August 31, 2019

	General Funds (Ex A-2)	Special Revenue Funds (Ex B-2)	Capital Projects Funds (Ex D-2)	Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>OTHER FINANCING SOURCES (USES)</b>							
Increase in Obligations Under Capital Leases	-	-	-	-		65,913.35	65,913.35
Sale of Capital Assets	50,974.86	-	-	50,974.86	(50,974.86)		-
Net Change in Asset Retirement Obligations						(211,111.11)	(211,111.11)
Net Change in Pollution Remediation Obligations						(407,288.00)	(407,288.00)
Insurance Recoveries	10,066,577.42	-	-	10,066,577.42			10,066,577.42
Transfers In	1,001,321,695.38	-	3,124,025.14	1,004,445,720.52			1,004,445,720.52
Transfers Out	(448,366,996.41)	-	(2,799,090.00)	(451,166,086.41)			(451,166,086.41)
Legislative Transfers In	41,251,844.00	-	-	41,251,844.00			41,251,844.00
Legislative Transfers Out	(3,928,076.00)	1,140.72	-	(3,926,935.28)			(3,926,935.28)
Gain (Loss) on Sale of Capital Assets	-	-	-	-	(992,632.87)		(992,632.87)
Incr (Decr) in Net Assets Due to Interagency Transfer	(8,550.00)	-	-	(8,550.00)	(2,397,239.42)		(2,405,789.42)
<b>Total Other Financing Sources and Uses</b>	<b>600,387,469.25</b>	<b>1,140.72</b>	<b>324,935.14</b>	<b>600,713,545.11</b>	<b>(3,440,847.15)</b>	<b>(552,485.76)</b>	<b>596,720,212.20</b>
<b>Net Change in Fund Balances/Net Assets</b>	<b>1,448,669,814.56</b>	<b>1,768.45</b>	<b>-</b>	<b>1,448,671,583.01</b>	<b>104,625,713.64</b>	<b>(6,375,171.85)</b>	<b>1,546,922,124.80</b>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>							
Fund Balances, September 1, 2018	756,093,443.61	(525.62)	-	756,092,917.99			756,092,917.99
Restatements	-	-	-	-			-
Fund Balances, September 1, 2018, as Restated	756,093,443.61	(525.62)	-	756,092,917.99			756,092,917.99
Appropriations Lapsed	(217,762,082.19)	-	-	(217,762,082.19)			(217,762,082.19)
Fund Balances, August 31, 2019	1,987,001,175.98	1,242.83	-	1,987,002,418.81			2,085,252,960.60
<b>GOVERNMENT-WIDE STATEMENT-NET ASSETS</b>							
Net Assets/Net Change in Net Assets				1,987,002,418.81	104,625,713.64	(6,375,171.85)	2,085,252,960.60
Net Assets, September 1, 2018					245,956,795.42	(152,655,727.65)	93,301,067.77
Restatements					643,571.27	(28,860.64)	614,710.63
Net Assets, September 1, 2018, as Restated					246,600,366.69	(152,684,588.29)	93,915,778.40
Net Assets, August 31, 2019				1,987,002,418.81	351,226,080.33	(159,059,760.14)	2,179,168,739.00

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

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**Texas Health and Human Services Commission (529)**  
**Exhibit VI - Combined Statement of Fiduciary Net Assets**  
**August 31, 2019**

	<b>Private- Purpose Trust Funds (Exhibit I-1)</b>	<b>Agency Funds (Exhibit J-1)</b>	<b>Totals</b>
<b>ASSETS</b>			
Cash and Cash Equivalents (Note 3)			
Cash on Hand	-	-	-
Cash in Bank	839,698.00	23,884,103.24	24,723,801.24
Cash in State Treasury	-	219,996,087.11	219,996,087.11
Cash Equivalents	6,355,528.29	8,190,619.48	14,546,147.77
Investments	-	-	-
Receivables From:			
Interest and Dividends	-	-	-
Accounts Receivable	-	-	-
Non-Current Receivables	-	-	-
Merchandise Inventory	-	-	-
<b>Total Assets</b>	<b><u>7,195,226.29</u></b>	<b><u>252,070,809.83</u></b>	<b><u>259,266,036.12</u></b>
<b>LIABILITIES</b>			
Funds Held for Others	-	252,070,809.83	252,070,809.83
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>252,070,809.83</u></b>	<b><u>252,070,809.83</u></b>
<b>NET ASSETS</b>			
Held in Trust for Individuals, Organizations and Other Governments	7,195,226.29	-	7,195,226.29
<b>Total Net Assets</b>	<b><u>7,195,226.29</u></b>	<b><u>-</u></b>	<b><u>7,195,226.29</u></b>

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

**Texas Health and Human Services Commission (529)**  
**Exhibit VII - Combined Statement of Changes in Fiduciary Net Assets**  
**August 31, 2019**

	<b>Private- Purpose Trust Funds (Exhibit I-2)</b>	<b>Totals</b>
<b>Additions</b>		
Sales of Goods And Services	-	-
Other Revenue	3,632,796.82	3,632,796.82
Interest Income	3,547.14	3,547.14
Licenses, Fees and Permits	-	-
Transfers In	-	-
<b>Total Additions</b>	<u>3,636,343.96</u>	<u>3,636,343.96</u>
<b>Deductions</b>		
Material and Supplies	26,797.38	26,797.38
Communications and Utilities	95.92	95.92
Repairs and Maintenance	-	-
Rentals and Leases	-	-
Printing and Reproduction	-	-
Other Expenses	1.19	1.19
Interest Expense	-	-
Professional Fees and Services	-	-
Transfers Out	-	-
<b>Total Deductions</b>	<u>26,894.49</u>	<u>26,894.49</u>
<b>Increase (Decrease) in Net Assets</b>	<u>3,609,449.47</u>	<u>3,609,449.47</u>
Net Assets, September 1, 2018	3,585,776.82	3,585,776.82
Restatements	-	-
Net Assets, September 1, 2018 as Restated	<u>3,585,776.82</u>	<u>3,585,776.82</u>
<b>Net Assets, August 31, 2019</b>	<u>7,195,226.29</u>	<u>7,195,226.29</u>

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

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**Texas Health and Human Services Commission (529)**  
**Exhibit VIII - Combined Statement of Net Position -**  
**Discretely Presented Component Units**  
**August 31, 2019**

	<b>Component Units (Exhibit K-1)</b>
<b>ASSETS</b>	
Current Assets:	
Cash (Note 3)	
In Bank	1,614,370.00
Securities Lending Collateral	-
Receivables From:	
Federal	-
Other	-
Due From Primary Government	-
Other Current Assets	28,030.00
Total Current Assets	1,642,400.00
Non-Current Assets:	
Capital Assets:	
Depreciable or Amortizable, Net	-
Total Non-Current Assets	-
Total Assets	1,642,400.00
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Current Liabilities:	
Payables From:	
Accounts	15,538.00
Payroll	-
Unearned Revenues	-
Other Current Liabilities	-
Total Current Liabilities	15,538.00
Total Liabilities	15,538.00
<b>Net Position</b>	
Unrestricted	1,626,862.00
Total Fund Balances/Net Position	1,626,862.00
Total Liabilities and Fund Balances/Net Position	1,642,400.00

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

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**Texas Health and Human Services Commission (529)**  
**Exhibit IX - Combined Statement of Activities -**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2019**

	<b>Total Component Unit (Exhibit K-2)</b>
<b>OPERATING REVENUE:</b>	
Other Sales of Goods and Services - Non-Pledged (PR)	70,700.00
Other Operating Revenue (GR)	-
Total Operating Revenues	<u>70,700.00</u>
<b>OPERATING EXPENSES:</b>	
Salaries and Wages	320,060.00
Payroll Related Costs	51,780.00
Professional Fees and Services	145,698.00
Travel	5,130.00
Materials and Supplies	37,668.00
Communication and Utilities	104,860.00
Rentals and Leases	39,262.00
Depreciation and Amortization	-
Other Expenses	32,970.00
Total Operating Expenses	<u>737,428.00</u>
Operating Income (Loss)	<u>(666,728.00)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>	
Other Nonoperating Revenues (Expenses)	13,538.00
Total Other Nonoperating Revenues (Expenses)	<u>13,538.00</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(653,190.00)</u>
Change in Net Position	<u>(653,190.00)</u>
Net Position, September 1, 2018	2,280,052.00
Restatements	-
Net Position, September 1, 2018, as Restated	<u>2,280,052.00</u>
Net Position, August 31, 2019	<u>1,626,862.00</u>

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

## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

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#### Note 1: Summary of Significant Accounting Policies

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##### Entity

The Texas Health and Human Services Commission (HHSC) is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' *Reporting Requirements for State Agencies and Universities*.

HHSC serves the state by providing leadership and direction, and fostering the spirit of innovation needed to achieve an efficient and effective health and human services system for Texans and has oversight responsibilities for programs at HHSC as well as programs at the Department of State Health Services (DSHS). This updated oversight structure reflects the changes associated with the passage of Senate Bill 200 and 208 by the 84th Texas Legislature, as well as House Bill 5 by the 85<sup>th</sup> Texas Legislature which separated the Department of Family and Protective Services from the Health and Human Services System. HHSC continues to administer certain health and human services programs including, but not limited to, the Texas Medicaid Program, Children's Health Insurance Program (CHIP), and Medicaid waste, fraud, and abuse investigations, Temporary Assistance for Needy Families, the Early Childhood Intervention Program, State Mental Health Hospitals, State Supported Living Centers, and certain regulatory functions.

The Texas Health and Human Services Commission includes within this report all components as determined by an analysis of their relationship as listed below.

Due to the statewide requirements embedded in Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying annual financial report to comply with all the requirements of 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.

##### Discretely Presented Component Units

The Texas Health and Human Services Commission has one, discrete component unit. Information on the component unit can be found in Note 19.

##### 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 & Government-wide Adjustment Fund Types

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##### General Revenue Funds

General Revenue Fund (Fund 0001) - The principal operating fund used to account for most of the state's general activities. It accounts for all financial resources except those accounted for in other funds.

Comprehensive Medical Rehab Fund (Fund 0107) - Previously received court costs collected from defendants convicted under certain sections of the Penal Code. Defendants convicted of a felony pay \$133, convicted of Class A or B misdemeanor pay \$83 and convicted of a nonjailable misdemeanor pay \$40. This account received 9.8218 percent of total collections. The account may be used only to provide rehabilitative services as provided by TEX. HUM. RES. CODE ANN. § 111.052.

Hospital Licensing Fund (Fund 0129) - For deposit of all license fees to be used by the Health and Human Services Commission in the administration and enforcement of the "Texas Hospital Licensing Law".

Freestanding Emergency Medical Care Facility Licensing Fund (Fund 0373) - To receive all fees related to the licensing of freestanding emergency medical care facilities for use by the department in administering and enforcing Texas Health and Safety Code Ann. §254.104.

Compensation to Victims of Crime Fund (Fund 0469) - Used for payment of compensation to claimants under and administrative expenses. If funds deposited in a fiscal year are in excess of compensation payments during that year, the attorney general may retain up to \$10 million as an emergency reserve for the next fiscal year. Used to support private Texas non-profit corporations providing direct victim-related civil legal services. Also to reimburse law enforcement agencies for reasonable costs of a medical

## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

exam by a physician, sexual assault examiner or sexual assault nurse examiner. Receives court costs from defendants convicted under certain sections of the Penal Code. Defendants convicted of a felony pay \$133, defendants convicted of a Class A or B misdemeanor pay \$83 and defendants convicted of a non-jailable misdemeanor pay \$40. This account receives 37.6338% of total collections. Also receives juror donations made under § 61.003, Government Code. Receives 50% of the proceeds from the disposal of surplus or salvage property by commissioners' courts. Receives first \$10 million, then 50% of all pay telephone commissions received by TDCJ, Agency 696. May receive up to 50% of the excess balance that exceeds \$5 million in GR Account 0494 - Compensation to Victims of Crime Auxiliary at the end of each fiscal year. H.B. 1866, 85th Leg., R.S. prohibits this transfer for the 2018-19 biennium. This prohibition expires 9/1/2019. Receives civil penalties collected by OAG for violations by state agencies or political subdivisions of the license to carry a handgun laws.

Texas Capital Trust Fund (Fund 0543) - 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. If Legislature authorizes a real estate transaction involving real property owned by the state, proceeds are deposited in this account unless legislation provides otherwise.

Economic Stabilization Fund (Fund 0599) - Revenue to the fund consists of transfers from General Revenue Fund 0001 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. A special committee of the Legislature determines and adopts a minimum balance for the fund. A percentage of the amount above the minimum balance is to be invested by the Comptroller's Office per Government Code 404.024(j) investment standards.

License Plate Trust Fund (Fund 0802) - 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 (Fund 0803) - Created as a trust fund outside the treasury, with the comptroller, administered by Health and Human Services 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.

Assisted Living Trust Fund (Fund 0857) - Created as a trust fund with the comptroller to make emergency assistance funds available to an assisted living facility if a court orders disbursement upon finding the facility has inadequate funds for operation, an emergency exists and it is in the best interests of the residents that funds are immediately available. Receives additional license fee from assisted living, nursing and convalescent homes to be charged if the fund balance is less than \$500,000.

