

# Texas Department of State Health Services

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Annual Financial Report  
Year Ended August 31, 2013



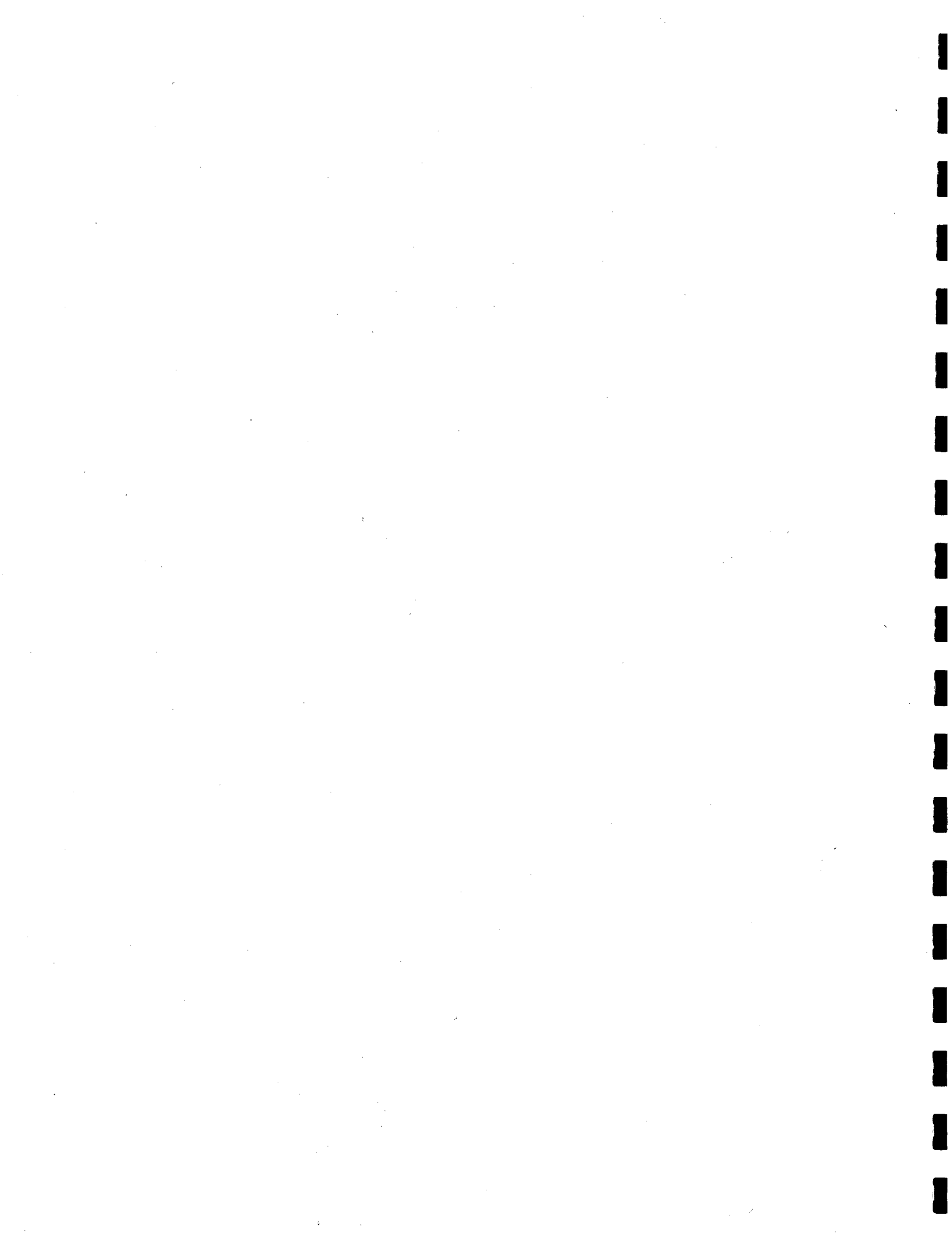
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DEPARTMENT OF STATE HEALTH SERVICES (537)

Annual Financial Report

FOR THE YEAR ENDED AUGUST 31, 2013

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## TEXAS DEPARTMENT OF STATE HEALTH SERVICES

DAVID L. LAKEY, M.D.  
COMMISSIONER

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November 20, 2013

Honorable Rick Perry, Governor  
Honorable Susan Combs, Texas Comptroller  
John O'Brien, Director, Legislative Budget Board  
John Keel, CPA, State Auditor

Lady and Gentlemen:

We are pleased to submit the annual financial report of the Texas Department of State Health Services for the year ended August 31, 2013, in compliance with Texas Government Code Annotated, Section 2101.011 and in accordance with the requirements established by the Comptroller of Public Accounts.

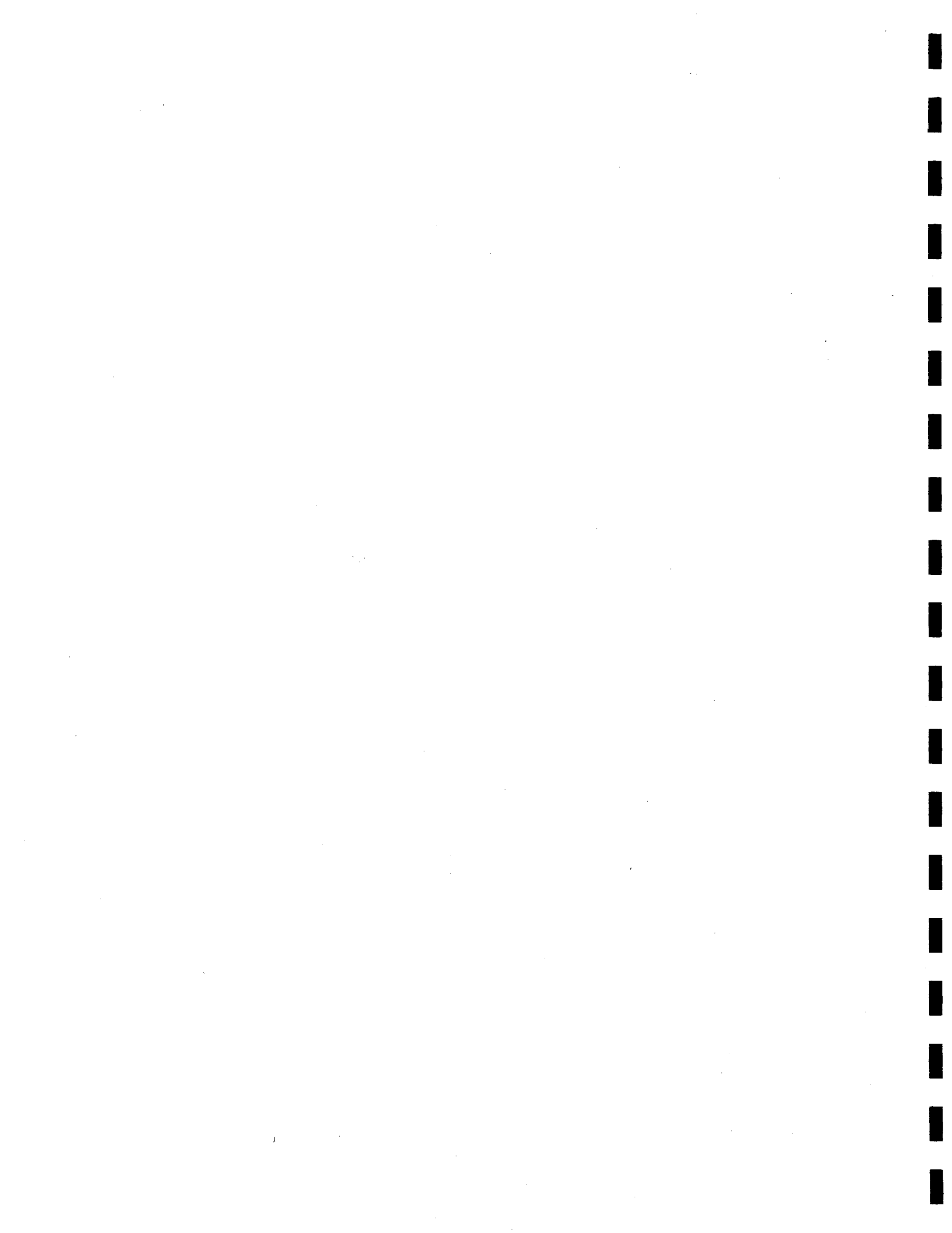
Due to the statewide requirements embedded in Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the Comptroller of Public Accounts does not require the accompanying financial report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

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

Sincerely,

A handwritten signature in black ink, appearing to read "W.R. Wheeler", with a long horizontal line extending to the right.

William R Wheeler, MBA  
Chief Financial Officer





**TEXAS**

Department of  
State Health Services

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## Basic Financial Statements

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Texas Department of State Health Services (537)  
 Exhibit I - Combined Balance Sheet - Governmental Funds  
 August 31, 2013

	Governmental Fund Types			Governmental Funds Total
	General Revenue Funds (Exh A-1)	Capital Project Funds (Exh D-1)	Permanent Funds (Fund 5048)	
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents				
On Hand	\$ 45,253.00			\$ 45,253.00
In Bank (Note 3)	374,505.00			374,505.00
In State Treasury	617,609,601.58		965,746.72	618,575,348.30
Legislative Appropriations	230,615,109.00	289,716.15		230,904,825.15
Receivables from:				
Accounts (Note 24)	16,160,193.51			16,160,193.51
Federal	42,088,023.98			42,088,023.98
Due From Other Agencies	4,470,462.10	1,854,587.35		6,325,049.45
Consumable Inventories	61,849,338.20			61,849,338.20
Merchandise Inventories	21,979.79			21,979.79
Total Current Assets	<u>973,234,466.16</u>	<u>2,144,303.50</u>	<u>965,746.72</u>	<u>976,344,516.38</u>
Non-Current Assets:				
Capital Assets (Note 2)				
Non-Depreciable or Non-Amortizable				
Depreciable or Amortizable, Net				
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>973,234,466.16</u>	<u>2,144,303.50</u>	<u>965,746.72</u>	<u>976,344,516.38</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Payables from:				
Accounts Payable	179,426,182.73	2,093,242.73	6,000.00	181,525,425.46
Payroll Payable	43,233,306.89			43,233,306.89
Interfund Payable (Note 12)	-	122,374.12		122,374.12
Due to Other Agencies	143,584,761.43			143,584,761.43
Deferred Revenues	47,676.65			47,676.65
Employees Compensable Leave (Note 5)				
Total Current Liabilities	<u>366,291,927.70</u>	<u>2,215,616.85</u>	<u>6,000.00</u>	<u>368,513,544.55</u>
Non-Current Liabilities:				
Employees Compensable Leave (Note 5)				
Interfund Payables (Note 12)	-	246,681.35		246,681.35
Total Non-Current Liabilities	<u>-</u>	<u>246,681.35</u>	<u>-</u>	<u>246,681.35</u>
Total Liabilities	<u>366,291,927.70</u>	<u>2,462,298.20</u>	<u>6,000.00</u>	<u>368,760,225.90</u>

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
		\$ 45,253.00
		374,505.00
		618,575,348.30
		230,904,825.15
		16,160,193.51
		42,088,023.98
		6,325,049.45
		61,849,338.20
		21,979.79
-	-	<u>976,344,516.38</u>
42,477,508.87		42,477,508.87
168,894,371.80		168,894,371.80
<u>211,371,880.67</u>	-	<u>211,371,880.67</u>
<u>211,371,880.67</u>	-	<u>1,187,716,397.05</u>
		181,525,425.46
		43,233,306.89
		122,374.12
		143,584,761.43
		47,676.65
	28,375,015.98	28,375,015.98
-	<u>28,375,015.98</u>	<u>396,888,560.53</u>
	16,754,471.00	16,754,471.00
		246,681.35
-	<u>16,754,471.00</u>	<u>17,001,152.35</u>
-	45,129,486.98	413,889,712.88

Texas Department of State Health Services (537)  
 Exhibit I - Combined Balance Sheet - Governmental Funds  
 August 31, 2013

	Governmental Fund Types			Governmental Funds Total
	General Revenue Funds (Exh A-1)	Capital Project Funds (Exh D-1)	Permanent Funds (Fund 5048)	
<b>FUND FINANCIAL STATEMENT</b>				
Fund Balances (Deficits):				
Nonspendable	61,871,317.99		959,746.72	62,831,064.71
Restricted	31,427,675.42			31,427,675.42
Committed	404,415,084.90			404,415,084.90
Assigned				
Unassigned	109,228,460.15	(317,994.70)		108,910,465.45
Total Fund Balances	<u>606,942,538.46</u>	<u>(317,994.70)</u>	<u>959,746.72</u>	<u>607,584,290.48</u>
Total Liabilities and Fund Balances	<u>\$ 973,234,466.16</u>	<u>\$ 2,144,303.50</u>	<u>\$ 965,746.72</u>	<u>\$ 976,344,516.38</u>

## Government-Wide Statement of Net Assets

## Net Assets

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

## Net Assets

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

<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>	<u>Statement of Net Assets</u>
		62,831,064.71
		31,427,675.42
		404,415,084.90
		-
		<u>108,910,465.45</u>
		<u>607,584,290.48</u>
211,371,880.67		211,371,880.67
	(45,129,486.98)	(45,129,486.98)
<u>\$ 211,371,880.67</u>	<u>\$ (45,129,486.98)</u>	<u>\$ 773,826,684.17</u>

Texas Department of State Health Services (537)  
 Exhibit II - Combined Statement of Revenues, Expenditures, and Changes  
 in Fund Balances - Governmental Funds  
 For the Fiscal Year Ended August 31, 2013

	Governmental Funds		
	General Revenue Funds (Exh A-2)	Capital Project Funds (Exh D-2)	Permanent Funds (Fund 5048)
<b>REVENUES</b>			
Legislative Appropriations:			
Original Appropriations	\$ 1,059,045,749.74		
Additional Appropriations	108,271,177.98		
Federal Revenue	980,716,326.25		
Federal Grant Pass-Through Revenue	259,256,216.38		
State Grant Pass-Through Revenue	102,101,492.48		
Other Operating Grant Revenue	287,465,715.54		
Licenses, Fees & Permits	29,171,609.27		
Professional Fees	19,898,953.54		
Auxiliary Enterprises	218,592.84		
Violations, Fines & Penalties	99,705,191.66		
Interest and Other Investment Income	1,760,766.93		3,964.34
Land Income	49,571.00		
Sales of Goods and Services	123,030,466.86		
Other General Revenues	77,869,669.40	(2,472.90)	
<b>Total Revenues</b>	<b>3,148,561,499.87</b>	<b>(2,472.90)</b>	<b>3,964.34</b>
<b>EXPENDITURES</b>			
Salaries and Wages	476,277,599.14		567.51
Payroll Related Costs	139,941,971.08		27,860.30
Professional Fees and Services	103,159,455.36	1,089,503.02	
Travel	8,489,695.44		
Materials and Supplies	224,332,294.71	438,938.51	
Communication and Utilities	19,920,538.09		162,378.03
Repairs and Maintenance	17,305,735.90	1,438,762.28	
Rentals and Leases (Note 8)	11,898,771.95	2,988.98	
Printing and Reproduction	4,530,471.88		
Claims and Judgments	493,494.96		
Federal Grant Pass-Through Expenditures	31,112,637.40		
State Grant Pass-Through Expenditures	202,218,621.83		773,209.97
Intergovernmental Payments	273,402,503.46		
Public Assistance Payments	1,457,982,214.54		
Interest	21,413.39		
Other Expenditures	94,443,377.03	737,606.73	6,000.00
Capital Outlay	7,903,929.94	9,407,380.49	
Depreciation and Amortization Expense			
<b>Total Expenditures/Expenses</b>	<b>3,073,434,726.10</b>	<b>13,115,180.01</b>	<b>970,015.81</b>
Excess (Deficiency) of Revenues over Expenditures	75,126,773.77	(13,117,652.91)	(966,051.47)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bond Proceeds			
Increase in Obligations Under Capital Leases			
Sale of Capital Assets	74,163.42		
Transfer In	78,622,539.67	12,979,871.62	1,025,748.36
Transfer Out	(255,662,030.60)		
Legislative Transfer In (Note 12)	354,472.00		
Legislative Transfer Out (Note 12)	(5,070,031.00)		
Gains (Losses) on Sale of Capital Assets			
Inc/(Dec) in Net Assets Due to Interagency Transfer			
<b>Total Other Financing Sources (Uses)</b>	<b>(181,680,886.51)</b>	<b>12,979,871.62</b>	<b>1,025,748.36</b>
<b>Net Change in Fund Balances/Net Assets</b>	<b>(106,554,112.74)</b>	<b>(137,781.29)</b>	<b>59,696.89</b>

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 1,059,045,749.74			1,059,045,749.74
108,271,177.98			108,271,177.98
980,716,326.25			980,716,326.25
259,256,216.38			259,256,216.38
102,101,492.48			102,101,492.48
287,465,715.54			287,465,715.54
29,171,609.27			29,171,609.27
19,898,953.54			19,898,953.54
218,592.84			218,592.84
99,705,191.66			99,705,191.66
1,764,731.27			1,764,731.27
49,571.00			49,571.00
123,030,466.86			123,030,466.86
77,867,196.50			77,867,196.50
<u>3,148,562,991.31</u>	<u>-</u>	<u>-</u>	<u>3,148,562,991.31</u>
476,278,166.65		1,430,409.31	477,708,575.96
139,969,831.38			139,969,831.38
104,248,958.38			104,248,958.38
8,489,695.44			8,489,695.44
224,771,233.22			224,771,233.22
20,082,916.12			20,082,916.12
18,744,498.18			18,744,498.18
11,901,760.93			11,901,760.93
4,530,471.88			4,530,471.88
493,494.96			493,494.96
31,112,637.40			31,112,637.40
202,991,831.80			202,991,831.80
273,402,503.46			273,402,503.46
1,457,982,214.54			1,457,982,214.54
21,413.39			21,413.39
95,186,983.76			95,186,983.76
17,311,310.43	(17,311,310.43)		-
-	17,571,409.76		17,571,409.76
<u>3,087,519,921.92</u>	<u>260,099.33</u>	<u>1,430,409.31</u>	<u>3,089,210,430.56</u>
<u>61,043,069.39</u>	<u>(260,099.33)</u>	<u>(1,430,409.31)</u>	<u>59,352,560.75</u>
74,163.42	(74,163.42)		-
92,628,159.65			92,628,159.65
(255,662,030.60)			(255,662,030.60)
354,472.00			354,472.00
(5,070,031.00)			(5,070,031.00)
	(67,488.49)		(67,488.49)
	(107,638.94)		(107,638.94)
<u>(167,675,266.53)</u>	<u>(249,290.85)</u>	<u>-</u>	<u>(167,924,557.38)</u>
<u>(106,632,197.14)</u>	<u>(509,390.18)</u>	<u>(1,430,409.31)</u>	<u>(108,571,996.63)</u>

