



Texas Department of State Health Services

Annual Financial Report
Year Ended August 31, 2012

DEPARTMENT OF STATE HEALTH SERVICES (537)

Annual Financial Report

FOR THE YEAR ENDED AUGUST 31, 2012



TEXAS DEPARTMENT OF STATE HEALTH SERVICES

DAVID L. LAKEY, M.D.
COMMISSIONER

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November 20, 2012

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, 2012, 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 Diana Dunnahoo 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".

William R Wheeler, MBA
Chief Financial Officer



TEXAS

Department of
State Health Services

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Basic Financial Statements

Texas Department of State Health Services (537)
Exhibit I - Combined Balance Sheet - Governmental Funds
August 31, 2012

	Governmental Fund Types			Governmental Funds Total
	General Revenue Funds (Exh A-1)	Capital Project Funds (Exh D-1)	Permanent Funds (Fund 5048)	
ASSETS				
Current Assets:				
Cash and Cash Equivalents				
On Hand	\$ 44,753.00			\$ 44,753.00
In Bank (Note 3)	375,005.00			375,005.00
In State Treasury	590,253,809.34		900,049.83	591,153,859.17
Legislative Appropriations	203,717,010.66			203,717,010.66
Receivables from:				
Accounts (Note 24)	40,175,883.06			40,175,883.06
Federal	48,406,053.18			48,406,053.18
Due From Other Agencies	6,834,706.49	469,264.19		7,303,970.68
Consumable Inventories	50,760,310.41			50,760,310.41
Merchandise Inventories	60,806.75			60,806.75
Total Current Assets	<u>940,628,337.89</u>	<u>469,264.19</u>	<u>900,049.83</u>	<u>941,997,651.91</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>940,628,337.89</u>	<u>469,264.19</u>	<u>900,049.83</u>	<u>941,997,651.91</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from:				
Accounts Payable	158,237,961.92	469,264.19		158,707,226.11
Payroll Payable	41,227,264.55			41,227,264.55
Interfund Payable (Note 12)	109,529.95			109,529.95
Due to Other Agencies	8,576,915.91			8,576,915.91
Deferred Revenues	137,639.26			137,639.26
Employees Compensable Leave (Note 5)				
Total Current Liabilities	<u>208,289,311.59</u>	<u>469,264.19</u>	<u>-</u>	<u>208,758,575.78</u>
Non-Current Liabilities:				
Employees Compensable Leave (Note 5)				
Interfund Payables (Note 12)	360,399.61			360,399.61
Total Non-Current Liabilities	<u>360,399.61</u>	<u>-</u>	<u>-</u>	<u>360,399.61</u>
Total Liabilities	<u>208,649,711.20</u>	<u>469,264.19</u>	<u>-</u>	<u>209,118,975.39</u>

UNAUDITED

<u>Capital Assets Adjustments</u>	<u>Long-Term Liabilities Adjustments</u>	<u>Statement of Net Assets</u>
		\$ 44,753.00
		375,005.00
		591,153,859.17
		203,717,010.66
		40,175,883.06
		48,406,053.18
		7,303,970.68
		50,760,310.41
		60,806.75
-	-	<u>941,997,651.91</u>
45,398,765.65		45,398,765.65
<u>164,963,590.35</u>		<u>164,963,590.35</u>
<u>210,362,356.00</u>	-	<u>210,362,356.00</u>
<u>210,362,356.00</u>	-	<u>1,152,360,007.91</u>
		158,707,226.11
		41,227,264.55
		109,529.95
		8,576,915.91
		137,639.26
	<u>27,320,430.42</u>	<u>27,320,430.42</u>
-	<u>27,320,430.42</u>	<u>236,079,006.20</u>
	16,378,647.25	16,378,647.25
-	<u>16,378,647.25</u>	<u>360,399.61</u>
-	<u>16,378,647.25</u>	<u>16,739,046.86</u>
-	<u>43,699,077.67</u>	<u>252,818,053.06</u>

Texas Department of State Health Services (537)
Exhibit I - Combined Balance Sheet - Governmental Funds
 August 31, 2012

	Governmental Fund Types			Governmental Funds Total
	General Revenue Funds (Exh A-1)	Capital Project Funds (Exh D-1)	Permanent Funds (Fund 5048)	
FUND FINANCIAL STATEMENT				
Fund Balances (Deficits):				
Nonspendable	50,821,117.16		900,049.83	51,721,166.99
Restricted	20,983,222.51			20,983,222.51
Committed	537,554,076.45			537,554,076.45
Assigned	28,657,260.96			28,657,260.96
Unassigned	93,962,949.61			93,962,949.61
Total Fund Balances	<u>731,978,626.69</u>	<u>-</u>	<u>900,049.83</u>	<u>732,878,676.52</u>
Total Liabilities and Fund Balances	<u>\$ 940,628,337.89</u>	<u>\$ 469,264.19</u>	<u>\$ 900,049.83</u>	<u>\$ 941,997,651.91</u>

Government-Wide Statement of Net Assets

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

 Net Assets

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

UNAUDITED

Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
		51,721,166.99
		20,983,222.51
		537,554,076.45
		28,657,260.96
		93,962,949.61
<u>-</u>	<u>-</u>	<u>732,878,676.52</u>
 210,362,356.00		 210,362,356.00
	(43,699,077.67)	(43,699,077.67)
<u>\$ 210,362,356.00</u>	<u>\$ (43,699,077.67)</u>	<u>\$ 899,541,954.85</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, 2012

	Governmental Funds		
	General Revenue Funds (Exh A-2)	Capital Project Funds (Exh D-2)	Permanent Funds (Fund 5048)
REVENUES			
Legislative Appropriations:			
Original Appropriations	\$ 1,060,670,445.00		
Additional Appropriations	106,547,451.43		
Federal Revenue	1,012,698,400.39		
Federal Grant Pass-Through Revenue	297,319,578.07		
State Grant Pass-Through Revenue	127,513,279.67		
Other Operating Grant Revenue	231,109,607.18		
Licenses, Fees & Permits	121,817,470.49		
Professional Fees	4,438,584.01		
Auxiliary Enterprises	223,428.69		
Violations, Fines & Penalties	34,287,547.74		
Interest and Other Investment Income	2,183,134.33		2,287.31
Land Income	261,971.00		
Sales of Goods and Services	129,664,595.06		
Other Revenues	89,200,818.38	2,472.90	
Total Revenues	3,217,936,311.44	2,472.90	2,287.31
EXPENDITURES			
Salaries and Wages	475,280,247.32		1,815.56
Payroll and Costs	133,551,921.00		84,949.24
Cost of Inventory Sold	624,067.17		
Professional Fees and Services	86,003,389.10		(4,935.71)
Travel	7,708,345.12		
Materials and Supplies	206,195,511.91	94,518.24	75,269.59
Communication and Utilities	18,326,319.81		122,988.87
Repairs and Maintenance	8,021,110.53	365.00	
Rentals and Leases	10,053,930.28	67,473.98	
Printing and Reproduction	3,452,658.11		
Claims and Judgments	413,060.36		
Federal Grant Pass-Through Expenditures	27,032,957.22		
State Grant Pass-Through Expenditures	13,656,734.26		706,200.00
Intergovernmental Payments	234,010,482.39		
Public Assistance Payments	1,470,470,960.65		
Interest	30,741.32		
Other Expenditures	117,625,257.98	358,736.40	4,130.00
Capital Outlay	10,327,261.47	14,917,290.90	
Depreciation and Amortization Expense			
Total Expenditures/Expenses	2,822,784,956.00	15,438,384.52	990,417.55
Excess (Deficiency) of Revenues over Expenditures	395,151,355.44	(15,435,911.62)	(988,130.24)
OTHER FINANCING SOURCES (USES)			
Bond Proceeds			
Increase in Obligations Under Capital Leases			
Sale of Capital Assets	76,770.19		
Transfer In	66,753,961.58	15,435,911.62	1,073,432.36
Transfer Out	(316,786,390.91)		
Legislative Transfer In	5,020,338.53		
Legislative Transfer Out	(2,723,698.53)		
Gains (Losses) on Sale of Capital Assets			
Inc/(Dec) in Net Assets Due to Interagency Transfer			
Total Other Financing Sources (Uses)	(247,659,019.14)	15,435,911.62	1,073,432.36
Net Change in Fund Balances/Net Assets	147,492,336.30	-	85,302.12

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
\$ 1,060,670,445.00			1,060,670,445.00
106,547,451.43			106,547,451.43
1,012,698,400.39			1,012,698,400.39
297,319,578.07			297,319,578.07
127,513,279.67			127,513,279.67
231,109,607.18			231,109,607.18
121,817,470.49			121,817,470.49
4,438,584.01			4,438,584.01
223,428.69			223,428.69
34,287,547.74			34,287,547.74
2,185,421.64			2,185,421.64
261,971.00			261,971.00
129,664,595.06			129,664,595.06
89,203,291.28			89,203,291.28
<u>3,217,941,071.65</u>	<u>-</u>	<u>-</u>	<u>3,217,941,071.65</u>
475,282,062.88		(4,177.58)	475,277,885.30
133,636,870.24			133,636,870.24
624,067.17			624,067.17
85,998,453.39			85,998,453.39
7,708,345.12			7,708,345.12
206,365,299.74			206,365,299.74
18,449,308.68			18,449,308.68
8,021,475.53			8,021,475.53
10,121,404.26			10,121,404.26
3,452,658.11			3,452,658.11
413,060.36			413,060.36
27,032,957.22			27,032,957.22
14,362,934.26			14,362,934.26
234,010,482.39			234,010,482.39
1,470,470,960.65			1,470,470,960.65
30,741.32			30,741.32
117,988,124.38			117,988,124.38
25,244,552.37	(25,244,552.37)		-
-	13,560,745.15		13,560,745.15
<u>2,839,213,758.07</u>	<u>(11,683,807.22)</u>	<u>(4,177.58)</u>	<u>2,827,525,773.27</u>
<u>378,727,313.58</u>	<u>11,683,807.22</u>	<u>4,177.58</u>	<u>390,415,298.38</u>
76,770.19	(76,770.19)		-
83,263,305.56			83,263,305.56
(316,786,390.91)			(316,786,390.91)
5,020,338.53			5,020,338.53
(2,723,698.53)			(2,723,698.53)
	(199,277.25)		(199,277.25)
	7,405.20		7,405.20
<u>(231,149,675.16)</u>	<u>(268,642.24)</u>	<u>-</u>	<u>(231,418,317.40)</u>
<u>147,577,638.42</u>	<u>11,415,164.98</u>	<u>4,177.58</u>	<u>158,996,980.98</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, 2012

	Governmental Funds		
	General Revenue Funds (Exh A-2)	Capital Project Funds (Exh D-2)	Permanent Funds (Fund 5048)
Fund Financial Statement - Fund Balances			
Fund Balances, September 1, 2011	629,830,924.56		814,747.71
Restatements			
Fund Balances, September 1, 2011 as Restated	629,830,924.56		814,747.71
Appropriations Lapsed	(45,344,634.17)		
Fund Balances - August 31, 2012	<u>\$ 731,978,626.69</u>	<u>\$ -</u>	<u>\$ 900,049.83</u>

Government-Wide Statement of Net Assets

Net Change in Net Assets
 Net Assets, September 1, 2011
 Restatements
 Net Assets, September 1, 2011 as Restated

Net Assets as of August 31, 2012

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

UNAUDITED

Governmental Funds Total	Capital Assets Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
630,645,672.27			630,645,672.27
<u>630,645,672.27</u>			<u>630,645,672.27</u>
(45,344,634.17)			(45,344,634.17)
<u>\$ 732,878,676.52</u>	<u>11,415,164.98</u>	<u>4,177.58</u>	<u>744,298,019.08</u>
	202,917,865.87	(43,703,255.25)	159,214,610.62
	<u>(3,970,674.85)</u>		<u>(3,970,674.85)</u>
	<u>198,947,191.02</u>	<u>(43,703,255.25)</u>	<u>155,243,935.77</u>
	<u>\$ 210,362,356.00</u>	<u>\$ (43,699,077.67)</u>	<u>\$ 899,541,954.85</u>

UNAUDITED

Texas Department of State Health Services (537)
Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds
August 31, 2012