Nursing and Convalescent Home Trust Fund (Fund 0992) - Created as a trust fund with the Comptroller for deposit of annual fees assessed on nursing, convalescent and intermediate care facilities. Fees are \$1 for each licensed unit of capacity at a facility, or in an amount necessary to maintain a fund balance of \$10 million and provide emergency assistance funds to facilities. Total fees assessed in a year may not exceed \$20 for each unit of capacity or bed space. Facilities receiving emergency assistance funds shall reimburse the commission for the amounts received, plus interest accruing from the date on which the funds were disbursed, not later than one year after the date on which the funds were received. Repayments and interest are also deposited to the fund. Annual emergency assistance peers collected pursuant to § 252.095, Health and Safety Code from intermediate care facilities for individuals with an intellectual disability shall be used to make emergency assistance money available for these facilities. Any unencumbered amount in the fund in excess of \$10 million at the end of each fiscal year shall be transferred to the credit of GR (0001).

Home Health Services Fund (Fund 5018) - Created in General Revenue to receive fees related to licensing home and community support service agencies in amounts to meet costs of administration.

Tobacco Settlement Fund (Fund 5040) - This account is created in General Revenue to receive settlement money resulting from the final judgment in the State of Texas v. The American Tobacco Company, et. al., civil action no. 5:96cv91 issued by the U.S. District Court for the Eastern District of Texas, Texarkana Division.

## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

State Owned Multicategorical Teaching Hospital Fund (Fund 5049) - This account is created in General Revenue to record receipt of unclaimed lottery prize money, not to exceed \$20 million each year.

Quality Assurance Fund (Fund 5080) - Account in the General Revenue Fund composed of quality assurance fees and related administrative penalties collected from intermediate care facilities for individuals with intellectual disabilities and income earned on the account. May be used to offset expenses incurred to administer the quality assurance fee under this chapter, to increase reimbursement rates paid under the Medicaid program to facilities or waiver programs for individuals with an intellectual disability operated in accordance with 42 U.S.C. Section 1396n(c) and its subsequent amendments, or for any other health and human services approved by the Governor and Legislative Budget Board.

Medicaid Recovery Fund (Fund 5109) - Account in the General Revenue Fund to receive any funds recovered by implementing 42 U.S.C. Section 1396p(b)(1). Used only to fund long-term care, including community-based care and facility-based care.

#### Special Revenue Funds

Special Revenue funds are used to account for the proceeds of specific revenue sources (other than for private-purpose trusts or for major capital projects) that are legally restricted to use for specified purposes.

Endowment Fund for the Blind (Fund 0493) - To receive gifts and grants from individuals, associations, and corporations, plus depository interest earned for the purpose of providing direct client services and carrying out the provisions of Ch. 91.0301, Human Resources Code.

Veterans Recovery (Fund 5169) - Used to provide additional aid to school districts with compressed rates below \$1.00 that assess rates eligible to benefit from additional aid for tax rate conversion. Consists of amounts transferred from GR Account 0193 - Foundation School.

#### Capital Project Funds

The capital project funds are used to account for general obligation bonds issued by the Texas Public Finance Authority. Capital Project Funds are used to account for financial resources used for the acquisition, repair, renovation or construction of major capital facilities.

Texas Public Finance Authority General Obligation Bonds (HHSC Fund 7658) - 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.

Texas Public Finance Authority General Obligation Bonds (HHSC Fund 7660) - 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.

#### Capital Asset Adjustment Fund Type

Capital Asset Adjustment Fund (Fund 9998) will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

#### Long-Term Liabilities Adjustment Fund Type

Long-Term Liabilities Adjustment Fund (Fund 9997) will be used to convert governmental fund types' debt from modified accrual to full accrual.

#### Fiduciary Fund Types

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Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

#### Agency Funds

Agency funds are used to account for assets the government holds on behalf of others in a purely custodial capacity. Agency funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

Child Support Employee Deductions Offset Account (Fund 0807) - To accumulate money withheld from the salaries of state officers and employees for child support deductions for distribution to the statewide disbursement unit through a single direct deposit. Employee level detail will be sent with the payment through the clearing house.



## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

Special Olympics Texas Trust Fund (Fund 0847) - Created outside of the state treasury, held by the comptroller and administered by the Health and Human Services Commission on behalf of Special Olympics Texas. Consists of donations made by people on registration of a motor vehicle. Money in the fund shall be disbursed at least monthly, without appropriation, to Special Olympics Texas to provide training and athletic competitions for persons with mental illness and intellectual disabilities.

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 various Special Funds or 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 (using Revenue Object 3790). The agency is then responsible for correction of the amounts in the correction account by either: (a) transfer of the funds back to original issuing fund or (b) refund to person for whom original payment was made.

Custodial Funds Held Outside of Treasury (Non-Cash) (Fund 9995) - For reporting local custodial fund activity to USAS.

#### Private Purpose Trust Funds

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

Trust Funds Held Outside of Treasury (Non-Cash) (Fund 9993) - For reporting local trust fund activity to USAS.

#### **Component Units**

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The funds of the individual component units are available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

#### **Basis of Accounting**

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

Governmental fund types that build the fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual, revenues are recognized in the period in which they become both measurable and available to finance operations of the fiscal year or liquidate liabilities existing at fiscal year-end. The State of Texas considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year for Fund Financial Statements prepared on the modified basis of accrual. Expenditures and other uses of financial resources are recognized when the related liability is incurred.

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the un-matured 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). Encumbrance accounting is employed for budgetary control purposes.

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

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##### Cash & Cash Equivalents

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

## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

##### 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

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all exhaustible assets. Inexhaustible assets such as works of art and historical treasures are not depreciated. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

##### Current Receivables

Federal receivables include year-end federal revenue accruals not included in any other receivable category. Account receivables are amounts owed to the state entity from private persons or organizations that are expected to be collected within one year of fiscal year end.

##### Noncurrent Receivables

Account receivables are amounts owed to the state entity from private persons or organizations that are not expected to be collected within one year of fiscal year end.

#### **Liabilities**

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##### 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.

##### Other Payables – Current and Noncurrent

The disaggregation of other payables as reported in the financial statements is shown in Note 24, "Disaggregation of Receivables and Payables Balances".

##### 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.

##### Capital Lease Obligations

Capital lease obligations represent the liability for future lease payments under capital lease contracts contingent upon the funding by the Legislature. Liabilities are reported separately as either current or noncurrent in the statement of net assets.

#### **Fund Balance / Net Assets**

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The difference between fund assets and liabilities is "net assets" on the government-wide and fiduciary fund statements, and the "fund balance" is the difference between fund assets and liabilities on the governmental fund statements.

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

Restricted Fund Balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.

Committed Fund Balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.

## UNAUDITED

### Texas Health and Human Services Commission (529)

#### Notes to the Financial Statements

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

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

Invested In Capital Assets, Net Of Related Debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bond, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

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

Unrestricted Net Position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that are imposed by management but can be removed or modified.

#### Interfund Activities and Transactions

The agency has the following types of transactions among funds:

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

(2) Reimbursements: Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in the financial statements.

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

(4) Interfund Sales and Purchases: Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's interfund activities and balances at August 31, 2019 is presented in Note 12.



**UNAUDITED**

**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

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

The Texas Health and Human Services Commission is authorized by statute to make investments following the “prudent person rule”. 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 \$27,153,121.54 as presented below.

<b>Governmental and Business-Type Activities</b>	
CASH IN BANK – CARRYING VALUE	\$ 814,950.30
<b>Total Cash in Bank per AFR (Fund Type 01)</b>	<b>\$ 814,950.30</b>
Governmental Funds Current Assets Cash in Bank	\$ 814,950.30
<b>Cash in Bank per AFR</b>	<b>\$ 814,950.30</b>

<b>Fiduciary Funds</b>	
CASH IN BANK – CARRYING VALUE	\$ 23,884,103.24
<b>Total Cash in Bank per AFR (Fund Type 09)</b>	<b>\$ 23,884,103.24</b>
Fiduciary Funds Current Assets Cash in Bank	\$ 23,884,103.24
<b>Cash in Bank per AFR</b>	<b>\$ 23,884,103.24</b>

<b>Fiduciary Funds</b>	
CASH IN BANK – CARRYING VALUE	\$ 839,698.00
<b>Total Cash in Bank per AFR (Fund Type 20)</b>	<b>\$ 839,698.00</b>
Fiduciary Funds Current Assets Cash in Bank	\$ 839,698.00
<b>Cash in Bank per AFR</b>	<b>\$ 839,698.00</b>

<b>Discretely Presented Component Units</b>	
CASH IN BANK – CARRYING VALUE	\$ 1,614,370.00
<b>Total Cash in Bank per AFR (Fund Type 15)</b>	<b>\$ 1,614,370.00</b>
Discrete Component Unit Current Cash in Bank	\$ 1,614,370.00
<b>Cash in Bank per AFR</b>	<b>\$ 1,614,370.00</b>

These amounts consist of all cash in local banks and are included on the Combined Statement of Net Assets as part of the “Cash and Cash Equivalents” accounts. As of August 31, 2019, the total bank balance was as follows.

Governmental and Business-Type Activities:	\$ 814,950.30	Fiduciary Funds:	\$ 24,723,801.24	Discretely Presented Component Unit:	\$ 1,614,370.00
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**Note 4: Short-Term Debt (Not Applicable)**

**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	Restatement/ Adjustment**	Balance 8/31/19	Amounts Due Within One Year	Amounts Due Thereafter
Employees' Compensable Leave	152,466,082.79	242,313,516.33	236,490,830.24	0.00	158,288,768.88	99,695,369.25	58,593,399.63
Pollution Remediation Obligation	126,552.00	431,311.26	24,023.26	0.00	533,840.00	15,840.00	518,000.00
Capital Lease Obligations	63,092.86	0.00	65,913.35	28,860.64	26,040.15	26,040.15	0.00
Asset Retirement Obligations	0.00	1,900,000.00	0.00	0.00	1,900,000.00	211,111.11	1,688,888.89
<b>Total Governmental Activities</b>	<b>152,655,727.65</b>	<b>244,644,827.59</b>	<b>236,580,766.85</b>	<b>28,860.64</b>	<b>160,748,649.03</b>	<b>99,948,360.51</b>	<b>60,800,288.52</b>

**UNAUDITED**

**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

**Asset Retirement Obligations**

The FY 2019 Asset Retirement Obligation (ARO) noted above is related to a Sewage Treatment Plant in Mexia, Texas. The ARO was calculated using a weighted average methodology. Based on an initial regional assessment, HHSC did not receive enough information to reasonably estimate a weighted average for lab equipment, e.g. X-ray equipment. In FY 2020, additional AROs may be reported if the liability can be reasonably estimated.

**Claims & Judgments**

There were no outstanding claims and judgments as of August 31, 2019. See Note 17 for changes in the balances of the agency's claims liabilities during fiscal year 2019.

**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. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**Pollution Remediation Obligations**

Pollution remediation obligations are recognized in the financial statements for existing pollution sites after the occurrence of one or more of the following events:

- The pollution creates an imminent endangerment to public health or the environment.
- The state is in violation of a pollution prevention-related permit or license.
- The state is named as a potentially responsible party by a regulator.
- The state is named in a lawsuit that compels it to participate in remediation.
- The state has commenced, or legally obligated itself to commence, cleanup activities.

***Pollution Remediation Activity:*** A remediation activities estimate for land/building owned by the Health and Human Services Commission (HHSC) is projected at \$533,840 as of August 31, 2019 for Lufkin State Supported Living Center and Terrell State Hospital (based on an estimating methodology provided by the Texas Commission on Environmental Quality).

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**Note 6: Bonded Indebtedness (Not Applicable)**

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**Note 7: Derivative Instruments (Not Applicable)**

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**Note 8: Leases**

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**Operating Leases**

Included in the expenditures reported in the financial statements are the following amounts of rent paid or due under operating lease obligations:

Fund Type	Amount
General Fund	102,131,375.96

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

Year Ending August 31, 2020	91,528,418.81
Year Ending August 31, 2021	84,347,180.31
Year Ending August 31, 2022	71,731,043.91
Year Ending August 31, 2023	59,375,059.13
Year Ending August 31, 2024	45,140,045.99
Year Ending August 31, 2025 – 2029	103,893,598.21
Year Ending August 31, 2030 – 2034	1,276,275.16
<b>Total Minimum Future Lease Rental Payments</b>	<b>457,291,621.52</b>

**UNAUDITED**

**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

**Capital Leases**

The Health and Human Services Commission assumed long-term leases for financing the purchase of certain capital assets of the Department of Aging and Disability Services as a part of transformation. Such leases are classified as capital leases for accounting purposes and are recorded at the present value of the future minimum lease payments at the inception of the lease.

A summary of original capitalized costs of all such property under lease in addition to the accumulated depreciation as of August 31, 2019 is presented below.