Texas Department of State Health Services (537)  
 Exhibit II - Combined Statement of Revenues, Expenditures, and Changes  
 in Fund Balances - Governmental Funds  
 For the Fiscal Year Ended August 31, 2013

	Governmental Funds		
	General Revenue Funds (Exh A-2)	Capital Project Funds (Exh D-2)	Permanent Funds (Fund 5048)
<b>Fund Financial Statement - Fund Balances</b>			
Fund Balances, September 1, 2012	732,158,840.10	(180,213.41)	900,049.83
Appropriations Lapsed	(18,662,188.90)		
Fund Balances - August 31, 2013	<u>\$ 606,942,538.46</u>	<u>\$ (317,994.70)</u>	<u>\$ 959,746.72</u>

**Government-Wide Statement of Net Assets**

Net Change in Net Assets  
 Net Assets, September 1, 2012  
 Restatements  
 Net Assets, September 1, 2012 as Restated

Net Assets as of August 31, 2013

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



Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
732,878,676.52	-		732,878,676.52
(18,662,188.90)			(18,662,188.90)
<u>\$ 607,584,290.48</u>	<u>\$ (509,390.18)</u>	<u>\$ (1,430,409.31)</u>	<u>\$ 605,644,490.99</u>
	210,369,901.27	(43,699,077.67)	166,670,823.60
	1,511,369.58		1,511,369.58
	<u>211,881,270.85</u>	<u>(43,699,077.67)</u>	<u>168,182,193.18</u>
	<u>\$ 211,371,880.67</u>	<u>\$ (45,129,486.98)</u>	<u>\$ 773,826,684.17</u>

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds  
 August 31, 2013

	Private Purpose Trust Funds Fund 6004 U/F 9999	Agency Funds (Exhibit J-1)	Totals
<b>ASSETS</b>			
Cash and Cash Equivalents:			
Cash in Bank (Note 3)	\$ 106,031.80	\$ 81,681.00	\$ 187,712.80
Cash in State Treasury		245,636.82	245,636.82
Shared Cash		(65,712.18)	(65,712.18)
Short Term Investments (Note 3)			
Miscellaneous Investments (Note 3)	526,500.00	102,006.13	628,506.13
Repurchase Agreements (Note 3)	430,610.45	439,704.14	870,314.59
Other Assets		65,681,395.81	65,681,395.81
Total Current Assets	<u>1,063,142.25</u>	<u>66,484,711.72</u>	<u>67,547,853.97</u>
<b>LIABILITIES</b>			
Current Liabilities			
Funds Held for Others		66,473,154.97	66,473,154.97
Other Liabilities		11,556.75	11,556.75
Total Current Liabilities	<u>-</u>	<u>\$ 66,484,711.72</u>	<u>\$ 66,484,711.72</u>
<b>NET ASSETS</b>			
Held in Trust For:			
Individuals, Organizations and Other	1,063,142.25		1,063,142.25
Total Net Assets	<u>\$ 1,063,142.25</u>	<u>\$ -</u>	<u>\$ 1,063,142.25</u>

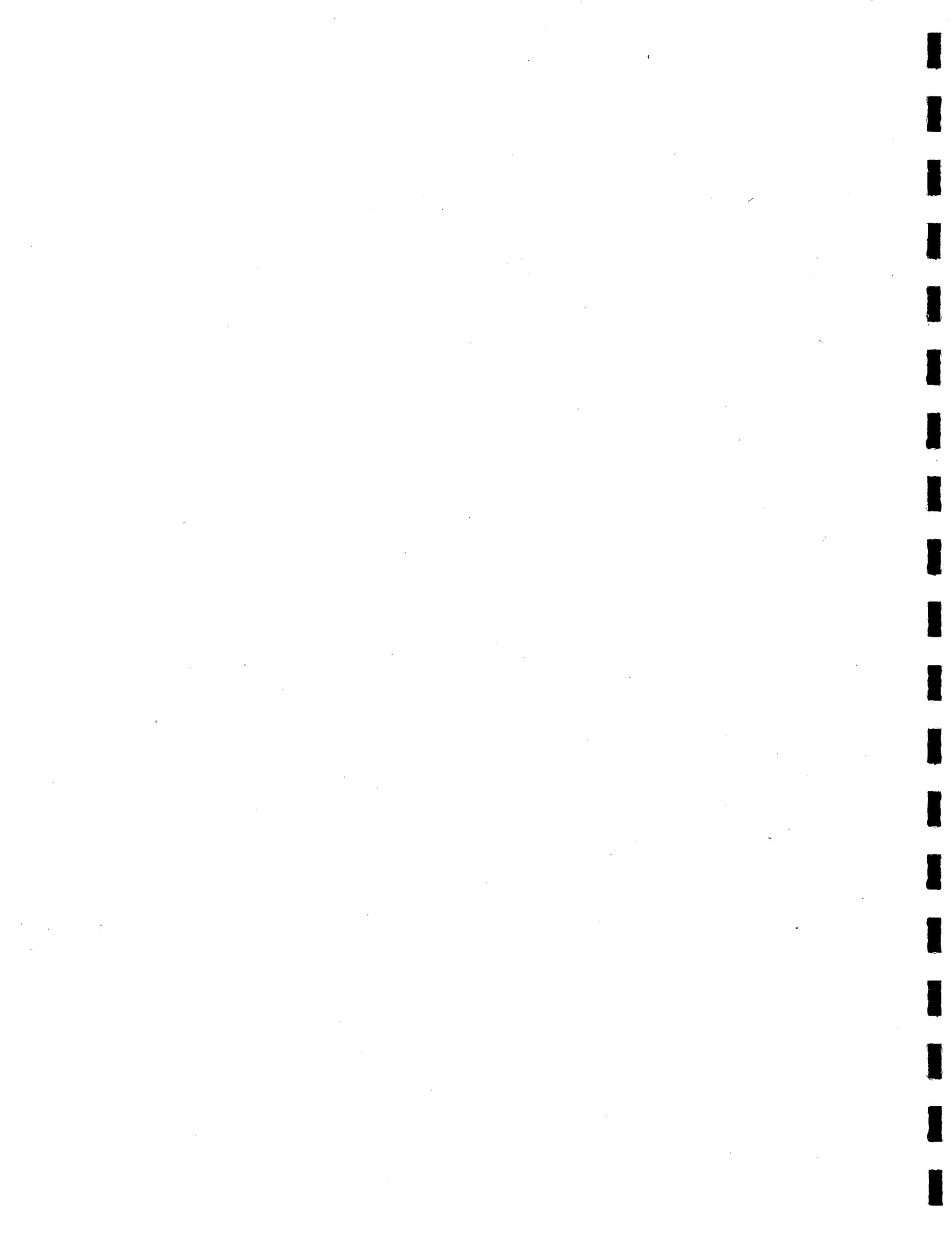
The accompanying *Notes to the Financial Statements* are an integral part of this statement.

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit VII - Combined Statement of Changes in Fiduciary Net Assets  
 For the Fiscal Year Ended August 31, 2013

	Private Purpose Trust Funds Fund 6004 U/F 9999
<b>ADDITIONS</b>	
Interest and Investment Income	\$ 102.54
Sale of Goods and Services	
Other Revenue	42,745.53
<b>Total Additions</b>	<u>42,848.07</u>
<b>DEDUCTIONS</b>	
Materials and Supplies	50,647.82
Repairs and Maintenance	183.43
Other Expenditures	190.37
<b>Total Deductions</b>	<u>51,021.62</u>
<b>NET INCREASE (DECREASE)</b>	<u>(8,173.55)</u>
Net Assets - Beginning	1,071,315.80
Net Assets - End of the Year	<u>\$ 1,063,142.25</u>

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



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## Notes to the Financial Statements

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## Notes to the Financial Statements

### NOTE 1: Summary of Significant Accounting Policies

#### ENTITY

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

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

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

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

#### FUND STRUCTURE

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

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

##### General Revenue Funds

The General Revenue Fund (fund 0001) is the principle operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund. The American Recovery and Reinvestment Act (ARRA) fund 0369 and Capital fund 3001 roll up to fund 0001 and are not presented as separate funds per AFR guidelines.

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

##### Vital Statistics Fund 0019

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

##### Texas Department of Insurance Fund 0036

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

UNAUDITED

Hospital Licensing Fund 0129

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

Federal Health and Health Lab Fund 0273

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

Food and Drug Retail Fees Fund 0341

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

Freestanding Emergency Medical Care Facility Licensing Fund 0373

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

Bureau of Emergency Management Fund 0512

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

Public Health Services Fees Fund 0524

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

Texas Capital Trust Fund 0543

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

Commission on State Emergency Communications Fund 5007

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

Children with Special Healthcare Needs Fund 5009

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



**Asbestos Removal Licensure Fund 5017**

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

**Workplace Chemicals List Fund 5020**

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

**Certification of Mammography Systems Fund 5021**

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

**Oyster Sales Fund 5022**

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

**Food and Drug Registration Fund 5024**

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

**Animal Friendly Plates Fund 5032**

*Texas Health & Safety Code Ann. §828.014* Created in General Revenue for receipt of revenues from license plate fees, gifts, grants, donations, and legislative appropriations. In addition to other fees, a fee of \$30 shall be charged for specially designed license plates that include the words, "Animal Friendly". Of each fee, \$22 is credited to this account and the remainder to the state highway fund. Department may spend money from account only to make grants to eligible organizations that sterilize animals at minimal or no cost.

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

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

**Children and Public Health Fund 5045**

*Texas Government Code Ann. §403.1055* This account is created in General Revenue to record receipt of money transferred at the direction of the legislature from General Revenue (tobacco settlement), gifts, and grants and the available earnings of the account. Only the available earnings of the account may be appropriated by the legislature for developing and demonstrating cost-effective prevention and

intervention strategies for improving health outcomes for children and the public, and for providing grants to local communities to address specific public health priorities.

Emergency Medical Services and Trauma Care Fund 5046

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

State Owned Multi-categorical Teaching Hospital Fund 5049

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

Perpetual Care Fund 5096

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

Tertiary Care Fund 5102

*Texas Health & Safety Code Ann. §46.003* Account in the General Revenue Fund composed of money appropriated to the account and any other funds required by law to be put in the account. Includes 50 percent of child safety seat violations required to be sent to the state under §§403.106, 545.412, and 545.413, Transportation Code. May accept gifts, grants and donations from any public or private entity. Used to reimburse unpaid tertiary medical and stabilization services and to allocate to tertiary care facilities and level IV trauma centers. The agency has not been given appropriation authority in the current appropriations bill to expend from this fund.

EMS, Trauma Facilities, Trauma Care Systems Fund 5108

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

Designated Trauma Facility and EMS Fund 5111

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

March of Dimes Plates Fund 5117

*Texas Transportation Code Ann. §504.651* Account in the General Revenue Fund for revenue from the sale of specialty license plates that include the words "March of Dimes." Of the additional \$30 annual fee, \$22 is deposited to this account and the remainder to the State Highway Fund (0006). Proceeds are used by the Department of State Health Services for the birth defects registry.

## Childhood Immunization Fund 5125

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

## Be a Blood Donor Plates Fund 5134

*Texas Transportation Code Ann. §504.641* New account from fees for specialty license plates designed in consultation with the Gulf Coast Regional Blood Center in Houston, appropriations and gifts, grants and donations. Used only by the department to make grants to nonprofit blood centers in this state and for programs to recruit and retain volunteer blood donors and for administration.

## Specialty License Plates General Fund 5140

*Texas Transportation Code Ann. §504.801* For revenue from license plates issued by the department under the above code, upon receipt of an application from a sponsor, payment of the appropriate deposit and approval by the department. The department shall design plates in consultation with the sponsor and may refuse to create a new plate. Fees for the plate are \$30, of which \$8 is deposited to the State Highway Fund 0006 to reimburse the department for administrative costs. The remainder is deposited to an account in the General Revenue Fund if the sponsor nominated a state agency to receive the funds and designated the uses of the money. If no agency was nominated, the remainder goes to the state highway fund.

## TPFA Commercial Paper Series A&amp;B Cancer Project Fund 7639

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

**Capital Project Funds**

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

## TPFA General Obligation Bond DSHS Project Fund 7212

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

## TPFA General Obligation Bond DSHS TCID Project Fund 7214

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

## TPFA General Obligation Bond DSHS Project Fund 7215

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

TPFA General Obligation Bond DSHS Project C Fund 7619

*Tex. Const. Art. III § 49h; Texas Government Code Ann. chs. 1232, 1401* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs. Date of origin 2005.

TPFA General Obligation Bond DSHS Project 1A Fund 7630

*Tex. Const. Art. III § 49h; Texas Government Code Ann. chs. 1232, 1401* To receive proceeds from the sale of bonds (except accrued interest) and investment earnings. To pay cost of issuance and project costs. Date of origin 2008.

TPFA General Obligation Bond DSHS Project 1B Fund 7643

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

TPFA General Obligation Bond DSHS Project 1C Fund 7651

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

**Permanent Funds**

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

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

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

**Capital Assets Adjustment Fund Type**

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

**Long-Term Liabilities Adjustment Fund Type**

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

**Fiduciary Fund Types**

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

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

Unappropriated Collections – General Revenue Fund 0002

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

Asbestos Penalty Escrow Account Fund 0880

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

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

Asbestos Penalty Escrow Account Fund 5880

Holds security portion relating to asbestos violations.

Depository Interest Default Fund 8880

Holds any interest earned on penalties in escrow.

Child Support Employee Deductions 8070

To hold deductions for child support.

City, County, MTA and SPD Sales Taxes 0882

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

Departmental Suspense Fund 0900

To provide a temporary depository for money held in suspense pending final disposition. Items held in the fund are cleared to the 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. The agency is then responsible for correction of the amounts in the correction account by either: (a) transfer of the funds back to the original issuing fund (b) refund to person for whom original payment was made.

Perpetual Care Fund 5096

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

Local Funds 7999

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

## UNAUDITED

### USPS Direct Deposit Return Money Fund 9014

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

### USPS Overpayments to Employees Fund 9015

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

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

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

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

### Patient Benefit Fund 6004

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

## **BASIS OF ACCOUNTING**

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

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

Governmental adjustment fund types that will build the government-wide financial statements are accounted for using the full accrual basis of accounting. This includes capital assets, accumulated depreciation, unpaid Employee Compensable Leave, the unmatured debt service (principal and interest) on general long-term liabilities, long-term capital leases, long-term claims and judgments and full accrual revenues and expenses. The activity will be recognized in these fund types.

### **Budget and Budgetary Accounting**

The budget is prepared biennially and represents appropriations authorized by the legislature and approved by the Governor (the General Appropriations Act).

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

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

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**ASSETS****Cash and Cash Equivalents**

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

**Restricted Assets**

Restricted assets include monies or other resources restricted by legal or contractual requirements. These assets include revenues set aside for statutory or contractual requirements:

**Inventories and Prepaid Items**

Inventories include both merchandise inventories on hand for sale and consumable inventories. Inventories are valued at cost, generally utilizing the last-in, first-out method. The consumption method of accounting is used to account for Inventories and prepaid items that appear in the governmental and proprietary fund types. The cost of these items is expensed when the items are consumed.

**Capital Assets**

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

**Current Receivables - Other**

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

**LIABILITIES****Accounts Payable**

Accounts Payable represents the liability for the value of assets or services received at the balance sheet date for which payment is pending.

**Current Payables - Other**

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

**Employees' Compensable Leave Balances**

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

**FUND BALANCE / NET ASSETS**

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The difference between fund assets and liabilities is 'Net Assets' on the government-wide, proprietary and fiduciary fund statements, and the 'Fund Balance' is the difference between fund assets and liabilities on the governmental fund statements.

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

Non-spendable fund balance includes not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.

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

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

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

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

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

The agency has the following types of transactions between funds:

- (1) **Transfers:** Legally required transfers that are reported when incurred as 'Transfers In' by the recipient fund and as 'Transfers Out' by the disbursing fund.
- (2) **Reimbursements:** Reimbursements are repayments from funds responsible for expenditures or expenses to funds that made the actual payment. Reimbursements of expenditures made by one fund for another that are recorded as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Reimbursements are not displayed in financial statements.
- (3) **Interfund Receivables and Payables:** Interfund loans are reported as interfund receivables and payables. If repayment is due during the current year or soon thereafter it is classified as "Current", repayment for two (or more) years is classified as "Non-Current".
- (4) **Interfund Sales and Purchases:** Charges or collections for services rendered by one fund to another that are recorded as revenues of the recipient fund and expenditures or expenses of the disbursing fund.

The composition of the agency's Interfund Activities and Balances are presented in Note 12.