	Private Purpose Trust Funds Fund 6004 U/F 9999	Agency Funds (Exhibit J-1)	Totals
ASSETS			
Cash and Cash Equivalents:			
Cash in Bank (Note 3)	\$ 114,184.87	\$ (8,531.82)	\$ 105,653.05
Cash in State Treasury		236,330.58	236,330.58
Shared Cash		(65,622.18)	(65,622.18)
Short Term Investments (Note 3)			
Miscellaneous Investments (Note 3)	526,500.00	118,375.00	644,875.00
Repurchase Agreements (Note 3)	430,630.93	497,739.43	928,370.36
Other Assets		65,681,395.81	65,681,395.81
Total Current Assets	<u>1,071,315.80</u>	<u>66,459,686.82</u>	<u>67,531,002.62</u>
LIABILITIES			
Current Liabilities			
Funds Held for Others		66,448,499.07	66,448,499.07
Other Liabilities		11,187.75	11,187.75
Total Current Liabilities	<u>-</u>	<u>\$ 66,459,686.82</u>	<u>\$ 66,459,686.82</u>
NET ASSETS			
Held in Trust For:			
Individuals, Organizations and Other	1,071,315.80		1,071,315.80
Total Net Assets	<u>\$ 1,071,315.80</u>	<u>\$ -</u>	<u>\$ 1,071,315.80</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, 2012

	Private Purpose Trust Funds
	<u>Fund 6004 U/F 9999</u>
ADDITIONS	
Interest and Investment Income	\$ 96.70
Sale of Goods and Services	17,591.32
Other Revenue	42,048.71
Total Additions	<u>59,736.73</u>
DEDUCTIONS	
Materials and Supplies	58,693.64
Repairs and Maintenance	255.00
Other Expenditures	1,021.64
Total Deductions	<u>59,970.28</u>
NET INCREASE (DECREASE)	<u>(233.55)</u>
Net Assets - Beginning	1,071,549.35
Net Assets - End of the Year	<u>\$ 1,071,315.80</u>

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

Notes to the Financial Statements

Notes to the Financial Statements

NOTE 1: Summary of Significant Accounting Policies

ENTITY

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

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

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

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

FUND STRUCTURE

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

Governmental Fund Types and Government-wide Adjustment Fund Types

General Revenue Funds

The General Revenue Fund (fund 0001) is the principle operating fund used to account for most of the state's general activities. It accounts for all financial resources except those required to be accounted for in another fund. The American Recovery and Reinvestment Act (ARRA) fund 0369 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.

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.

Departmental Suspense Fund 0900

Texas Government Code Ann. §403.035 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.

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.

UNAUDITED

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.

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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&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).

Texas Public Finance Authority General Obligation Bond TDH Project A Fund 7201

Tex. Const. Art. III § 49h; Texas Government Code Ann. ch. 1232 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 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 MHMR Project B Fund 7616

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. Arbitrage rebate amount to be transferred to the Rebate Fund (no. 0754). Date of origin 2003.

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

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:

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Asbestos Penalty Escrow Account Fund 0880

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

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

Asbestos Penalty Escrow Account Fund 5880

Holds security portion relating to asbestos violations.

Depository Interest Default Fund 8880

Holds any interest earned on penalties in escrow.

Child Support Employee Deductions 0807

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.

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 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.

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

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

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

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

Budget and Budgetary Accounting

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

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

Assets, Liabilities, and Fund Balances/Net Assets

ASSETS

Cash and Cash Equivalents

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

Restricted Assets

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

Inventories and Prepaid Items

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

Capital Assets

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

Current Receivables - Other

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

LIABILITIES

Accounts Payable

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

Current Payables - Other

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

Employees' Compensable Leave Balances

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

FUND BALANCE / NET ASSETS

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

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

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

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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.

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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 8/31/2012
	Balance 9/1/2011	Adjustments	Reclassifications Completed CIP	Reclassifications Inc-Intagy Trans	Reclassifications Dec-Intagy Trans	Additions	Deletions	
GOVERNMENTAL ACTIVITIES								
Non-depreciable or Non-amortizable Assets								
Land and Land Improvements Infrastructure	859,446.80		435,399.80			66,484.82		1,361,331.42
Construction in Progress	68,768,074.84	(4,077,702.77)	(40,369,394.07)			19,638,191.79		43,959,169.79
Other Capital Assets	78,289.45						(25.01)	78,264.44
Land Use Rights – Permanent								-
Total Non-depreciable or Non-amortizable Assets	69,705,811.09	(4,077,702.77)	(39,933,994.27)	-	-	19,704,676.61	(25.01)	45,398,765.65
Depreciable Assets								
Buildings and Building Improvements Infrastructure	277,313,089.05	213,467.00	37,062,905.67			573,181.66	(1,474,569.30)	313,688,074.08
Facilities and Other Improvements	16,631,346.04		1,565,771.32					18,197,117.36
Furniture and Equipment	68,753,358.35	97,532.18		11,174.73		4,774,164.80	(3,662,236.33)	69,973,993.73
Vehicle, Boats and Aircraft	14,684,777.19	54,339.00		35,518.00	(18,166.00)	192,529.30	(298,459.18)	14,650,538.31
Other Capital Assets								-
Total Depreciable Assets at Historical Cost	382,288,534.07	365,338.18	39,933,994.27	46,692.73	(18,166.00)	5,539,875.76	(5,435,264.81)	422,721,004.20
Less Accumulated Depreciation for:								
Buildings and Building Improvements Infrastructure	(169,696,946.39)	(156,702.60)				(7,961,631.25)	1,225,740.64	(176,589,539.60)
Facilities and Other Improvements	(14,584,841.36)					(248,855.65)		(14,833,697.01)
Furniture and Equipment	(51,727,862.98)	(93,844.98)		(5,738.28)		(4,277,721.01)	3,635,042.56	(52,470,124.69)
Vehicles, Boats and Aircraft	(12,656,165.43)	(7,762.68)		(33,549.25)	18,166.00	(794,010.15)	298,459.18	(13,174,862.33)
Other Capital Assets								-
Total Accumulated Depreciation	(249,161,395.14)	(258,310.26)	-	(39,287.53)	18,166.00	(13,497,829.30)	5,159,242.38	(257,779,413.85)
Depreciable Assets, Net	133,127,138.93	107,027.92	39,933,994.27	7,405.20	-	(7,957,953.54)	(276,022.43)	164,941,590.35
Intangible Capital Assets - Amortizable								
Land Use Rights – Term								-
Computer Software – Intangible	3,141,838.62						(29,739.55)	3,112,099.07
Other Intangible Capital Assets – Term								-
Total Intangible Assets at Historical Cost	3,141,838.62	-	-	-	-	-	(29,739.55)	3,112,099.07
Less Accumulated Amortization for:								
Land Use Rights – Term								-
Computer Software – Intangible	(3,056,922.77)					(62,915.85)	29,739.55	(3,090,099.07)
Other Intangible Capital Assets – Term								-
Total Accumulated Amortization	(3,056,922.77)	-	-	-	-	(62,915.85)	29,739.55	(3,090,099.07)
Amortizable Assets, Net	84,915.85	-	-	-	-	(62,915.85)	-	22,000.00
Governmental Activities Capital Assets, Net	202,917,865.87	(3,970,674.85)	-	7,405.20	-	11,683,807.22	(276,047.44)	210,362,356.00

A summary of changes in Capital Assets for the year ended August 31, 2012, is presented below:
The adjustment column has a prior period adjustment of (\$3,970,674.85) 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, 2012, the carrying amount of deposits was \$ 1,125,533.05 as presented below.

Governmental Activities – Fund Type 01	
Cash in Bank – Carrying Value	\$ 375,005.00
Cash in Bank per AFR	\$ 375,005.00

Fiduciary Funds – Fund Types 09 and 20	
Cash in Bank – Carrying Value	\$ 750,528.05
Less: Certificates of Deposit included in carrying amount and reported as Cash Equivalent	644,875.00
Cash in Bank per AFR	\$ 105,653.05

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, 2012, the total bank balance was \$ 679,316.16 as presented below.

Governmental and Business-Type Activities	\$ 293,894.08
Fiduciary Funds	\$ 385,422.08

Investments

As of August 31, 2012, the fair value of investments is as presented below.

Fiduciary Funds – Fund Types 09 and 20	
Repurchase Agreements (Texas Safekeeping Trust Company)	\$ 928,370.36
Investments per Exhibits	\$ 928,370.36

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, 2012, the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/11	Additions	Reductions	Exhibit I Balance 8/31/12	Exhibit I Amounts Due Within One Year
Compensable Leave	\$ 43,703,255.25	60,363,233.40	60,397,411.36	\$ 43,669,077.29	\$ 27,320,430.42
Total Governmental Activities	\$ 43,703,255.25	60,363,233.40	60,397,411.36	\$ 43,669,077.29	\$ 27,320,430.42

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)	\$ 10,053,930.28
Capital Projects (04)	67,473.98
Total, Exh II	\$ 10,121,404.26

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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,	
2013	\$ 8,969,353.20
2014	4,177,672.37
2015	598,202.78
2016	38,433.29
2017-2021	5,620.00
2022-2026	0.00
Total Minimum Future Lease Rental Payments	\$ 13,789,281.64

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, 2012 follows:

	Legislative Transfers In	Legislative Transfers Out	Purpose
GENERAL (01)			
Appd Fund 0001, D23 Fund 0001			
Agency 529, D23 Fund 0001	2,310,157.00	13,517.00	Benefit Appropriations
Subtotal – General Fund (01)			
Total Legislative Transfers	\$ 2,310,157.00	\$ 13,517.00	

	Interfund Receivable	Interfund Payable	Purpose
GENERAL (01)			
Current Portion			
Appd Fund 0001, D23 Fund 3001		109,529.95	LoanStar Program
NonCurrent Portion			
Appd Fund 0001, D23 Fund 3001		360,399.61	LoanStar Program
Total Interfund		\$ 469,929.56	

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 \$ 3,970,674.85

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.

	Capital Assets Adjustments
Net Assets at August 31, 2012	202,917,865.87
Restatement	(3,970,674.85)
Net Assets at September 1, 2012 as restated	\$ 198,947,191.02

NOTE 15: Contingencies and Commitments

The agency was a defendant in a lawsuit as of August 31, 2012 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 \$ 180,213.41 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

In fiscal year 2012, the agency continued to receive and expend federal grants under the American Recovery and Reinvestment Act (ARRA). The funds were used to support both the public and the mental health services of the agency. DSHS expended approximately \$ 9,362,956.00 in ARRA funds for the fiscal year.

DSHS provided public health support for the Bastrop wildfire response in fiscal year 2012. The agency is working with FEMA to recoup 75% of our total expenses of about \$ 250,000.00.

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, 2012, as reported in the general fund (Exhibit I), are detailed by type as follows:

Receivables related to:	Amount
Immunization Branch Services	1,235,153.38
Laboratory Services	19,448,549.51
Mental Health Client Services	18,055,289.31
Mental Health Other Services	666,097.38
Texas Center for Infectious Disease	770,793.48
Total Net Other Receivables (0270)	\$ 40,175,883.06

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.