<b>Class of Property</b>	<b>Assets Under Capital Lease</b>	<b>Accumulated Depreciation</b>	<b>Total</b>
Furniture & Equipment	135,000.00	(53,035.62)	81,964.38
Vehicles, Boats, etc.	83,225.00	(30,515.76)	52,709.24
<b>Totals</b>	<b>218,225.00</b>	<b>(83,551.38)</b>	<b>134,673.62</b>

Future minimum lease payments under these capital leases, together with the present value of the net minimum lease payments at fiscal year-end are:

<b>Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Future Min. Lease Payments</b>
2020	26,040.15	173.07	26,213.22
2021	0.00	0.00	0.00
2022	0.00	0.00	0.00
<b>Totals</b>	<b>26,040.15</b>	<b>173.07</b>	<b>26,213.22</b>

**Note 9: Pension Plans and Other Retirement Program (Not Applicable)**

**Note 10: Deferred Compensation (Not Applicable)**

**Note 11: Post Employment Health Care and Life Insurance Benefits (Not Applicable)**

**Note 12: Interfund Activity and Transactions**

As explained in Note 1 on Interfund Activities and Balances there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables (Note 12 presentation required)
- Legislative Transfers In or Legislative Transfers Out (Note 12 presentation optional)
- Due From Other Funds or Due To Other Funds (Note 12 presentation optional)
- Due From Other Agencies or Due To Other Agencies (Note 12 presentation optional)
- Transfers In or Transfers Out (Note 12 presentation optional)

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

Individual balances and activity at August 31, 2019 follows:

<b>Current Portion</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Purpose</b>
GENERAL REVENUE (01)	0.00	0.00	
<b>Total Current Interfund Receivable / Payable</b>	<b>0.00</b>	<b>0.00</b>	

<b>Non-Current Portion</b>	<b>Interfund Receivable</b>	<b>Interfund Payable</b>	<b>Purpose</b>
GENERAL REVENUE (01)	0.00	0.00	
<b>Total Non-Current Interfund Receivable / Payable</b>	<b>0.00</b>	<b>0.00</b>	

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**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

	Legislative TRANSFERS IN	Legislative TRANSFERS OUT
<b>GENERAL REVENUE (01)</b>		
Agency 364, D23 Fund 0001		11,599.00
Agency 530, D23 Fund 0001	41,251,844.00	2,993,059.00
Agency 537, D23 Fund 0001		923,418.00
<b>Total Legislative Transfers (Exhibit II)</b>	<b>41,251,844.00</b>	<b>3,928,076.00</b>

	Due From Other Funds	Due to Other Funds	Source
<b>GENERAL REVENUE (01)</b>	0.00	0.00	
<b>Total Due From / To Others Funds (Exhibit I)</b>	<b>0.00</b>	<b>0.00</b>	

	Due From Other Agencies	Due to Other Agencies	Source
<b>GENERAL REVENUE (01)</b>			
Agency 320, D23 Fund 0001		212,141.76	Federal P-T
Agency 320, D23 Fund 5026		318,511.53	Federal P-T
Agency 530, D23 Fund 0037	1,840,457.52	457,424.11	Federal P-T
Agency 555, D23 Fund 7999		2,504,355.34	Federal P-T
Agency 644, D23 Fund 0215		72,726.38	State P-T
Agency 701, D23 Fund 0148		442,790.54	Federal P-T
Agency 709, D23 Fund 7999		48,321.52	State P-T
Agency 714, D23 Fund 7999		36,134.45	Federal P-T
Agency 714, D23 Fund 7999		38,650.77	State P-T
Agency 721, D23 Fund 7999		238,724.52	Federal P-T
Agency 721, D23 Fund 7999	110.45		State P-T
Agency 723, D23 Fund 7999		546,114.87	Federal P-T
Agency 723, D23 Fund 7999		993,659.07	State P-T
Agency 730, D23 Fund 7999		104,513.80	Federal P-T
Agency 739, D23 Fund 7999		9,937.81	State P-T
Agency 744, D23 Fund 7999		1,383,903.58	Federal P-T
Agency 745, D23 Fund 7999		70,072.25	Federal P-T
Agency 745, D23 Fund 7999		131,711.91	State P-T
Agency 754, D23 Fund 7999		13,313.01	State P-T
Agency 774, D23 Fund 7999		12,853.31	Federal P-T
Agency 774, D23 Fund 7999		47,374.55	State P-T
Agency 781, D23 Fund 0001	10,803,215.01		Federal P-T
Agency 785, D23 Fund 7999		(4,967.91)	State P-T
Agency 902, D23 Fund 0001		(1,019,951.51)	N/A
Agency 902, D23 Fund 0599	512,293.26		N/A
Agency 902, D23 Fund 5040	1,592,307.27		N/A
<b>CAPITAL PROJECTS (04)</b>			
Agency 347, D23 Fund 7658	327,000.81		Transfer
Agency 347, D23 Fund 7660	301,852.73		Transfer
<b>Total Due From / To Others Agencies (Exhibit I)</b>	<b>15,377,237.05</b>	<b>6,658,315.66</b>	

	Transfers In	Transfers Out	Purpose (Disclosure Required)
<b>GENERAL REVENUE (01)</b>			
Agency 347, D23 Fund 0001		2,984,957.00	Other Cash Transfer
Agency 347, D23 Fund 0507		4,722,995.50	Master Lease
Agency 347, D23 Fund 0735		108,727.37	Master Lease
Agency 506, D23 Fund 0001	44,478,940.40	44,478,940.40	Medicaid Dispro
Agency 506, D23 Fund 0001	754,175.69	754,175.69	Medicaid UPL, UC, DSRIP
Agency 537, D23 Fund 0001	215.53	215.53	Medicaid Dispro
Agency 537, D23 Fund 0001	11,052,368.80	13,760,751.83	Medicaid UPL, UC, DSRIP
Agency 537, D23 Fund 0001	62,991,616.79	172,812.84	Cash Transfer, UPL
Agency 723, D23 Fund 0001	68,613,289.44	68,613,289.44	Medicaid Dispro



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**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

	<b>Transfers In</b>	<b>Transfers Out</b>	<b>Purpose (Disclosure Required)</b>
Agency 781, D23 Fund 0001	51,914,390.95		Medicaid UPL, UC, DSRIP
Agency 785, D23 Fund 0001	22,551,231.27	22,551,231.27	Medicaid Dispro
Agency 785, D23 Fund 0001	207,863.09	207,863.09	Medicaid UPL, UC, DSRIP
Agency 902, D23 Fund 0001		287,789,939.65	Unappropriated Transfer
<b>Total Transfers for Fund 0001</b>	<b>262,564,091.96</b>	<b>446,145,899.61</b>	
Agency 537, D23 Fund 0373	6,405,641.60		Cash Transfer Shared Fund
<b>Total Transfers for Fund 0373</b>	<b>6,405,641.60</b>		
Agency 302, D23 Fund 0469	11,307,955.65		Shared Fund
<b>Total Transfers for Fund 0469</b>	<b>11,307,955.65</b>		
Agency 305, D23 Fund 0544		923,180.03	Shared Fund
<b>Total Transfers for Fund 0543</b>	<b>0.00</b>	<b>923,180.03</b>	
Agency 902, D23 Fund 0599	233,140,581.54		Shared Fund
<b>Total Transfers for Fund 0599</b>	<b>233,140,581.54</b>		
Agency 608, D23 Fund 0802		13,748.34	Shared Fund
<b>Total Transfers for Fund 0802</b>		<b>13,748.34</b>	
Agency 902, D23 Fund 0803	796.95	295.00	Shared Fund
<b>Total Transfers for Fund 0803</b>	<b>796.95</b>	<b>295.00</b>	
Agency 902, D23 Fund 5040	487,463,185.68		Shared Fund
<b>Total Transfers for Fund 5040</b>	<b>487,463,185.68</b>		
Agency 362, D23 Fund 5049	439,442.00		Shared Fund
<b>Total Transfers for Fund 5049</b>	<b>439,442.00</b>		
<b>SPECIAL REVENUE (02)</b>			
Agency 320, D23 Fund 0493		(1,140.72)	Shared Fund
<b>Total Transfers for Fund 0493</b>		<b>(1,140.72)</b>	
<b>CAPITAL PROJECTS (04)</b>			
Agency 347, D23 Fund 7658	89,529.73		Shared Fund
Agency 529, D23 Fund 7658	1,857,279.45	1,857,279.45	Shared Fund
<b>Total Transfers for Fund 7658</b>	<b>1,946,809.18</b>	<b>1,857,279.45</b>	
Agency 347, D23 Fund 7660	235,405.41		Shared Fund
Agency 529, D23 Fund 7660	941,810.55	941,810.55	Shared Fund
<b>Total Transfers for Fund 7660</b>	<b>1,177,215.96</b>	<b>941,810.55</b>	
<b>Total Transfers</b>	<b>1,004,445,720.52</b>	<b>449,881,072.26</b>	

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

**Note 13: Continuance Subject to Review**

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2027, unless continued in existence by the 90th Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2028 to close out its operations.

**Note 14: Adjustments to Fund Balances and Net Position**

During FY 2019, one adjustment was made which required the restatement of the amounts in fund balances and fund equity as shown and discussed below:

	<b>Governmental Activities (GAAP Fund 9998)</b>	<b>Governmental Activities (GAAP Fund 9997)</b>	<b>Total</b>
Fund Balance / Equity Sept. 1, 2018	245,956,795.42	152,655,727.65	398,612,523.07
Restatements:			
a: Adjustments - completed CIP	80,993.37	0.00	80,993.37
b: Adjustments - Net Depreciable Assets	562,577.90	0.00	562,577.90
c: Adjustments - Net Amortizable Assets	0.00	0.00	0.00
d: Adjustments – Capital Lease Obligation Beg Bal		28,860.64	28,860.64
Net Adjustments/Restatements	643,571.27	28,860.64	672,431.91
<b>Fund Balance / Equity Sept. 1, 2018 As Restated</b>	<b>246,600,366.69</b>	<b>152,684,588.29</b>	<b>399,284,954.98</b>

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Texas Health and Human Services Commission (529)

Notes to the Financial Statements

- a) Adjustment to prior period financial statements due to completed CIP projects
- b) Adjustment to prior period financial statements relating to Net Depreciable Assets
- c) Adjustment to prior period financial statements relating to Net Amortizable Assets
- d) Adjustment to prior period financial statements relating to Capital Lease Obligations

**Note 15: Contingent Liabilities**

The agency is a defendant in fifty-two pending, civil action lawsuits for which a liability is possible. The budget impact, due to potential programmatic changes, has been roughly estimated to be in excess of \$10 million over the course of their existence.

The agency has received several federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursements to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, will be immaterial.

The Health and Human Services Commission Office of Inspector General and the Office of the Attorney General investigate allegations of overpayments to Medicaid providers. Until investigations are completed, the total amount of overpayments to providers are potentially subject to recovery (amounts associated with the "open case list") and may represent a corresponding potential liability for the federal share of these payments – estimated to represent 55 to 60 percent of that total.

An actual liability is realized only after (a) a completed investigation substantiates an overpayment, and (b) the provider is notified of the results and given an opportunity to submit rebuttal or claims for offsets. The percent of total dollars on the open case list that are ultimately confirmed as overpayments cannot be reliably predicted. The state estimates the amounts that may become payable to the federal government will be immaterial to its overall financial condition.

**Note 16: Subsequent Events (Not Applicable)**

**Note 17: Risk Management**

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

The agency assumes substantially all risks associated with tort 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 agency's liabilities are reported when it is both probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, past experience and economic factors.

There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past two years. The amounts of settlement for claims and judgements for the past two years are as follows:

	Claims and Judgements			Ending Balance
	Beginning Balance	Increases	Decreases	
Fiscal Year 2019	\$0.00	\$738,647.84	(\$738,647.84)	\$0.00
Fiscal Year 2018	\$0.00	\$1,009,286.26	(\$1,009,286.26)	\$0.00

Included in the fiscal year 2019 amount of \$738,647.84 are claims totaling \$121,068.42 for Medicare pay back, \$20,969.80 for attorney fees, \$23,200.00 for settlement to former employee, \$234,491.72 for settlement of property damages involving agency owned vehicles, and \$338,917.90 for court ordered costs and ad litem expenses associated with Parental Notification Act.

Included in the fiscal year 2018 amount of \$1,009,286.26 are claims totaling \$193,200.00 for attorney fees, \$252,300.00 for settlement to former employees, \$102,231.04 for settlement of property damages involving agency owned vehicles, and \$461,555.22 for court ordered costs and ad litem expenses associated with Parental Notification Act.

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**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

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**Note 18: Management Discussion and Analysis**

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The Fiduciary Funds cash in bank amount reported in Note 3 consists of seven bank accounts opened up in Texas Health and Human Services Commission's name at JP Morgan Chase. The purpose of these bank accounts is to make payments to providers and to collect revenues from providers such as recoupments, overpayments, etc. The monies in the "core" bank account are funded as client service expenditures to Accenture who is the Fiscal Agent contractor. Accenture is responsible for issuing payments to providers from the "core" bank account.

**Donations to State Supported Living Centers**

There are two methods by which donations are made to State Supported Living Centers (SSLCs). These include donations made by Volunteer Services Councils (VSCs) and donations made to the department by parties other than VSCs.

**Donations Made by Volunteer Services Councils**

Volunteer Services Councils are 501(c)(3) organizations established at each State Supported Living Center to assist and further the mission and goals of SSLCs and HHSC through volunteer activities and fundraising. As such, VSCs generate resources on behalf of the residents, enhance existing center operations, recognize volunteers, conduct education projects, and introduce new initiatives to improve the quality of life for residents. A Memorandum of Understanding between HHSC and each VSC documents the business relationship and ensures that proceeds benefit the residents serviced by the SSLC or enhance existing SSLC operations.

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**Note 19: The Financial Reporting Entity**

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**The Financial Reporting Entity**

As required by generally accepted accounting principles, the financial statements present the Texas Health and Human Services Commission and its component unit. The component unit discussed in this note is included in the Texas Health and Human Services Commission's reporting entity because of the significance of its operational or financial relationship with the Texas Health and Human Services Commission. This component unit is legally separate from the State but has a relationship with the State such that exclusion would cause the financial statements to be misleading or incomplete.

**Individual Component Unit Disclosures**

**Discretely Presented Component Units**

Discrete component unit's financial data is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the Texas Health and Human Services Commission.

