

# State of Texas Department of Public Safety

---

**ANNUAL**

*Financial Report*

---

STEVEN C. McCRAW  
DIRECTOR  
DAVID G. BAKER  
CHERYL MacBRIDE  
DEPUTY DIRECTORS



COMMISSION  
A. CYNTHIA LEON, CHAIR  
CARIN MARCY BARTH  
ADA BROWN  
ALLAN B. POLUNSKY  
JOHN STEEN

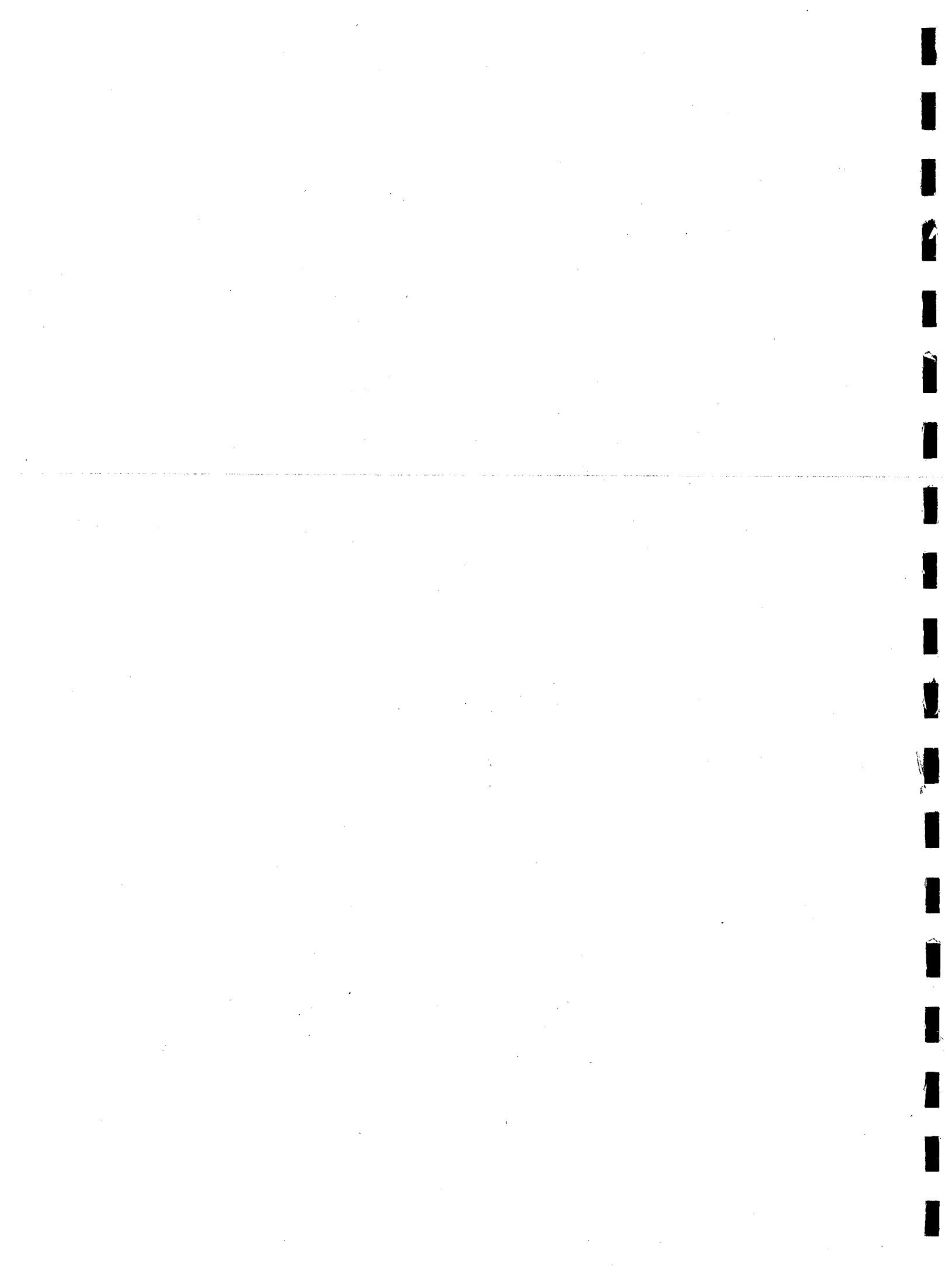
FOR THE PERIOD SEPTEMBER 1, 2011 THROUGH AUGUST 31, 2012