**NOTE 2: Capital Assets**

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

	PRIMARY GOVERNMENT							Balance 8/31/2013
	Balance 9/1/2012	Adjustments	Reclassifications Completed CIP	Reclassifications Inc-Int'gty Trans	Reclassifications Dec-Int'gty Trans	Additions	Deletions	
<b>GOVERNMENTAL ACTIVITIES</b>								
<b>Non-depreciable or Non-amortizable Assets</b>								
Land and Land Improvements	1,361,331.42	(3,600.00)	-	-	(350.00)	-	-	1,357,381.42
Infrastructure	-	-	-	-	-	-	-	-
Construction in Progress	43,959,169.79	392,461.55	(12,527,372.98)	-	-	9,218,504.65	-	41,042,763.01
Other Capital Assets	78,264.44	-	-	-	-	-	(900.00)	77,364.44
Land Use Rights - Permanent	-	-	-	-	-	-	-	-
Total Non-depreciable or Non-amortizable Assets	45,398,765.65	388,861.55	(12,527,372.98)	-	(350.00)	9,218,504.65	(900.00)	42,477,508.87
<b>Depreciable Assets</b>								
Buildings and Building Improvements	313,688,074.08	2,083,262.71	11,818,996.20	-	-	189,252.78	(2,305,376.37)	325,474,209.40
Infrastructure	6,211,280.72	-	-	-	-	-	-	6,211,280.72
Facilities and Other Improvements	18,197,117.36	(1,772,776.65)	708,376.78	-	-	-	-	17,132,717.49
Furniture and Equipment	69,981,629.90	(119,524.79)	-	-	(649,416.80)	7,795,498.00	(6,752,292.21)	70,255,894.10
Vehicle, Boats and Aircraft	14,650,538.31	-	-	-	(78,933.00)	108,055.00	(322,680.21)	14,356,980.10
Other Capital Assets	-	-	-	-	-	-	-	-
Total Depreciable Assets at Historical Cost	422,728,640.37	190,961.27	12,527,372.98	-	(728,349.80)	8,092,805.78	(9,360,340.79)	433,431,081.81
Less Accumulated Depreciation for:								
Buildings and Building Improvements	(176,589,539.60)	(5,245.60)	-	-	-	(11,601,109.51)	2,300,825.01	(105,895,069.70)
Infrastructure	(711,190.22)	-	-	-	-	(256,042.92)	-	(967,233.14)
Facilities and Other Improvements	(14,833,697.01)	923,057.50	-	-	-	(297,243.32)	-	(14,207,882.83)
Furniture and Equipment	(52,470,215.59)	13,734.86	-	-	542,127.86	(4,896,168.31)	6,616,515.09	(50,194,006.09)
Vehicles, Boats and Aircraft	(13,174,862.33)	-	-	-	78,933.00	(498,045.70)	322,256.78	(13,272,518.25)
Other Capital Assets	-	-	-	-	-	-	-	-
Total Accumulated Depreciation	(257,779,504.75)	931,546.76	-	-	621,060.86	(17,549,409.76)	9,239,596.88	(264,536,710.01)
Depreciable Assets, Net	164,949,135.62	1,122,508.03	12,527,372.98	-	(107,288.94)	(9,456,603.98)	(140,751.91)	168,894,371.80
<b>Intangible Capital Assets - Amortizable</b>								
Land Use Rights - Term	-	-	-	-	-	-	-	-
Computer Software - Intangible	3,112,099.07	-	-	-	-	-	(7,500.00)	3,104,599.07
Other Intangible Capital Assets - Term	-	-	-	-	-	-	-	-
Total Intangible Assets at Historical Cost	3,112,099.07	-	-	-	-	-	(7,500.00)	3,104,599.07
Less Accumulated Amortization for:								
Land Use Rights - Term	-	-	-	-	-	-	-	-
Computer Software - Intangible	(3,090,099.07)	-	-	-	-	(22,000.00)	7,500.00	(3,104,599.07)
Other Intangible Capital Assets - Term	-	-	-	-	-	-	-	-
Total Accumulated Amortization	(3,090,099.07)	-	-	-	-	(22,000.00)	7,500.00	(3,104,599.07)
Amortizable Assets, Net	22,000.00	-	-	-	-	(22,000.00)	-	-
Governmental Activities Capital Assets, Net	210,369,901.27	1,511,369.58	(0.00)	-	(107,638.94)	(260,099.33)	(141,651.91)	211,371,880.67

A summary of changes in Capital Assets for the year ended August 31, 2013, is presented above: The adjustment column has a prior period adjustment of \$1,511,369.58 resulting from corrections to various capitalized assets and their related accumulated depreciation.

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

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

Deposits of Cash in Bank

As of August 31, 2013, the carrying amount of deposits was \$ 1,190,723.93 as presented below.

<b>Governmental Activities – Fund Type 01</b>	
Cash in Bank – Carrying Value	\$ 374,505.00
<b>Cash in Bank per AFR</b>	<b>\$ 374,505.00</b>
<b>Fiduciary Funds – Fund Types 09 and 20</b>	
Cash in Bank – Carrying Value	\$ 816,218.93
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	628,506.13
<b>Cash in Bank per AFR</b>	<b>\$ 187,712.80</b>

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

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

As of August 31, 2013, the total bank balance was \$ 634,156.24 as presented below.

Governmental and Business-Type Activities	\$ 286,968.43
Fiduciary Funds	\$ 347,187.81

Investments

As of August 31, 2013, the fair value of investments is as presented below.

<b>Fiduciary Funds – Fund Types 09 and 20</b>	
Repurchase Agreements (Texas Safekeeping Trust Company)	\$ 870,314.59
<b>Investments per Exhibits</b>	<b>\$ 870,314.59</b>

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

**NOTE 4: Short Term Debt**

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

**NOTE 5: Long Term Liabilities**Changes in Long-Term Liabilities

During the year ended August 31, 2013, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/12	Additions	Reductions	Exhibit I Balance 8/31/13	Exhibit I Amounts Due Within One Year
Compensable Leave	\$ 43,699,077.67	57,191,738.40	55,761,329.09	\$ 45,129,486.98	\$ 28,375,015.98
<b>Total Governmental Activities</b>	<b>\$ 43,699,077.67</b>	<b>57,191,738.40</b>	<b>55,761,329.09</b>	<b>\$ 45,129,486.98</b>	<b>\$ 28,375,015.98</b>

Employees' Compensable Leave

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from state employment, provided the employee has had continuous employment with the State for six months. Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the Statement of Net Assets. An expense and liability for proprietary fund types are recorded in the proprietary funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**NOTE 6: Bonded Indebtedness**

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

**NOTE 7: Derivatives**

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

**NOTE 8: Leases****Capital Leases**

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

**Operating Leases**

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

Fund Type	Amount
General Revenue (01)	\$ 11,898,771.95
Capital Projects (04)	2,988.98
<b>Total, Exh II</b>	<b>\$ 11,901,760.93</b>

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

Year Ended August 31,	
2014	\$ 9,302,590.44
2015	1,433,129.49
2016	305,789.83
2017	24,131.03
2018-2022	5,408.45
2023-2027	0.00
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 11,071,049.24</b>

**NOTE 9: Pension Plans**

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

**NOTE 10: Deferred Compensation**

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

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

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

**NOTE 12: Interfund Activities and Transactions**

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

Individual balances and activity at August 31, 2013 follows:

	Legislative Transfers In	Legislative Transfers Out	Purpose
<b>GENERAL (01)</b>			
Appd Fund 0001, D23 Fund 0001			
Agency 530, D23 Fund 0001	354,472.00		Benefit Appropriations
Agency 364, D23 Fund 0001		13,517.00	Benefit Appropriations
Agency 529, D23 Fund 0001		5,056,514.00	Benefit Appropriations
Subtotal – General Fund (01)			
<b>Total Legislative Transfers</b>	<b>\$ 354,472.00</b>	<b>\$ 5,070,031.00</b>	

	Interfund Receivable	Interfund Payable	Purpose
<b>GENERAL (01)</b>			
Current Portion Appd Fund 0001, D23 Fund 3001		122,374.12	LoanStar Program
NonCurrent Portion Appd Fund 0001, D23 Fund 3001		246,681.35	LoanStar Program
<b>Total Interfund</b>		<b>\$ 369,055.47</b>	

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

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

**NOTE 13: Continuance Subject to Review**

Under Chapter 11.003 of the Texas Government Code, the Department of State Health Services will be abolished effective September 1, 2015, unless continued in existence by Chapter 325 as provided in the Sunset Act. If abolished, the agency has one year from the date of abolishment to close out its operations.

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

The adjustment column in Note 2 Capital Assets includes a restated amount of \$ 1,511,369.58

The Comptroller’s Office requested that the agency re-categorize fund 3001 from a fund type of capital projects to a fund type of general revenue. The agency complied with this request after internal review.

	<b>Capital Assets Adjustments</b>
<b>Net Assets at August 31, 2013</b>	210,369,901.27
Restatement	1,511,369.58
<b>Net Assets at September 1, 2013 as restated</b>	<b>\$ 211,881,270.85</b>

**NOTE 15: Contingencies and Commitments**

The agency was a defendant in a lawsuit as of August 31, 2013 that may have a material effect on the agency’s operations if the result were unfavorable to the agency.

With the exception of a case with the United States Environmental Protection Agency (EPA) discussed below, the probability of an unfavorable outcome and the range of potential loss to the agency related to these cases are indeterminable because:

- (1) The above-enumerated cases are pending in either state or federal court wherein it is impossible to accurately predict the damages that a judge or jury may or may not award;
- (2) Even if the foregoing information were known, it is unwise, should this report be subject to the Texas Public Information Act, to divulge liabilities or weaknesses in these cases and allow the plaintiffs to exploit this report and obtain an unfair advantage in the pending litigation; and
- (3) Some of this information may be privileged under the attorney-client provisions of the State Bar Code of Ethics on client communications and, if disclosed, may be subject to ethical sanctions.

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 reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Based on prior experience, management believes such disallowances, if any, would be immaterial, with the exception of the following case:

Notice of Potential Liability, Demand for Payment, and Request for Information was received along with several dozen entities from the United States Environmental Protection Agency to the Texas Department of State Health Services, Bureau of Radiation Control [claim made under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA)]. The notice was made in connection with the failure of proper disposal or

radioactive sources by a DSHS vendor in the time period of 1975 – 2002. The total claim presented to DSHS is for \$6.7 million dollars.

**NOTE 16: Subsequent Events**

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

**NOTE 17: Risk Management**

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

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

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

**NOTE 18: Management Discussion and Analysis**

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

**NOTE 19: The Financial Reporting Entity**

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

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

The Comptroller's Office requested that the agency re-categorize fund 3001 from a fund type of capital projects to a fund type of general revenue. The agency complied with this request after internal review. This fund now rolls up to fund 0001 and is not presented as a separate fund per Annual Financial Reporting guidelines.

The negative fund balance of \$ 317,994.70 in the General Revenue Capital Project Fund 3001 is a result of renovation costs in prior years. These monies were advanced from the LoanStar program for renovating the electrical systems for the agency. Payback of the funds to the State Energy Conservation Office will be from future savings in utility costs.

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

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

**NOTE 22: Donor-Restricted Endowments**

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

**NOTE 23: Extraordinary or Special Items**

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

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

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

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

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

Net other receivables at August 31, 2013, as reported in the general fund (Exhibit I), are detailed by type as follows:

<b>Receivables related to:</b>	<b>Amount</b>
Immunization Branch Services	1,465,255.54
Laboratory Services	3,293,105.80
Mental Health Client Services	10,132,221.50
Mental Health Other Services	624,975.36
Texas Center for Infectious Disease	489,711.66
TPFA Cancer Project Fund	154,923.65
<b>Total Net Other Receivables (0270)</b>	<b>\$16,160,193.51</b>

**NOTE 25: Termination Benefits**

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

**NOTE 26: Segment Information**

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





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Combining and Individual Fund  
Financial Statements

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Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2013

	<u>Consolidated Accounts</u>			
	General Revenue Fund (0001) (0369) <u>U/F (0001)</u>	Vital Statistics Fund 0019 <u>U/F (0019)</u>	Insurance Board Fund (0036) <u>U/F (0036)</u>	Hospital Licensing Fund (0129) <u>U/F (0129)</u>
	<b>ASSETS</b>			
Current Assets:				
Cash and Cash Equivalents				
Cash on Hand	\$ 43,873.00			
Cash in Bank	119,475.00			
Cash in State Treasury	1,175,794.61	15,944,187.44		14,464,937.13
Legislative Appropriations	230,615,109.00			
Receivables from:				
Accounts	16,005,269.86			
Federal	3,808,534.48			
Due From Other Agencies			274,408.15	
Consumable Inventories	61,849,338.20			
Merchandise Inventories	21,979.79			
Total Current Assets	<u>313,639,373.94</u>	<u>15,944,187.44</u>	<u>274,408.15</u>	<u>14,464,937.13</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Payables from:				
Accounts	103,297,880.71	1,205,678.90	6.00	56,867.71
Payroll	34,644,189.44	278,772.60	274,402.15	89,135.12
Due To Other Agencies	788,991.17			
Deferred Revenues	1,170.91			
Total Current Liabilities	<u>138,732,232.23</u>	<u>1,484,451.50</u>	<u>274,408.15</u>	<u>146,002.83</u>
Fund Balances (Deficits):				
Nonspendable	61,871,317.99			
Restricted	3,807,363.57			
Committed		14,459,735.94		14,318,934.30
Assigned				
Unassigned	109,228,460.15			
Total Fund Balances	<u>174,907,141.71</u>	<u>14,459,735.94</u>	<u>-</u>	<u>14,318,934.30</u>
Total Liabilities and Fund Balances	<u>\$ 313,639,373.94</u>	<u>\$ 15,944,187.44</u>	<u>\$ 274,408.15</u>	<u>\$ 14,464,937.13</u>

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

Consolidated Accounts

Federal Health Fund (0273) <u>U/F (0273)</u>	Food Service Establishment Fund (0341) <u>U/F (0341)</u>	Emergency Medical Care License Fund (0373) <u>U/F (0373)</u>	Emergency Medical Services Fund (0512) <u>U/F (0512)</u>	Public Health Services Fund (0524) <u>U/F (0524)</u>	Capital Trust Fund (0543) <u>U/F (0543)</u>	Departmental Suspense Fund (0909) <u>U/F (0900)</u>
\$ 1,380.00						
255,030.00						
50,286,601.59	11,428,203.55	1,338,933.00	7,451,807.36	3,644,953.22	-	-
38,279,489.50						
27,452.64						
<u>88,849,953.73</u>	<u>11,428,203.55</u>	<u>1,338,933.00</u>	<u>7,451,807.36</u>	<u>3,644,953.22</u>	<u>-</u>	<u>-</u>
49,990,648.82	87,736.38		117,978.34	424,051.82		
6,331,389.46	95,536.48		158,925.58	472,205.55		
4,604,687.86						
46,505.74						
<u>60,973,231.88</u>	<u>183,272.86</u>	<u>-</u>	<u>276,903.92</u>	<u>896,257.37</u>	<u>-</u>	<u>-</u>
27,620,311.85						
256,410.00	11,244,930.69	1,338,933.00	7,174,903.44	2,748,695.85		
<u>27,876,721.85</u>	<u>11,244,930.69</u>	<u>1,338,933.00</u>	<u>7,174,903.44</u>	<u>2,748,695.85</u>	<u>-</u>	<u>-</u>
<u>\$ 88,849,953.73</u>	<u>\$ 11,428,203.55</u>	<u>\$ 1,338,933.00</u>	<u>\$ 7,451,807.36</u>	<u>\$ 3,644,953.22</u>	<u>\$ -</u>	<u>\$ -</u>

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Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2013

	Consolidated Accounts				
	Emergency Communications Fund (5007)	Children with Special Needs Fund (5009)	Asbestos Removal Licensure Fund (5017)	Workplace Chemical List Fund (5020)	Certification of Mammography Systems Fund (5021)
	U/F (5007)	U/F (5009)	U/F (5017)	U/F (5020)	U/F (5021)
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand					
Cash in Bank					
Cash in State Treasury					
		390,574.53	25,880,662.27	4,533,757.27	3,459,408.65
Legislative Appropriations					
Receivables from:					
Accounts					
Federal					
Due From Other Agencies					
994,453.05					
Consumable Inventories					
Merchandise Inventories					
994,453.05	390,574.53	25,880,662.27	4,533,757.27	3,459,408.65	
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Payables from:					
Accounts					
992,906.57		59,545.82	1,242.83	29,760.28	
Payroll					
1,546.48		182,822.72	39,128.01	56,038.60	
Due To Other Agencies					
Deferred Revenues					
994,453.05	-	242,368.54	40,370.84	85,798.88	
Fund Balances (Deficits):					
Nonspendable					
Restricted					
	390,574.53	25,638,293.73	4,493,386.43	3,373,609.77	
Committed					
Assigned					
Unassigned					
-	390,574.53	25,638,293.73	4,493,386.43	3,373,609.77	
Total Fund Balances					
\$ 994,453.05	\$ 390,574.53	\$ 25,880,662.27	\$ 4,533,757.27	\$ 3,459,408.65	
Total Liabilities and Fund Balances					

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

Consolidated Accounts

Oyster Sales Fund (5022) U/F (5022)	Food and Drug Registration Fund (5024) U/F (5024)	Animal Friendly Fund (5032) U/F (5032)	Tobacco Education and Enforcement Fund (5044) U/F (5044)	Children and Public Health Fund (5045) U/F (5045)	EMS and Trauma Care Fund (5046) U/F (5046)
1,161,492.92	29,664,459.17	772,463.06	9,890,372.19	5,750,505.82	3,383,040.89
<u>1,161,492.92</u>	<u>29,664,459.17</u>	<u>772,463.06</u>	<u>9,890,372.19</u>	<u>5,750,505.82</u>	<u>3,383,040.89</u>
20,459.45	88,916.99 363,853.84	1,931.00	367,583.48 4,739.76 330,982.40	39,932.28 9,417.13	103,180.95 62,527.31
<u>20,459.45</u>	<u>452,770.83</u>	<u>1,931.00</u>	<u>703,305.64</u>	<u>49,349.41</u>	<u>165,708.26</u>
1,141,033.47	29,211,688.34	770,532.06	9,187,066.55	5,701,156.41	3,217,332.63
<u>1,141,033.47</u>	<u>29,211,688.34</u>	<u>770,532.06</u>	<u>9,187,066.55</u>	<u>5,701,156.41</u>	<u>3,217,332.63</u>
<u>\$ 1,161,492.92</u>	<u>\$ 29,664,459.17</u>	<u>\$ 772,463.06</u>	<u>\$ 9,890,372.19</u>	<u>\$ 5,750,505.82</u>	<u>\$ 3,383,040.89</u>

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Texas Department of State Health Services (537)  
 Exhibit A-1 - Combining Balance Sheet -  
 All General and Consolidated Funds  
 August 31, 2013