The Texas Health Services Authority (THSA) is a 501(c)(3) corporation and was created by House Bill 1066, 80th Session to support improvement of the Texas health care system. House Bill 3304, 86<sup>th</sup> Session extended THSA's quasi-governmental status through September 1, 2027 to allow THSA to more effectively build out its state network. At which point, THSA becomes a private entity. Services provided by THSA are the promotion and coordination of the electronic exchange of health information throughout the State to ensure that information is available to health care providers. The governor appoints the Board of THSA and may order the dissolution of the corporation at any time he declares that the purposes of the corporation have been fulfilled or that the corporation is inoperative or abandoned. The corporation's financial statements, for its fiscal year ending September 30, 2018, are available from THSA, 901 South Mopac Expressway, Building 1, Suite 300, Austin, TX 78746.

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**Note 20: Stewardship, Compliance & Accountability (Not Applicable)**

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**Note 22: Donor-Restricted Endowments (Not Applicable)**

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**Note 23: Extraordinary and Special Items (Not Applicable)**

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**Texas Health and Human Services Commission (529)**

**Notes to the Financial Statements**

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

**A. Other Receivables – Non-Current**

Type	Amount
Supplemental Nutrition Assistance Program (SNAP)	\$ 78,744,158.20
Temporary Assistance for Needy Families (TANF)	72,964,604.36
Medicaid Client	16,663,196.72
Medicaid TMHP/NHIC	190,758,148.06
Vendor Drug (Audits & Overpayments)	0.00
UC / DSRIP / DSH	792,905.52
OIG Sanctions – Settlements	178,453.07
OIG Sanctions – CMP	188,425.25
Outstationed Workers (Contracts)	135,541.22
FS Trafficking	279,504.91
VAN	1,117.88
Employee Theft	271,037.60
Cost Reports	2,788,224.64
Provider Recoupments & Holds	0.00
State Supported Living Centers	547,603.44
State Hospitals	6,388,911.16
NF – Hospice	8,311,033.01
Long Term Care – Credential	890,640.00
Long Term Care – Regulatory	16,197,055.58
Long Term Care – Trust Fund	4,310,360.80
	<u>\$ 400,410,921.42</u>

**A. Other Receivables – Current**

Type	Amount
Supplemental Nutrition Assistance Program (SNAP)	\$ 22,129,260.92
Temporary Assistance for Needy Families (TANF)	155,753.77
Medicaid Client	138,797.28
Medicaid TMHP/NHIC	4,189,028.33
Vendor Drug (Audits & Overpayments)	9,255.11
UC / DSRIP / DSH	1,516,335.27
OIG Sanctions – Settlements	0.00
OIG Sanctions – CMP	17,661.74
Outstationed Workers (Contracts)	450,616.00
FS Trafficking	128,819.53
VAN	998,591.92
Employee Theft	33,709.87
Cost Reports	148,845.49
Provider Recoupments & Holds	3,852,192.51
State Supported Living Centers	1,971,829.93
State Hospitals	21,419,268.87
NF – Hospice	0.00
Long Term Care – Credential	0.00
Long Term Care – Regulatory	0.00
Long Term Care – Trust Fund	0.00
	<u>\$ 57,159,966.54</u>

**Note 25: Termination Benefits (Not Applicable)**

**Note 26: Segment Information (Not Applicable)**

**Note 27: Service Concession Arrangements (Not Applicable)**

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Texas Health and Human Services Commission (529)

Notes to the Financial Statements

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

The Health and Human Services Commission is reporting an asset retirement obligation (ARO) related to a sewage treatment plant in Mexia, Texas – and disclosed it as an ARO in Note 5. The ARO was calculated using a weighted average methodology.

August 31, 2019

Governmental Activities	Deferred Outflows of Resources	Deferred Inflows of Resources
Asset Retirement Obligations	\$1,688,888.89	\$0.00
Total	\$1,688,888.89	\$0.00

Based on an initial regional assessment, HHSC did not receive enough information to reasonably estimate a weighted average for lab equipment, e.g. X-ray equipment. In FY 2020, additional AROs may be reported if the liability can be reasonably estimated.

**Note 29: Trouble Debt Restructuring (Not Applicable)**

**Note 30: Non-Exchange Financial Guarantees (Not Applicable)**

**Note 31: Tax Abatements (Not Applicable)**

**Note 32: Governmental Fund Balances**

The Health and Human Services Commission has the following restrictions/covenants causing fund balances to be committed and restricted:

GAAP Fund	Fund	AFR 54 Class	Amount	Citation	Comments
0001	0001	Nonspendable	9,665,217.67	For consumable inventories	For consumable inventories
0001	0001	Nonspendable	400,410,921.42	For long term portion of the receivables	For long term portion of the receivables
0802	0802	Unassigned	30,884.97	TEX. TRANSP. CODE ANN. sec. 504.6012	Negative Fund Balance

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Texas Health and Human Services Commission (529)  
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds  
 August 31, 2019

	General			Consolidated Accounts											Total (Ex I)	
	General Revenue Fund (0001) U/F (0001)	Comprehensive Rehab Fund (0107) U/F (0107)	Hospital Licensing Fund (0129) U/F (0129)	Freestanding Emergency Medical Care Facility Lic Fund (0373) U/F (0373)	Economic Stabilization Fund (0599) U/F (0599)	License Plate Trust Fund (0802) U/F (0802)	Texas Home Visiting Program Trust (0803) U/F (0803)	Assisted Living Facility Trust Fund (0857) U/F (0857)	Department Suspense Fund (0900) U/F (0900)	Nursng/Conval. Home Trust Fund (0992) U/F (0992)	GR Acct-Home Health Services (5018) U/F (5018)	Tobacco Settlement Fund (5040) U/F (5040)	State Owned Multicat Teaching Hosp (5049) U/F (5049)	GR Acct - Quality Assurance (5080) U/F (5080)		GR Acct - Medicaid Recovery (5109) U/F (5109)
<b>ASSETS</b>																
Current Assets:																
Cash and Cash Equivalents																
On Hand	102,550.00															102,550.00
In Bank (Note 3)	814,950.30															814,950.30
In State Treasury	-	1,590,530.84	24,017,207.57	8,508,398.60									5,806,340.86	1,429,833.72	1,384,336.16	101,409,560.69
Legislative Appropriations	2,665,838,588.58															2,665,838,588.58
Receivables From:																
Federal	1,631,517,502.67															1,631,517,502.67
Intergovernmental Other																
Accounts Receivable																
Other Receivables	57,159,966.54															57,159,966.54
Interfund Receivable (Note 12)																
Due From Other Funds (Note 12)																
Due From Other Agencies (Note 12)	12,643,782.98				512,293.26							1,592,307.27				14,748,383.51
Consumable Inventories	9,580,123.53															9,580,123.53
Merchandise Inventories	85,094.14															85,094.14
Loans & Contracts																
Other Current Assets																
<b>Total Current Assets</b>	<b>4,377,742,558.74</b>	<b>1,590,530.84</b>	<b>24,017,207.57</b>	<b>8,508,398.60</b>	<b>512,293.26</b>	<b>-</b>	<b>191,942.73</b>	<b>520,050.39</b>	<b>33,221,945.70</b>	<b>10,219,105.24</b>	<b>14,519,868.88</b>	<b>1,592,307.27</b>	<b>5,806,340.86</b>	<b>1,429,833.72</b>	<b>1,384,336.16</b>	<b>4,481,256,719.96</b>
Non-Current Assets:																
Restricted:																
Receivables	400,410,921.42															400,410,921.42
<b>Total Non-Current Assets</b>	<b>400,410,921.42</b>															<b>400,410,921.42</b>
<b>Total Assets</b>	<b>4,778,153,480.16</b>	<b>1,590,530.84</b>	<b>24,017,207.57</b>	<b>8,508,398.60</b>	<b>512,293.26</b>	<b>-</b>	<b>191,942.73</b>	<b>520,050.39</b>	<b>33,221,945.70</b>	<b>10,219,105.24</b>	<b>14,519,868.88</b>	<b>1,592,307.27</b>	<b>5,806,340.86</b>	<b>1,429,833.72</b>	<b>1,384,336.16</b>	<b>4,881,667,641.38</b>
<b>LIABILITIES AND FUND BALANCES</b>																
Liabilities																
Current Liabilities:																
Payables from																
Accounts	2,725,227,631.04				4,997,429.32	30,884.97					2,629.79	1,592,307.27	439,442.00			2,732,290,324.39
Payroll	155,509,402.13				20,318.50						188,104.72					155,717,825.35
Interfund Payable (Note 12)																
Due to Other Funds (Note 12)																
Due To Other Agencies (Note 12)	6,658,315.66															6,658,315.66
Deferred Revenues																
Employees' Compensable Leave																
Capital Lease Obligations																
Pollution Remediation Obligations																
Funds Held for Others																
<b>Total Current Liabilities</b>	<b>2,887,395,348.83</b>				<b>5,017,747.82</b>	<b>30,884.97</b>					<b>190,734.51</b>	<b>1,592,307.27</b>	<b>439,442.00</b>			<b>2,894,666,465.40</b>
Non-Current Liabilities:																
Interfund Payable (Note 12)																
Employees' Compensable Leave																
Capital Lease Obligations																
Pollution Remediation Obligations																
<b>Total Non-Current Liabilities</b>																
<b>Total Liabilities</b>	<b>2,887,395,348.83</b>				<b>5,017,747.82</b>	<b>30,884.97</b>					<b>190,734.51</b>	<b>1,592,307.27</b>	<b>439,442.00</b>			<b>2,894,666,465.40</b>
Fund Balances (Deficits):																
Nonspendable																
Restricted	410,076,139.09															410,076,139.09
Committed		1,590,530.84	24,017,207.57	8,508,398.60			191,942.73	520,050.39	33,221,945.70	10,219,105.24	14,329,134.37		5,366,898.86	1,429,833.72	1,384,336.16	100,779,384.18
Assigned																
Unassigned	1,480,681,992.24				(4,505,454.56)	(30,884.97)										1,476,145,652.71
<b>Total Fund Balances</b>	<b>1,890,758,131.33</b>	<b>1,590,530.84</b>	<b>24,017,207.57</b>	<b>8,508,398.60</b>	<b>(4,505,454.56)</b>	<b>(30,884.97)</b>	<b>191,942.73</b>	<b>520,050.39</b>	<b>33,221,945.70</b>	<b>10,219,105.24</b>	<b>14,329,134.37</b>		<b>5,366,898.86</b>	<b>1,429,833.72</b>	<b>1,384,336.16</b>	<b>1,987,001,175.98</b>
<b>Total Liabilities and Fund Balances</b>	<b>4,778,153,480.16</b>	<b>1,590,530.84</b>	<b>24,017,207.57</b>	<b>8,508,398.60</b>	<b>512,293.26</b>	<b>-</b>	<b>191,942.73</b>	<b>520,050.39</b>	<b>33,221,945.70</b>	<b>10,219,105.24</b>	<b>14,519,868.88</b>	<b>1,592,307.27</b>	<b>5,806,340.86</b>	<b>1,429,833.72</b>	<b>1,384,336.16</b>	<b>4,881,667,641.38</b>

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

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Texas Health and Human Services Commission (529)

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

	General							
	General Revenue Fund (0001)	General Revenue Fund (0001)	Comprehensive Rehab Fund (0107)	Hospital Licensing Fund (0129)	Freestanding Emergency Medical Care Facility Lic Fund (0373)	Comp to Victims Crime Fund (0469)	Capitol Trust Fund (0543)	Economic Stabilization Fund (0599)
	U/F (0001)	U/F (0369)	U/F (0107)	U/F (0129)	U/F (0373)	U/F (0469)	U/F (0543)	U/F (0599)
<b>REVENUES</b>								
Legislative Appropriations:								
Original Appropriations (GR)	14,459,938,872.00							
Additional Appropriations (GR)	286,967,092.92							
Federal Revenue (PR-Operating or Capital)	32,038,477,197.04							
Federal Grant Pass-Through Revenue (GR)	70,418,217.56							
State Grant Pass-Through Revenue (GR)	128,767,805.81							
Licenses, Fees & Permits (PR)	38,142,392.33		67,105.45	2,822,862.00	1,108,170.00			
Interest and Other Investment Income (GR)	3,672,490.32	30,078.99						
Land Income							883,180.03	
Settlement of Claims (GR)	575,846.75							
Sales of Goods and Services (PR)	4,217,406,137.64						40,000.00	
Other (PR-Chg for Serv, Operating or Capital)								
Other (GR)	2,704,182,011.70							
<b>Total Revenues</b>	<b>53,948,548,064.07</b>	<b>30,078.99</b>	<b>67,105.45</b>	<b>2,822,862.00</b>	<b>1,108,170.00</b>	<b>-</b>	<b>923,180.03</b>	<b>-</b>
<b>EXPENDITURES</b>								
Salaries and Wages	1,687,313,065.97							311,386.49
Payroll Related Costs	557,329,421.50							87,753.69
Professional Fees and Services	852,823,870.26					8,367,809.53		43,888.43
Travel	33,897,142.57							9,907.99
Materials and Supplies	177,268,413.17							
Communication and Utilities	64,286,468.16							
Repairs and Maintenance	119,876,621.62							3,122,446.86
Rentals & Leases	147,744,079.53							411,289.49
Printing and Reproduction	4,370,074.41							
Claims and Judgments	767,620.41							
Federal Grant Pass-Through Expenditures	581,649,854.54							
State Grant Pass-Through Expenditures	8,616,667.59							
Intergovernmental Payments	222,274,778.35							
Public Assistance Payments	47,717,616,830.18		(2,998,543.17)					110,000,000.00
Other Expenditures	203,251,099.46							(31,925.90)
Debt Service:								
Principal								
Interest								
Interest (All General Long-Term Debt)	846.88							
Capital Outlay	38,766,296.07							111,996,962.32
Depreciation Expense	-							
<b>Total Expenditures/Expenses</b>	<b>52,417,853,150.67</b>	<b>-</b>	<b>(2,998,543.17)</b>	<b>-</b>	<b>-</b>	<b>8,367,809.53</b>	<b>-</b>	<b>225,951,709.37</b>
Excess (Deficiency) of Revenues Over Expenditures	1,530,694,913.40	30,078.99	3,065,648.62	2,822,862.00	1,108,170.00	(8,367,809.53)	923,180.03	(225,951,709.37)
<b>OTHER FINANCING SOURCES (USES)</b>								
Increase in Obligations Under Capital Leases								
Sale of Capital Assets	50,974.86							
Insurance Recoveries	10,066,577.42							
Transfers In	262,564,091.96				6,405,641.60	11,307,955.65		233,140,581.54
Transfers Out	(447,399,694.05)	(30,078.99)					(923,180.03)	
Legislative Transfers In (Financing Sources)	41,251,844.00							
Legislative Transfers Out (Financing Uses)	(3,928,076.00)							
Gain (Loss) on Sale of Capital Assets								
Incr (Decr) in Net Assets Due to Interagency Transfer	(8,550.00)							
<b>Total Other Financing Sources and Uses</b>	<b>(137,402,831.81)</b>	<b>(30,078.99)</b>	<b>-</b>	<b>-</b>	<b>6,405,641.60</b>	<b>11,307,955.65</b>	<b>(923,180.03)</b>	<b>233,140,581.54</b>
<b>Net Change in Fund Balances/Net Assets</b>	<b>1,393,292,081.59</b>	<b>-</b>	<b>3,065,648.62</b>	<b>2,822,862.00</b>	<b>7,513,811.60</b>	<b>2,940,146.12</b>	<b>-</b>	<b>7,188,872.17</b>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>								
Fund Balances, September 1, 2018, as Restated	715,228,131.93	-	(1,475,117.78)	21,194,345.57	994,587.00	(2,940,146.12)	-	(11,694,326.73)
Restatements								
Fund Balances, September 1, 2018, as Restated	715,228,131.93	-	(1,475,117.78)	21,194,345.57	994,587.00	(2,940,146.12)	-	(11,694,326.73)
Appropriations Lapsed	(217,762,082.19)							
<b>Fund Balances--August 31, 2019</b>	<b>1,890,758,131.33</b>	<b>-</b>	<b>1,590,530.84</b>	<b>24,017,207.57</b>	<b>8,508,398.60</b>	<b>-</b>	<b>-</b>	<b>(4,505,454.56)</b>