Combining and Individual Fund Financial Statements

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2012

	<u>Consolidated Accounts</u>			
	General Revenue	Vital Statistics	Insurance Board	Hospital Licensing
	Fund (0001)	Fund 0019	Fund (0036)	Fund (0129)
	(0369) (3001)	U/F (0019)	U/F (0036)	U/F (0129)
U/F (0001)				
ASSETS				
Current Assets:				
Cash and Cash Equivalents				
Cash on Hand	\$ 43,373.00			
Cash in Bank	119,975.00			
Cash in State Treasury	1,292,640.33	15,761,447.91		13,127,095.22
Legislative Appropriations	203,717,010.66			
Receivables from:				
Accounts	40,175,883.06			
Federal	1,928,843.03			
Due From Other Agencies	3,149,127.37		328,794.85	
Consumable Inventories	50,760,310.41			
Merchandise Inventories	60,806.75			
Total Current Assets	<u>301,247,969.61</u>	<u>15,761,447.91</u>	<u>328,794.85</u>	<u>13,127,095.22</u>
Non-Current Assets:	-	-	-	-
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>301,247,969.61</u>	<u>15,761,447.91</u>	<u>328,794.85</u>	<u>13,127,095.22</u>
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from:				
Accounts	93,310,936.04	549,743.54	33,125.99	67,866.18
Payroll	32,759,140.55	293,941.19	295,668.86	68,519.50
Interfund Payable	109,529.95			
Due To Other Agencies	1,266,635.73			
Deferred Revenues				
Total Current Liabilities	<u>127,446,242.27</u>	<u>843,684.73</u>	<u>328,794.85</u>	<u>136,385.68</u>
Non-Current Liabilities:				
Interfund Payable	360,399.61			
Total Non-Current Liabilities	<u>360,399.61</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>127,806,641.88</u>	<u>843,684.73</u>	<u>328,794.85</u>	<u>136,385.68</u>
Fund Balances (Deficits):				
Nonspendable	50,821,117.16			
Restricted				
Committed		14,917,763.18		12,990,709.54
Assigned	28,657,260.96			
Unassigned	93,962,949.61		-	
Total Fund Balances	<u>173,441,327.73</u>	<u>14,917,763.18</u>	<u>-</u>	<u>12,990,709.54</u>
Total Liabilities and Fund Balances	<u>\$ 301,247,969.61</u>	<u>\$ 15,761,447.91</u>	<u>\$ 328,794.85</u>	<u>\$ 13,127,095.22</u>

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

UNAUDITED

Consolidated Accounts

<u>Federal Health Fund (0273) U/F (0273)</u>	<u>Food Service Establishment Fund (0341) U/F (0341)</u>	<u>Emergency Medical Care License Fund (0373) U/F (0373)</u>	<u>Emergency Medical Services Fund (0512) U/F (0512)</u>	<u>Public Health Services Fund (0524) U/F (0524)</u>	<u>Capital Trust Fund (0543) U/F (0543)</u>	<u>Departmental Suspense Fund (0909) U/F (0900)</u>
\$ 1,380.00						
255,030.00						
43,433,054.76	10,381,067.13	813,253.00	7,186,003.36	4,383,313.46		
46,477,210.15						
946.36						
<u>90,167,621.27</u>	<u>10,381,067.13</u>	<u>813,253.00</u>	<u>7,186,003.36</u>	<u>4,383,313.46</u>	<u>-</u>	<u>-</u>
<u>90,167,621.27</u>	<u>10,381,067.13</u>	<u>813,253.00</u>	<u>7,186,003.36</u>	<u>4,383,313.46</u>	<u>-</u>	<u>-</u>
61,543,658.72	121,991.00		153,917.55	411,008.84		
6,334,712.80	101,931.94		148,064.08	421,824.10		
4,006,165.17						
137,639.26						
<u>72,022,175.95</u>	<u>223,922.94</u>	<u>-</u>	<u>301,981.63</u>	<u>832,832.94</u>	<u>-</u>	<u>-</u>
<u>72,022,175.95</u>	<u>223,922.94</u>	<u>-</u>	<u>301,981.63</u>	<u>832,832.94</u>	<u>-</u>	<u>-</u>
17,889,035.32						
256,410.00	10,157,144.19	813,253.00	6,884,021.73	3,550,480.52		
<u>18,145,445.32</u>	<u>10,157,144.19</u>	<u>813,253.00</u>	<u>6,884,021.73</u>	<u>3,550,480.52</u>	<u>-</u>	<u>-</u>
<u>\$ 90,167,621.27</u>	<u>\$ 10,381,067.13</u>	<u>\$ 813,253.00</u>	<u>\$ 7,186,003.36</u>	<u>\$ 4,383,313.46</u>	<u>\$ -</u>	<u>\$ -</u>

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2012

	Consolidated Accounts				
	Emergency Communications Fund (5007) <u>U/F (5007)</u>	Children with Special Needs Fund (5009) <u>U/F (5009)</u>	Asbestos Removal Licensure Fund (5017) <u>U/F (5017)</u>	Workplace Chemical List Fund (5020) <u>U/F (5020)</u>	Certification of Mammography Systems Fund (5021) <u>U/F (5021)</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand					
Cash in Bank					
Cash in State Treasury					
		390,574.53	24,439,666.18	3,983,903.77	3,106,020.83
Legislative Appropriations					
Receivables from:					
Accounts					
Federal					
Due From Other Agencies					
627,499.65					
Consumable Inventories					
Merchandise Inventories					
<u>627,499.65</u>	<u>390,574.53</u>	<u>24,439,666.18</u>	<u>3,983,903.77</u>	<u>3,106,020.83</u>	
Total Current Assets					
Non-Current Assets:					
Total Non-Current Assets					
	-	-	-	-	-
Total Assets					
<u>627,499.65</u>	<u>390,574.53</u>	<u>24,439,666.18</u>	<u>3,983,903.77</u>	<u>3,106,020.83</u>	
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts					
626,161.95		73,655.54	13,061.14	37,134.97	
Payroll					
1,337.70		154,184.34	37,702.50	55,571.31	
Interfund Payable					
Due To Other Agencies					
Deferred Revenues					
<u>627,499.65</u>	<u>-</u>	<u>227,839.88</u>	<u>50,763.64</u>	<u>92,706.28</u>	
Total Current Liabilities					
Non-Current Liabilities:					
Interfund Payable					
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Non-Current Liabilities					
Total Liabilities					
<u>627,499.65</u>	<u>-</u>	<u>227,839.88</u>	<u>50,763.64</u>	<u>92,706.28</u>	
Fund Balances (Deficits):					
Nonspendable					
Restricted					
-	390,574.53	24,211,826.30	3,933,140.13	3,013,314.55	
Committed					
Assigned					
Unassigned					
<u>-</u>	<u>390,574.53</u>	<u>24,211,826.30</u>	<u>3,933,140.13</u>	<u>3,013,314.55</u>	
Total Fund Balances					
Total Liabilities and Fund Balances					
<u>\$ 627,499.65</u>	<u>\$ 390,574.53</u>	<u>\$ 24,439,666.18</u>	<u>\$ 3,983,903.77</u>	<u>\$ 3,106,020.83</u>	

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

UNAUDITED

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)
969,707.12	27,533,274.61	866,253.41	8,083,949.66	5,675,394.09	3,676,940.34
<u>969,707.12</u>	<u>27,533,274.61</u>	<u>866,253.41</u>	<u>8,083,949.66</u>	<u>5,675,394.09</u>	<u>3,676,940.34</u>
-	-	-	-	-	-
<u>969,707.12</u>	<u>27,533,274.61</u>	<u>866,253.41</u>	<u>8,083,949.66</u>	<u>5,675,394.09</u>	<u>3,676,940.34</u>
13,485.42	287,428.07 290,293.29	50,866.09	624,914.30 14,581.40	4,487.96 9,351.26	165,510.37 68,931.06
1,048.77			799,824.39		
<u>14,534.19</u>	<u>577,721.36</u>	<u>50,866.09</u>	<u>1,439,320.09</u>	<u>13,839.22</u>	<u>234,441.43</u>
-	-	-	-	-	-
<u>14,534.19</u>	<u>577,721.36</u>	<u>50,866.09</u>	<u>1,439,320.09</u>	<u>13,839.22</u>	<u>234,441.43</u>
955,172.93	26,955,553.25	815,387.32	1,417,053.71 5,227,575.86	183,430.06 5,478,124.81	493,703.42 2,948,795.49
<u>955,172.93</u>	<u>26,955,553.25</u>	<u>815,387.32</u>	<u>6,644,629.57</u>	<u>5,661,554.87</u>	<u>3,442,498.91</u>
<u>\$ 969,707.12</u>	<u>\$ 27,533,274.61</u>	<u>\$ 866,253.41</u>	<u>\$ 8,083,949.66</u>	<u>\$ 5,675,394.09</u>	<u>\$ 3,676,940.34</u>

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit A-1 - Combining Balance Sheet -
 All General and Consolidated Funds
 August 31, 2012

Consolidated Accounts					
	State Owned Teaching Hospital Fund (5049) U/F (5049)	Perpetual Care Fund (5096) U/F (5096)	Tertiary Care Fund (5102) U/F (5102)	Trauma System Fund (5108) U/F (5108)	EMS/Trauma Facility Fund (5111) U/F (5111)
ASSETS					
Current Assets:					
Cash and Cash Equivalents					
Cash on Hand					
Cash in Bank					
Cash in State Treasury					
	7,870,140.62		23,182,812.13	12,487,917.09	371,554,005.46
Legislative Appropriations					
Receivables from:					
Accounts					
Federal					
Due From Other Agencies					
		2,556,185.25			
Consumable Inventories					
Merchandise Inventories					
Total Current Assets					
	<u>7,870,140.62</u>	<u>2,556,185.25</u>	<u>23,182,812.13</u>	<u>12,487,917.09</u>	<u>371,554,005.46</u>
Non-Current Assets:					
Total Non-Current Assets					
	-	-	-	-	-
Total Assets					
	<u>7,870,140.62</u>	<u>2,556,185.25</u>	<u>23,182,812.13</u>	<u>12,487,917.09</u>	<u>371,554,005.46</u>
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts					
				1,628.41	130,606.83
Payroll					
				2,610.36	21,732.50
Interfund Payable					
Due To Other Agencies					
	2,503,241.85				
Deferred Revenues					
Total Current Liabilities					
	<u>2,503,241.85</u>	<u>-</u>	<u>-</u>	<u>4,238.77</u>	<u>152,339.33</u>
Non-Current Liabilities:					
Interfund Payable					
Total Non-Current Liabilities					
	-	-	-	-	-
Total Liabilities					
	<u>2,503,241.85</u>	<u>-</u>	<u>-</u>	<u>4,238.77</u>	<u>152,339.33</u>
Fund Balances (Deficits):					
Nonspendable					
Restricted					
				500,000.00	500,000.00
Committed					
	5,366,898.77	2,556,185.25	23,182,812.13	11,983,678.32	370,901,666.13
Assigned					
Unassigned					
Total Fund Balances					
	<u>5,366,898.77</u>	<u>2,556,185.25</u>	<u>23,182,812.13</u>	<u>12,483,678.32</u>	<u>371,401,666.13</u>
Total Liabilities and Fund Balances					
	<u>\$ 7,870,140.62</u>	<u>\$ 2,556,185.25</u>	<u>\$ 23,182,812.13</u>	<u>\$ 12,487,917.09</u>	<u>\$ 371,554,005.46</u>

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

UNAUDITED

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
					\$ 44,753.00
					375,005.00
13,233.77	20,627.82	21,512.74			590,253,809.34
					203,717,010.66
					40,175,883.06
					48,406,053.18
			9,930.82	162,222.19	6,834,706.49
					50,760,310.41
					60,806.75
<u>13,233.77</u>	<u>20,627.82</u>	<u>21,512.74</u>	<u>9,930.82</u>	<u>162,222.19</u>	<u>940,628,337.89</u>
					.
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>13,233.77</u>	<u>20,627.82</u>	<u>21,512.74</u>	<u>9,930.82</u>	<u>162,222.19</u>	<u>940,628,337.89</u>
1,716.63				15,056.38	158,237,961.92
				147,165.81	41,227,264.55
					109,529.95
					8,576,915.91
					137,639.26
<u>1,716.63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,222.19</u>	<u>208,289,311.59</u>
					360,399.61
					360,399.61
<u>1,716.63</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,222.19</u>	<u>208,649,711.20</u>
					50,821,117.16
					20,983,222.51
11,517.14	20,627.82	21,512.74	9,930.82		537,554,076.45
					28,657,260.96
					93,962,949.61
<u>11,517.14</u>	<u>20,627.82</u>	<u>21,512.74</u>	<u>9,930.82</u>	<u>-</u>	<u>731,978,626.69</u>
<u>\$ 13,233.77</u>	<u>\$ 20,627.82</u>	<u>\$ 21,512.74</u>	<u>\$ 9,930.82</u>	<u>\$ 162,222.19</u>	<u>\$ 940,628,337.89</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, 2012