Consolidated Accounts

	State Owned Teaching Hospital Fund (5049) <u>U/F (5049)</u>	Perpetual Care Fund (5096) <u>U/F (5096)</u>	Tertiary Care Fund (5102) <u>U/F (5102)</u>	Trauma System Fund (5108) <u>U/F (5108)</u>	EMS/Trauma Facility Fund (5111) <u>U/F (5111)</u>
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand					
Cash in Bank					
Cash in State Treasury					
	5,366,898.86		24,421,446.78	14,732,906.98	382,364,707.44
Legislative Appropriations					
Receivables from:					
Accounts					
Federal					
Due From Other Agencies					
		3,160,044.11			
Consumable Inventories					
Merchandise Inventories					
<b>Total Current Assets</b>					
	<u>5,366,898.86</u>	<u>3,160,044.11</u>	<u>24,421,446.78</u>	<u>14,732,906.98</u>	<u>382,364,707.44</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Payables from:					
Accounts					
				1,779,194.95	20,747,078.91
Payroll					
				2,180.37	25,173.18
Due To Other Agencies					
					137,860,100.00
Deferred Revenues					
<b>Total Current Liabilities</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,781,375.32</u>	<u>158,632,352.09</u>
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed					
	5,366,898.86	3,160,044.11	24,421,446.78	12,951,531.66	223,732,355.35
Assigned					
Unassigned					
<b>Total Fund Balances</b>					
	<u>5,366,898.86</u>	<u>3,160,044.11</u>	<u>24,421,446.78</u>	<u>12,951,531.66</u>	<u>223,732,355.35</u>
<b>Total Liabilities and Fund Balances</b>					
	<u>\$ 5,366,898.86</u>	<u>\$ 3,160,044.11</u>	<u>\$ 24,421,446.78</u>	<u>\$ 14,732,906.98</u>	<u>\$ 382,364,707.44</u>

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

Consolidated Accounts

March of Dimes License Plate Fund (5117) U/F (5117)	Childhood Immunization Fund (5125) U/F (5125)	Be a Blood Donor License Fund (5134) U/F (5134)	General License Plate Fund (5140) U/F (5140)	TPFA Cancer Project Fund (7639) U/F (7639)	Totals Exh - I
					\$ 45,253.00
					374,505.00
13,344.72	61,345.82	26,796.31			617,609,601.58
					230,615,109.00
				154,923.65	16,160,193.51
			14,104.15		42,088,023.98
					4,470,462.10
					61,849,338.20
					21,979.79
<u>13,344.72</u>	<u>61,345.82</u>	<u>26,796.31</u>	<u>14,104.15</u>	<u>154,923.65</u>	<u>973,234,466.16</u>
				13,600.54	179,426,182.73
				141,323.11	43,233,306.89
					143,584,761.43
					47,676.65
				<u>154,923.65</u>	<u>366,291,927.70</u>
					61,871,317.99
13,344.72	61,345.82	26,796.31	14,104.15		31,427,675.42
					404,415,084.90
					109,228,460.15
<u>13,344.72</u>	<u>61,345.82</u>	<u>26,796.31</u>	<u>14,104.15</u>	<u>-</u>	<u>606,942,538.46</u>
<u>\$ 13,344.72</u>	<u>\$ 61,345.82</u>	<u>\$ 26,796.31</u>	<u>\$ 14,104.15</u>	<u>\$ 154,923.65</u>	<u>\$ 973,234,466.16</u>

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts			
	General Revenue	Vital Statistics Fund (0019)	Insurance Board Fund (0036)	Hospital Licensing Fund (0129)
	Fund (0001)			
	(0369)			
U/F (0001)	U/F (0019)	U/F (0036)	U/F (0129)	
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations	\$ 1,059,045,749.74			
Additional Appropriations	108,271,177.98			
Federal Revenue	18,899,541.98			
Federal Pass-Through Revenue	259,256,216.38			
State Pass-Through Revenue	102,101,492.48			
Other Operating Grant Revenue	35,504,408.52			
Licenses, Fees & Permits	6,357,000.33	14,934,952.13		2,596,406.30
Professional Fees	52,664.46			
Auxiliary Enterprises	218,592.84			
Violations, Fines & Penalties				
Investment Income	218,449.17			
Land Income				
Sales of Goods and Services	108,911,310.57			
Other General Revenues	77,612,227.02			
<b>Total Revenues</b>	<u>1,776,448,831.47</u>	<u>14,934,952.13</u>	<u>-</u>	<u>2,596,406.30</u>
<b>EXPENDITURES</b>				
Salaries and Wages	397,035,809.96	2,610,889.96	2,509,107.45	820,479.69
Payroll Related Costs	117,577,993.15	680,516.40	720,462.19	237,645.23
Professional Fees and Services	75,872,201.42	310,816.42	14,766.69	7,806.31
Travel	5,115,590.21	4,275.61	84,955.36	82,617.66
Materials and Supplies	142,138,365.33	404,829.96	3,166,264.31	24,725.39
Communication and Utilities	14,986,167.82		21,566.44	37,837.00
Repairs and Maintenance	13,621,508.24	223,220.06	16,077.18	1,805.01
Rentals and Leases	10,160,438.37	67,187.00	16,887.89	4,826.03
Printing and Reproduction	1,329,155.55	19.00	4,079.86	1,641.58
Claims and Judgments	493,494.96			
Federal Pass-Through Expenditures	2,289,266.10			
State Pass-Through Expenditures	3,583,865.45			
Intergovernmental Payments	45,170,366.80			
Public Assistance Payments	650,007,857.84			
Interest Expense - Other	21,413.39			
Other Expenditures	59,998,556.31	11,081,435.96	325,557.38	48,797.64
Capital Outlay	6,609,572.55			
<b>Total Expenditures</b>	<u>1,546,011,623.45</u>	<u>15,383,190.37</u>	<u>6,879,724.75</u>	<u>1,268,181.54</u>
Excess (Deficiency) of Revenues over Expenditures	<u>230,437,208.02</u>	<u>(448,238.24)</u>	<u>(6,879,724.75)</u>	<u>1,328,224.76</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	66,142.62			
Transfer In	27,849,092.48		6,879,724.75	
Transfer Out	(233,689,094.65)	(9,789.00)		
Legislative Transfer In	354,472.00			
Legislative Transfer Out	(5,070,031.00)			
<b>Total Other Financing Sources (Uses)</b>	<u>(210,489,418.55)</u>	<u>(9,789.00)</u>	<u>6,879,724.75</u>	<u>-</u>
Net Change in Fund Balances	<u>19,947,789.47</u>	<u>(458,027.24)</u>	<u>-</u>	<u>1,328,224.76</u>
<b>Fund Financial Statement - Fund Balances</b>				
Fund Balances, September 1, 2012	173,621,541.14	14,917,763.18		12,990,709.54
Appropriations Lapsed	(18,662,188.90)			
<b>Fund Balances, August 31, 2013</b>	<u>\$ 174,907,141.71</u>	<u>\$ 14,459,735.94</u>	<u>\$ -</u>	<u>\$ 14,318,934.30</u>

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



UNAUDITED

Consolidated Accounts

Federal Health Fund (0273) U/F (0273)	Food Service Establishment Fund (0341) U/F (0341)	Emergency Medical Care License Fund (0373) U/F (0373)	Emergency Medical Services Fund (0512) U/F (0512)	Public Health Services Fund (0524) U/F (0524)	Capital Trust Fund (0543) U/F (0543)	Departmental Suspense Fund (0909) U/F (0900)
961,816,784.27						
251,961,307.02	2,471,464.36	525,680.00	2,286,106.15			
47,613.87 17,332.31					9,892.25 49,571.00	
84,872.89				14,119,156.29 6,488.84		
<u>1,213,927,910.36</u>	<u>2,471,464.36</u>	<u>525,680.00</u>	<u>2,286,106.15</u>	<u>14,125,645.13</u>	<u>59,463.25</u>	<u>-</u>
58,861,392.27	879,799.88		1,361,569.42	4,278,563.85		
16,119,636.47	180,299.88		322,055.56	1,508,415.65		
25,519,635.14	68,320.75		23,856.98	253,972.26		
2,549,242.24	135,627.90		90,876.16	42,635.04		
73,856,013.62	35,563.03		36,406.58	4,167,911.86		
4,165,834.32	1,908.00		56,945.17	12,106.00		
2,345,081.22	21,262.51		999.00	460,277.21		
1,249,196.97	2,834.09		31,367.04	289,264.75		
3,129,631.96	2,060.98		2,816.62	14,752.29		
28,823,371.30						
6,677.00						
170,216,584.59						
798,845,257.43				434,166.38		
20,405,723.07	56,000.84		68,331.91	538,591.29		
1,154,835.39				53,406.00		
<u>1,207,248,112.99</u>	<u>1,383,677.86</u>	<u>-</u>	<u>1,995,224.44</u>	<u>12,054,062.58</u>	<u>-</u>	<u>-</u>
6,679,797.37	1,087,786.50	525,680.00	290,881.71	2,071,582.55	59,463.25	-
8,020.80						
17,504,752.47						
(14,461,294.11)				(2,873,367.22)	(59,463.25)	
<u>3,051,479.16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,873,367.22)</u>	<u>(59,463.25)</u>	<u>-</u>
9,731,276.53	1,087,786.50	525,680.00	290,881.71	(801,784.67)		
18,145,445.32	10,157,144.19	813,253.00	6,884,021.73	3,550,480.52		
<u>\$ 27,876,721.85</u>	<u>\$ 11,244,930.69</u>	<u>\$ 1,338,933.00</u>	<u>\$ 7,174,903.44</u>	<u>\$ 2,748,695.85</u>	<u>\$ -</u>	<u>\$ -</u>

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Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts				
	Emergency	Children with	Asbestos	Workplace	Certification of
	Communications	Special Needs	Removal	Chemical List	Mammography
	Fund (5007)	Fund (5009)	Licensure	Fund (5020)	Systems
U/F (5007)	U/F (5009)	Fund (5017)	U/F (5020)	Fund (5021)	
U/F (5007)	U/F (5009)	U/F (5017)	U/F (5020)	U/F (5021)	
<b>REVENUES</b>					
Legislative Appropriations:					
Original Appropriations					
Additional Appropriations					
Federal Revenue					
Federal Pass-Through Revenue					
State Pass-Through Revenue					
Other Operating Grant Revenue					
Licenses, Fees & Permits					
Professional Fees		-	4,185,161.00	1,100,628.64	1,291,667.03
Auxiliary Enterprises					
Violations, Fines & Penalties					
Investment Income					
Land Income					
Sales of Goods and Services					
Other General Revenues					
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>4,185,161.00</b>	<b>1,100,628.64</b>	<b>1,291,667.03</b>
<b>EXPENDITURES</b>					
Salaries and Wages	15,453.21	-	1,562,724.86	383,951.77	521,147.51
Payroll Related Costs	16,464.05	-	427,495.61	94,776.91	132,877.47
Professional Fees and Services	110.08	-	90,322.32	3,334.60	39,883.64
Travel	4,437.83	-	41,553.35	11,225.06	41,367.25
Materials and Supplies	301.69	-	153,532.85	649.00	45,712.92
Communication and Utilities	21.00	-	923.92		13,696.74
Repairs and Maintenance		-	78,876.80		30,469.12
Rentals and Leases		-	43,893.10	2,873.17	12,286.00
Printing and Reproduction		-	2,612.42	747.53	
Claims and Judgments					
Federal Pass-Through Expenditures					
State Pass-Through Expenditures					
Intergovernmental Payments	345,111.36				
Public Assistance Payments	2,022,770.42				
Interest Expense - Other					
Other Expenditures	1,330.31	-	356,758.34	42,824.30	93,931.16
Capital Outlay					
<b>Total Expenditures</b>	<b>2,405,999.95</b>	<b>-</b>	<b>2,758,693.57</b>	<b>540,382.34</b>	<b>931,371.81</b>
Excess (Deficiency) of Revenues over Expenditures	(2,405,999.95)	-	1,426,467.43	560,246.30	360,295.22
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets					
Transfer In	2,405,999.95				
Transfer Out					
Legislative Transfer In					
Legislative Transfer Out					
<b>Total Other Financing Sources (Uses)</b>	<b>2,405,999.95</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	-	-	1,426,467.43	560,246.30	360,295.22
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2012		390,574.53	24,211,826.30	3,933,140.13	3,013,314.55
Appropriations Lapsed					
Fund Balances, August 31, 2013	\$ -	\$ 390,574.53	\$ 25,638,293.73	\$ 4,493,386.43	\$ 3,373,609.77

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

UNAUDITED

Consolidated Accounts					
			Tobacco		
Oyster Sales Fund (5022)	Food and Drug Registration Fund (5024)	Animal Friendly License Plate Fund (5032)	Education and Enforcement Fund (5044)	Children and Public Health Fund (5045)	EMS and Trauma Care Fund (5046)
U/F (5022)	U/F (5024)	U/F (5032)	U/F (5044)	U/F (5045)	U/F (5046)
353,751.54	7,938,168.58	321,891.15			
			40,165.69	26,467.91	18,059.92
<u>353,751.54</u>	<u>7,938,168.58</u>	<u>321,891.15</u>	<u>40,165.69</u>	<u>26,467.91</u>	<u>18,059.92</u>
	3,134,544.08		110,209.93	86,973.44	616,150.99
	831,018.96	23.05	417,351.34	24,444.21	134,905.85
17,580.00	80,473.64		427,289.15	36,286.89	3,963.44
15,908.23	201,523.76		7,509.40	3,160.86	21,858.46
79,535.17	194,707.51		8,212.80	3,781.21	1,118.09
646.92	44,792.50	18.00	445,984.54	259.00	26,590.00
2,725.81	476,494.74				15,510.00
4,779.44	1,834.34		3,233.66		6,585.20
27,203.29	7,058.88			15.33	28.21
(48.77)			2,038,821.81		18,000.00
		189,367.23	1,622,003.30	3,901,446.23	483,072.95
		177,338.13			2,987,639.40
19,560.91	623,469.08		605,503.22	24,708.28	22,011.93
	86,116.00				
<u>167,891.00</u>	<u>5,682,033.49</u>	<u>366,746.41</u>	<u>5,686,119.15</u>	<u>4,081,075.45</u>	<u>4,337,434.52</u>
<u>185,860.54</u>	<u>2,256,135.09</u>	<u>(44,855.26)</u>	<u>(5,645,953.46)</u>	<u>(4,054,607.54)</u>	<u>(4,319,374.60)</u>
			8,188,390.44	4,094,209.08	4,094,208.32
			<u>8,188,390.44</u>	<u>4,094,209.08</u>	<u>4,094,208.32</u>
185,860.54	2,256,135.09	(44,855.26)	2,542,436.98	39,601.54	(225,166.28)
955,172.93	26,955,553.25	815,387.32	6,644,629.57	5,661,554.87	3,442,498.91
<u>\$ 1,141,033.47</u>	<u>\$ 29,211,688.34</u>	<u>\$ 770,532.06</u>	<u>\$ 9,187,066.55</u>	<u>\$ 5,701,156.41</u>	<u>\$ 3,217,332.63</u>

UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit A-2 - Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances - All General and Consolidated Funds  
 For the Fiscal Year Ended August 31, 2013

	Consolidated Accounts				
	State Owned				
	Teaching Hospital Fund (5049)	Perpetual Care Fund (5096)	Tertiary Care Fund (5102)	Trauma System Fund (5108)	EMS/Trauma Facility Fund (5111)
	U/F (5049)	U/F (5096)	U/F (5102)	U/F (5108)	U/F (5111)
<b>REVENUES</b>					
Legislative Appropriations:					
Original Appropriations					
Additional Appropriations					
Federal Revenue					
Federal Pass-Through Revenue					
State Pass-Through Revenue					
Other Operating Grant Revenue					
Licenses, Fees & Permits					
Professional Fees		593,584.67		4,009,367.77	
Auxiliary Enterprises					
Violations, Fines & Penalties			1,238,634.65		98,418,943.14
Investment Income		10,274.19			1,420,125.49
Land Income					
Sales of Goods and Services					
Other General Revenues					11,157.00
<b>Total Revenues</b>	<b>-</b>	<b>603,858.86</b>	<b>1,238,634.65</b>	<b>4,009,367.77</b>	<b>99,850,225.63</b>
<b>EXPENDITURES</b>					
Salaries and Wages				23,390.14	257,343.01
Payroll Related Costs				7,731.39	234,862.20
Professional Fees and Services				99.77	573.66
Travel				2,432.81	7,629.30
Materials and Supplies					2,751.51
Communication and Utilities				45.00	105,195.72
Repairs and Maintenance					11,429.00
Rentals and Leases					1,284.90
Printing and Reproduction					45.21
Claims and Judgments					
Federal Pass-Through Expenditures					
State Pass-Through Expenditures	5,750,000.00				190,821,306.34
Intergovernmental Payments					51,474,551.00
Public Assistance Payments				3,507,184.94	
Interest Expense - Other					
Other Expenditures	(0.09)			630.38	33,542.19
Capital Outlay					
<b>Total Expenditures</b>	<b>5,749,999.91</b>	<b>-</b>	<b>-</b>	<b>3,541,514.43</b>	<b>242,950,514.04</b>
Excess (Deficiency) of Revenues over Expenditures	(5,749,999.91)	603,858.86	1,238,634.65	467,853.34	(143,100,288.41)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets					
Transfer In	5,750,000.00				
Transfer Out					(4,569,022.37)
Legislative Transfer In					
Legislative Transfer Out					
<b>Total Other Financing Sources (Uses)</b>	<b>5,750,000.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,569,022.37)</b>
Net Change in Fund Balances	0.09	603,858.86	1,238,634.65	467,853.34	(147,669,310.78)
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances, September 1, 2012	5,366,898.77	2,556,185.25	23,182,812.13	12,483,678.32	371,401,666.13
Appropriations Lapsed					
Fund Balances, August 31, 2013	<u>\$ 5,366,898.86</u>	<u>\$ 3,160,044.11</u>	<u>\$ 24,421,446.78</u>	<u>\$ 12,951,531.66</u>	<u>\$ 223,732,355.35</u>