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



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Consolidated Accounts										
License Plate Trust Fund (0802)	Tx Home Visiting Program Trust (0803)	Assisted Living Facility Trust Fund (0857)	Departmental Suspense Fund (0900)	Nursing/Convalescent Home Trust (0992)	GR Acct - Home Health Svcs (5018)	Tobacco Settlement Fund (5040)	GR Acct-ST Owned Multicat Teaching Hosp (5049)	GR Acct - Quality Assurance (5080)	GR Acct - Medicaid Recovery (5109)	Total (Ex II)
										14,459,938,872.00
										286,967,092.92
										32,038,477,197.04
										70,418,217.56
										128,767,805.81
20,445.89	(5,382.22)		(5,549,168.82)		8,108,059.97			71,503,899.88		116,218,384.48
740.40	4,378.98	12,325.83		242,204.12						3,962,218.64
										883,180.03
										575,846.75
									1,384,336.16	4,218,830,473.80
			16,532,496.93							-
										2,720,714,508.63
21,186.29	(1,003.24)	12,325.83	10,983,328.11	242,204.12	8,108,059.97	-	-	71,503,899.88	1,384,336.16	54,045,753,797.66
										1,516,652.30
										702,756.63
36,419.97										861,271,988.19
										33,933,812.77
										177,271,263.22
										64,292,584.61
										122,999,068.48
										148,155,369.02
										4,370,074.41
										767,620.41
										581,649,854.54
										8,616,667.59
							439,442.00			222,714,220.35
(926.59)						473,435,393.64		72,056,286.68		48,370,109,040.74
1,902.95					73,669.66					203,294,746.17
										-
										-
										846.88
										150,763,258.39
37,396.33	-	-	-	-	2,328,807.30	473,435,393.64	439,442.00	72,056,286.68	-	53,197,471,452.35
(16,210.04)	(1,003.24)	12,325.83	10,983,328.11	242,204.12	5,779,252.67	(473,435,393.64)	(439,442.00)	(552,386.80)	1,384,336.16	848,282,345.31
										50,974.86
	796.95	-	-	-	-	487,463,185.68	439,442.00	-	-	10,066,577.42
(13,748.34)	(295.00)	-	-	-	-					1,001,321,695.38
										(448,366,996.41)
										41,251,844.00
										(3,928,076.00)
										(8,550.00)
(13,748.34)	501.95	-	-	-	-	487,463,185.68	439,442.00	-	-	600,387,469.25
(29,958.38)	(501.29)	12,325.83	10,983,328.11	242,204.12	5,779,252.67	14,027,792.04	-	(552,386.80)	1,384,336.16	1,448,669,814.56
(926.59)	192,444.02	507,724.56	22,238,617.59	9,976,901.12	8,549,881.70	(14,027,792.04)	5,366,898.86	1,982,220.52	-	756,093,443.61
(926.59)	192,444.02	507,724.56	22,238,617.59	9,976,901.12	8,549,881.70	(14,027,792.04)	5,366,898.86	1,982,220.52	-	756,093,443.61
										(217,762,082.19)
(30,884.97)	191,942.73	520,050.39	33,221,945.70	10,219,105.24	14,329,134.37	0.00	5,366,898.86	1,429,833.72	1,384,336.16	1,987,001,175.98

UNAUDITED

**Texas Health and Human Services Commission (529)**  
**Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds**  
**August 31, 2019**

	Veterans Recovery Pilot Program (5169) <u>U/F (5169)</u>	Totals (Ex I) <u>(Ex I)</u>
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents		
On Hand		-
In Bank (Note 3)		-
In State Treasury	1,242.83	1,242.83
Legislative Appropriations		-
Other Current Assets		-
<b>Total Current Assets</b>	<u>1,242.83</u>	<u>1,242.83</u>
Non-Current Assets:		
Restricted:		
Receivables		-
<b>Total Non-Current Assets</b>	<u>-</u>	<u>-</u>
<b>Total Assets</b>	<u><u>1,242.83</u></u>	<u><u>1,242.83</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from		
Accounts		-
Payroll		-
Fund Held for Others		-
<b>Total Current Liabilities</b>	<u>-</u>	<u>-</u>
Non-Current Liabilities:		
Employees' Compensable Leave		-
<b>Total Non-Current Liabilities</b>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<u><u>-</u></u>	<u><u>-</u></u>
Fund Balances (Deficits):		
Nonspendable		-
Restricted	1,242.83	1,242.83
Committed		-
Assigned		-
Unassigned		-
<b>Total Fund Balances</b>	<u>1,242.83</u>	<u>1,242.83</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>1,242.83</u></u>	<u><u>1,242.83</u></u>

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

UNAUDITED

**Texas Health and Human Services Commission (529)**  
**Exhibit B-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Special Revenue Funds**  
**For the Fiscal Year ended August 31, 2019**

	Blind Comm Endowment Fund (0493) U/F (0493)	Veterans Recovery Pilot Program (5169) U/F (5169)	Totals (Ex II)
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations (GR)			-
Additional Appropriations (GR)			-
Federal Revenue (PR-Operating or Capital)			-
Federal Grant Pass-Through Revenue (GR)			-
State Grant Pass-Through Revenue (GR)			-
Licenses, Fees & Permits (PR)			-
Interest and Other Investment Income (GR)		29.39	29.39
Other (GR)			-
<b>Total Revenues</b>	<u>-</u>	<u>29.39</u>	<u>29.39</u>
<b>EXPENDITURES</b>			
Salaries and Wages			-
Payroll Related Costs			-
Professional Fees and Services			-
Travel			-
Materials and Supplies			-
Communication and Utilities			-
Repairs and Maintenance			-
Rentals & Leases			-
Printing and Reproduction			-
Claims and Judgments			-
Federal Grant Pass-Through Expenditures			-
State Grant Pass-Through Expenditures			-
Intergovernmental Payments			-
Public Assistance Payments	(598.34)		(598.34)
Other Expenditures			-
Depreciation Expense			-
<b>Total Expenditures/Expenses</b>	<u>(598.34)</u>	<u>-</u>	<u>(598.34)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>598.34</u>	<u>29.39</u>	<u>627.73</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Increase in Obligations Under Capital Leases			-
Sale of Capital Assets			-
Insurance Recoveries			-
Transfers In			-
Transfers Out			-
Legislative Transfers In			-
Legislative Transfers Out	1,140.72		1,140.72
Gain (Loss) on Sale of Capital Assets			-
Incr (Decr) in Net Assets Due to Interagency Transfer			-
<b>Total Other Financing Sources and Uses</b>	<u>1,140.72</u>	<u>-</u>	<u>1,140.72</u>
<b>Net Change in Fund Balances/Net Assets</b>	<u>1,739.06</u>	<u>29.39</u>	<u>1,768.45</u>
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>			
Fund Balances—Beginning, September 1, 2018	(1,739.06)	1,213.44	(525.62)
Restatements			-
Fund Balances, September 1, 2018, as Restated	<u>(1,739.06)</u>	<u>1,213.44</u>	<u>(525.62)</u>
Appropriations Lapsed			-
<b>Fund Balances—August 31, 2019</b>	<u>-</u>	<u>1,242.83</u>	<u>1,242.83</u>

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

**Texas Health and Human Services Commission (529)**  
**Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds**  
**August 31, 2019**

	TPFA Go Coml Papr Ser2008 DADS Prj 1C Fd (7658) U/F (7658)	TPFA Go Coml Paper Ser2008 DSHS Prj 1D Fd (7660) U/F (7660)	Totals (Ex I)
<b>ASSETS</b>			
Current Assets:			
Interfund Receivable (Note 12)			-
Due From Other Funds (Note 12)			-
Due From Other Agencies (Note 12)	327,000.81	301,852.73	628,853.54
Other Current Assets			-
Total Current Assets	<u>327,000.81</u>	<u>301,852.73</u>	<u>628,853.54</u>
Non-Current Assets:			
Restricted:			
Receivables			-
Total Non-Current Assets	-	-	-
Total Assets	<u><u>327,000.81</u></u>	<u><u>301,852.73</u></u>	<u><u>628,853.54</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities			
Current Liabilities:			
Payables from			
Accounts	327,000.81	301,852.73	628,853.54
Interfund Payable (Note 12)			-
Due to Other Funds (Note 12)			-
Due To Other Agencies (Note 12)			-
Fund Held for Others			-
Total Current Liabilities	<u>327,000.81</u>	<u>301,852.73</u>	<u>628,853.54</u>
Non-Current Liabilities:			
Interfund Payable (Note 12)			-
Total Non-Current Liabilities	-	-	-
Total Liabilities	<u><u>327,000.81</u></u>	<u><u>301,852.73</u></u>	<u><u>628,853.54</u></u>
Fund Balances (Deficits):			
Nonspendable			-
Restricted			-
Unassigned			-
Total Fund Balances	-	-	-
Total Liabilities and Fund Balances	<u><u>327,000.81</u></u>	<u><u>301,852.73</u></u>	<u><u>628,853.54</u></u>

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

**Texas Health and Human Services Commission (529)**  
**Exhibit D-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Capital Projects Funds**  
**For the Fiscal Year ended August 31, 2019**

	TPFA Go Coml Papr Ser2008 DADS Prj 1C Fd (7658) U/F (7658)	TPFA Go Coml Paper Ser2008 DSHS Prj 1D Fd (7660) U/F (7660)	Totals (Ex II)
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations (GR)			-
Additional Appropriations (GR)			-
Federal Revenue (PR-Operating or Capital)			-
Federal Grant Pass-Through Revenue (GR)			-
State Grant Pass-Through Revenue (GR)			-
Licenses, Fees & Permits (PR)			-
Interest and Other Investment Income (GR)			-
Other (GR)			-
<b>Total Revenues</b>	-	-	-
<b>EXPENDITURES</b>			
Professional Fees and Services	(209,319.08)	40,182.46	(169,136.62)
Travel			-
Materials and Supplies			-
Communication and Utilities			-
Repairs and Maintenance	99,303.81	195,222.95	294,526.76
Rentals & Leases			-
Printing and Reproduction			-
Claims and Judgments			-
Other Expenditures	-	-	-
Debt Service:			-
Principal			-
Interest			-
Capital Outlay	199,545.00		199,545.00
Depreciation Expense			-
<b>Total Expenditures/Expenses</b>	89,529.73	235,405.41	324,935.14
Excess (Deficiency) of Revenues Over Expenditures	(89,529.73)	(235,405.41)	(324,935.14)
<b>OTHER FINANCING SOURCES (USES)</b>			
Increase in Obligations Under Capital Leases			-
Sale of Capital Assets			-
Insurance Recoveries			-
Transfers In	1,946,809.18	1,177,215.96	3,124,025.14
Transfers Out	(1,857,279.45)	(941,810.55)	(2,799,090.00)
Legislative Transfers In			-
Legislative Transfers Out			-
Gain (Loss) on Sale of Capital Assets			-
Incr (Decr) in Net Assets Due to Interagency Transfer			-
<b>Total Other Financing Sources and Uses</b>	89,529.73	235,405.41	324,935.14
<b>Net Change in Fund Balances/Net Assets</b>	-	-	-
<b>FUND FINANCIAL STATEMENT-FUND BALANCES</b>			
Fund Balances, September 1, 2018	-	-	-
Restatements			-
Fund Balances, September 1, 2018, as Restated	-	-	-
Appropriations Lapsed			-
<b>Fund Balances--August 31, 2019</b>	-	-	-