	<u>Consolidated Accounts</u>			
	<u>General Revenue</u>	<u>Vital Statistics</u>	<u>Insurance</u>	<u>Hospital</u>
	<u>Fund (0001)</u>	<u>Fund (0019)</u>	<u>Board</u>	<u>Licensing</u>
	<u>(0369) (3001)</u>	<u>Fund (0019)</u>	<u>Fund (0036)</u>	<u>Fund (0129)</u>
	<u>U/F (0001)</u>	<u>U/F (0019)</u>	<u>U/F (0036)</u>	<u>U/F (0129)</u>
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 1,060,670,445.00			
Additional Appropriations	106,547,451.43			
Federal Revenue	21,667,379.32			
Federal Pass-Through Revenue	297,319,578.07			
State Pass-Through Revenue	127,513,279.67			
Other Operating Grant Revenue	32,439,518.04			
Licenses, Fees & Permits	3,456,276.88	14,278,645.99		2,717,267.80
Professional Fees	166,138.62			
Auxiliary Enterprises	223,428.69			
Violations, Fines & Penalties				
Investment Income	245,161.54			
Land Income				
Sales of Goods and Services	113,161,467.19			
Other General Revenues	89,437,263.51	5,121.83		
Total Revenues	<u>1,852,847,387.96</u>	<u>14,283,767.82</u>	<u>-</u>	<u>2,717,267.80</u>
EXPENDITURES				
Salaries and Wages	392,116,613.88	2,706,691.38	2,728,074.29	724,257.37
Payroll Related Costs	109,096,653.04	135,370.09	675,196.45	172,836.73
Cost of Goods Sold	624,067.17			
Professional Fees and Services	59,942,594.71	117,444.00	370.00	2,912.25
Travel	4,616,074.57	1,576.80	117,228.03	93,626.43
Materials and Supplies	136,103,533.79	22,403.86	4,227,546.08	108,234.58
Communication and Utilities	15,796,935.97	9,789.00	28,890.69	1,052.00
Repairs and Maintenance	5,422,118.34	21,518.91	5,271.61	
Rentals and Leases	8,861,454.50		17,435.36	4,601.71
Printing and Reproduction	1,531,888.01	14,855.79	1,170.93	153.30
Claims and Judgments	412,843.36			
Federal Pass-Through Expenditures	1,511,218.15			
State Pass-Through Expenditures	3,816,555.50			
Intergovernmental Payments	40,848,942.87			
Public Assistance Payments	662,283,053.09			
Interest Expense - Other	30,741.31			
Other Expenditures	94,348,042.62	9,640,954.39	495,396.37	246,430.54
Capital Outlay	9,053,278.38			
Total Expenditures	<u>1,546,416,609.26</u>	<u>12,670,604.22</u>	<u>8,296,579.81</u>	<u>1,354,104.91</u>
Excess (Deficiency) of Revenues over Expenditures	<u>306,430,778.70</u>	<u>1,613,163.60</u>	<u>(8,296,579.81)</u>	<u>1,363,162.89</u>
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	76,770.19			
Transfer In	27,367,957.52		8,286,869.13	
Transfer Out	(313,569,529.48)			
Legislative Transfer In	5,020,338.53			
Legislative Transfer Out	(2,723,698.53)			
Total Other Financing Sources (Uses)	<u>(283,828,161.77)</u>	<u>-</u>	<u>8,286,869.13</u>	<u>-</u>
Net Change in Fund Balances	<u>22,602,616.93</u>	<u>1,613,163.60</u>	<u>(9,710.68)</u>	<u>1,363,162.89</u>
Fund Financial Statement - Fund Balances				
Fund Balances, September 1, 2011	196,183,344.97	13,304,599.58	9,710.68	11,627,546.65
Appropriations Lapsed	(45,344,634.17)			
Fund Balances, August 31, 2012	<u>\$ 173,441,327.73</u>	<u>\$ 14,917,763.18</u>	<u>\$ -</u>	<u>\$ 12,990,709.54</u>

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

UNAUDITED

Consolidated Accounts

<u>Federal Health Fund (0273)</u> <u>U/F (0273)</u>	<u>Food Service Establishment Fund (0341)</u> <u>U/F (0341)</u>	<u>Emergency Medical Care License Fund (0373)</u> <u>U/F (0373)</u>	<u>Emergency Medical Services Fund (0512)</u> <u>U/F (0512)</u>	<u>Public Health Services Fund (0524)</u> <u>U/F (0524)</u>	<u>Capital Trust Fund (0543)</u> <u>U/F (0543)</u>	<u>Departmental Suspense Fund (0909)</u> <u>U/F (0900)</u>
991,031,021.07						
198,670,089.14	2,562,635.00	620,593.00	2,504,886.12			
36,176.92					26,697.43	
22,547.61					261,971.00	
(293,153.47)	1,954.00		326.00	16,503,127.87		(10,408.65)
<u>1,189,466,681.27</u>	<u>2,564,589.00</u>	<u>620,593.00</u>	<u>2,505,212.12</u>	<u>16,504,842.39</u>	<u>288,668.43</u>	<u>(10,408.65)</u>
62,126,138.21	1,094,741.82		1,431,415.66	4,269,803.52		
19,335,389.20	131,665.37		287,410.45	1,526,293.27		
24,409,904.32	8,696.28		5,746.86	256,511.25		
2,370,946.32	51,976.65		91,725.05	21,372.95		
61,906,692.01	11,098.41		91,484.27	3,155,427.20		
2,088,431.30			10,195.84	14,857.71		
2,075,567.63	1,135.97		34.68	404,465.86		
845,614.16	2,482.40		5,577.79	278,016.30		
1,761,634.91	(3,187.83)		5,009.74	113,806.18		
217.00						
25,521,739.07						
186,475,871.15				315,142.72		
789,213,874.79						
8,196,788.90	286,969.34		293,053.98	1,234,437.93		
1,031,922.09				242,061.00		
<u>1,187,360,731.06</u>	<u>1,585,578.41</u>	<u>-</u>	<u>2,221,654.32</u>	<u>11,832,195.89</u>	<u>-</u>	<u>-</u>
2,105,950.21	979,010.59	620,593.00	283,557.80	4,672,646.50	288,668.43	(10,408.65)
2,385,461.69				(2,863,789.88)	(288,668.43)	
<u>2,385,461.69</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,863,789.88)</u>	<u>(288,668.43)</u>	<u>-</u>
4,491,411.90	979,010.59	620,593.00	283,557.80	1,808,856.62	-	(10,408.65)
13,654,033.42	9,178,133.60	192,660.00	6,600,463.93	1,741,623.90		10,408.65
<u>\$ 18,145,445.32</u>	<u>\$ 10,157,144.19</u>	<u>\$ 813,253.00</u>	<u>\$ 6,884,021.73</u>	<u>\$ 3,550,480.52</u>	<u>\$ -</u>	<u>\$ -</u>

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit A-2 - Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2012

	Consolidated Accounts				
	Emergency Communications Fund (5007) U/F (5007)	Children with Special Needs Fund (5009) U/F (5009)	Asbestos Removal Licensure Fund (5017) U/F (5017)	Workplace Chemical List Fund (5020) U/F (5020)	Certification of Mammography Systems Fund (5021) U/F (5021)
REVENUES					
Legislative Appropriations:					
Original Appropriations					
Additional Appropriations					
Federal Revenue					
Federal Pass-Through Revenue					
State Pass-Through Revenue					
Other Operating Grant Revenue					
Licenses, Fees & Permits				1,023,566.17	1,240,217.86
Professional Fees			4,272,445.39		
Auxiliary Enterprises					
Violations, Fines & Penalties					
Investment Income					
Land Income					
Sales of Goods and Services					
Other General Revenues	8,969.91		1,925.00		12.99
Total Revenues	8,969.91	-	4,274,370.39	1,023,566.17	1,240,230.85
EXPENDITURES					
Salaries and Wages	14,545.38		1,542,415.85	364,236.06	535,007.40
Payroll Related Costs	14,291.97		352,008.47	64,946.76	114,530.74
Cost of Goods Sold					
Professional Fees and Services			(14,653.17)	(125.07)	36,455.00
Travel	415.21		25,988.32	8,975.14	33,748.18
Materials and Supplies			100,815.05	784.00	5,157.11
Communication and Utilities				649.00	18,632.81
Repairs and Maintenance			41,217.22		18,052.55
Rentals and Leases	(1,800.00)		2,742.15	2,739.54	5,595.47
Printing and Reproduction			512.84	771.59	198.76
Claims and Judgments					
Federal Pass-Through Expenditures					
State Pass-Through Expenditures					
Intergovernmental Payments	107,273.16				
Public Assistance Payments	1,520,129.33				
Interest Expense - Other					
Other Expenditures	1,193.87		553,355.69	56,032.96	125,626.67
Capital Outlay					
Total Expenditures	1,656,048.92	-	2,604,402.42	499,009.98	893,004.69
Excess (Deficiency) of Revenues over Expenditures	(1,647,079.01)	-	1,669,967.97	524,556.19	347,226.16
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets					
Transfer In	2,656,995.29				
Transfer Out					
Legislative Transfer In					
Legislative Transfer Out					
Total Other Financing Sources (Uses)	2,656,995.29	-	-	-	-
Net Change in Fund Balances	1,009,916.28	-	1,669,967.97	524,556.19	347,226.16
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2011	(1,009,916.28)	390,574.53	22,541,858.33	3,408,583.94	2,666,088.39
Appropriations Lapsed					
Fund Balances, August 31, 2011	\$ -	\$ 390,574.53	\$ 24,211,826.30	\$ 3,933,140.13	\$ 3,013,314.55

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

UNAUDITED

Consolidated Accounts					
Oyster Sales Fund (5022)	Food and Drug Registration Fund (5024)	Animal Friendly License Plate Fund (5032)	Tobacco 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)
198,999.45	7,640,697.45	355,272.01			
			27,040.53	32,433.55	20,443.08
27.94	675.00	31,337.50		801.78	23.54
<u>199,027.39</u>	<u>7,641,372.45</u>	<u>386,609.51</u>	<u>27,040.53</u>	<u>33,235.33</u>	<u>20,466.62</u>
	3,018,450.63	(13.68)	186,693.75	98,026.36	669,740.14
	638,416.67	(3,946.38)	169,415.83	20,426.32	103,499.18
17,100.00	15,603.68		147,281.55	970.45	2,338.88
20,533.99	182,912.37		6,444.01	4,180.36	26,282.99
93,256.87	160,427.73		651.90	6,070.33	5,460.83
1,327.72	42,985.72	18.00	286,609.05	30.00	25,600.00
3,162.20	28,565.56				
3,245.00	1,606.82		2,621.10		20,872.48
1,915.59	7,512.79		2,462.58		
9,780.19			1,818,535.99		
		185,979.72	1,711,108.44	4,106,480.28	562,844.03
		505,590.27			2,997,698.69
0.01					
28,067.63	795,030.99	1,612.00	949,125.83	47,869.66	68,988.11
<u>178,389.20</u>	<u>4,891,512.96</u>	<u>689,239.93</u>	<u>5,280,950.03</u>	<u>4,284,053.76</u>	<u>4,483,325.33</u>
<u>20,638.19</u>	<u>2,749,859.49</u>	<u>(302,630.42)</u>	<u>(5,253,909.50)</u>	<u>(4,250,818.43)</u>	<u>(4,462,858.71)</u>
			8,587,437.92	4,293,731.28	4,293,730.56
-	-	-	<u>8,587,437.92</u>	<u>4,293,731.28</u>	<u>4,293,730.56</u>
20,638.19	2,749,859.49	(302,630.42)	3,333,528.42	42,912.85	(169,128.15)
934,534.74	24,205,693.76	1,118,017.74	3,311,101.15	5,618,642.02	3,611,627.06
<u>\$ 955,172.93</u>	<u>\$ 26,955,553.25</u>	<u>\$ 815,387.32</u>	<u>\$ 6,644,629.57</u>	<u>\$ 5,661,554.87</u>	<u>\$ 3,442,498.91</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, 2012