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

Consolidated Accounts

March of Dimes License Plate Fund (5117) U/F (5117)	Childhood Immunization Fund (5125) U/F (5125)	Be a Blood Donor License Plate Fund (5134) U/F (5134)	General License Plate Fund (5140) U/F (5140)	TPFA Cancer Project Fund (7639) U/F (7639)	Totals Exh - II
					\$ 1,059,045,749.74
					108,271,177.98
					980,716,326.25
					259,256,216.38
					102,101,492.48
					287,465,715.54
					29,171,609.27
1,893.80	40,718.00	5,283.57	4,173.33		19,898,953.54
					218,592.84
					99,705,191.66
					1,760,766.93
					49,571.00
					123,030,466.86
				154,923.65	77,869,669.40
<u>1,893.80</u>	<u>40,718.00</u>	<u>5,283.57</u>	<u>4,173.33</u>	<u>154,923.65</u>	<u>3,148,561,499.87</u>
				1,208,097.72	476,277,599.14
				272,995.51	139,941,971.08
				388,162.20	103,159,455.36
				25,268.95	8,489,695.44
				11,911.88	224,332,294.71
					19,920,538.09
					17,305,735.90
					11,898,771.95
				8,603.17	4,530,471.88
					493,494.96
					31,112,637.40
					202,218,621.83
					273,402,503.46
					1,457,982,214.54
					21,413.39
66.22				96,046.40	94,443,377.03
<u>66.22</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,011,085.83</u>	<u>7,903,929.94</u>
					<u>3,073,434,726.10</u>
<u>1,827.58</u>	<u>40,718.00</u>	<u>5,283.57</u>	<u>4,173.33</u>	<u>(1,856,162.18)</u>	<u>75,126,773.77</u>
					74,163.42
				1,856,162.18	78,622,539.67
					(255,662,030.60)
					354,472.00
					(5,070,031.00)
				1,856,162.18	(181,680,886.51)
<u>1,827.58</u>	<u>40,718.00</u>	<u>5,283.57</u>	<u>4,173.33</u>	<u>-</u>	<u>(106,554,112.74)</u>
11,517.14	20,627.82	21,512.74	9,930.82		732,158,840.10
<u>\$ 13,344.72</u>	<u>\$ 61,345.82</u>	<u>\$ 26,796.31</u>	<u>\$ 14,104.15</u>	<u>\$ -</u>	<u>(18,662,188.90)</u>
					<u>\$ 606,942,538.46</u>

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Texas Department of State Health Services (537)  
 Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds  
 August 31, 2013

	General Revenue Capital Projects Fund (3001) <u>U/F (0001)</u>	TPFA Project A Fund (7212) <u>U/F (7212)</u>	TPFA Project A Fund (7214) <u>U/F (7214)</u>	TPFA Project A Fund (7215) <u>U/F (7215)</u>	TPFA Project C Fund (7619) <u>U/F (7619)</u>
<b>ASSETS</b>					
Current Assets:					
Legislative Appropriations	289,716.15			425,956.90	
Due From Other Agencies					
Total Current Assets	<u>289,716.15</u>	<u>-</u>	<u>-</u>	<u>425,956.90</u>	<u>-</u>
Total Assets:	<u>289,716.15</u>	<u>-</u>	<u>-</u>	<u>425,956.90</u>	<u>-</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Current Liabilities:					
Payables from:					
Accounts	238,655.38			425,956.90	
Interfund Payable	122,374.12				
Total Current Liabilities	<u>361,029.50</u>	<u>-</u>	<u>-</u>	<u>425,956.90</u>	<u>-</u>
Non-Current Liabilities:					
Interfund Payable	246,681.35			425,956.90	
	<u>246,681.35</u>	<u>-</u>	<u>-</u>	<u>425,956.90</u>	<u>-</u>
Total Liabilities:	<u>607,710.85</u>	<u>-</u>	<u>-</u>	<u>425,956.90</u>	<u>-</u>
Fund Balances (Deficits):					
Unassigned	(317,994.70)				
Total Fund Balances	<u>(317,994.70)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 289,716.15</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 425,956.90</u>	<u>\$ -</u>

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

<u>TPFA Project Fund (7630) U/F (7630)</u>	<u>TPFA Project A Fund (7643) U/F (7643)</u>	<u>TPFA Project Fund (7651) U/F (7651)</u>	<u>Totals Exh - I</u>
			\$ 289,716.15
		1,428,630.45	1,854,587.35
-	-	1,428,630.45	2,144,303.50
-	-	1,428,630.45	2,144,303.50
		1,428,630.45	2,093,242.73
-	-	1,428,630.45	122,374.12
			2,215,616.85
			246,681.35
-	-	1,428,630.45	246,681.35
-	-	1,428,630.45	2,462,298.20
			(317,994.70)
-	-	-	(317,994.70)
\$ -	\$ -	\$ 1,428,630.45	\$ 2,144,303.50

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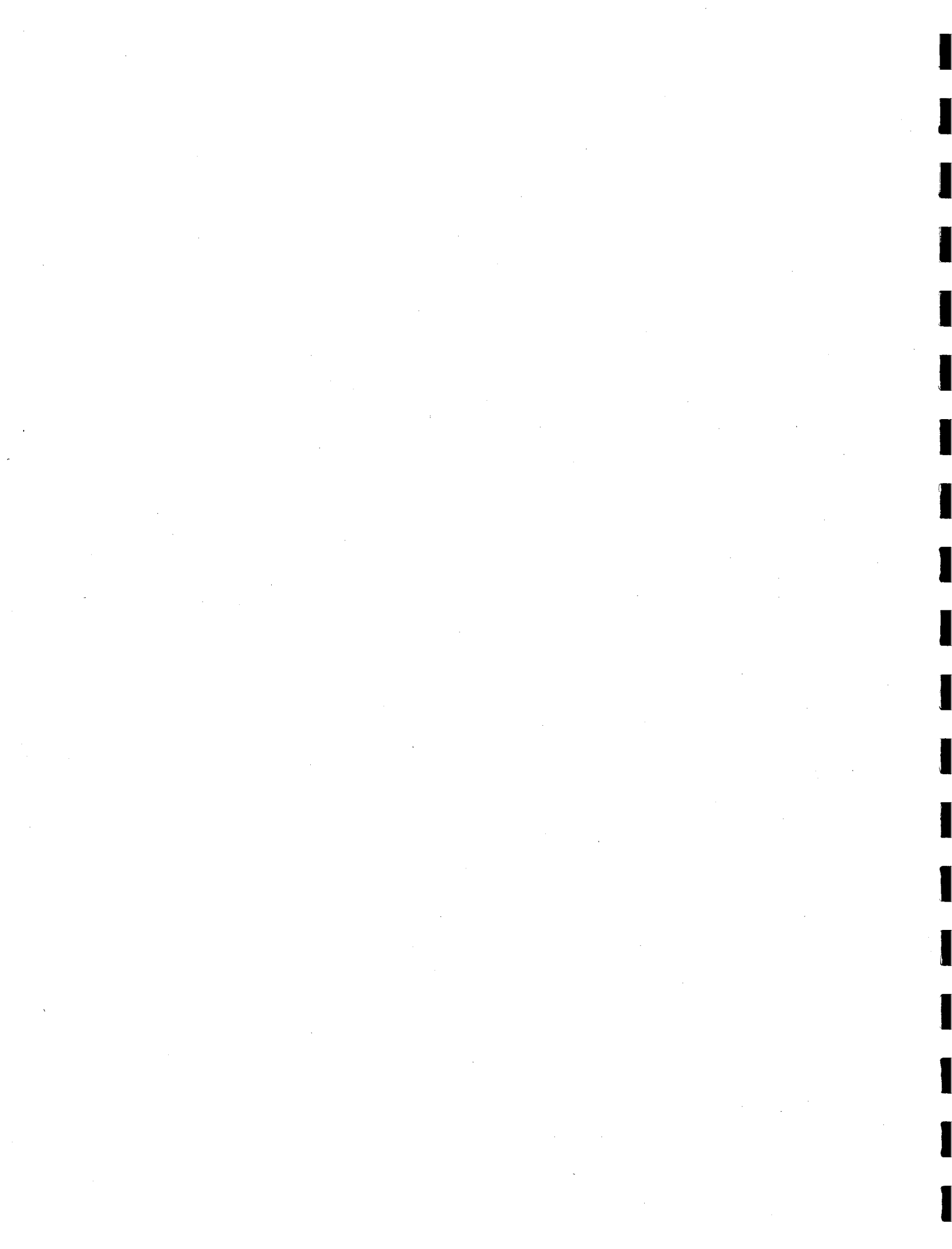
Texas Department of State Health Services (537)  
 Exhibit D-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
 Capital Projects Funds  
 For the Fiscal Year Ended August 31, 2013

	General Revenue Capital Project Fund (3001)	TPFA Project Fund (7212)	TPFA Project Fund (7214)	TPFA Project Fund (7215)	TPFA Project B Fund (7619)
	U/F (0001)	U/F (7212)	U/F (7214)	U/F (7215)	U/F (7619)
<b>REVENUES</b>					
Other					
Total Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES</b>					
Professional Fees and Services		22,393.07		535,277.43	499,458.67
Materials and Supplies	238,655.38	28,534.38			
Repairs and Maintenance		217,089.23		949,248.88	250,224.17
Rentals & Leases		2,988.98			
Other Expenditures	21,500.03	3,542.00		669,803.70	42,761.00
Capital Outlay		41,880.00	(2,787.00)	83,725.25	55,022.30
Total Expenditures/Expenses	260,155.41	316,427.66	(2,787.00)	2,238,055.26	847,466.14
Excess (Deficiency) of Revenues over Expenditures	(260,155.41)	(316,427.66)	2,787.00	(2,238,055.26)	(847,466.14)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	122,374.12	316,427.66	(2,787.00)	2,238,055.26	847,466.14
Total Other Financing Sources (Uses)	122,374.12	316,427.66	(2,787.00)	2,238,055.26	847,466.14
Net Change in Fund Balances	(137,781.29)	-	-	-	-
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>					
Fund Balances - Beginning	(180,213.41)				
Fund Balances--August 31, 2013	\$ (317,994.70)	\$ -	\$ -	\$ -	\$ -

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



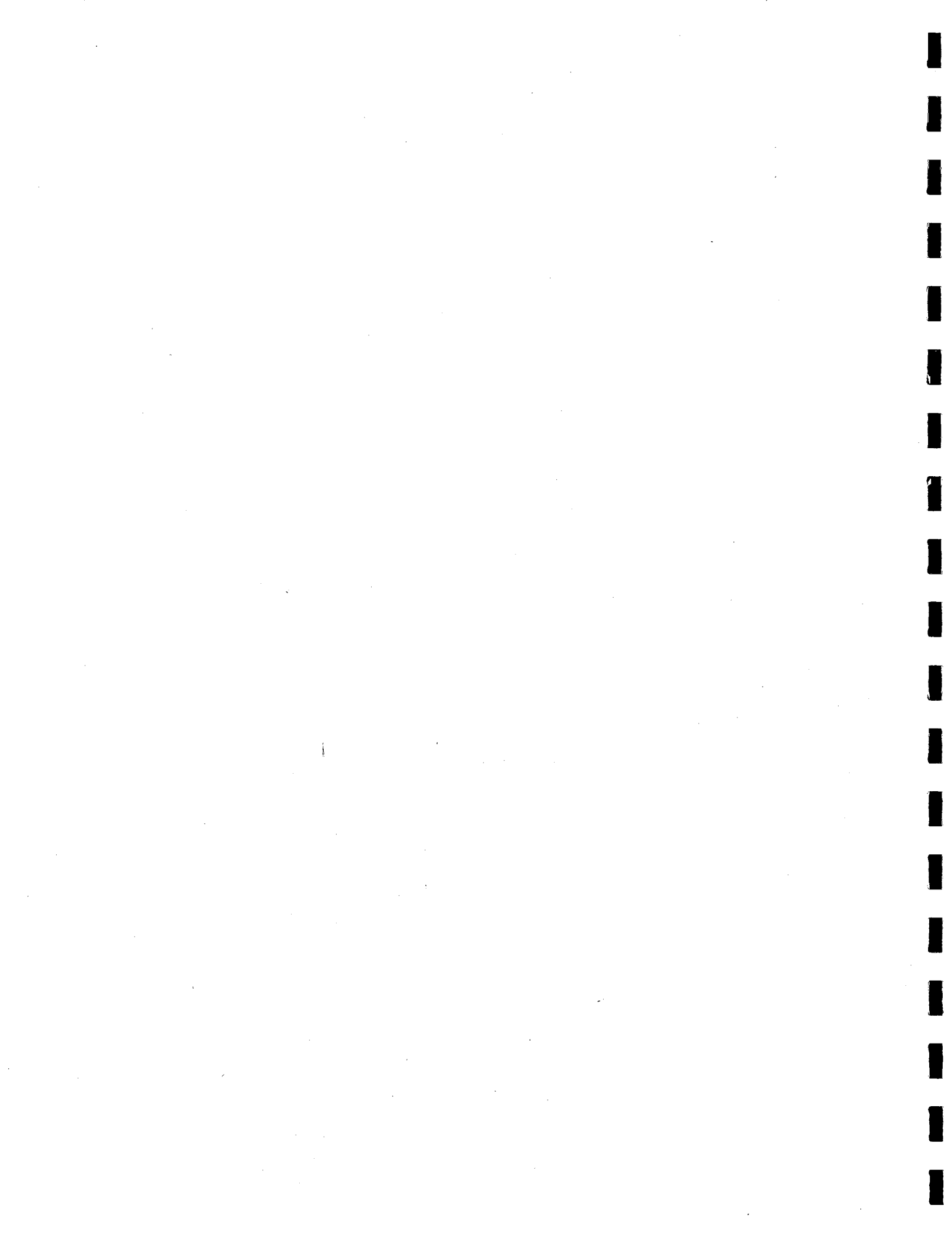
TPFA Project Fund (7630)	TPFA Project Fund (7643)	TPFA Project Fund (7651)	Totals
U/F (7630)	U/F (7643)	U/F (7651)	Exh - II
\$ -	\$ -	\$ (2,472.90)	\$ (2,472.90)
	32,373.85		1,089,503.02
	22,200.00	171,748.75	438,938.51
			1,438,762.28
			2,988.98
			737,606.73
11,035.29		9,218,504.65	9,407,380.49
11,035.29	54,573.85	9,390,253.40	13,115,180.01
(11,035.29)	(54,573.85)	(9,392,726.30)	(13,117,652.91)
11,035.29	54,573.85	9,392,726.30	12,979,871.62
11,035.29	54,573.85	9,392,726.30	12,979,871.62
			(137,781.29)
			(180,213.41)
\$ -	\$ -	\$ -	\$ (317,994.70)



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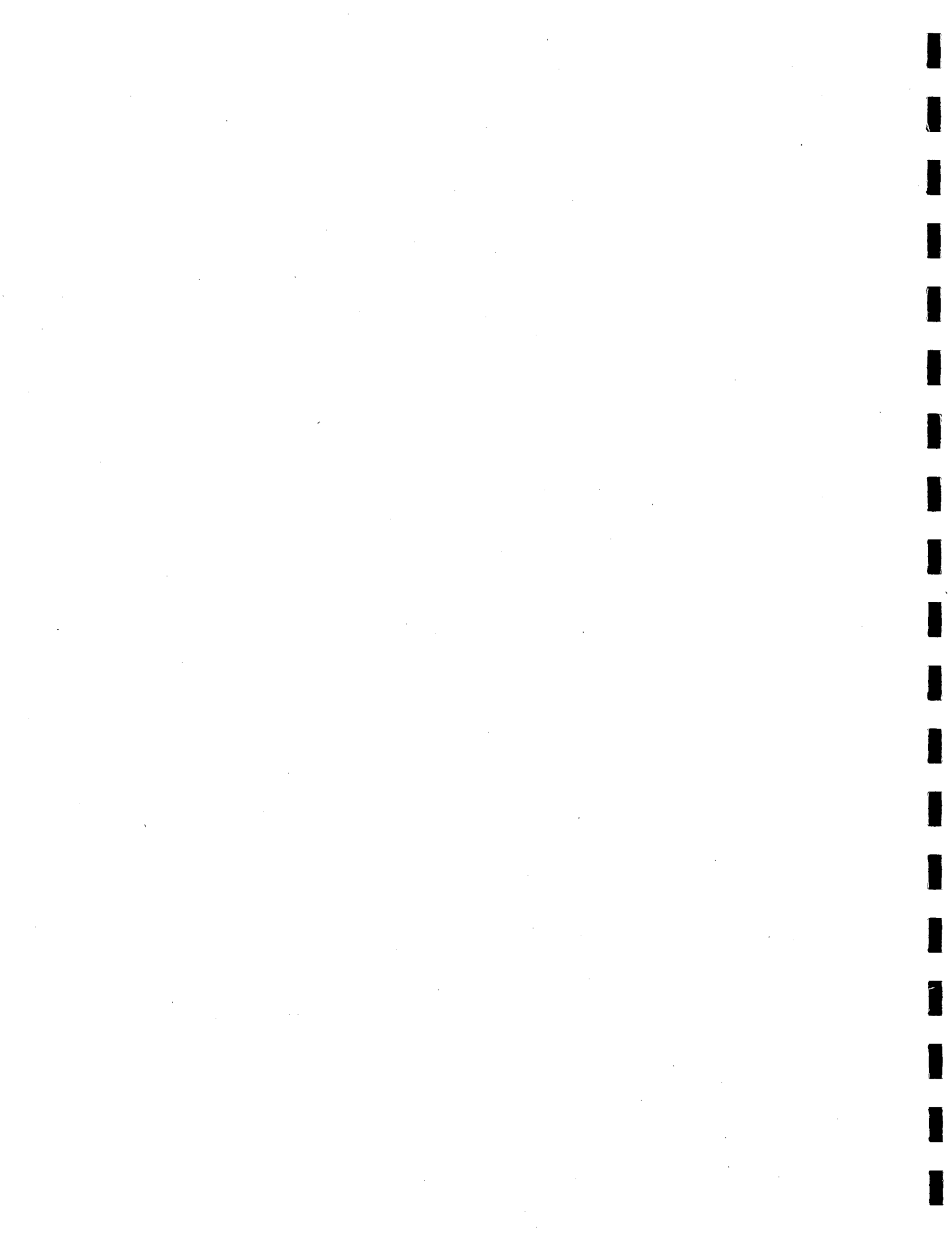
Texas Department of State Health Services (537)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2013