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

**Texas Health and Human Services Commission (529)**  
**Exhibit I-1 - Combining Statement of Fiduciary Net Assets - Private-Purpose Trust Funds**  
**August 31, 2019**

	Expendable Trust Local Funds (9993) U/F (0971)	Expendable Trust Local Funds (9993) U/F (6014)	Totals (Ex I)
<b>ASSETS</b>			
Cash and Cash Equivalents:			
Cash on Hand			-
Cash in Bank	696,668.47	143,029.53	839,698.00
Cash in State Treasury			-
Cash Equivalents	4,561,057.94	1,794,470.35	6,355,528.29
Investments			-
Receivables From:			
Interest and Dividends			-
Accounts Receivable			-
Non-Current Receivables			-
Merchandise Inventories			-
<b>Total Assets</b>	<u>5,257,726.41</u>	<u>1,937,499.88</u>	<u>7,195,226.29</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Fund Held for Others			-
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Assets</b>			
Held in Trust For:			
Individuals, Organizations, and Other Governments	<u>5,257,726.41</u>	<u>1,937,499.88</u>	<u>7,195,226.29</u>
<b>Total Net Assets</b>	<u>5,257,726.41</u>	<u>1,937,499.88</u>	<u>7,195,226.29</u>

**Texas Health and Human Services Commission (529)**  
**Exhibit I-2 - Combining Statement of Changes in Fiduciary Net Assets**  
**Private-Purpose Trust Funds**  
**August 31, 2019**

	Expendable Trust Local Funds (9993) U/F (0971)	Expendable Trust Local Funds (9993) U/F (6014)	Totals
<b>Additions</b>			
Sales of Goods And Services			-
Other Revenue	2,626,574.09	1,006,222.73	3,632,796.82
Interest Income	2,866.34	680.80	3,547.14
Licenses, Fees and Permits			-
Transfers In			-
<b>Total Additions</b>	<b>2,629,440.43</b>	<b>1,006,903.53</b>	<b>3,636,343.96</b>
<b>Deductions</b>			
Material and Supplies		26,797.38	26,797.38
Communications and Utilities		95.92	95.92
Repairs and Maintenance			-
Rentals and Leases			-
Printing and Reproduction			-
Other Expenses		1.19	1.19
Interest Expense			-
Professional Fees and Services			-
Transfers Out			-
<b>Total Deductions</b>	<b>-</b>	<b>26,894.49</b>	<b>26,894.49</b>
<b>Increase (Decrease) in Net Assets</b>	<b>2,629,440.43</b>	<b>980,009.04</b>	<b>3,609,449.47</b>
Net Assets, September 1, 2018	2,628,285.98	957,490.84	3,585,776.82
Restatements			-
Net Assets, September 1, 2018 as Restated	2,628,285.98	957,490.84	3,585,776.82
<b>Net Assets, August 31, 2019</b>	<b>5,257,726.41</b>	<b>1,937,499.88</b>	<b>7,195,226.29</b>

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

UNAUDITED

Texas Health and Human Services Commission (529)  
 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
<b><u>Child Support Employ Deduct - Offset Acct (0807) U/F (8070)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	399,391.84			399,391.84
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>399,391.84</u>	<u>-</u>	<u>-</u>	<u>399,391.84</u>
<b>LIABILITIES</b>				
Funds Held for Others	399,391.84			399,391.84
Total Liabilities	<u>399,391.84</u>	<u>-</u>	<u>-</u>	<u>399,391.84</u>
<b><u>Departmental Suspense (0847) U/F (0847)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	10,285.51			10,285.51
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>10,285.51</u>	<u>-</u>	<u>-</u>	<u>10,285.51</u>
<b>LIABILITIES</b>				
Funds Held for Others	10,285.51			10,285.51
Total Liabilities	<u>10,285.51</u>	<u>-</u>	<u>-</u>	<u>10,285.51</u>
<b><u>Departmental Suspense (0900) U/F (0900)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	20,506,200.04		20,506,200.04	-
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>20,506,200.04</u>	<u>-</u>	<u>20,506,200.04</u>	<u>-</u>
<b>LIABILITIES</b>				
Funds Held for Others	20,506,200.04	473.75	20,506,673.79	-
Total Liabilities	<u>20,506,200.04</u>	<u>473.75</u>	<u>20,506,673.79</u>	<u>-</u>



UNAUDITED

Texas Health and Human Services Commission (529)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2019 - Continued

	Beginning Balance September 1, 2018	Additions	Deductions	Ending Balance August 31, 2019
<b><u>Departmental Suspense (0900) U/F (0905)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	219,561,082.60			219,561,082.60
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>219,561,082.60</u>	<u>-</u>	<u>-</u>	<u>219,561,082.60</u>
<b>LIABILITIES</b>				
Funds Held for Others	219,561,082.60			219,561,082.60
Total Liabilities	<u>219,561,082.60</u>	<u>-</u>	<u>-</u>	<u>219,561,082.60</u>
<b><u>Departmental Suspense (0900) U/F (0910)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	12,711,355.58		12,711,355.58	-
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>12,711,355.58</u>	<u>-</u>	<u>12,711,355.58</u>	<u>-</u>
<b>LIABILITIES</b>				
Funds Held for Others	12,711,355.58		12,711,355.58	-
Total Liabilities	<u>12,711,355.58</u>	<u>-</u>	<u>12,711,355.58</u>	<u>-</u>
<b><u>Departmental Suspense (0900) U/F (0930)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	4,390.08		4,390.08	-
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>4,390.08</u>	<u>-</u>	<u>4,390.08</u>	<u>-</u>
<b>LIABILITIES</b>				
Funds Held for Others	4,863.83		4,863.83	-
Total Liabilities	<u>4,863.83</u>	<u>-</u>	<u>4,863.83</u>	<u>-</u>

UNAUDITED

Texas Health and Human Services Commission (529)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2019 - Continued

	Beginning Balance September 1, 2018	Additions	Deductions	Ending Balance August 31, 2019
<b><u>Departmental Suspense (0900) U/F (7002)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank	17,616,130.44			17,616,130.44
Cash in State Treasury				-
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>17,616,130.44</u>	<u>-</u>	<u>-</u>	<u>17,616,130.44</u>
<b>LIABILITIES</b>				
Funds Held for Others	17,616,130.44			17,616,130.44
Total Liabilities	<u>17,616,130.44</u>	<u>-</u>	<u>-</u>	<u>17,616,130.44</u>
<b><u>Departmental Suspense (0900) U/F (9015)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	11,703.09			11,703.09
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>11,703.09</u>	<u>-</u>	<u>-</u>	<u>11,703.09</u>
<b>LIABILITIES</b>				
Funds Held for Others	11,703.09			11,703.09
Total Liabilities	<u>11,703.09</u>	<u>-</u>	<u>-</u>	<u>11,703.09</u>
<b><u>Direct Deposit Correction (0980) U/F (0980)</u></b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury	13,624.07			13,624.07
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	<u>13,624.07</u>	<u>-</u>	<u>-</u>	<u>13,624.07</u>
<b>LIABILITIES</b>				
Funds Held for Others	13,624.07			13,624.07
Total Liabilities	<u>13,624.07</u>	<u>-</u>	<u>-</u>	<u>13,624.07</u>

UNAUDITED

Texas Health and Human Services Commission (529)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2019 - Continued

	Beginning Balance September 1, 2018	Additions	Deductions	Ending Balance August 31, 2019
<b>Unappropriated General Revenue (1000) U/F (1000)</b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank				-
Cash in State Treasury				-
Cash Equivalents				-
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	-	-	-	-
<b>LIABILITIES</b>				
Funds Held for Others	10,342.56	4,110.00	14,452.56	-
Total Liabilities	10,342.56	4,110.00	14,452.56	-
<b>Local Funds Custodial (9995) U/F (0941)</b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank	5,307,605.63			5,307,605.63
Cash in State Treasury				-
Cash Equivalents	7,245,317.12			7,245,317.12
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	12,552,922.75	-	-	12,552,922.75
<b>LIABILITIES</b>				
Funds Held for Others	12,552,922.75			12,552,922.75
Total Liabilities	12,552,922.75	-	-	12,552,922.75
<b>MH Hospital Client Trust Fund (9995) U/F (6015)</b>				
<b>ASSETS</b>				
Cash on Hand				-
Cash in Bank	960,367.17			960,367.17
Cash in State Treasury				-
Cash Equivalents	945,302.36			945,302.36
Investments				-
Receivables				-
Interest and Dividends				-
Accounts Receivable				-
Total Assets	1,905,669.53	-	-	1,905,669.53
<b>LIABILITIES</b>				
Funds Held for Others	1,905,669.53			1,905,669.53
Total Liabilities	1,905,669.53	-	-	1,905,669.53

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**Texas Health and Human Services Commission (529)**  
**Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds**  
**August 31, 2019 - Continued**

	Beginning Balance September 1, 2018	Additions	Deductions	Ending Balance August 31, 2019
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash on Hand	-	-	-	-
Cash in Bank	23,884,103.24	-	-	23,884,103.24
Cash in State Treasury	253,218,032.81	-	33,221,945.70	219,996,087.11
Cash Equivalents	8,190,619.48	-	-	8,190,619.48
Investments	-	-	-	-
Receivables	-	-	-	-
Interest and Dividends	-	-	-	-
Accounts Receivable	-	-	-	-
Total Assets	<u>285,292,755.53</u>	<u>-</u>	<u>33,221,945.70</u>	<u>252,070,809.83</u>
<b>LIABILITIES</b>				
Funds Held for Others	285,303,571.84	4,583.75	33,237,345.76	252,070,809.83
Total Liabilities	<u>285,303,571.84</u>	<u>4,583.75</u>	<u>33,237,345.76</u>	<u>252,070,809.83</u>

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**Texas Health and Human Services Commission (529)**  
**Exhibit K-1 - Combining Statement of Net Position -**  
**Discretely Presented Component Units**  
**August 31, 2019**

	<b>Tx Health Services Authority (3147) U/F (7001)</b>	<b>Total (Ex VIII)</b>
<b>ASSETS</b>		
Current Assets:		
Cash (Note 3)		
In Bank	1,614,370.00	1,614,370.00
Securities Lending Collateral		-
Receivables From:		
Federal		-
Other	-	-
Due From Primary Government		-
Other Current Assets	28,030.00	28,030.00
<b>Total Current Assets</b>	<b>1,642,400.00</b>	<b>1,642,400.00</b>
Non-Current Assets:		
Capital Assets:		
Depreciable and Amortizable, Net	-	-
<b>Total Non-Current Assets</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>1,642,400.00</b>	<b>1,642,400.00</b>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from		
Accounts	15,538.00	15,538.00
Payroll		-
Unearned Revenues		-
Other Current Liabilities		-
<b>Total Current Liabilities</b>	<b>15,538.00</b>	<b>15,538.00</b>
<b>Total Liabilities</b>	<b>15,538.00</b>	<b>15,538.00</b>
<b>Net Position</b>		
Unrestricted	1,626,862.00	1,626,862.00
<b>Total Fund Balances/Net Position</b>	<b>1,626,862.00</b>	<b>1,626,862.00</b>
<b>Total Liabilities and Fund Balances/Net Position</b>	<b>1,642,400.00</b>	<b>1,642,400.00</b>

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

UNAUDITED

**Texas Health and Human Services Commission (529)**  
**Exhibit K-2 - Combining Statement of Activities -**  
**Discretely Presented Component Units**  
**For the Fiscal Year ended August 31, 2019**

	<b>Tx Health Services Authority (3147) U/F (7001)</b>	<b>Total (Ex IX)</b>
<b>OPERATING REVENUE:</b>		
Other Sales of Goods and Services - Non-Pledged (PR)	70,700.00	70,700.00
Other Operating Revenue (GR)		-
<b>Total Operating Revenues</b>	<u>70,700.00</u>	<u>70,700.00</u>
<b>OPERATING EXPENSES:</b>		
Salaries and Wages	320,060.00	320,060.00
Payroll Related Costs	51,780.00	51,780.00
Professional Fees and Services	145,698.00	145,698.00
Travel	5,130.00	5,130.00
Materials and Supplies	37,668.00	37,668.00
Communication and Utilities	104,860.00	104,860.00
Rentals and Leases	39,262.00	39,262.00
Depreciation and Amortization		-
Other Expenses	32,970.00	32,970.00
<b>Total Operating Expenses</b>	<u>737,428.00</u>	<u>737,428.00</u>
Operating Income (Loss)	<u>(666,728.00)</u>	<u>(666,728.00)</u>
<b>NONOPERATING REVENUE (EXPENSES):</b>		
Other Nonoperating Revenues (Expenses)	13,538.00	13,538.00
<b>Total Other Nonoperating Revenues (Expenses)</b>	<u>13,538.00</u>	<u>13,538.00</u>
Income (Loss) Before Capital Contributions, Endowments and Transfers	<u>(653,190.00)</u>	<u>(653,190.00)</u>
Change in Net Position	<u>(653,190.00)</u>	<u>(653,190.00)</u>
Net Position, September 1, 2018	2,280,052.00	2,280,052.00
Restatements		-
Net Position, September 1, 2018, as Restated	<u>2,280,052.00</u>	<u>2,280,052.00</u>
Net Position, August 31, 2019	<u>1,626,862.00</u>	<u>1,626,862.00</u>