	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)
REVENUES					
Legislative Appropriations:					
Original Appropriations					
Additional Appropriations					
Federal Revenue					
Federal Pass-Through Revenue					
State Pass-Through Revenue					
Other Operating Grant Revenue					
Licenses, Fees & Permits		217,425.10			84,950,589.09
Professional Fees					
Auxiliary Enterprises					
Violations, Fines & Penalties		132,741.62	1,465,705.10	3,830,029.26	28,822,894.84
Investment Income		13,602.54			1,795,208.05
Land Income					
Sales of Goods and Services					
Other General Revenues				370.62	13,856.36
Total Revenues	-	363,769.26	1,465,705.10	3,830,399.88	115,582,548.34
EXPENDITURES					
Salaries and Wages				28,322.14	175,062.45
Payroll Related Costs				5,223.62	215,239.39
Cost of Goods Sold					
Professional Fees and Services				124.00	712.00
Travel				774.17	11,797.57
Materials and Supplies					109,334.55
Communication and Utilities				15.00	
Repairs and Maintenance					
Rentals and Leases					1,125.50
Printing and Reproduction					12,236.30
Claims and Judgments					
Federal Pass-Through Expenditures					
State Pass-Through Expenditures	5,750,000.00				2,250,000.00
Intergovernmental Payments					
Public Assistance Payments				2,067,773.19	11,567,698.57
Interest Expense - Other					
Other Expenditures				3,225.00	252,838.52
Capital Outlay					
Total Expenditures	5,750,000.00	-	-	2,105,457.12	14,596,044.85
Excess (Deficiency) of Revenues over Expenditures	(5,750,000.00)	363,769.26	1,465,705.10	1,724,942.76	100,986,503.49
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets					
Transfer In	5,750,000.00				
Transfer Out					
Legislative Transfer In					
Legislative Transfer Out					
Total Other Financing Sources (Uses)	5,750,000.00	-	-	-	-
Net Change in Fund Balances	-	363,769.26	1,465,705.10	1,724,942.76	100,986,503.49
Fund Financial Statement - Fund Balances					
Fund Balances, September 1, 2011	5,366,898.77	2,192,415.99	21,717,107.03	10,758,735.56	270,415,162.64
Appropriations Lapsed					
Fund Balances, August 31, 2012	<u>\$ 5,366,898.77</u>	<u>\$ 2,556,185.25</u>	<u>\$ 23,182,812.13</u>	<u>\$ 12,483,678.32</u>	<u>\$ 371,401,666.13</u>

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

UNAUDITED

Consolidated Accounts

<u>March of Dimes License Plate Fund (5117)</u> U/F (5117)	<u>Childhood Immunization Fund (5125)</u> U/F (5125)	<u>Be a Blood Donor License Plate Fund (5134)</u> U/F (5134)	<u>General License Plate Fund (5140)</u> U/F (5140)	<u>TPFA Cancer Project Fund (7639)</u> U/F (7639)	<u>Totals</u> Exh - II
					\$ 1,060,670,445.00
					106,547,451.43
					1,012,698,400.39
					297,319,578.07
					127,513,279.67
					231,109,607.18
2,207.26	38,418.00	5,985.73	3,787.58		121,817,470.49
					4,438,584.01
					223,428.69
					34,287,547.74
					2,183,134.33
					261,971.00
					129,664,595.06
					89,200,818.38
<u>2,207.26</u>	<u>38,418.00</u>	<u>5,985.73</u>	<u>3,787.58</u>	<u>-</u>	<u>3,217,936,311.44</u>
				1,450,024.71	475,280,247.32
				497,053.83	133,551,921.00
					624,067.17
	74,958.00			978,444.11	86,003,389.10
				21,766.01	7,708,345.12
	83,779.05			3,354.29	206,195,511.91
				300.00	18,326,319.81
					8,021,110.53
1,716.63					10,053,930.28
					3,452,658.11
					413,060.36
					27,032,957.22
				11,862.58	13,656,734.26
	11,982.74				234,010,482.39
					1,470,470,960.65
					30,741.32
				216.98	117,625,257.98
					10,327,261.47
<u>1,716.63</u>	<u>170,719.79</u>	<u>-</u>	<u>-</u>	<u>2,963,022.51</u>	<u>2,822,784,956.00</u>
<u>490.63</u>	<u>(132,301.79)</u>	<u>5,985.73</u>	<u>3,787.58</u>	<u>(2,963,022.51)</u>	<u>395,151,355.44</u>
					76,770.19
				3,131,778.19	66,753,961.58
				(64,403.12)	(316,786,390.91)
					5,020,338.53
					(2,723,698.53)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,067,375.07</u>	<u>(247,659,019.14)</u>
<u>490.63</u>	<u>(132,301.79)</u>	<u>5,985.73</u>	<u>3,787.58</u>	<u>104,352.56</u>	<u>147,492,336.30</u>
11,026.51	152,929.61	15,527.01	6,143.24	(104,352.56)	629,830,924.56
					(45,344,634.17)
<u>\$ 11,517.14</u>	<u>\$ 20,627.82</u>	<u>\$ 21,512.74</u>	<u>\$ 9,930.82</u>	<u>\$ -</u>	<u>\$ 731,978,626.69</u>

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit D-1 - Combining Balance Sheet - Capital Projects Funds
 August 31, 2012

	TPFA Project A Fund (7201) <u>U/F (7201)</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 B Fund (7616) <u>U/F (7616)</u>
ASSETS					
Current Assets:					
Due From Other Agencies				\$ 102,327.92	
Total Current Assets	-	-	-	102,327.92	-
Total Assets:	-	-	-	102,327.92	-
LIABILITIES AND FUND BALANCES					
Current Liabilities:					
Payables from:					
Accounts				102,327.92	
Total Current Liabilities	-	-	-	102,327.92	-
Total Liabilities:	-	-	-	102,327.92	-
Fund Balances (Deficits):					
Nonspendable					
Restricted					
Committed					
Assigned					
Unassigned					
Total Fund Balances	-	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ 102,327.92	\$ -

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

UNAUDITED

TPFA Project C Fund (7619) U/F (7619)	TPFA Project Fund (7630) U/F (7630)	TPFA Project A Fund (7643) U/F (7643)	TPFA Fund (7651) U/F (7651)	Totals Exh - I
		\$ 82,467.10	\$ 284,469.17	\$ 469,264.19
-	-	82,467.10	284,469.17	469,264.19
-	-	82,467.10	284,469.17	469,264.19
		82,467.10	284,469.17	469,264.19
-	-	82,467.10	284,469.17	469,264.19
-	-	82,467.10	284,469.17	469,264.19
		-	-	-
		-	-	-
		-	-	-
		-	-	-
\$ -	\$ -	\$ 82,467.10	\$ 284,469.17	\$ 469,264.19

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit D-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Capital Projects Funds
 For the Fiscal Year Ended August 31, 2012

	TPFA Project A Fund (7201)	TPFA Project Fund (7212)	TPFA Project Fund (7214)	TPFA Project Fund (7215)	TPFA Project B Fund (7616)
	<u>U/F (7201)</u>	<u>U/F (7212)</u>	<u>U/F (7214)</u>	<u>U/F (7215)</u>	<u>U/F (7616)</u>
REVENUES					
Other					
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
EXPENDITURES					
Materials and Supplies			65,983.86	28,534.38	
Repairs and Maintenance			365.00		
Rentals & Leases			64,485.00	2,988.98	
Other Expenditures		223,052.97	14,186.88	8,896.14	57,207.16
Capital Outlay	2,188.17	766,269.16	1,467,988.07	6,525,904.12	384,582.68
Total Expenditures/Expenses	<u>2,188.17</u>	<u>989,322.13</u>	<u>1,613,008.81</u>	<u>6,566,323.62</u>	<u>441,789.84</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,188.17)</u>	<u>(989,322.13)</u>	<u>(1,613,008.81)</u>	<u>(6,566,323.62)</u>	<u>(441,789.84)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	2,188.17	989,322.13	1,613,008.81	6,566,323.62	441,789.84
Total Other Financing Sources (Uses)	<u>2,188.17</u>	<u>989,322.13</u>	<u>1,613,008.81</u>	<u>6,566,323.62</u>	<u>441,789.84</u>
Net Change in Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND FINANCIAL STATEMENT - FUND BALANCES					
Fund Balances - Beginning					
Appropriations Lapsed					
Fund Balances--August 31, 2012	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

UNAUDITED

TPFA Project B Fund (7619)	TPFA Project Fund (7630)	TPFA Project Fund (7643)	TPFA Project Fund (7651)	Totals
<u>U/F (7619)</u>	<u>U/F (7630)</u>	<u>U/F (7643)</u>	<u>U/F (7651)</u>	<u>Exh - II</u>
\$ -	\$ -	\$ -	\$ 2,472.90	\$ 2,472.90
			\$ 2,472.90	\$ 2,472.90
				94,518.24
				365.00
				67,473.98
		11,950.00	43,443.25	358,736.40
283,300.77	499,736.68	3,136,622.86	1,850,698.39	14,917,290.90
283,300.77	499,736.68	3,148,572.86	1,894,141.64	15,438,384.52
(283,300.77)	(499,736.68)	(3,148,572.86)	(1,891,668.74)	(15,435,911.62)
283,300.77	499,736.68	3,148,572.86	1,891,668.74	15,435,911.62
283,300.77	499,736.68	3,148,572.86	1,891,668.74	15,435,911.62
-	-	-	-	-
-	-	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -

UNAUDITED

Texas Department of State Health Services (537)
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 August 31, 2012

	Beginning Balance September 1, 2011	Additions	Deductions	Ending Balance August 31, 2012
<u>Radiation/Perpetual Care Security (0880)</u>				
ASSETS				
Cash in State Treasury	\$ 5,967.41	\$ 10,948.07	\$ 10,948.07	\$ 5,967.41
Shared Cash	11.00			11.00
Total Assets	<u>5,978.41</u>	<u>10,948.07</u>	<u>10,948.07</u>	<u>5,978.41</u>
LIABILITIES				
Funds Held for Others	5,978.41	10,948.07	10,948.07	5,978.41
Total Liabilities	<u>5,978.41</u>	<u>10,948.07</u>	<u>10,948.07</u>	<u>5,978.41</u>
<u>Asbestos Escrow Account (5880)</u>				
ASSETS				
Cash in State Treasury	1,179.55	37.33		1,216.88
Total Assets	<u>1,179.55</u>	<u>37.33</u>	<u>-</u>	<u>1,216.88</u>
LIABILITIES				
Funds Held for Others	1,179.55	37.33	-	1,216.88
Total Liabilities	<u>1,179.55</u>	<u>37.33</u>	<u>-</u>	<u>1,216.88</u>
<u>Depository Interest Default Fund (8880)</u>				
ASSETS				
Cash in State Treasury	3,834.74	27.15		3,861.89
Total Assets	<u>3,834.74</u>	<u>27.15</u>	<u>-</u>	<u>3,861.89</u>
LIABILITIES				
Funds Held for Others	3,834.74	27.15		3,861.89
Total Liabilities	<u>3,834.74</u>	<u>27.15</u>	<u>-</u>	<u>3,861.89</u>
<u>City, County, MTA, and SPD Sales Taxes (0882)</u>				
ASSETS				
Cash in State Treasury		15,662.82	15,662.82	-
Total Assets	<u>-</u>	<u>15,662.82</u>	<u>15,662.82</u>	<u>-</u>
LIABILITIES				
Funds Held for Others		15,662.82	15,662.82	-
Total Liabilities	<u>-</u>	<u>15,662.82</u>	<u>15,662.82</u>	<u>-</u>
<u>Child Support Addenda Deducts-Suspense (8070)</u>				
ASSETS				
Cash in State Treasury	135,956.89	2,376,128.44	2,382,569.61	129,515.72
Total Assets	<u>135,956.89</u>	<u>2,376,128.44</u>	<u>2,382,569.61</u>	<u>129,515.72</u>
LIABILITIES				
Vouchers Payable		2,239,370.73	2,239,370.73	
Funds Held for Others	135,956.89	2,240,171.55	2,246,612.72	129,515.72
Total Liabilities	<u>135,956.89</u>	<u>4,479,542.28</u>	<u>4,485,983.45</u>	<u>129,515.72</u>
<u>Departmental Suspense Fund (0900)</u>				
ASSETS				
Cash in State Treasury		1,763,272.92	1,763,272.92	
Total Assets	<u>-</u>	<u>1,763,272.92</u>	<u>1,763,272.92</u>	<u>-</u>
LIABILITIES				
Vouchers Payable		2,499.18	2,499.18	
Funds Held for Others		1,763,272.92	1,763,272.92	
Total Liabilities	<u>-</u>	<u>1,765,772.10</u>	<u>1,765,772.10</u>	<u>-</u>

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Texas Department of State Health Services (537)
 Exhibit J-1 - Combining Statement of Changes in Assets and Liabilities - Agency Funds
 August 31, 2012