	Beginning Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
<b><u>Radiation/Perpetual Care Security (0880)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury	\$ 5,967.41	\$ 14,889.77	\$ 14,889.77	\$ 5,967.41
Shared Cash	11.00			11.00
<b>Total Assets</b>	<b>5,978.41</b>	<b>14,889.77</b>	<b>14,889.77</b>	<b>5,978.41</b>
<b>LIABILITIES</b>				
Funds Held for Others	5,978.41			5,978.41
<b>Total Liabilities</b>	<b>5,978.41</b>	<b>-</b>	<b>-</b>	<b>5,978.41</b>
<b><u>Asbestos Escrow Account (5880)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury	1,216.88	25.86		1,242.74
<b>Total Assets</b>	<b>1,216.88</b>	<b>25.86</b>	<b>-</b>	<b>1,242.74</b>
<b>LIABILITIES</b>				
Funds Held for Others	1,216.88	25.86	-	1,242.74
<b>Total Liabilities</b>	<b>1,216.88</b>	<b>25.86</b>	<b>-</b>	<b>1,242.74</b>
<b><u>Depository Interest Default Fund (8880)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury	3,861.89	18.71		3,880.60
<b>Total Assets</b>	<b>3,861.89</b>	<b>18.71</b>	<b>-</b>	<b>3,880.60</b>
<b>LIABILITIES</b>				
Funds Held for Others	3,861.89	18.71		3,880.60
<b>Total Liabilities</b>	<b>3,861.89</b>	<b>18.71</b>	<b>-</b>	<b>3,880.60</b>
<b><u>City, County, MTA, and SPD Sales Taxes (0882)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury		15,094.82	15,094.82	-
<b>Total Assets</b>	<b>-</b>	<b>15,094.82</b>	<b>15,094.82</b>	<b>-</b>
<b>LIABILITIES</b>				
Funds Held for Others		15,094.82	15,094.82	-
<b>Total Liabilities</b>	<b>-</b>	<b>15,094.82</b>	<b>15,094.82</b>	<b>-</b>
<b><u>Child Support Addenda Deducts-Suspense (8070)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury	129,515.72	2,372,751.81	2,374,414.53	127,853.00
<b>Total Assets</b>	<b>129,515.72</b>	<b>2,372,751.81</b>	<b>2,374,414.53</b>	<b>127,853.00</b>
<b>LIABILITIES</b>				
Vouchers Payable	-	2,233,039.94	2,233,039.94	-
Funds Held for Others	129,515.72	2,372,751.81	2,374,414.53	127,853.00
<b>Total Liabilities</b>	<b>129,515.72</b>	<b>4,605,791.75</b>	<b>4,607,454.47</b>	<b>127,853.00</b>
<b><u>Departmental Suspense Fund (0900)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury		5,927,583.62	5,927,583.62	-
<b>Total Assets</b>	<b>-</b>	<b>5,927,583.62</b>	<b>5,927,583.62</b>	<b>-</b>
<b>LIABILITIES</b>				
Vouchers Payable				
Funds Held for Others		17,871.68	17,871.68	-
<b>Total Liabilities</b>	<b>-</b>	<b>17,871.68</b>	<b>17,871.68</b>	<b>-</b>
<b><u>Correction Account - Direct Deposit (0980)</u></b>				
<b>ASSETS</b>				
Cash in State Treasury	380.64	60,759.24	59,639.61	1,500.27
<b>Total Assets</b>	<b>380.64</b>	<b>60,759.24</b>	<b>59,639.61</b>	<b>1,500.27</b>
<b>LIABILITIES</b>				
Funds Held for Others	380.64	60,759.24	59,639.61	1,500.27
<b>Total Liabilities</b>	<b>380.64</b>	<b>60,759.24</b>	<b>59,639.61</b>	<b>1,500.27</b>



Texas Department of State Health Services (537)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2013

	Beginning Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
<b>USPS - Direct Deposit Return Money (9014)</b>				
<b>ASSETS</b>				
Cash in State Treasury	5.00	134,594.88	134,475.91	123.97
Total Assets	<u>5.00</u>	<u>134,594.88</u>	<u>134,475.91</u>	<u>123.97</u>
<b>LIABILITIES</b>				
Funds Held for Others	5.00	134,594.88	134,475.91	123.97
Total Liabilities	<u>5.00</u>	<u>134,594.88</u>	<u>134,475.91</u>	<u>123.97</u>
<b>USPS - Overpayments to Employees (9015)</b>				
<b>ASSETS</b>				
Cash in State Treasury	29,749.86	105,172.44	95,576.65	39,345.65
Total Assets	<u>29,749.86</u>	<u>105,172.44</u>	<u>95,576.65</u>	<u>39,345.65</u>
<b>LIABILITIES</b>				
Funds Held for Others	29,749.86	105,172.44	95,576.65	39,345.65
Total Liabilities	<u>29,749.86</u>	<u>105,172.44</u>	<u>95,576.65</u>	<u>39,345.65</u>
<b>Warrant Hold Offset Code 403.0551 (9016)</b>				
<b>ASSETS</b>				
Cash in State Treasury	-	3,815.35	3,815.35	-
Total Assets	<u>-</u>	<u>3,815.35</u>	<u>3,815.35</u>	<u>-</u>
<b>LIABILITIES</b>				
Funds Held for Others	-	3,815.35	3,815.35	-
Total Liabilities	<u>-</u>	<u>3,815.35</u>	<u>3,815.35</u>	<u>-</u>
<b>Unappropriated Collect General Revenue (0002)</b>				
<b>ASSETS</b>				
Cash in State Treasury	-	61,412,775.53	61,412,685.53	90.00
Shared Cash	-	-	90.00	(90.00)
Total Assets	<u>-</u>	<u>61,412,775.53</u>	<u>61,412,775.53</u>	<u>-</u>
<b>LIABILITIES</b>				
Vouchers Payable	-	134,216.40	134,216.40	-
Funds Held for Others	-	61,396,805.55	61,396,805.55	-
Total Liabilities	<u>-</u>	<u>61,396,805.55</u>	<u>61,396,805.55</u>	<u>-</u>
<b>Radiation/Perpetual Care (5096)</b>				
<b>ASSETS</b>				
Cash in State Treasury	65,633.18			65,633.18
Shared Cash	(65,633.18)			(65,633.18)
Other Assets	65,681,395.81			65,681,395.81
Total Assets	<u>65,681,395.81</u>	<u>-</u>	<u>-</u>	<u>65,681,395.81</u>
<b>LIABILITIES</b>				
Funds Held for Others	65,681,395.81			65,681,395.81
Total Liabilities	<u>65,681,395.81</u>	<u>-</u>	<u>-</u>	<u>65,681,395.81</u>
<b>Custodial Trust Fund (7999)</b>				
<b>ASSETS</b>				
Cash in Bank	(19,695.60)	3,365,695.96	3,275,876.11	70,124.25
Cash Equivalents-Miscellaneous Investments	118,375.00	(16,368.87)		102,006.13
Repurchase Agreements	497,739.43		58,035.29	439,704.14
Total Assets	<u>596,418.83</u>	<u>3,349,327.09</u>	<u>3,333,911.40</u>	<u>611,834.52</u>
<b>LIABILITIES</b>				
Funds Held For Others	596,394.86	3,349,351.06	3,333,911.40	611,834.52
CI Other Liabilities	23.97	(23.97)		-
Total Liabilities	<u>596,418.83</u>	<u>3,349,327.09</u>	<u>3,333,911.40</u>	<u>611,834.52</u>
<b>Merchandise Coupon Fund (7999)</b>				
<b>ASSETS</b>				
Cash in Bank	11,163.78	17,386.04	16,993.07	11,556.75
Total Assets	<u>11,163.78</u>	<u>17,386.04</u>	<u>16,993.07</u>	<u>11,556.75</u>
<b>LIABILITIES</b>				
CI Other Liabilities	11,163.78	17,386.04	16,993.07	11,556.75
Total Liabilities	<u>11,163.78</u>	<u>17,386.04</u>	<u>16,993.07</u>	<u>11,556.75</u>

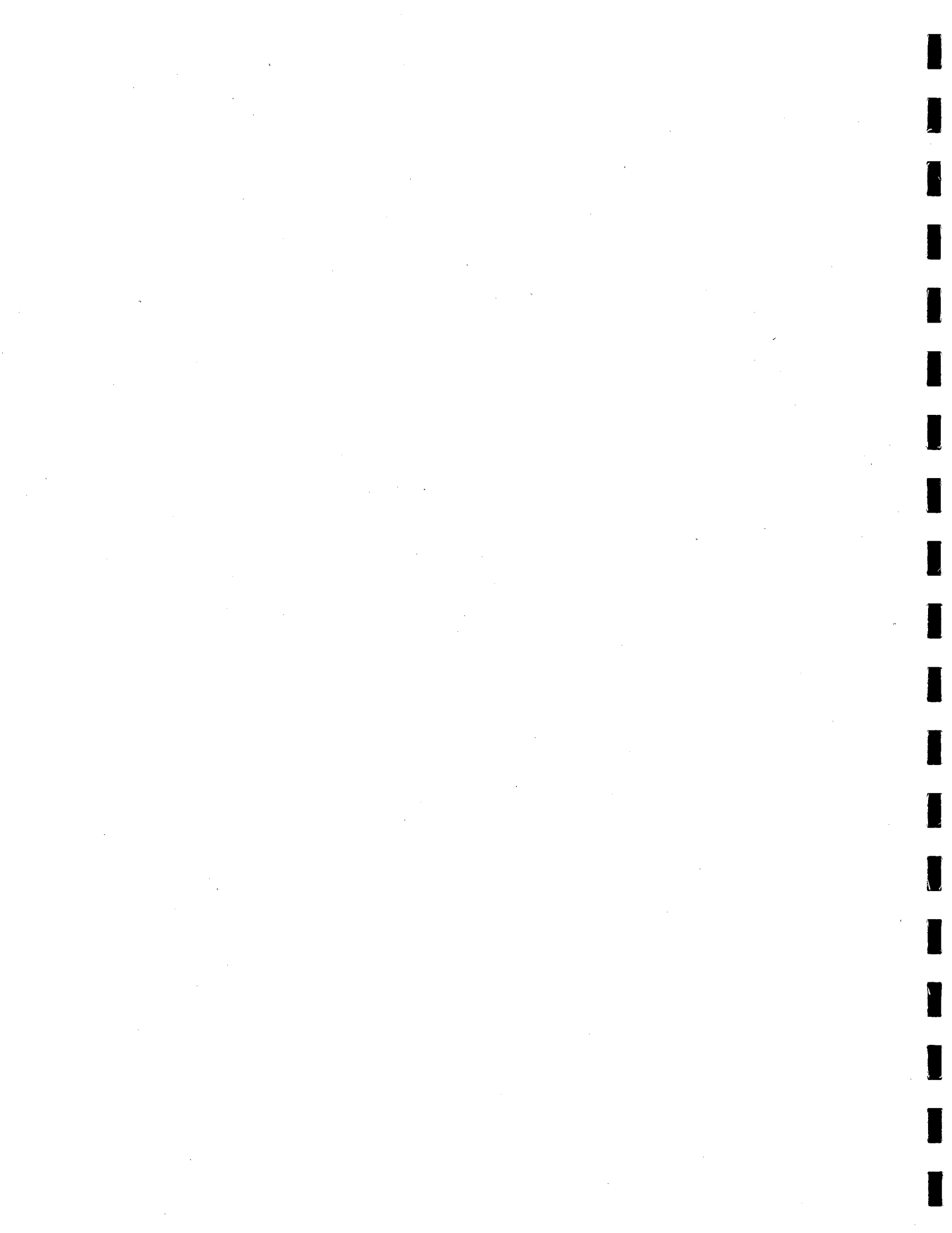


## UNAUDITED

Texas Department of State Health Services (537)  
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds  
 August 31, 2013

	Beginning Balance September 1, 2012	Additions	Deductions	Ending Balance August 31, 2013
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash in Bank	\$ (8,531.82)	\$ 3,383,082.00	\$ 3,292,869.18	\$ 81,681.00
Cash in State Treasury	236,330.58	70,047,482.03	70,038,175.79	245,636.82
Shared Cash	(65,622.18)	-	90.00	(65,712.18)
Other Assets	65,681,395.81	-	-	65,681,395.81
Cash Equivalents-Miscellaneous Investments	118,375.00	-	-	102,006.13
Repurchase Agreements	497,739.43	-	58,035.29	439,704.14
<b>Total Assets</b>	<u>66,459,686.82</u>	<u>73,430,564.03</u>	<u>73,389,170.26</u>	<u>66,484,711.72</u>
<b>LIABILITIES</b>				
Vouchers Payable	-	2,233,039.94	2,233,039.94	-
Funds Held for Others	66,448,499.07	67,456,261.40	67,431,605.50	66,473,154.97
Other Liabilities	11,187.75	17,362.07	16,993.07	11,556.75
<b>Total Liabilities</b>	<u>\$ 66,459,686.82</u>	<u>\$ 69,706,663.41</u>	<u>\$ 69,681,638.51</u>	<u>\$ 66,484,711.72</u>

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





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## Supplementary Schedules

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UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
<b>U. S. Department of Agriculture</b>					
Country of Origin - Food Labeling	10.000	12-25-A-5448			\$ 41,212.50
Cooperative Agreements for Intrastate Meat and Poultry Inspection	10.475				4,829,959.52
Special Supplemental Nutrition Programs for Women, Infants and Children	10.557				723,810,231.39
Pass Through To:					
Texas A&M University (711)					159,905.87
University of Texas Medical Branch at Galveston (723)					7,134,063.36
University of Texas Health Science Center Houston (744)					4,489,709.90
WIC Farmers' Market Nutrition Program	10.572				
WIC Grants to States - ARRA	10.578				816,180.06
Child Nutrition Discretionary Grants Limited Availability	10.579				540,966.38
Totals - U. S. Department of Agriculture					<u>741,822,228.98</u>
<b>Department of Housing and Urban Development</b>					
Housing Opportunities for Persons with AIDS	14.241				3,221,768.86
Totals-Department of Housing and Urban Development					<u>3,221,768.86</u>
<b>General Services Administration</b>					
Donation of Federal Surplus Personal Property (NON-MONETARY)	39.003				
Pass Through From:					
Texas Facilities Commission (303)			303	6,490.71	
Totals-General Services Administration				<u>6,490.71</u>	
<b>Environmental Protection Agency</b>					
Air Pollution Control Program Support	66.001				352,831.68
State Indoor Radon Grants	66.032				57,605.84
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034				56,365.17
Water Pollution Control State, Interstate, and Tribal Program Support	66.419				
Pass Through From:					
Texas Commission on Environmental Quality (582)			582	96,965.05	
Toxic Substance Compliance Monitoring Cooperative Agreements	66.701				137,269.08
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707				286,479.20
Totals - Environmental Protection Agency				<u>96,965.05</u>	<u>890,550.97</u>
<b>U. S. Department of Energy</b>					
Pass Through From:					
State Energy Conservation Office (907)					
Transport of Transuranic Waste	81.106		907	197,421.28	
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt, Emergency Response Research, Outreach, Technical Analysis	81.214		907	217,628.78	
Totals - U. S. Department of Energy				<u>415,050.06</u>	

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Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
\$ 41,212.50				\$ 41,212.50	\$ 41,212.50
4,829,959.52				4,829,959.52	4,829,959.52
723,810,231.39			132,505,048.92	591,305,182.47	723,810,231.39
159,905.87	711	159,905.87			159,905.87
7,134,063.36	723	7,134,063.36			7,134,063.36
4,489,709.90	744	4,489,709.90			4,489,709.90
816,180.06				816,180.06	816,180.06
540,966.38				540,966.38	540,966.38
<u>741,822,228.98</u>		<u>11,783,679.13</u>	<u>132,505,048.92</u>	<u>597,533,500.93</u>	<u>741,822,228.98</u>
3,221,768.86			2,748,646.90	473,121.96	3,221,768.86
<u>3,221,768.86</u>			<u>2,748,646.90</u>	<u>473,121.96</u>	<u>3,221,768.86</u>
6,490.71				6,490.71	6,490.71
<u>6,490.71</u>				<u>6,490.71</u>	<u>6,490.71</u>
352,831.68				352,831.68	352,831.68
57,605.84				57,605.84	57,605.84
56,365.17				56,365.17	56,365.17
96,965.05				96,965.05	96,965.05
137,269.08				137,269.08	137,269.08
286,479.20				286,479.20	286,479.20
<u>987,516.02</u>				<u>987,516.02</u>	<u>987,516.02</u>
197,421.28				197,421.28	197,421.28
217,628.78				217,628.78	217,628.78
<u>415,050.06</u>				<u>415,050.06</u>	<u>415,050.06</u>

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TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
<b>U. S. Department of Health and Human Services</b>					
Cancer Registry - ARRA	93.000				
Pass Through To:					
University of Texas Health Science Cntr @ Houston (744)	93.000	635243-101S-1570			1,113,240.18
Adult Blood Lead Epidemiology and Surveillance	93.000	214-2011-M-39669			27,127.73
Establish and Maintain the National Death Index	93.000	200-2012M-50202			253,432.00
Maternal Mortality Surveillance	93.000	200-2012-50843-0002			1,013,138.43
Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018				672,296.80
Pass Through To:					
Texas A&M University (711)					
University of Texas Health Science Center Houston (744)					
Laboratory Training, Evaluation and Quality Assurance Programs	93.064				
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	93.065				
Public Health Emergency Preparedness	93.069				42,438,426.83
Pass Through To:					
Commission on State Emergency Communications (477)					64,629.63
Texas A&M AgriLife Extension Service (555)					140,865.76
Texas A&M University System Health Science Center (709)					250,645.31
Texas A&M Engineering Extension Service (716)					157,150.92
University of Texas at Austin (721)					526,038.53
University of Texas Medical Branch at Galveston (723)					62,959.36
Texas A&M University (733)					185,521.17
Texas Tech University Health Sciences Center (739)					55,940.96
University of Texas Health Science Center at San Antonio (745)					54,512.42
University of Texas Health Center at Tyler (785)					218,675.56
Environmental Public Health and Emergency Response	93.070				268,629.50
Pass Through To:					
University of North Texas Health Science Cntr at Fort Worth (763)					37,877.68
Food and Drug Administration Research	93.103				1,592,254.03
Pass Through To:					
Texas AgriLife Research (556)					72,071.26
Maternal and Child Health Federal Consolidated Programs	93.110				(1,352,825.66)
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116				5,767,409.75
Pass Through To:					
University of Texas Health Center at Tyler (785)					547,576.30
Primary Care Services Resource Coordination and Development	93.130				238,328.89
Injury Prevention and Control Research and State and Community Based Programs	93.136				(1,794.55)
Pass Through To:					
Office of the Attorney General (302)					2,535,565.79
Projects for Assistance in Transition from Homelessness (PATH)	93.150				4,456,488.28
Hansen's Disease National Ambulatory Care Program	93.215				440,014.95
Family Planning Services	93.217				20,905,737.40
Abstinence Education Program	93.235				6,353,325.22
Pass Through To:					
University of Texas Health Science Center Houston (744)					177,374.12
Program to Conduct & Coordinate Site Specific Activities	93.240				339,241.91
Substance Abuse & Mental Health Services	93.243				2,160,896.46
Pass Through To:					
University of Texas at Austin (721)					44,434.75