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

# State of Texas — Annual Financial Reporting

## Schedule of Expenditures of Federal Awards (SEFA)

### Agency 529 - Health and Human Services Commission Schedule 1A For the Fiscal Year Ended August 31, 2019

\*\*\*Certified\*\*\*

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Pass-through From			Direct Program Amount	Total PT From and Direct Prog. Amount	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
			Agcy/ Univ No	Agencies or Universities Amount	Non- State Entities Amount			Agcy/ Univ. No.	Agencies or Universities Amount		
<b>General Services Administration</b>											
<u>Pass-Through From:</u>											
Donation of Federal Surplus Personal Property (Non-monetary)	39.003						19,959.10			19,959.10	19,959.10
<u>Pass-Through From:</u>											
Texas Facilities Commission			303	19,959.10							
Totals - General Services Administration				19,959.10	0.00	0.00	19,959.10	0.00	0.00	19,959.10	19,959.10
<b>U.S. Department of Agriculture</b>											
<u>Direct Programs:</u>											
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557					377,950,382.65	379,716,530.89		135,630,253.47	244,086,277.42	379,716,530.89
<u>Pass-Through From:</u>											
Department of State Health Services			537	1,766,148.24							
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557					6,769,441.28	6,769,441.28				6,769,441.28
<u>Pass-Through To:</u>											
University of Texas Medical Branch at Galveston								723	6,769,441.28		
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557					4,505,423.41	4,505,423.41				4,505,423.41
<u>Pass-Through To:</u>											
University of Texas Health Science Center at Houston								744	4,505,423.41		
WIC Grants To States (WGS)	10.578					33,751.72	33,751.72			33,751.72	33,751.72
Child Nutrition Discretionary Grants Limited Availability	10.579					130,952.65	130,952.65		48,330.06	82,622.59	130,952.65
Totals - U.S. Department of Agriculture				1,766,148.24	0.00	389,389,951.71	391,156,099.95	11,274,864.69	135,678,583.53	244,202,651.73	391,156,099.95
<b>U.S. Department of Education</b>											
<u>Direct Programs:</u>											
Rehabilitation Services Vocational Rehabilitation Grants to States	84.126					289,213.01	7,763,711.91		7,655,274.49	108,437.42	7,763,711.91
<u>Pass-Through From:</u>											
Texas Workforce Commission			320	7,474,498.90							
Special Education-Grants for Infants and Families	84.181					41,422,440.66	41,422,440.66		39,797,663.59	1,624,777.07	41,422,440.66
Special Education-Grants for Infants and Families	84.181					77,013.36	77,013.36				77,013.36
<u>Pass-Through To:</u>											
Texas Education Agency								701	77,013.36		

Totals - U.S. Department of Education	7,474,498.90	0.00	41,788,667.03	49,263,165.93	77,013.36	47,452,938.08	1,733,214.49	49,263,165.93
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**U.S. Department of Health and Human Services**

Direct Programs:

Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect, and Exploitation	93.041		240,960.00	240,960.00		240,960.00		240,960.00
Special Programs for the Aging, Title VII, Chapter 2, Long Term Care Ombudsman Services for Older Individuals	93.042		1,170,118.00	1,170,118.00		1,170,118.00		1,170,118.00
Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043		1,507,128.00	1,507,128.00		1,507,128.00		1,507,128.00
Special Programs for the Aging, Title IV, and Title II, Discretionary Projects	93.048		42,061.00	42,061.00		42,061.00		42,061.00
Alzheimer's Disease Demonstration Grants to States	93.051		278,070.99	278,070.99		278,070.99		278,070.99
National Family Caregiver Support, Title III, Part E	93.052		10,714,158.62	10,714,158.62		10,298,360.90	415,797.72	10,714,158.62
Medicare Enrollment Assistance Program	93.071		1,294,608.17	1,294,608.17		1,160,821.80	133,786.37	1,294,608.17
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances (SED)	93.104		2,237,577.57	2,237,577.57		2,083,008.72	154,570.85	2,237,577.57
Projects for Assistance in Transition from Homelessness (PATH)	93.150		4,556,008.77	4,556,008.77		4,467,092.81	88,915.96	4,556,008.77
Title V State Sexual Risk Avoidance Education (Title V State SRAE) Program	93.235		3,776,716.30	3,776,716.30		3,178,160.98	598,555.32	3,776,716.30
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243		3,424,724.53	3,424,724.53		2,856,465.57	568,258.96	3,424,724.53
State Partnership Grant Program to Improve Minority Health	93.296		328,206.50	328,206.50		90,000.00	238,206.50	328,206.50
State Health Insurance Assistance Program	93.324		2,483,339.21	2,483,339.21		2,440,147.66	43,191.53	2,483,339.21
ACL Independent Living State Grants	93.369		1,525,423.26	1,525,423.26		1,525,527.71	-104.45	1,525,423.26
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		-222,770.89	-222,770.89			-222,770.89	-222,770.89
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.568		-409,985.82	-409,985.82				-409,985.82
Pass-Through To:								
Department of Family and Protective Services					530	-409,985.82		
Refugee and Entrant Assistance State/Replacement Designee Administered Programs	93.566		-365,948.28	-365,948.28				-365,948.28
Pass-Through To:								
Department of State Health Services					537	-365,948.28		
Refugee and Entrant Assistance Targeted Assistance Grants	93.564		-4,771.17	-4,771.17		-4,771.17		-4,771.17
Foster Care Title IV-E	93.658		147,166.29	2,441,231.91			2,441,231.91	2,441,231.91
Pass-Through From:								
Department of Family and Protective Services		530	2,294,065.62					
Social Services Block Grant	93.667		150,464,407.93	150,464,407.93		31,497,464.53	118,966,943.40	150,464,407.93
Social Services Block Grant	93.667		2,000,553.56	2,000,553.56				2,000,553.56
Pass-Through To:								
Texas Workforce Commission					320	2,000,553.56		
Social Services Block Grant	93.667		32,754,017.00	32,754,017.00				32,754,017.00
Pass-Through To:								
Department of Family and Protective Services					530	32,754,017.00		
Social Services Block Grant	93.667		409,840.73	409,840.73				409,840.73
Pass-Through To:								
University of Texas Medical Branch at Galveston					723	409,840.73		
Social Services Block Grant	93.667		5,974.28	5,974.28				5,974.28
Pass-Through To:								
Texas Tech University Health Sciences Center					739	5,974.28		
Social Services Block Grant	93.667		4,110.21	4,110.21				4,110.21
Pass-Through To:								
Texas Tech University Health Sciences Center - El Paso					774	4,110.21		
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671		6,572,957.79	6,572,957.79		6,556,579.60	16,378.19	6,572,957.79
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		-68,676.30	-68,676.30		-32,537.50	-36,138.80	-68,676.30
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations financed in part by Prevention and Public Health Funds	93.752		-10,374.45	-10,374.45				-10,374.45
Pass-Through To:								



<i>Texas Tech University Health Sciences Center - El Paso</i>				774	-10,374.45				
Children's Health Insurance Program	93.767	1,294,954,219.20	1,294,954,219.20			1,294,954,219.20	1,294,954,219.20		
Opioid STR	93.788	20,241,437.29	20,241,437.29		9,524,319.73	10,717,117.56	20,241,437.29		
Opioid STR	93.788	5,861,606.20	5,861,606.20				5,861,606.20		
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at San Antonio</i>				745	5,861,606.20				
Money Follows the Person Rebalancing Demonstration	93.791	26,839,493.21	26,839,493.21		4,477,447.96	22,362,045.25	26,839,493.21		
State Survey Certification of Health Care Providers and Suppliers (Title XIX) Medicaid	93.796	35,802,988.31	35,802,988.31			35,802,988.31	35,802,988.31		
Section 223 Demonstration Programs to Improve Community Mental Health Services	93.829	-2,946.12	-2,946.12			-2,946.12	-2,946.12		
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	4,230,636.27	4,230,636.27		3,378,233.81	852,402.46	4,230,636.27		
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	2,243,166.50	2,243,166.50				2,243,166.50		
<i>Pass-Through To:</i>									
<i>Department of State Health Services</i>				537	2,243,166.50				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	323,473.01	323,473.01				323,473.01		
<i>Pass-Through To:</i>									
<i>University of Texas Medical Branch at Galveston</i>				723	323,473.01				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	50,248.37	50,248.37				50,248.37		
<i>Pass-Through To:</i>									
<i>Texas Tech University Health Sciences Center</i>				739	50,248.37				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	40,480.50	40,480.50				40,480.50		
<i>Pass-Through To:</i>									
<i>Texas Tech University Health Sciences Center - El Paso</i>				774	40,480.50				
Block Grants for Community Mental Health Services	93.958	45,173,864.64	45,173,864.64		44,229,687.11	944,177.53	45,173,864.64		
Block Grants for Community Mental Health Services	93.958	536,781.99	536,781.99				536,781.99		
<i>Pass-Through To:</i>									
<i>University of Texas at Austin</i>				721	536,781.99				
Block Grants for Community Mental Health Services	93.958	666,336.77	666,336.77				666,336.77		
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at San Antonio</i>				745	666,336.77				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	133,216,125.19	133,216,125.19		122,060,579.89	11,155,545.30	133,216,125.19		
Block Grants for Prevention and Treatment of Substance Abuse	93.959	57,703.52	57,703.52				57,703.52		
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at San Antonio</i>				745	57,703.52				
Mental Health Disaster Assistance and Emergency Mental Health	93.982	2,483,981.47	2,483,981.47		1,660,195.90	823,785.57	2,483,981.47		
Maternal and Child Health Services Block Grant to the States	93.994	-2,914,175.16	9,361,222.12		5,993,685.80	3,367,536.32	9,361,222.12		
<i>Pass-Through From:</i>									
<i>Department of State Health Services</i>		537	12,275,397.28						
Maternal and Child Health Services Block Grant to the States	93.994	38,226.81	38,226.81				38,226.81		
<i>Pass-Through To:</i>									
<i>University of Texas Medical Branch at Galveston</i>				723	38,226.81				
<b>Totals - U.S. Department of Health and Human Services</b>		<b>14,569,462.90</b>	<b>0.00</b>	<b>1,794,699,249.77</b>	<b>1,809,268,712.67</b>	<b>44,206,210.90</b>	<b>260,678,807.82</b>	<b>1,504,383,693.95</b>	<b>1,809,268,712.67</b>
<b>U.S. Department of Homeland Security</b>									
<b>Direct Programs:</b>									
Crisis Counseling	97.032		100,654.38	290,949.66		277,945.35	13,004.31	290,949.66	
<i>Pass-Through From:</i>									
<i>Department of Public Safety</i>		405	190,295.28						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-2,832.33	16,451,887.76			16,451,887.76	16,451,887.76	
<i>Pass-Through From:</i>									

Department of Public Safety

	405	16,454,720.09							
Hazard Mitigation Grant	97.039			-202.50	-202.50			-202.50	-202.50
Presidential Declared Disaster Assistance to Individuals and Households - Other Needs	97.050			13,683,544.90	13,683,544.90			13,683,544.90	13,683,544.90
Disaster Assistance Projects	97.088			32,290,116.93	32,290,116.93			32,290,116.93	32,290,116.93
Totals - U.S. Department of Homeland Security		16,645,015.37	0.00	46,071,281.38	62,716,296.75	0.00	277,945.35	62,438,351.40	62,716,296.75

U.S. Department of Justice

<u>Direct Programs:</u>									
Crime Victim Assistance	16.575			57,036.98	317,832.37			317,832.37	317,832.37
<i>Pass-Through From:</i>									
<i>Governor - Fiscal</i>									
		300	260,795.39						
Totals - U.S. Department of Justice			260,795.39	0.00	57,036.98	317,832.37	0.00	0.00	317,832.37

Research & Development Cluster

U.S. Department of Agriculture

<u>Direct Programs:</u>									
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561			-74,133.62	-74,133.62				-74,133.62
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at Houston</i>									
						744	-74,133.62		
Totals - U.S. Department of Agriculture			0.00	0.00	-74,133.62	-74,133.62	-74,133.62	0.00	0.00

U.S. Department of Health and Human Services

<u>Direct Programs:</u>									
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			385,947.56	385,947.56				385,947.56
<i>Pass-Through To:</i>									
<i>University of Houston</i>									
						730	385,947.56		
Opioid STR	93.788			104,513.80	104,513.80				104,513.80
<i>Pass-Through To:</i>									
<i>University of Houston</i>									
						730	104,513.80		
Opioid STR	93.788			788,055.68	788,055.68				788,055.68
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at Houston</i>									
						744	788,055.68		
Block Grants for Prevention and Treatment of Substance Abuse	93.959			495,296.41	495,296.41				495,296.41
<i>Pass-Through To:</i>									
<i>University of Texas at Arlington</i>									
						714	495,296.41		
Block Grants for Prevention and Treatment of Substance Abuse	93.959			69,882.78	69,882.78				69,882.78
<i>Pass-Through To:</i>									
<i>University of Texas Health Science Center at Houston</i>									
						744	69,882.78		
Totals - U.S. Department of Health and Human Services			0.00	0.00	1,843,696.23	1,843,696.23	1,843,696.23	0.00	0.00

CCDF Cluster

U.S. Department of Health and Human Services

<u>Direct Programs:</u>									
Child Care and Development Block Grant	93.575			7,384,460.77	31,955,632.53			31,955,632.53	31,955,632.53
<i>Pass-Through From:</i>									

Texas Workforce Commission

320 24,571,171.76

Totals - U.S. Department of Health and Human Services

24,571,171.76 0.00 7,384,460.77 31,955,632.53 0.00 0.00 31,955,632.53 31,955,632.53