	Beginning Balance September 1, 2011	Additions	Deductions	Ending Balance August 31, 2012
<u>Correction Account - Direct Deposit (0980)</u>				
ASSETS				
Cash in State Treasury	405.21	130,065.69	130,090.26	380.64
Total Assets	<u>405.21</u>	<u>130,065.69</u>	<u>130,090.26</u>	<u>380.64</u>
LIABILITIES				
Funds Held for Others	405.21	130,065.69	130,090.26	380.64
Total Liabilities	<u>405.21</u>	<u>130,065.69</u>	<u>130,090.26</u>	<u>380.64</u>
<u>USPS - Direct Deposit Return Money (9014)</u>				
ASSETS				
Cash in State Treasury	-	99,047.24	99,042.24	5.00
Total Assets	<u>-</u>	<u>99,047.24</u>	<u>99,042.24</u>	<u>5.00</u>
LIABILITIES				
Funds Held for Others	-	99,047.24	99,042.24	5.00
Total Liabilities	<u>-</u>	<u>99,047.24</u>	<u>99,042.24</u>	<u>5.00</u>
<u>USPS - Overpayments to Employees (9015)</u>				
ASSETS				
Cash in State Treasury	35,024.46	72,020.22	77,294.82	29,749.86
Total Assets	<u>35,024.46</u>	<u>72,020.22</u>	<u>77,294.82</u>	<u>29,749.86</u>
LIABILITIES				
Funds Held for Others	35,024.46	72,020.22	77,294.82	29,749.86
Total Liabilities	<u>35,024.46</u>	<u>72,020.22</u>	<u>77,294.82</u>	<u>29,749.86</u>
<u>Radiation/Perpetual Care (5096)</u>				
ASSETS				
Cash in State Treasury	65,633.18			65,633.18
Shared Cash	(65,633.18)			(65,633.18)
Other Assets	31,426,967.07	41,915,706.41	7,661,277.67	65,681,395.81
Total Assets	<u>31,426,967.07</u>	<u>41,915,706.41</u>	<u>7,661,277.67</u>	<u>65,681,395.81</u>
LIABILITIES				
Funds Held for Others	31,426,967.07	34,254,428.74		65,681,395.81
Total Liabilities	<u>31,426,967.07</u>	<u>34,254,428.74</u>	<u>-</u>	<u>65,681,395.81</u>
<u>Custodial Trust Fund (7999)</u>				
ASSETS				
Cash in Bank	43,753.40	3,562,684.74	3,626,133.74	(19,695.60)
Cash Equivalents-Miscellaneous Investments	133,875.00		15,500.00	118,375.00
Repurchase Agreements	395,200.00	102,539.43		497,739.43
Total Assets	<u>572,828.40</u>	<u>3,665,224.17</u>	<u>3,641,633.74</u>	<u>596,418.83</u>
LIABILITIES				
Funds Held For Others	572,823.50	3,712,436.08	3,688,864.72	596,394.86
CI Other Liabilities	4.90	336.74	317.67	23.97
Total Liabilities	<u>572,828.40</u>	<u>3,712,772.82</u>	<u>3,689,182.39</u>	<u>596,418.83</u>
<u>Merchandise Coupon Fund (7999)</u>				
ASSETS				
Cash in Bank	9,289.72	19,102.09	17,228.03	11,163.78
Total Assets	<u>9,289.72</u>	<u>19,102.09</u>	<u>17,228.03</u>	<u>11,163.78</u>
LIABILITIES				
Funds Held For Others				-
CI Other Liabilities	9,289.72	19,055.04	17,180.98	11,163.78
Total Liabilities	<u>9,289.72</u>	<u>19,055.04</u>	<u>17,180.98</u>	<u>11,163.78</u>

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Texas Department of State Health Services (537)

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

August 31, 2012

	Beginning Balance <u>September 1, 2011</u>	<u>Additions</u>	<u>Deductions</u>	Ending Balance <u>August 31, 2012</u>
Totals - All Agency Funds				
ASSETS				
Cash in Bank	\$ 53,043.12	\$ 3,581,786.83	\$ 3,643,361.77	\$ (8,531.82)
Cash in State Treasury	248,001.44	4,467,209.88	4,478,880.74	236,330.58
Shared Cash	(65,622.18)			(65,622.18)
Other Assets	31,426,967.07	41,915,706.41		65,681,395.81
Cash Equivalents-Miscellaneous Investments	133,875.00		15,500.00	118,375.00
Repurchase Agreements	395,200.00	102,539.43	-	497,739.43
Total Assets	<u><u>32,191,464.45</u></u>	<u><u>50,067,242.55</u></u>	<u><u>8,137,742.51</u></u>	<u><u>66,459,686.82</u></u>
LIABILITIES				
Vouchers Payable		2,241,869.91	2,241,869.91	
Funds Held for Others	32,182,169.83	42,298,117.81	8,031,788.57	66,448,499.07
Other Liabilities	9,294.62	19,391.78	17,498.65	11,187.75
Total Liabilities	<u><u>\$ 32,191,464.45</u></u>	<u><u>\$ 44,559,379.50</u></u>	<u><u>\$ 10,291,157.13</u></u>	<u><u>\$ 66,459,686.82</u></u>

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

Supplementary Schedules

UNAUDITED

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
U. S. Department of Agriculture					
Country of Origin - Food Labeling	10.000	12-25-A-5448			\$ 133,200.00
Cooperative Agreements for Intrastate Meat and Poultry Inspection	10.475				4,142,839.73
Special Supplemental Nutrition Programs for Women, Infants and Children	10.557				735,802,641.64
Pass Through To:					
Texas A&M University (711)					149,227.99
University of Texas at Austin (721)					60,334.04
University of Texas Medical Branch at Galveston (723)					6,250,912.72
Texas Tech Health Science Center (739)					166,578.93
University of Texas Health Science Center Houston (744)					4,353,056.47
WIC Farmers' Market Nutrition Program	10.572				(64,921.91)
WIC Grants to States - ARRA	10.578				3,139,274.08
Child Nutrition Discretionary Grants Limited Availability	10.579				708,434.06
Totals - U. S. Department of Agriculture					<u>754,841,577.75</u>
Department of Housing and Urban Development					
Housing Opportunities for Persons with AIDS	14.241				2,403,539.90
Totals-Department of Housing and Urban Development					<u>2,403,539.90</u>
Environmental Protection Agency					
Air Pollution Control Program Support	66.001				329,775.94
State Indoor Radon Grants	66.032				55,399.90
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034				37,041.43
Water Pollution Control State, Interstate, and Tribal Program Support	66.419		582	264,200.00	
Toxic Substance Compliance Monitoring Cooperative Agreements	66.701				102,504.47
TSCA Title IV State Lead Grants Certification of Lead-Based Paint Professionals	66.707				288,860.72
Totals - Environmental Protection Agency				<u>264,200.00</u>	<u>813,582.46</u>
U. S. Department of Energy					
Pass Through From:					
State Energy Conservation Office (907)					
Transport of Transuranic Waste	81.106		907	208,996.57	
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt, Emergency Response Research, Outreach, Technical Analysis	81.214		907	246,069.19	
Totals - U. S. Department of Energy				<u>455,065.76</u>	
U. S. Department of Health and Human Services					
Cancer Registry - ARRA	93.000	635243-10S-1570			342,564.11
Adult Blood Lead Epidemiology and Surveillance	93.000	214-2011-M-39669			27,500.00
Establish and Maintain the National Death Index	93.000	200-2012M-50202			53,016.78
Hansen's Disease	93.000	HSH258201000013C			51,366.56
Maternal Mortality Surveillance	93.000	200-2011-M-40230			31,884.00
Medical Device Contract	93.000	223201210171C			38,555.12

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Total Pass-Through From and Direct Program Amount	Pass-Through To			Expenditure Amount	Total Pass-Through To and Expenditure Amount
	Agy/ Univ No.	Agency or University Amount	Non-State Entities Amount		
\$ 133,200.00				\$ 133,200.00	\$ 133,200.00
4,142,839.73				4,142,839.73	4,142,839.73
735,802,641.64			154,785,817.73	581,016,823.91	735,802,641.64
149,227.99	711	149,227.99			149,227.99
60,334.04	721	60,334.04			60,334.04
6,250,912.72	723	6,250,912.72			6,250,912.72
166,578.93	739	166,578.93			166,578.93
4,353,056.47	744	4,353,056.47			4,353,056.47
(64,921.91)			(18,246.07)	(46,675.84)	(64,921.91)
3,139,274.08				3,139,274.08	3,139,274.08
708,434.06				708,434.06	708,434.06
<u>754,841,577.75</u>		<u>10,980,110.15</u>	<u>154,767,571.66</u>	<u>589,093,895.94</u>	<u>754,841,577.75</u>
2,403,539.90			2,359,771.81	43,768.09	2,403,539.90
<u>2,403,539.90</u>			<u>2,359,771.81</u>	<u>43,768.09</u>	<u>2,403,539.90</u>
329,775.94				329,775.94	329,775.94
55,399.90				55,399.90	55,399.90
37,041.43				37,041.43	37,041.43
264,200.00				264,200.00	264,200.00
102,504.47				102,504.47	102,504.47
288,860.72				288,860.72	288,860.72
<u>1,077,782.46</u>				<u>1,077,782.46</u>	<u>1,077,782.46</u>
208,996.57				208,996.57	208,996.57
246,069.19				246,069.19	246,069.19
<u>455,065.76</u>				<u>455,065.76</u>	<u>455,065.76</u>
342,564.11				342,564.11	342,564.11
27,500.00				27,500.00	27,500.00
53,016.78				53,016.78	53,016.78
51,366.56			51,366.56		51,366.56
31,884.00				31,884.00	31,884.00
38,555.12				38,555.12	38,555.12

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TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Strengthening Public Health Services at the Outreach Offices of the U.S.-Mexico Border Health Commission	93.018				251,185.71
Pass Through To:					
Texas A&M University (711)					1,153.25
University of Texas Health Science Center Houston (744)					1,520.18
Laboratory Training, Evaluation and Quality Assurance Programs	93.064				18,793.01
Laboratory Leadership, Workforce Training and Management Development, Improving Public Health Laboratory Infrastructure	93.065				5,507.77
Public Health Emergency Preparedness	93.069				42,944,914.55
Pass Through To:					
Texas A&M University Health Science Center (709)					105,196.75
University of Texas at Austin (721)					41,934.63
University of Texas Medical Branch at Galveston (723)					228,966.34
Texas Tech Health Science Center (739)					54,825.07
University of Texas Health Science Center - San Antonio (745)					69,985.48
University of Texas Health Science Center - Tyler (785)					215,479.33
Environmental Public Health and Emergency Response	93.070				221,169.61
Emergency System for Advance Registration of Volunteer Health Professionals	93.089				7,062.02
Food and Drug Administration Research	93.103				792,992.10
Pass Through To:					
Texas AgriLife Research (556)					78,436.53
Maternal and Child Health Federal Consolidated Programs	93.110				1,429,469.13
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116				6,850,647.47
Pass Through To:					
University of Texas Health Center at Tyler (785)					1,956,491.10
Primary Care Services Resource Coordination and Development	93.130				324,919.83
Injury Prevention and Control Research and State and Community Based Programs	93.136				(348.05)
Pass Through To:					
Office of the Attorney General (302)					2,453,016.74
Projects for Assistance in Transition from Homelessness (PATH)	93.150				3,891,817.48
Childhood Lead Poisoning Prevention	93.197				14,427.39
Family Planning Services	93.217				12,998,275.73
Pass Through To:					
University of Texas Medical Branch at Galveston (723)					733,802.00
Texas Tech Health Science Center (739)					76,000.00
Abstinence Education Program	93.235				5,724,016.95
Pass Through To:					
University of Texas Health Science Center Houston (744)					236,806.30
Program to Conduct & Coordinate Site Specific Activities	93.240				442,328.54
Substance Abuse & Mental Health Services	93.243				1,646,710.25
Pass Through To:					
University of Texas at Austin (721)					311,604.34
Pass Through From:					
Health and Human Services Commission (529)			529	62,672.18	
Universal Newborn Hearing Screening	93.251				210,658.07
Pass Through To:					
University of Texas at Austin (721)					67,781.25
Occupational Safety and Health Program	93.262				115,461.43
Adult Viral Hepatitis Prevention and Control	93.270				85,399.99