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Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
1,113,240.18	744	292,647.87		820,592.31	1,113,240.18
27,127.73				27,127.73	27,127.73
253,432.00				253,432.00	253,432.00
1,013,138.43				1,013,138.43	1,013,138.43
672,296.80			(1,282.55)	673,579.35	672,296.80
	711	(37.95)		37.95	
	744				
42,438,426.83			23,951,808.47	18,486,618.36	42,438,426.83
64,629.63	477	64,629.63			64,629.63
140,865.76	555	140,865.76			140,865.76
250,645.31	709	250,645.31			250,645.31
157,150.92	716	157,150.92			157,150.92
526,038.53	721	526,038.53			526,038.53
62,959.36	723	62,959.36			62,959.36
185,521.17	733	185,521.17			185,521.17
55,940.96	739	55,940.96			55,940.96
54,512.42	745	54,512.42			54,512.42
218,675.56	785	218,675.56			218,675.56
268,629.50			263,121.69	5,507.81	268,629.50
37,877.68	763	37,877.68			37,877.68
1,592,254.03				1,592,254.03	1,592,254.03
72,071.26	556	72,071.26			72,071.26
(1,352,825.66)				(1,352,825.66)	(1,352,825.66)
5,767,409.75			3,245,240.99	2,522,168.76	5,767,409.75
547,576.30	785	547,576.30			547,576.30
238,328.89				238,328.89	238,328.89
(1,794.55)				(1,794.55)	(1,794.55)
2,535,565.79	302	2,535,565.79			2,535,565.79
4,456,488.28			4,354,270.63	102,217.65	4,456,488.28
440,014.95			(138,892.49)	578,907.44	440,014.95
20,905,737.40			10,517,014.53	10,388,722.87	20,905,737.40
6,353,325.22			2,709,128.18	3,644,197.04	6,353,325.22
177,374.12	744	177,374.12			177,374.12
339,241.91				339,241.91	339,241.91
2,160,896.46			1,556,903.63	603,992.83	2,160,896.46
44,434.75	721	44,434.75			44,434.75

UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Universal Newborn Hearing Screening	93.251				193,879.99
Pass Through To:					
University of Texas at Austin (721)					19,634.16
Occupational Safety and Health Program	93.262				122,777.77
Adult Viral Hepatitis Prevention and Control	93.270				94,705.70
Centers for Disease Control Prevention - Investigations and Technical Assistance	93.283				11,823,219.71
Pass Through To:					
Texas A&M University Health Science Center (709)					28,895.19
Texas A&M University (711)					113,116.77
University of Texas at Austin (721)					113,827.55
University of Texas Medical Branch at Galveston (723)					262,719.24
Texas Tech Health Science Center (739)					24,992.10
University of Texas Health Science Center Houston (744)					223,084.69
University of North Texas Health Science Cntr @ Fort Worth (763)					18,787.23
State Primary Care Offices - <b>ARRA</b>	93.414				1,098.03
Pass Through To:					
University of Texas at Austin (721)					3,021.27
University of Texas Medical Branch at Galveston (723)					255,076.41
Food Safety and Security Monitoring	93.448				226,500.91
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507				398,520.37
Pass Through To:					
University of North Texas Health Science Center Fort Worth(763)					27,138.65
CDC Communities Putting Prevention to Work - <b>Affordable Care Act</b>	93.520				58,976.19
Pass Through To:					
University of Texas at Austin (721)					101,484.56
Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements - <b>ACA</b>	93.521				698,580.62
HIV Prevention and Public Health Fund Activities - <b>ACA</b>	93.523				772,514.18
Pass Through To:					
University of Texas Southwestern Medical Center at Dallas (729)					99,695.54
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531				9,796,632.05
Pass Through To:					
Texas AgriLife Research (555)					464,195.74
University of Texas Medical Branch at Galveston (723)					476,860.37
Texas Tech Health Science Center (739)					587,035.68
University of Texas Health Science Center Houston (744)					392,599.75
University of North Texas Health Science Center Fort Worth(763)					941,963.28
University of Texas Health Science Center - Tyler (785)					543,570.24
PPHF: Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539				231,577.82
Coordinated Chronic Disease Prevention and Health Promotion Program <b>ACA</b>	93.544				478,042.08
Refugee and Entrant Assistance-Discretionary Grants	93.576				58,678.80
Temporary Assistance to Needy Families to Title XX	93.667				
Pass Through To:					
University of Texas Medical Branch at Galveston (723)					1,355.00
Prevention and Wellness-State, Territories and Pacific Islands <b>ARRA</b>	93.723				61,424.27
Prevention and Wellness - Communities Putting Prevention to Work Funding Opportunities Announcement - <b>ARRA</b>	93.724				448,654.56

UNAUDITED

Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
193,879.99				193,879.99	193,879.99
19,634.16	721	19,634.16			19,634.16
122,777.77				122,777.77	122,777.77
94,705.70				94,705.70	94,705.70
11,823,219.71			4,802,062.72	7,021,156.99	11,823,219.71
28,895.19	709	28,895.19			28,895.19
113,116.77	711	113,116.77			113,116.77
113,827.55	721	113,827.55			113,827.55
262,719.24	723	262,719.24			262,719.24
24,992.10	739	24,992.10			24,992.10
223,084.69	744	223,084.69			223,084.69
18,787.23	763	18,787.23			18,787.23
1,098.03				1,098.03	1,098.03
3,021.27	721	3,021.27			3,021.27
255,076.41	723	255,076.41			255,076.41
226,500.91				226,500.91	226,500.91
398,520.37				398,520.37	398,520.37
27,138.65	763	27,138.65			27,138.65
58,976.19				58,976.19	58,976.19
101,484.56	721	101,484.56			101,484.56
698,580.62			176,309.51	522,271.11	698,580.62
772,514.18			383,423.20	389,090.98	772,514.18
99,695.54	729	99,695.54			99,695.54
9,796,632.05			6,119,325.74	3,677,306.31	9,796,632.05
464,195.74	555	464,195.74			464,195.74
476,860.37	723	476,860.37			476,860.37
587,035.68	739	587,035.68			587,035.68
392,599.75	744	392,599.75			392,599.75
941,963.28	763	941,963.28			941,963.28
543,570.24	785	543,570.24			543,570.24
231,577.82				231,577.82	231,577.82
478,042.08				478,042.08	478,042.08
58,678.80			21,668.12	37,010.68	58,678.80
1,355.00	723	360,675.76		(359,320.76)	1,355.00
61,424.27				61,424.27	61,424.27
448,654.56				448,654.56	448,654.56

UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Health Information Technology & Public Health - ARRA	93.729				9,279.00
Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.733				584,000.00
Health Information Technology & Public Health - ARRA	93.735				1,281,474.61
Money Follows the Person Rebalancing Demonstration	93.791				
Pass Through From:					
Health and Human Services Commission (529)			529	1,703,331.07	
Pass Through To:					
University of Texas Health Science Center at San Antonio (745)					
National Bioterrorism Hospital Preparedness Program	93.889				25,642,791.64
Pass Through To:					
Department of Public Safety (405)					699,519.40
Texas Tech University (733)					28,858.57
University of Texas Health Center at Tyler(785)					34,271.84
HIV Care Grants	93.917				88,789,389.63
Pass Through To:					
Department of Criminal Justice (696)					167,003.81
University of Texas Medical Branch at Galveston (723)					116,391.95
HIV Prevention Activity	93.940				14,093,180.37
Pass Through To:					
Texas A&M University (711)					323,515.82
University of Texas at Austin (721)					401,892.56
University of Texas Southwestern Medical Center at Dallas (729)					952,537.47
Texas Tech Health Science Center (739)					233,687.22
University of Texas Health Science Center at San Antonio (745)					174,945.65
University of Texas Health Center at Tyler(785)					41,643.81
HIV/AIDS Surveillance	93.944				2,924,016.74
Pass Through To:					
University of Texas Southwestern Medical Center at Dallas (729)					524,569.66
Assistance Programs for Chronic Disease Prevention and Control	93.945				69,871.96
Pregnancy Risk Assessment	93.946				123,448.35
Block Grants for Community Mental Health Service	93.958				33,653,804.28
Pass Through To:					
University of Texas at Austin (721)					498,435.58
University of Texas Health Science Center @ San Antonio (745)					288,622.28
Substance Abuse Prevention/Treatment Block Grant	93.959				115,447,924.05
Pass Through To:					
Texas A&M University (711)					140,469.57
University of Texas at Arlington (714)					441,813.18
University of Texas at Austin (721)					112,931.52
Preventative Health Services-STD	93.977				6,638,684.76
Mental Health Disaster Assistance and Emergency Mental Health	93.982				169,224.29
State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988				495,930.22
Pass Through To:					
Texas AgriLife Extension (555)					139,777.13
University of Texas at Austin (721)					25,955.89
Preventative Health and Health Services Block Grant	93.991				2,111,731.92
Pass Through To:					
Office of the Attorney General (302)					589,847.63



UNAUDITED

Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
9,279.00				9,279.00	9,279.00
584,000.00				584,000.00	584,000.00
1,281,474.61				1,281,474.61	1,281,474.61
645,628.15			645,628.15		645,628.15
1,057,702.92				211,585.38	211,585.38
	745	846,117.54			846,117.54
25,642,791.64			20,830,021.85	4,812,769.79	25,642,791.64
699,519.40	405	699,519.40			699,519.40
28,858.57	733	28,858.57			28,858.57
34,271.84	785	34,271.84			34,271.84
88,789,389.63			19,453,986.11	69,335,403.52	88,789,389.63
167,003.81	696	167,003.81			167,003.81
116,391.95	723	116,391.95			116,391.95
14,093,180.37			10,385,775.93	3,707,404.44	14,093,180.37
323,515.82	711	323,515.82			323,515.82
401,892.56	721	401,892.56			401,892.56
952,537.47	729	952,537.47			952,537.47
233,687.22	739	233,687.22			233,687.22
174,945.65	745	174,945.65			174,945.65
41,643.81	785	41,643.81			41,643.81
2,924,016.74			658,766.17	2,265,250.57	2,924,016.74
524,569.66	729	524,569.66			524,569.66
69,871.96				69,871.96	69,871.96
123,448.35				123,448.35	123,448.35
33,653,804.28			25,366,016.04	8,287,788.24	33,653,804.28
498,435.58	721	498,435.58			498,435.58
288,622.28	745	288,622.28			288,622.28
115,447,924.05			93,233,312.97	22,214,611.08	115,447,924.05
140,469.57	711	140,469.57			140,469.57
441,813.18	714	441,813.18			441,813.18
112,931.52	721	112,931.52			112,931.52
6,638,684.76			4,648,693.64	1,989,991.12	6,638,684.76
169,224.29			137,964.39	31,259.90	169,224.29
495,930.22			127,660.28	368,269.94	495,930.22
139,777.13	555	139,777.13			139,777.13
25,955.89	721	25,955.89			25,955.89
2,111,731.92			1,879,004.53	232,727.39	2,111,731.92
589,847.63	302	589,847.63			589,847.63

UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Maternal and Child Health Services Block Grant	93.994				34,551,737.73
Pass Through To:					
Texas A&M AgriLife Extension Service (555)					352,334.33
University of Texas Medical Branch at Galveston (723)					173,290.79
University of Texas Health Science Center Houston (744)					281,557.18
University of Texas Health Science Center San Antonio (745)					199,978.21
Pass Through From:					
Affordable Care Act (ACA) Childhood Obesity Research Demonstration	93.535				
University of Texas Health Science Cntr @ Houston (744)			744	9,615.00	
Refugee and Entrant Assistance_State Administered Programs	93.566				
Health and Human Service Commission (529)			529	8,401,904.32	
Social Services Block Grant	93.667				
Health and Human Service Commission (529)			529	26,568,539.35	
Totals - U. S. Department of Health and Human Services				36,683,389.74	455,512,384.74
<b>Social Security Administration</b>					
Birth Records for the State of Texas	96.000	SS00-08-60062			940,205.10
Online Access to Vital Records	96.000	SS06-12-52004			37,105.00
	96.000	5500-12-600600			166,805.91
Social Security Research and Demonstration	96.007				123,462.28
Totals - Social Security Administration					1,267,578.29
<b>U. S. Department of Homeland Security</b>					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036				
Pass Through From					
Department of Public Safety (405)			405	262,363.33	
Emergency Management Performance Grants	97.042				
Pass Through From					
Department of Public Safety (405)			405	438,704.84	
Fire Management Assistance Grant	97.036				
Pass Through From					
Department of Public Safety (405)			405	2,453.36	
Homeland Security Grant Program	97.039				
Pass Through From					
Department of Public Safety (405)			405	66,373.28	
Totals - U. S. Department of Homeland Security				769,894.81	
<b>Immunization Cluster</b>					
<b>U. S. Department of Health and Human Services</b>					
Child Immunization Program (NON-MONETARY)	93.268				365,557,162.05
Child Immunization Program	93.268				20,140,977.66
Pass Through To:					
University of North Texas (752)					183,740.24
Totals - U. S. Department of Health and Human Services					385,881,879.95

UNAUDITED

Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
34,551,737.73			8,625,054.84	25,926,682.89	34,551,737.73
352,334.33	555	352,334.33			352,334.33
173,290.79	723	173,290.79			173,290.79
281,557.18	744	281,557.18			281,557.18
199,978.21	745	199,978.21			199,978.21
9,615.00				9,615.00	9,615.00
8,401,904.32			8,196,405.13	205,499.19	8,401,904.32
26,568,539.35			21,194,185.84	5,374,353.51	26,568,539.35
<u>492,195,774.48</u>		<u>18,272,792.21</u>	<u>273,342,578.24</u>	<u>200,580,404.03</u>	<u>492,195,774.48</u>
940,205.10				940,205.10	940,205.10
37,105.00				37,105.00	37,105.00
166,805.91				166,805.91	166,805.91
123,462.28				123,462.28	123,462.28
<u>1,267,578.29</u>				<u>1,267,578.29</u>	<u>1,267,578.29</u>
262,363.33			23,674.93	238,688.40	262,363.33
438,704.84				438,704.84	438,704.84
2,453.36				2,453.36	2,453.36
66,373.28				66,373.28	66,373.28
<u>769,894.81</u>			<u>23,674.93</u>	<u>746,219.88</u>	<u>769,894.81</u>
365,557,162.05				365,557,162.05	365,557,162.05
20,140,977.66			8,558,231.12	11,582,746.54	20,140,977.66
183,740.24	752	183,740.24			183,740.24
<u>385,881,879.95</u>		<u>183,740.24</u>	<u>8,558,231.12</u>	<u>377,139,908.59</u>	<u>385,881,879.95</u>

UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
<b>Child Nutrition Cluster</b>					
<b>U. S. Department of Agriculture</b>					
Pass Through From:					
Department of Agriculture (551)					
School Breakfast Program	10.553		551	130,856.05	
National School Lunch Program (NON-MONETARY)	10.555		551	16,686.18	
National School Lunch Program	10.555		551	249,693.48	
Totals - U. S. Department of Agriculture				<u>397,235.71</u>	
<b>Highway Safety Cluster</b>					
<b>U. S. Department of Transportation</b>					
Pass Through From:					
Department of Transportation (601)					
State and Community Highway Safety	20.600		601	930,061.98	
State Traffic Safety Information System Improvement Grants	20.610		601	808,214.89	
Totals - U. S. Department of Transportation				<u>1,738,276.87</u>	
<b>Medicaid Cluster</b>					
<b>U. S. Department of Health and Human Services</b>					
Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection Prevention Initiative					
	93.720				
State Survey and Certification of Health Care Providers and Suppliers	93.777				1,321,152.14
Pass Through From:					
Department of Aging and Disability Services (539)					
			539	4,000,850.00	
Medical Assistance Program	93.778				3,463,147.59
Pass Through From:					
Health and Human Services Commission (529)					
			529	215,171,240.32	
Totals - U. S. Department of Health and Human Services				<u>219,172,090.32</u>	<u>4,784,299.73</u>
<b>TANF Cluster</b>					
<b>U. S. Department of Health and Human Services</b>					
Temporary Assistance for Needy Families	93.558				3,437,541.69
Pass Through To:					
University of Texas Medical Branch at Galveston (723)					
					872,425.82
Totals - U. S. Department of Health and Human Services					<u>4,309,967.51</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>				<u>259,279,393.27</u>	<u>1,597,690,659.03</u>

UNAUDITED

Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
130,856.05				130,856.05	130,856.05
16,686.18				16,686.18	16,686.18
249,693.48				249,693.48	249,693.48
<u>397,235.71</u>				<u>397,235.71</u>	<u>397,235.71</u>
930,061.98				930,061.98	930,061.98
808,214.89				808,214.89	808,214.89
<u>1,738,276.87</u>				<u>1,738,276.87</u>	<u>1,738,276.87</u>
1,321,152.14				1,321,152.14	1,321,152.14
4,000,850.00				4,000,850.00	4,000,850.00
3,463,147.59			1,331,756.50	2,131,391.09	3,463,147.59
215,171,240.32				215,171,240.32	215,171,240.32
<u>223,956,390.05</u>			<u>1,331,756.50</u>	<u>222,624,633.55</u>	<u>223,956,390.05</u>
3,437,541.69				3,437,541.69	3,437,541.69
872,425.82	723	872,425.82			872,425.82
<u>4,309,967.51</u>		<u>872,425.82</u>		<u>3,437,541.69</u>	<u>4,309,967.51</u>
<u>1,856,970,052.30</u>		<u>31,112,637.40</u>	<u>418,509,936.61</u>	<u>1,407,347,478.29</u>	<u>1,856,970,052.30</u>



**TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)**  
**Schedule 1A - Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended August 31, 2013**

**Note 1 - NonMonetary Assistance**

The Childhood Immunization Program (CFDA 93.268) received vaccines from the US Department of Health and Human Services - Center for Disease Control. The dollar value of the vaccines for the fiscal year ended August 31, 2013 was \$365,557,162.05

The agency received food from the US Department of Agriculture as part of the National School Lunch Program (CFDA 10.555). The dollar value of food for the fiscal year ended August 31, 2013 was \$ 16,686.18.