Aging Cluster

U.S. Department of Health and Human Services

Direct Programs:

Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044		27,902,742.54	27,902,742.54		26,486,356.66	1,416,385.88	27,902,742.54
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045		41,465,840.59	41,465,840.59		39,947,396.00	1,518,444.59	41,465,840.59
Nutrition Services Incentive Program	93.053		11,415,503.00	11,415,503.00		9,240,304.00	2,175,199.00	11,415,503.00

Totals - U.S. Department of Health and Human Services

0.00 0.00 80,784,086.13 80,784,086.13 0.00 75,674,056.66 5,110,029.47 80,784,086.13

Child Nutrition Cluster

U.S. Department of Agriculture

Direct Programs:

Summer Food Service Program for Children	10.559		-213,011.00	-213,011.00		-73,611.00	-139,400.00	-213,011.00
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Totals - U.S. Department of Agriculture

0.00 0.00 -213,011.00 -213,011.00 0.00 -73,611.00 -139,400.00 -213,011.00

Foster Grandparent/Senior Companion Cluster

Corporation for National and Community Service

Direct Programs:

Foster Grandparent Program	94.011		1,898,441.21	1,898,441.21		22,065.00	1,876,376.21	1,898,441.21
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Totals - Corporation for National and Community Service

0.00 0.00 1,898,441.21 1,898,441.21 0.00 22,065.00 1,876,376.21 1,898,441.21

Medicaid Cluster

U.S. Department of Health and Human Services

Direct Programs:

State Survey and Certification of Health Care Providers and Suppliers (Title XVIII) Medicare	93.777		42,841,608.47	42,841,608.47			42,841,608.47	42,841,608.47
Medical Assistance Program	93.778		23,960,139,804.05	23,960,139,804.05		7,290,572.74	23,952,849,231.31	23,960,139,804.05
Medical Assistance Program	93.778		13,761,159.80	13,761,159.80				13,761,159.80

Pass-Through To:

Department of Family and Protective Services					530	13,761,159.80		
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Medical Assistance Program

93.778			8,666,382.19	8,666,382.19				8,666,382.19
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Pass-Through To:

Department of State Health Services					537	8,666,382.19		
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Totals - U.S. Department of Health and Human Services

0.00 0.00 24,025,408,954.51 24,025,408,954.51 22,427,541.99 7,290,572.74 23,995,690,839.78 24,025,408,954.51

Special Education Cluster (IDEA) Cluster

U.S. Department of Education

Direct Programs:

Special Education Grants to States	84.027		48,678.45	5,179,803.45		5,179,803.45		5,179,803.45
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Pass-Through From:

Texas Education Agency		701	5,131,125.00					
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Totals - U.S. Department of Education

5,131,125.00 0.00 48,678.45 5,179,803.45 0.00 5,179,803.45 0.00 5,179,803.45

**SNAP Cluster**

**U.S. Department of Agriculture**

Direct Programs:

Supplemental Nutrition Assistance Program	10.551		4,805,000,297.09	4,805,000,297.09			4,805,000,297.09	4,805,000,297.09
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		204,002,558.21	204,002,558.21	15,540,677.14	188,461,881.07	204,002,558.21	
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		15,058,499.38	15,058,499.38				15,058,499.38

*Pass-Through To:*

<i>Texas Workforce Commission</i>					320	15,058,499.38		
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		5,881,015.08	5,881,015.08				5,881,015.08
<i>Pass-Through To:</i>								
<i>Texas A&amp;M AgriLife Extension Service</i>					555	5,881,015.08		

Totals - U.S. Department of Agriculture		0.00	0.00	5,029,942,369.76	5,029,942,369.76	20,939,514.46	15,540,677.14	4,993,462,178.16	5,029,942,369.76
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**Disability Insurance/SSI Cluster**

**Social Security Administration**

Direct Programs:

Social Security Disability Insurance	96.001		101,010,714.68	101,010,714.68			101,010,714.68	101,010,714.68
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Totals - Social Security Administration		0.00	0.00	101,010,714.68	101,010,714.68	0.00	0.00	101,010,714.68	101,010,714.68
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**TANF Cluster**

**U.S. Department of Health and Human Services**

Direct Programs:

Temporary Assistance for Needy Families	93.558		37,481,606.52	37,481,606.52		16,242,583.63	21,239,022.89	37,481,606.52
Temporary Assistance for Needy Families	93.558		89,625,224.56	89,625,224.56				89,625,224.56

*Pass-Through To:*

<i>Texas Workforce Commission</i>					320	89,625,224.56		
Temporary Assistance for Needy Families	93.558		386,331,960.73	386,331,960.73				386,331,960.73
<i>Pass-Through To:</i>								
<i>Department of Family and Protective Services</i>					530	386,331,960.73		
Temporary Assistance for Needy Families	93.558		4,997,961.24	4,997,961.24				4,997,961.24
<i>Pass-Through To:</i>								
<i>Texas Education Agency</i>					701	4,997,961.24		

Totals - U.S. Department of Health and Human Services		0.00	0.00	518,436,753.05	518,436,753.05	480,955,146.53	16,242,583.63	21,239,022.89	518,436,753.05
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<b>Total Expenditures of Federal Awards</b>		<b>70,438,176.66</b>	<b>0.00</b>	<b>32,038,477,197.04</b>	<b>32,108,915,373.70</b>	<b>581,649,854.54</b>	<b>563,964,422.40</b>	<b>30,963,301,096.76</b>	<b>32,108,915,373.70</b>
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**State of Texas — Annual Financial Reporting**  
**Schedule of Expenditures of Federal Awards**  
**(SEFA)**

State of Texas - Federal Activity  
SEFA Note 1  
November 18, 2019

**Agency 529 - Health and Human Services Commission**  
**SEFA Note 1 - Non-Monetary Assistance, FY 2019**

Comment:

Texas Health & Human Service Commission (HHSC) is the recipient of federal financial assistance programs that do not result in cash receipts or disbursements and are therefore not recorded in the Sample Agency's fund financial statements. Awards received by the HHSC, which includes cash and noncash amounts, are included in the following schedule:

CFDA Number	Program Name	Grant Awards
39.003	Donation of Federal Surplus	\$ 19,959.10

The Supplemental Nutrition Assistance Program (SNAP) is presented at the federally assigned value of the benefits. These are received from the U.S. Department of Agriculture (CFDA 10.551). The estimated dollar value for fiscal year 2019 was \$4,805,000,297.09

This agency has been certified. No modifications allowed.

**State of Texas — Annual Financial Reporting**  
**Schedule of Expenditures of Federal Awards**  
**(SEFA)**

State of Texas - Federal Activity  
SEFA Note 2  
November 18, 2019

**Agency 529 - Health and Human Services Commission**  
**SEFA Note 2 - Reconciliation, FY 2019**

Below is a reconciliation of the total of federal pass-through and federal expenditures as reported on the Schedule of Federal Financial Assistance to the total of federal revenues and federal grant pass-through revenues as reported in the general-purpose financial statements. Generally, federal funds are not earned until expended; therefore, federal revenues equal federal expenditures for the reporting period.

Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds; and Combined Statement of Revenues, Expenses and Changes in Net Assets - Proprietary Funds; and Combined Statement of Changes in Fiduciary Net Assets:

	AFR	USAS Amount	Note 2 Amount
<b>Federal Revenue</b>			
Governmental Funds	Exhibit II	32,038,477,197.04	32,038,477,197.04
Proprietary Funds			
Operating	Exhibit IV/SRECNA		
Non-operating	Exhibit IV/SRECNA		
Capital Contributions	Exhibit IV/SRECNA		
Fiduciary Funds	Exhibit VII		
<b>Total Federal Revenue</b>		<b>\$32,038,477,197.04</b>	<b>\$32,038,477,197.04</b>
<i>Amount per Schedule: \$32,038,477,197.04</i>			
<b>Federal Pass-Through Revenue</b>			
Governmental Funds	Exhibit II	70,418,217.56	70,418,217.56
Proprietary Funds			
Operating	Exhibit IV/SRECNA		
Non-operating	Exhibit IV/SRECNA		
Capital Contributions	Exhibit IV/SRECNA		
Fiduciary Funds	Exhibit VII		
<b>Total Federal Pass-Through Revenue</b>		<b>\$70,418,217.56</b>	<b>\$70,418,217.56</b>
<i>Amount per Schedule: \$70,418,217.56</i>			
<b>Total Federal Revenue and Federal Pass-Through Revenue</b>		<b>\$32,108,895,414.60</b>	<b>\$32,108,895,414.60</b>

	CFDA	Amount
<b>Reconciliation Items</b>		
<b>Non-monetary Items:</b>		
Donation of Federal Surplus Personal Property	39.003	19,959.10
<b>Total Non-monetary Items</b>		<b>\$19,959.10</b>
<b>New Loans Processed: (Amounts are from Note 3a)</b>		
Federal Family Education Loans	84.032	
Federal Family Education Loan Program (FFELP)	84.032L	
Federal Perkins Loan Program (Perkins)	84.038	

Federal Direct Student Loans (Direct Loans)	84,268
Health Education Assistance Loan Program (HEAL)	93,108
Nursing Faculty Loan Program	93,264
Health Professions Student Loan Program	93,342
Nursing Student Loan Program	93,364

**Total New Loans Processed** **\$0.00**

**Other Reconciling Items:**

**Add:**

State Unemployment Funds - State Portion	17,225
Other (Contact FRS if you have other reconciling items as additions items)	

**Deduct: (Enter amounts as negative)**

Federal revenue received on the fixed fee basis contract

Note:

Federal revenue received under a vendor relationship between agency and the federal government

Note:

Federal grants from Texas A&M Research Foundation

Federal grants to Texas A&M Research Foundation

Medicare Part D

Medicare Part D - Direct Subsidy

COBRA

Build America Bond

Early Retirement Reinsurance Program

Other (Contact FRS if you have other reconciling items as deductions items)

**Total Other Reconciling Items**

**\$0.00**

**Total Reconciliation Items:**

**\$19,959.10**

**Total per Note 2:**

**\$32,108,915,373.70**

**Total Pass Through and Expenditures per Federal Schedule:**

**\$32,108,915,373.70**

**Difference:**

**\$0.00**

**This agency has been certified. No modifications allowed.**

**State of Texas — Annual Financial Reporting**  
**Schedule of Expenditures of Federal Awards**  
**(SEFA)**

State of Texas - Federal Activity  
 SEFA Note 8  
 November 18, 2019

**Agency 529 - Health and Human Services Commission**  
 SEFA Note 8 - Disaster Grants - Public Assistance, FY 2019 , CFDA 87.036

**Note:** If incurred eligible expenditures from a previous reporting fiscal year did not receive FEMA approval until the current reporting fiscal year, the expenditure amounts must be disclosed in the current period's SEFA Note 8.

Project Name	FY Project Worksheet Approved	FEMA Disaster Declaration Declared Year - Disaster Title	Expenditure Amount Incurred Prior Fiscal Year	Amount De-obligated	Comments
DR-4332	2017	2017 - Texas Hurricane Harvey (DR-4332) ▼	16,451,887.	16,451,887. None	
		▼			
		▼			
		▼			
		▼			
		▼			

(Additional blank rows will appear as needed after saving)  
 OR

Not applicable. Our agency did not receive FEMA approval this current reporting fiscal year for eligible expenditures incurred in previous reporting fiscal year.

This agency has been certified. No modifications allowed.



**State of Texas — Annual Financial Reporting**  
**State Pass-Through Reporting**  
 (SPTR)

State of Texas - State Pass-through Reporting  
 Schedule 1B  
 November 18, 2019 10:26 AM

**HEALTH AND HUMAN SERVICES COMMISSION (529)**  
**Schedule 1B**  
**Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Year Ended August 31, 2019**

Pass-through From	Grant ID	Agency Number	Amount
CRIMINAL JUSTICE PLANNING GRANTS - GR-D Fund 0421 GOVERNOR - FISCAL	300.0004	309	62,148.81
			<b>62,148.81</b>
EMS/Trauma Care System DEPARTMENT OF STATE HEALTH SERVICES	537.0028	537	112,207,554.00
			<b>112,207,554.00</b>
Council Early Childhood Intervention TEXAS EDUCATION AGENCY	701.0010	701	16,498,102.00
			<b>16,498,102.00</b>
<b>Total Pass-Through from Other Agencies (Exh. II):</b>			<b>128,767,805.81</b>

Pass-through To	Grant ID	Agency Number	Amount
North STAR Program	529.0001		
TEXAS VETERANS COMMISSION		403	1,069,000.00
TEXAS JUVENILE JUSTICE DEPARTMENT		644	648,430.40
TEXAS DEPARTMENT OF CRIMINAL JUSTICE		696	475,585.00
TX A&M UNIV SYSTEM HEALTH SCIENCE CENTER		709	190,210.71
UNIVERSITY OF TEXAS AT ARLINGTON		714	140,622.92
UNIVERSITY OF TEXAS AT AUSTIN		721	103,529.00
UT MEDICAL BRANCH AT GALVESTON		723	4,263,542.07
TX TECH UNIVERSITY HEALTH SCIENCES CNTR		739	425,415.81
UT HEALTH SCIENCE CENTER AT SAN ANTONIO		745	419,704.81
TEXAS STATE UNIVERSITY		754	328,689.65
TX TECH UNIV HEALTH SCIENCE CNTR EL PASO		774	244,438.94
UT HEALTH CENTER AT TYLER		795	287,518.28
			<b>8,616,667.59</b>
<b>Total Pass-Through to Other Agencies (Exh. II):</b>			<b>8,616,667.59</b>