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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		
251,185.71			(17,236.63)	268,422.34	251,185.71
1,153.25	711	1,153.25			1,153.25
1,520.18	744	1,520.18			1,520.18
18,793.01				18,793.01	18,793.01
5,507.77				5,507.77	5,507.77
42,944,914.55			25,388,642.05	17,556,272.50	42,944,914.55
105,196.75	709	105,196.75			105,196.75
41,934.63	721	41,934.63			41,934.63
228,966.34	723	228,966.34			228,966.34
54,825.07	739	54,825.07			54,825.07
69,985.48	745	69,985.48			69,985.48
215,479.33	785	215,479.33			215,479.33
221,169.61			212,077.76	9,091.85	221,169.61
7,062.02				7,062.02	7,062.02
792,992.10				792,992.10	792,992.10
78,436.53	556	78,436.53			78,436.53
1,429,469.13				1,429,469.13	1,429,469.13
6,850,647.47			3,347,282.59	3,503,364.88	6,850,647.47
1,956,491.10	785	1,956,491.10			1,956,491.10
324,919.83				324,919.83	324,919.83
(348.05)				(348.05)	(348.05)
2,453,016.74	302	2,453,016.74			2,453,016.74
3,891,817.48			3,729,700.03	162,117.45	3,891,817.48
14,427.39			16,173.27	(1,745.88)	14,427.39
12,998,275.73			6,458,428.91	6,539,846.82	12,998,275.73
733,802.00	723	733,802.00			733,802.00
76,000.00	739	76,000.00			76,000.00
5,724,016.95			1,699,630.42	4,024,386.53	5,724,016.95
236,806.30	744	236,806.30			236,806.30
442,328.54				442,328.54	442,328.54
1,646,710.25			1,366,703.87	280,006.38	1,646,710.25
311,604.34	721	311,604.34			311,604.34
62,672.18				62,672.18	62,672.18
210,658.07				210,658.07	210,658.07
67,781.25	721	67,781.25			67,781.25
115,461.43				115,461.43	115,461.43
85,399.99				85,399.99	85,399.99

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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, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Centers for Disease Control Prevention - Investigations and Technical Assistance	93.283				12,962,900.48
Pass Through To:					
Texas A&M University Health Science Center (709)					59,919.89
Texas A&M University (711)					181,743.57
University of Texas at Austin (721)					191,943.58
University of Texas Medical Branch at Galveston (723)					513,897.08
Texas Tech Health Science Center (739)					48,702.23
University of Texas Health Science Center Houston (744)					267,107.95
University of Texas at Tyler (750)					29,848.74
State Primary Care Offices - ARRA	93.414				15,203.46
Pass Through To:					
University of Texas at Austin (721)					59,024.13
University of Texas Medical Branch at Galveston (723)					33,859.72
Food Safety and Security Monitoring	93.448				325,447.30
Strengthening Public Health Infrastructure for Improved Health Outcomes	93.507				479,959.12
Pass Through To:					
University of North Texas Health Science Center Fort Worth (763)					59,794.72
CDC Communities Putting Prevention to Work - Affordable Care Act	93.520				34,648.16
Pass Through To:					
University of Texas at Austin (721)					217,901.26
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 - ACA	93.521				377,551.92
Pass Through To:					
University of Texas Health Science Center - San Antonio (745)					189,528.15
HIV Prevention and Public Health Fund Activities - ACA	93.523				1,124,285.89
Pass Through To:					
University of Texas Southwestern Medical Center at Dallas (729)					80,834.45
PPHF 2012: Community Transformation Grants and National Dissemination and Support for Community Transformation Grants	93.531				2,148,469.19
Pass Through To:					
Texas AgriLife Research (555)					81,456.06
University of Texas Medical Branch at Galveston (723)					155,295.40
Texas Tech Health Science Center (739)					142,372.99
University of Texas Health Science Center Houston (744)					185,529.80
University of North Texas Health Science Center Fort Worth (763)					368,258.50
University of Texas Health Science Center - Tyler (785)					269,376.29
PPHF: Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance	93.539				14,735.28
Coordinated Chronic Disease Prevention and Health Promotion Program ACA	93.544				251,474.06
Refugee and Entrant Assistance-State Administered Programs					
Pass Through From:					
Health and Human Services Commission (529)			529	8,374,573.90	
Refugee and Entrant Assistance-Discretionary Grants	93.576				52,007.25
Temporary Assistance to Needy Families to Title XX	93.667				
Pass Through From:					
Health and Human Services Commission (529)			529	16,603,234.36	
Pass Through To:					
University of Texas at Austin (721)					
Title XX - Social Services Block Grant	93.667				
Pass Through From:					
Health and Human Services Commission (529)			529	10,527,528.68	

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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		
12,962,900.48			5,259,404.60	7,703,495.88	12,962,900.48
59,919.89	709	59,919.89			59,919.89
181,743.57	711	181,743.57			181,743.57
191,943.58	721	191,943.58			191,943.58
513,897.08	723	513,897.08			513,897.08
48,702.23	739	48,702.23			48,702.23
267,107.95	744	267,107.95			267,107.95
29,848.74	750	29,848.74			29,848.74
15,203.46				15,203.46	15,203.46
59,024.13	721	59,024.13			59,024.13
33,859.72	723	33,859.72			33,859.72
325,447.30				325,447.30	325,447.30
479,959.12				479,959.12	479,959.12
59,794.72	763	59,794.72			59,794.72
34,648.16				34,648.16	34,648.16
217,901.26	721	217,901.26			217,901.26
377,551.92				377,551.92	377,551.92
189,528.15	745	189,528.15			189,528.15
1,124,285.89			673,917.12	450,368.77	1,124,285.89
80,834.45	729	80,834.45			80,834.45
2,148,469.19			1,356,824.96	791,644.23	2,148,469.19
81,456.06	555	81,456.06			81,456.06
155,295.40	723	155,295.40			155,295.40
142,372.99	739	142,372.99			142,372.99
185,529.80	744	185,529.80			185,529.80
368,258.50	763	368,258.50			368,258.50
269,376.29	785	269,376.29			269,376.29
14,735.28				14,735.28	14,735.28
251,474.06				251,474.06	251,474.06
8,374,573.90			6,129,366.26	2,245,207.64	8,374,573.90
52,007.25			8,908.27	43,098.98	52,007.25
16,603,234.36			11,370,475.16	4,893,067.48	16,603,234.36
	721	339,691.72			
10,527,528.68			5,183,404.05	5,344,124.63	10,527,528.68

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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, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Preventing Healthcare-Associated Infections ARRA	93.717				474,533.41
Prevention and Wellness-State, Territories and Pacific Islands ARRA	93.723				2,834,006.68
Pass Through To:					
Legislative Budget Board (104)					2,000.00
Comptroller of Public Accounts (305)					52,832.22
Texas State Board of Pharmacy (515)					2,000.00
Texas AgriLife Research (555)					57,633.85
University of Texas at Austin (721)					287,131.76
Texas Tech University (733)					70,000.00
University of Texas Health Science Center at San Antonio (745)					22,108.77
University of San Marcos (754)					69,999.76
Parks and Wildlife Department (802)					12,945.00
Prevention and Wellness - Communities Putting Prevention to Work Funding Opportunities Announcement - ARRA	93.724				98,756.99
Health Information Technology & Public Health - ARRA	93.729				808,000.00
Money Follows the Person Rebalancing Demonstration	93.791				
Pass Through From:					
Health and Human Services Commission (529)			529	1,332,036.15	
Pass Through To:					
University of Texas Health Science Center at San Antonio (745)					
National Bioterrorism Hospital Preparedness Program	93.889				24,072,450.17
Pass Through To:					
University of Texas Health Center at Tyler(785)					27,526.66
HIV Care Grants	93.917				75,903,284.49
Pass Through To:					
Department of Criminal Justice (696)					190,253.40
University of Texas at Austin (721)					(88.78)
University of Texas Medical Branch at Galveston (723)					92,199.03
HIV Prevention Activity	93.940				14,223,471.78
Pass Through To:					
Texas A&M University (711)					308,562.78
University of Texas at Austin (721)					349,542.68
University of Texas Southwestern Medical Center at Dallas (729)					700,062.68
Texas Tech Health Science Center (739)					213,400.16
University of Texas Health Science Center at San Antonio (745)					131,469.74
University of Texas Health Center at Tyler(785)					9,916.57
HIV/AIDS Surveillance	93.944				2,662,319.97
Pass Through To:					
University of Texas Southwestern Medical Center at Dallas (729)					513,855.55
Pregnancy Risk Assessment	93.946				42,003.12
Pass Through To:					
Texas A&M University (711)					114,545.00
Block Grants for Community Mental Health Service	93.958				32,499,270.60
Pass Through To:					
University of Texas at Austin (721)					304,074.76
Substance Abuse Prevention/Treatment Block Grant	93.959				125,010,159.46
Pass Through To:					
Texas A&M University (711)					136,123.49
University of Texas at Arlington (714)					631,610.53
University of Texas at Austin (721)					86,197.61
Preventative Health Services-STD	93.977				6,953,615.37
STD Research Public and Professional Education Projects	93.978				25.89
Mental Health Disaster Assistance and Emergency Mental Health	93.982				152,675.43

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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		
474,533.41			68,659.27	405,874.14	474,533.41
2,834,006.68			300,443.05	2,533,563.63	2,834,006.68
2,000.00	104	2,000.00			2,000.00
52,832.22	305	52,832.22			52,832.22
2,000.00	515	2,000.00			2,000.00
57,633.85	555	57,633.85			57,633.85
287,131.76	721	287,131.76			287,131.76
70,000.00	733	70,000.00			70,000.00
22,108.77	745	22,108.77			22,108.77
69,999.76	754	69,999.76			69,999.76
12,945.00	802	12,945.00			12,945.00
98,756.99				98,756.99	98,756.99
808,000.00				808,000.00	808,000.00
1,332,036.15			192,402.18	639,447.93	831,850.11
	745	500,186.04			500,186.04
24,072,450.17			19,282,178.46	4,790,271.71	24,072,450.17
27,526.66	785	27,526.66			27,526.66
75,903,284.49			15,014,533.23	60,888,751.26	75,903,284.49
190,253.40	696	190,253.40			190,253.40
(88.78)	721	(88.78)			(88.78)
92,199.03	723	92,199.03			92,199.03
14,223,471.78			10,936,212.82	3,287,258.96	14,223,471.78
308,562.78	711	308,562.78			308,562.78
349,542.68	721	349,542.68			349,542.68
700,062.68	729	700,062.68			700,062.68
213,400.16	739	213,400.16			213,400.16
131,469.74	745	131,469.74			131,469.74
9,916.57	785	9,916.57			9,916.57
2,662,319.97			562,901.27	2,099,418.70	2,662,319.97
513,855.55	729	513,855.55			513,855.55
42,003.12				42,003.12	42,003.12
114,545.00	711	114,545.00			114,545.00
32,499,270.60			25,726,261.11	6,773,009.49	32,499,270.60
304,074.76	721	304,074.76			304,074.76
125,010,159.46			104,147,588.22	20,862,571.24	125,010,159.46
136,123.49	711	136,123.49			136,123.49
631,610.53	714	631,610.53			631,610.53
86,197.61	721	86,197.61			86,197.61
6,953,615.37			5,334,080.33	1,619,535.04	6,953,615.37
25.89				25.89	25.89
152,675.43			69,450.98	83,224.45	152,675.43