The agency received personal property as part of the General Service Administration donation of Federal Surplus Personal Property (CFDA 39.003). The dollar value of personal property for the fiscal year ended August 31, 2013 was \$6,490.71.

**Note 2 - Reconciliation**

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

Federal Revenues	\$ 980,716,326.25
Federal Pass Through Revenues	<u>259,256,216.38</u>
	<u>1,239,972,542.63</u>

Reconciling Items:

Non-Monetary Assistance 93.268 - Note 1	365,557,162.05
Non-Monetary Assistance 10.555 - Note 1	16,686.18
Non-Monetary Assistance 39.003 - Note 1	6,490.71
WIC Program 10.557 - Note 6	<u>251,961,307.02</u>
	<u>617,541,645.96</u>

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

Department of Justice/FBI Birth Verifications	(4,532.00)
Office of Personnel Management Birth Verifications	(150,084.00)
Food & Drug Administration - Tobacco Enforcement	<u>(389,520.29)</u>
	<u>(544,136.29)</u>

Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards	<u><u>\$ 1,856,970,052.30</u></u>
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**Note 3 - Student Loans**

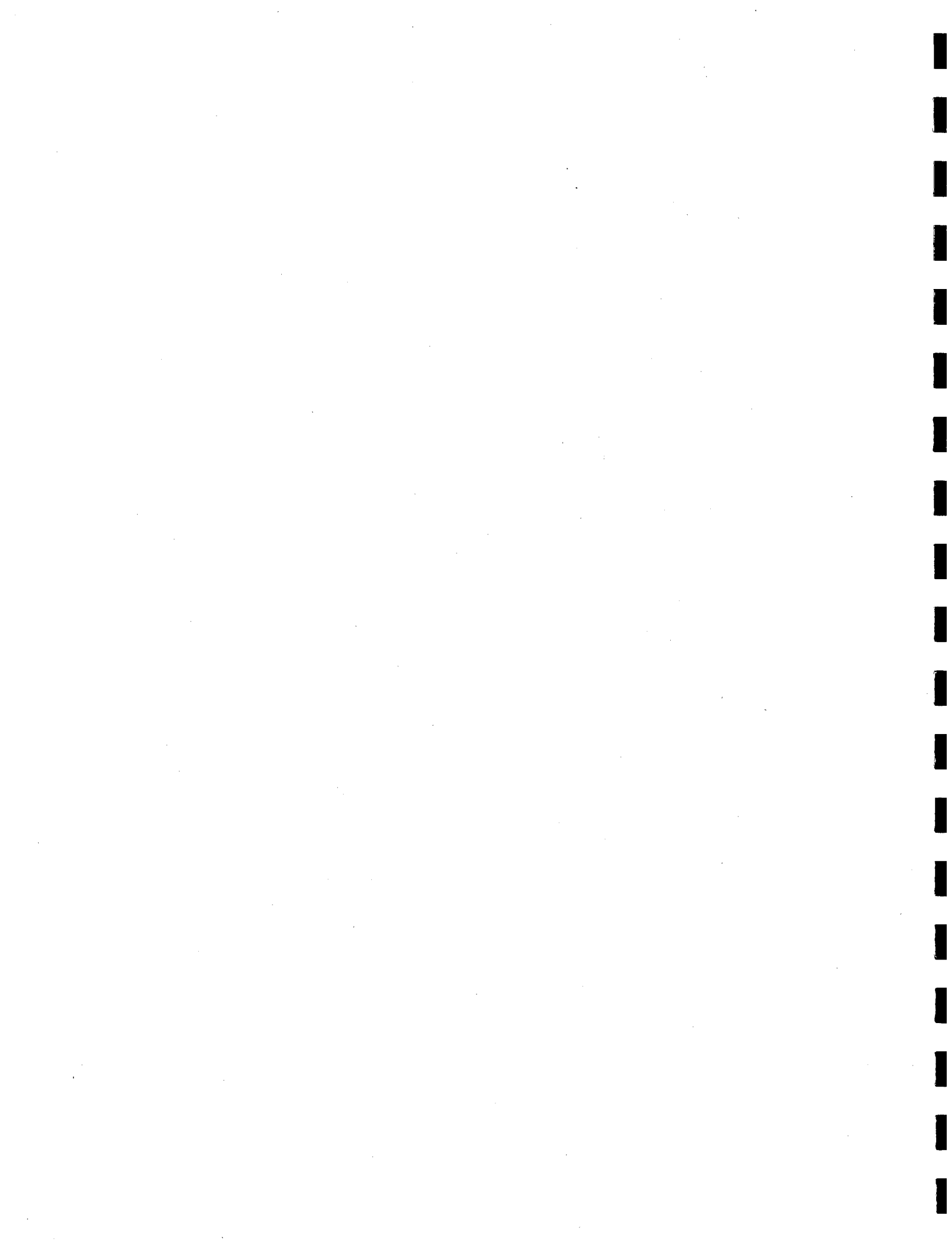
This note is not applicable to the Department of State Health Services.

**Note 4 - Government Publications**

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

**Note 5 - Unemployment Insurance**

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





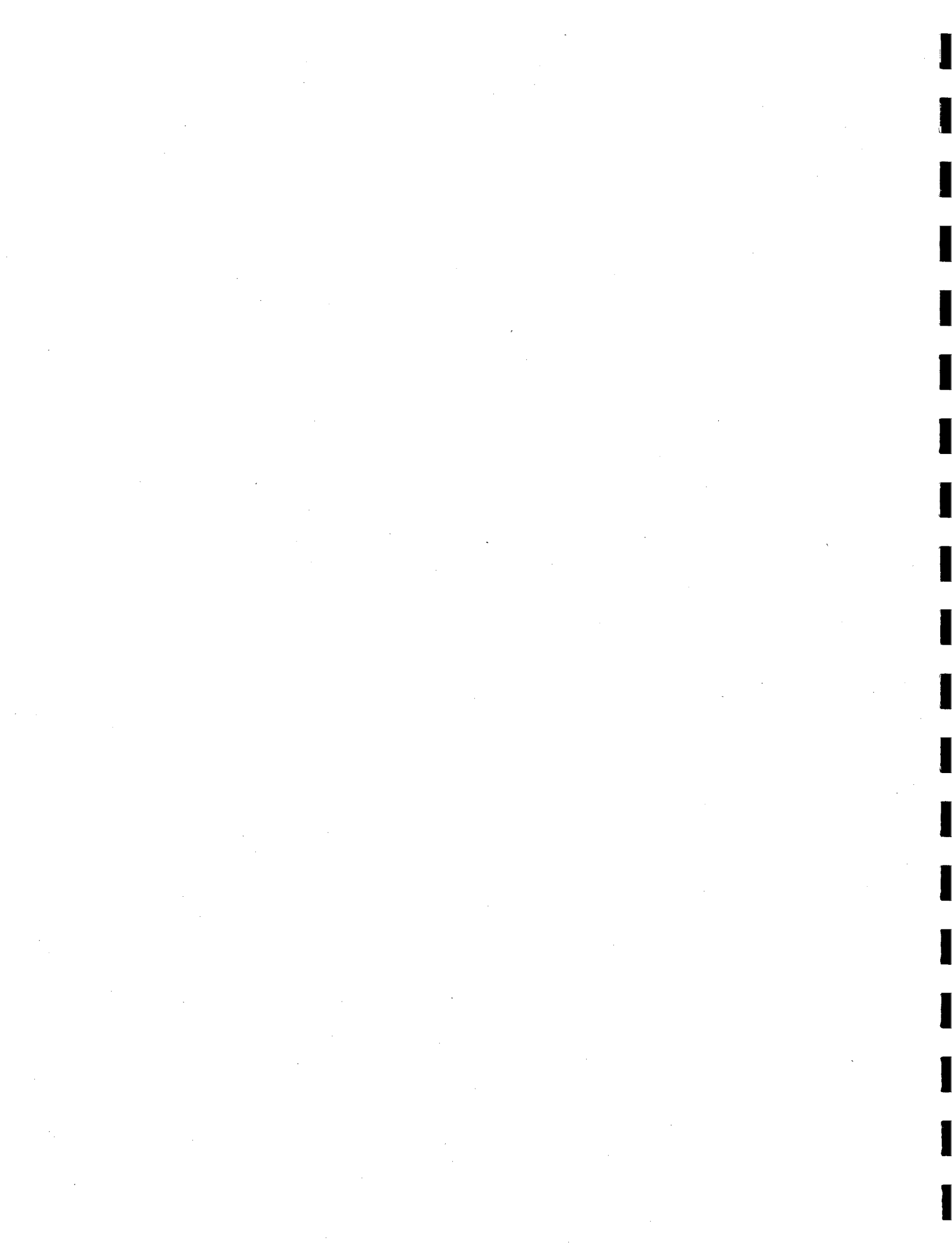
TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)  
 Schedule 1A - Schedule of Expenditures of Federal Awards  
 For the Fiscal Year Ended August 31, 2013

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

During the fiscal year ended August 31, 2013 the Department of State Health Services received cash rebates from infant formula manufacturers in the amount of \$ 251,961,307.02 on sales of formula to participants in the WIC program (CFDA 10.557). Rebate contracts with infant formula manufacturers are authorized by Code of Federal Regulations, Title 7: Agriculture, Chapter II, Subchapter A, Part 246.16(m) as a cost containment measure. Rebates represent a reduction of expenditures incurred for WIC food benefit costs. Applying the rebates received to such costs enables the agency to extend program benefits to more persons than could have been served this fiscal year in the absence of the rebate contract.

**Note 7 - Federal Deferred Revenue**

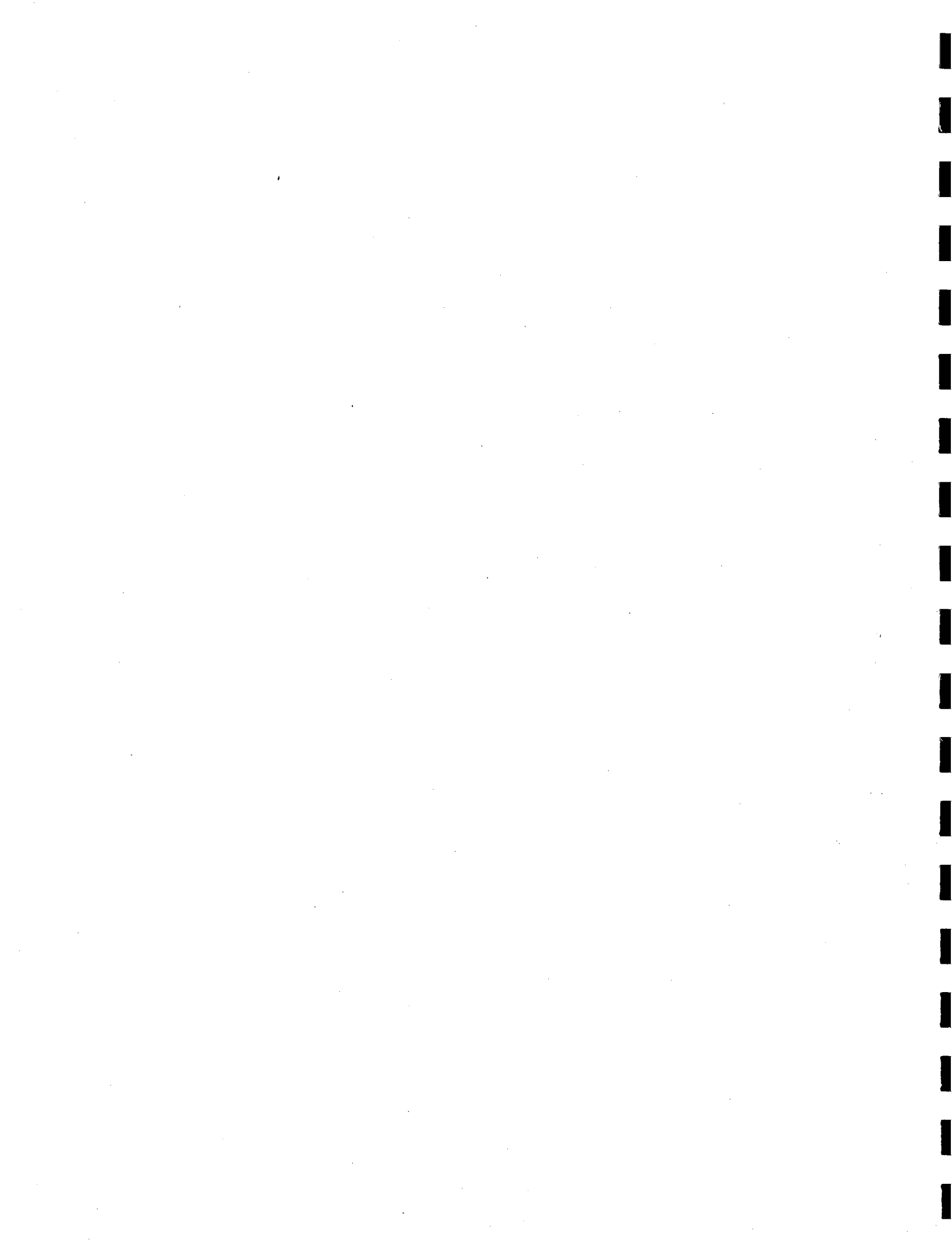
CFDA #66.001	\$	7,178.03
CFDA #93.251		12,441.56
CFDA #93.724		1,170.91
CFDA #93.982		23,785.16
CFDA #93.991		3,100.99
	\$	<u>47,676.65</u>



**Texas Department of State Health Services (537)**  
**Schedule 1B - Schedule of State Grant Pass Through**  
**From/To State Agencies**  
**For the Fiscal Year Ended August 31, 2013**

Pass Through From:	Grant ID	Agency Number	Amount
<b>North STAR Program</b> Health and Human Service Commission	529.0001	529	\$ 21,772,219.16
<b>Medicaid Disproportionate Share</b> Health and Human Service Commission	529.0003	529	79,313,585.82
<b>PP120029 - Tobacco Cessation Services For High Risk</b> Cancer Prevention and Research Institute of Texas	542.0016	542	950,687.50
<b>Frisco Blood Lead Investigation</b> Texas Commission on Environmental Quality	582.0076	582	65,000.00
<b>Total Pass-through from Other Agencies (Exh II):</b>			<u><u>\$ 102,101,492.48</u></u>

Pass Through To:	Grant ID	Agency Number	Amount
<b>Seafood Safety Program</b> Texas A&M University at Galveston	537.0002	718	\$ (48.77)
<b>Epilepsy Project</b> Texas Tech University Health Sciences Center	537.0006	739	225,214.67
<b>Tobacco Use Prevention and Control</b> Texas A&M University University of Texas at Austin Texas State University - San Marcos	537.0008	711 721 754	108,414.15 (11,681.56) <u>2,163,430.48</u> 2,260,163.07
<b>Maternal/Child Health</b> University of Texas Medical Branch at Galveston	537.0010	723	62,547.35
<b>Obesity</b> University of Texas at Austin	537.0011	721	1,098.25
<b>Public Health Emergency Response</b> University of Texas Health Center at Tyler	537.0012	785	4,059.67
<b>Children with Special Health Care Needs</b> University of Houston University of Texas Health Science Center at Houston	537.0014	730 744	108,594.75 <u>44,324.02</u> 152,918.77
<b>Substance Abuse Treatment</b> Texas Juvenile Justice Department	537.0015	644	630,792.99
<b>Tuberculosis Elimination Program</b>	537.0017		



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Pass Through To:	Grant ID	Agency Number	Amount
University of Texas Health Center at Tyler		785	810,000.00
<b>Texas Diabetes Program</b>	537.0018		
Texas A&M AgriLife Extension Service		555	1,444.25
University of Texas Medical Branch at Galveston		721	1,289.38
			<u>2,733.63</u>
<b>Title V Prenatal /RCI/UWHC</b>	537.0019		
University of Texas Health Science Center at Houston		744	48,420.85
<b>Treatment Alternatives to Incarceration</b>	537.0023		
Texas Department of Criminal Justice		696	475,565.00
<b>Family Health Services</b>	537.0024		
University of Texas Health Science Center at Houston		744	8,052.61
<b>Population Based Genetic Services</b>	537.0025		
University of Texas Health Science Center at Houston		744	41,098.67
<b>Indigent Care</b>	537.0026		
University of Texas Medical Branch at Galveston		723	5,750,000.00
Texas Tech University		733	4,902.63
University of Texas Medical Branch at Galv		745	106,162.76
			<u>5,861,065.39</u>
<b>EMS/Trauma Care System</b>	537.0028		
University of Texas Health Science Center at San Antonio		745	12,000.00
University of Texas at Brownsville		747	6,000.00
Texas Higher Education Coordinating Board		781	2,250,000.00
			<u>2,268,000.00</u>
<b>Population Based Genetic Services</b>	537.0029		
University of Texas Medical Branch at Galveston		723	17,755.62
<b>Child Health and Dental Services</b>	537.0033		
University of Texas Medical Branch at Galveston		723	168,617.20
<b>Healthy Texas Babies Initiative</b>	537.0035		
Texas A&M University		711	125,000.00
Texas Tech University Health Sciences Center		739	266,370.06
			<u>391,370.06</u>
<b>Military Veteran Peer Network</b>	537.0037		
Texas A&M University Health Science Center		709	351,724.20
<b>Texas Youth Tobacco Awareness Program</b>	537.0038		
Texas A&M University Health Science Center		709	56,735.60
University of Houston		730	20.35
			<u>56,755.95</u>
<b>Youth Empowerment Services</b>	537.0039		
Prairie View A&M University		715	7,653.09
University of Texas at Austin		721	20,016.75
			<u>27,669.84</u>
<b>Money Follows the Person - Pilot</b>	537.0040		
University of Texas Health Science Center at San Antonio		745	131,222.51
<b>Psychiatry Resident/Fellow Rotation Program</b>	537.0041		



UNAUDITED

<b>Pass Through To:</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
Texas A&M University System Health Science Center		709	142,422.85
<b>Disproportionate Share Hospital Program</b>	537.0042		
Health and Human Services Commission		529	188,571,306.34
<b>Medcares</b>			
Texas Tech University Health Science Center		739	29,380.97
University of Texas Health Science Center of Houston		744	251,924.11
			<u>281,305.08</u>
<b>Total Pass-Through to Other Agencies (Exh II):</b>			<u><u>\$ 202,991,831.80</u></u>