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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, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
State-Based Diabetes Control Programs and Evaluation of Surveillance Systems	93.988				552,116.67
Pass Through To:					
Texas AgriLife Extension (555)					149,391.66
University of Texas at Austin (721)					71,316.26
Preventative Health and Health Services Block Grant	93.991				32,887.88
Pass Through To:					
Office of the Attorney General (302)					155,809.76
Maternal and Child Health Services Block Grant	93.994				36,778,925.98
Pass Through To:					
Texas A&M University (711)					13,825.61
University of Texas at Arlington (714)					7,452.57
University of Texas Medical Branch at Galveston (723)					91,502.86
University of Texas Health Science Center Houston (744)					145,022.04
University of Texas Health Science Center San Antonio (745)					252,978.57
Totals - U. S. Department of Health and Human Services				36,900,045.27	434,448,077.90
Social Security Administration					
Birth Records for the State of Texas	96.000	SS00-08-60062			960,236.25
Online Access to Vital Records	96.000	SS06-12-52004			41,639.00
Social Security Research and Demonstration	96.007				320,447.49
Totals - Social Security Administration					1,322,322.74
U. S. Department of Homeland Security					
Crisis Counseling	97.032				
Pass Through From					
Department of Public Safety (405)			405	161,847.49	
Pass Through To					
Department of Public Safety (405)				630.50	
Disaster Grants-Public Assistance (Presidentially Declared Disasters)	97.036				
Pass Through From					
Department of Public Safety (405)			405	282,817.82	
Hazard Mitigation Grant	97.039				
Pass Through From					
Department of Public Safety (405)			405	157,697.94	
Totals - U. S. Department of Homeland Security				602,993.75	
Immunization Cluster					
U. S. Department of Health and Human Services					
Child Immunization Program (NON-MONETARY)	93.268				336,357,289.60
Child Immunization Program	93.268				13,648,290.15
Pass Through To:					
Texas A&M University (711)					11,788.00
University of North Texas (752)					157,954.46
Immunization - ARRA	93.712				1,362,142.28
Totals - U. S. Department of Health and Human Services					351,537,464.49

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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		
552,116.67			131,270.43	420,846.24	552,116.67
149,391.66	555	149,391.66			149,391.66
71,316.26	721	71,316.26			71,316.26
32,887.88			77,801.55	(44,913.67)	32,887.88
155,809.76	302	155,809.76			155,809.76
36,778,925.98			9,124,156.31	27,654,769.67	36,778,925.98
13,825.61	711	13,825.61			13,825.61
7,452.57	714	7,452.57			7,452.57
91,502.86	723	91,502.86			91,502.86
145,022.04	744	145,022.04			145,022.04
252,978.57	745	252,978.57			252,978.57
<u>471,348,123.17</u>		<u>15,882,474.11</u>	<u>263,203,008.46</u>	<u>192,262,640.60</u>	<u>471,348,123.17</u>
960,236.25				960,236.25	960,236.25
41,639.00				41,639.00	41,639.00
320,447.49				320,447.49	320,447.49
<u>1,322,322.74</u>				<u>1,322,322.74</u>	<u>1,322,322.74</u>
161,847.49			133,155.52	28,691.97	161,847.49
630.50	405	630.50			630.50
282,817.82				282,817.82	282,817.82
157,697.94				157,697.94	157,697.94
<u>602,993.75</u>		<u>630.50</u>	<u>133,155.52</u>	<u>469,207.73</u>	<u>602,993.75</u>
336,357,289.60				336,357,289.60	336,357,289.60
13,648,290.15			3,731,174.14	9,917,116.01	13,648,290.15
11,788.00	711	11,788.00			11,788.00
157,954.46	752	157,954.46			157,954.46
1,362,142.28			90,489.64	1,271,652.64	1,362,142.28
<u>351,537,464.49</u>		<u>169,742.46</u>	<u>3,821,663.78</u>	<u>347,546,058.25</u>	<u>351,537,464.49</u>

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)
 Schedule 1A - Schedule of Expenditures of Federal Awards
 For the Fiscal Year Ended August 31, 2012

Federal Grantor/ Pass-Through Grantor Program Title	CFDA Number	Identifying Number	Pass-Through From		Direct Program Amount
			Agy/ Univ No.	Agency or University Amount	
Child Nutrition Cluster					
U. S. Department of Agriculture					
Pass Through From:					
Department of Agriculture (551)					
School Breakfast Program	10.553		551	178,946.20	
National School Lunch Program (NON-MONETARY)	10.555		551	32,234.70	
National School Lunch Program	10.555		551	334,903.14	
Totals - U. S. Department of Agriculture				<u>546,084.04</u>	
Highway Safety Cluster					
U. S. Department of Transportation					
Pass Through From:					
Department of Transportation (601)					
State and Community Highway Safety	20.600		601	555,659.86	
State Traffic Safety Information System Improvement Grants	20.610		601	577,692.61	
Totals - U. S. Department of Transportation				<u>1,133,352.47</u>	
Medicaid Cluster					
U. S. Department of Health and Human Services					
Survey and Certification Ambulatory Surgical Center Healthcare-Associated Infection Prevention Initiative	93.720				366,448.29
State Survey and Certification of Health Care Providers and Suppliers	93.777				1,209,681.54
Medical Assistance Program - ARRA	93.778				44,489.34
State Survey and Certification of Health Care Providers and Suppliers	93.777				
Pass Through From:					
Department of Aging and Disability Services (539)			539	3,787,976.00	
Medical Assistance Program	93.778				
Pass Through From:					
Health and Human Services Commission (529)			529	253,662,095.48	
Totals - U. S. Department of Health and Human Services				<u>257,450,071.48</u>	<u>1,620,619.17</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>297,351,812.77</u>	<u>1,546,987,184.41</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		
178,946.20				178,946.20	178,946.20
32,234.70				32,234.70	32,234.70
334,903.14				334,903.14	334,903.14
<u>546,084.04</u>				<u>546,084.04</u>	<u>546,084.04</u>
555,659.86				555,659.86	555,659.86
577,692.61				577,692.61	577,692.61
<u>1,133,352.47</u>				<u>1,133,352.47</u>	<u>1,133,352.47</u>
366,448.29				366,448.29	366,448.29
1,209,681.54				1,209,681.54	1,209,681.54
44,489.34				44,489.34	44,489.34
3,787,976.00				3,787,976.00	3,787,976.00
253,662,095.48			195,687.06	253,466,408.42	253,662,095.48
<u>259,070,690.65</u>			<u>195,687.06</u>	<u>258,875,003.59</u>	<u>259,070,690.65</u>
<u>1,844,338,997.18</u>		<u>27,032,957.22</u>	<u>424,480,858.29</u>	<u>1,392,825,181.67</u>	<u>1,844,338,997.18</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, 2012

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, 2012 was \$336,357,289.60

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, 2012 was \$ 32,234.70.

Note 2 - Reconciliation

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

Federal Revenues	\$ 1,012,698,400.39
Federal Pass Through Revenues	<u>297,319,578.07</u>
	<u>1,310,017,978.46</u>
Reconciling Items:	
Non-Monetary Assistance 93.268 - Note 1	336,357,289.60
Non-Monetary Assistance 10.555 - Note 1	32,234.70
WIC Program 10.557 - Note 6	<u>198,670,089.14</u>
	<u>535,059,613.44</u>
Federal Revenue received on the fixed fee basis contract:	
Bureau of the Census	<u>(78,420.00)</u>
Federal Revenue received under a vendor relationship between the agency and the federal government:	
Department of Justice/FBI Birth Verifications	(3,208.00)
Office of Personnel Management Birth Verifications	(180,822.66)
Consumer Product Safety Commission Death Certificates	(17,418.65)
Center for Disease Control - Health Care Workers	(107,558.00)
Food & Drug Administration - Tobacco Enforcement	<u>(351,167.41)</u>
	<u>(660,174.72)</u>
Total Pass-Through and Expenditures per Schedule of Expenditures of Federal Awards	<u>\$ 1,844,338,997.18</u>

Note 3 - Student Loans

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

Note 4 - Government Publications

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

Note 5 - Unemployment Insurance

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

TEXAS DEPARTMENT OF STATE HEALTH SERVICES (537)
Schedule 1A - Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended August 31, 2012

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

During the fiscal year ended August 31, 2012 the Department of State Health Services received cash rebates from infant formula manufacturers in the amount of \$ 198,670,089.14 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	\$	137,639.26
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Correction of draw will occur in FY2013

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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, 2012

Pass Through From:	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
Poison Control Centers Commission on State Emergency Communications	477.0001	477	\$ 5,488.27
North STAR Program Health and Human Service Commission	529.0001	529	19,750,000.00
Medicaid Disproportionate Share Health and Human Service Commission	529.0003	529	107,667,718.40
Frisco Blood Lead Investigation Texas Commission on Environmental Quality	582.0076	582	24,926.00
Research of Hazardous and Solid Waste - Superfund Sites Texas Commission on Environmental Quality	582.0077	582	65,147.00
Total Pass-through from Other Agencies (Exh II):			<u><u>\$ 127,513,279.67</u></u>

Pass Through To:	<u>Grant ID</u>	<u>Agency Number</u>	<u>Amount</u>
Seafood Safety Program Texas A&M University at Galveston	537.0002	718	\$ 9,780.19
Breast and Cervical Cancer Services University of Texas Medical Branch at Galveston University of Texas Health Center at Tyler	537.0004	723 785	285,472.59 <u>11,862.58</u> 297,335.17
DSHS/CHASP Mental Health Internship Program University of Texas at Austin	537.0005	721	15,122.41
Epilepsy Project Texas Tech University Health Sciences Center	537.0006	739	115,686.93
Tobacco Use Prevention and Control Texas Education Agency Texas A&M University Health Science Center Texas A&M University University of Texas at Austin Texas State University - San Marcos	537.0008	701 709 711 721 754	(5,811.66) (381.24) 232,058.57 148,641.97 <u>1,405,990.60</u> 1,780,498.24
Maternal/Child Health Texas A&M University University of Texas Medical Branch at Galveston	537.0010	711 723	79,591.17 <u>190,223.38</u> 269,814.55

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Pass Through To:	Grant ID	Agency Number	Amount
Obesity	537.0011		
University of Texas at Austin		721	28,530.38
Lamar University		734	8,348.57
Texas Tech University Health Sciences Center		739	6,770.39
Texas State University - San Marcos		754	13,206.90
			<u>56,856.24</u>
Public Health Emergency Response	537.0012		
University of Texas Health Center at Tyler		785	5,000.00
Children with Special Health Care Needs	537.0014		
University of Houston		730	137,555.03
University of Texas Health Science Center at Houston		744	40,867.44
University of Texas Health Science Center at San Antonio		745	13,968.31
			<u>192,390.78</u>
Substance Abuse Treatment	537.0015		
Texas Youth Commission		694	514,482.73
Texas Juvenile Justice Department		644	126,623.02
			<u>641,105.75</u>
Tuberculosis Elimination Program	537.0017		
University of Texas Health Center at Tyler		785	706,200.00
Texas Diabetes Program	537.0018		
University of Texas at Austin		721	2,098.45
University of Texas Medical Branch at Galveston		723	299,176.89
			<u>301,275.34</u>
Radiopharmaceutical Manufacturing	537.0022		
Texas Tech University Health Sciences Center		739	(210,612.33)
Treatment Alternatives to Incarceration	537.0023		
Texas Department of Criminal Justice		696	475,565.00
Family Health Services	537.0024		
University of Texas Health Science Center at Houston		744	33,561.89
Population Based Genetic Services	537.0025		
University of Texas Medical Branch at Galveston		723	107,038.91
University of Texas Health Science Center at Houston		744	211,695.34
			<u>318,734.25</u>
Indigent Care	537.0026		
University of Texas Medical Branch at Galveston		723	5,750,000.00
EMS/Trauma Care System	537.0028		
Texas Higher Education Coordinating Board		781	2,250,000.00
Texas Medical Child Abuse	537.0031		
University of Texas Health Science Center at Houston		744	346,267.84
Child Health and Dental Services	537.0033		
University of Texas Medical Branch at Galveston		723	3,746.74
Texas Veteran Resource Program	537.0034		
Texas A&M University Health Science Center		709	(1,866.59)

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Pass Through To:	Grant ID	Agency Number	Amount
Healthy Texas Babies Initiative	537.0035		
Texas A&M University		711	127,251.00
Texas Tech University Health Sciences Center		739	54,986.94
			<u>182,237.94</u>
Cardiovascular Health and Wellness Program	537.0036		
Texas Tech University Health Sciences Center		739	4,235.21
Military Veteran Peer Network	537.0037		
Texas A&M University Health Science Center		709	214,852.18
Texas Youth Tobacco Awareness Program	537.0038		
Texas A&M University Health Science Center		709	37,656.51
University of Houston		730	40,831.97
			<u>78,488.48</u>
Youth Empowerment Services	537.0039		
University of Texas at Austin		721	6,869.67
Money Follows the Person - Pilot	537.0040		
University of Texas Health Science Center at San Antonio		745	142,135.22
Psychiatry Resident/Fellow Rotation Program	537.0041		
University of Texas Health Science Center at San Antonio		745	377,653.16
Total Pass-Through to Other Agencies (Exh II):			<u><u>\$ 14,362,934.26</u></u>