**Annual Financial Report**  
For the Year Ended August 31, 2012

Prepared for:  
**Texas Department of Public Safety**

**Rupert & Associates, P.C.**  
10616 Manchaca Rd.  
Austin, TX 78748

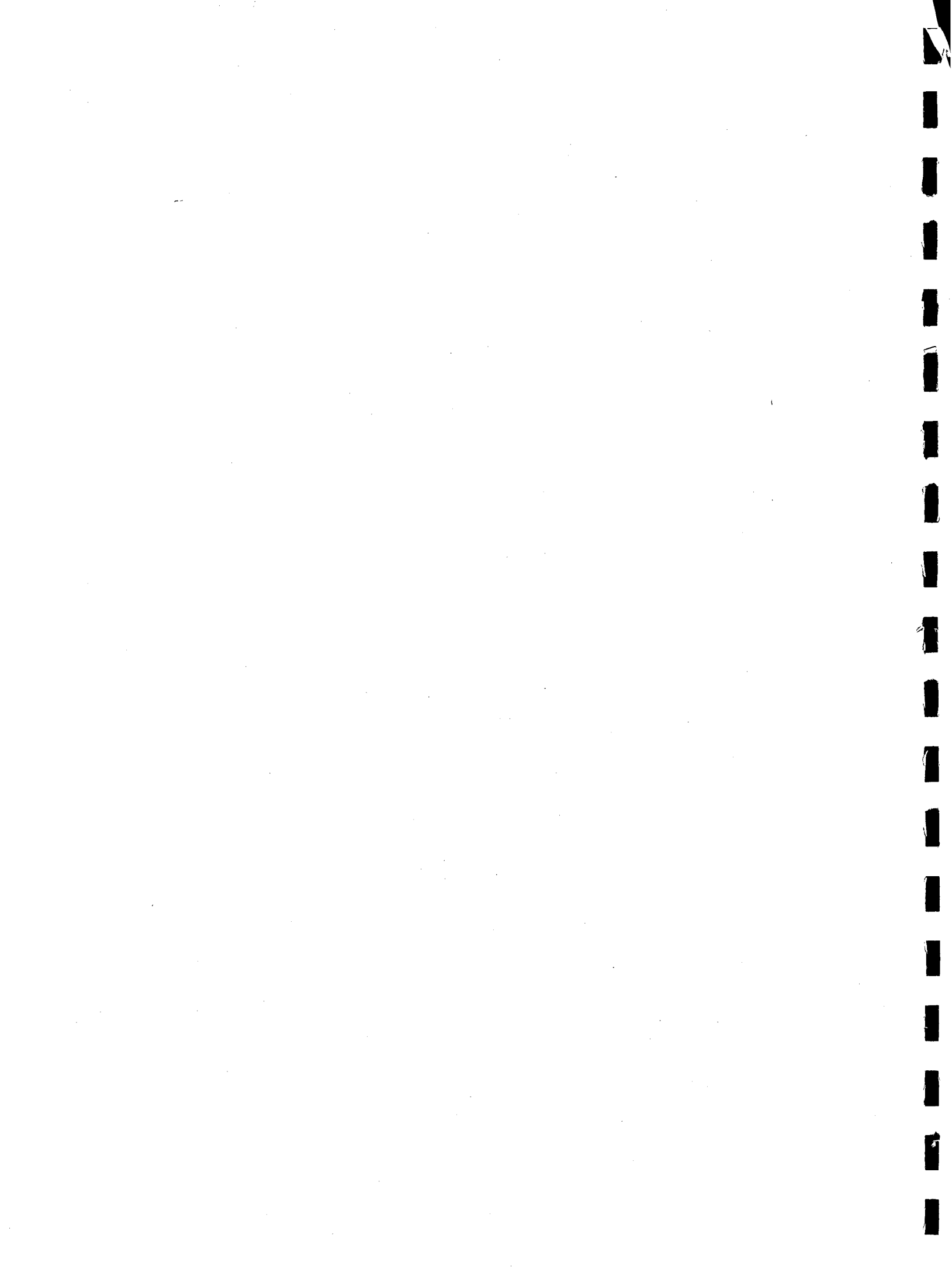


**TEXAS DEPARTMENT OF PUBLIC SAFETY**

**ANNUAL FINANCIAL REPORT**

**For the Year Ended August 31, 2012**

Steven C. McCraw  
Director



## TABLE OF CONTENTS

Agency Transmittal Letter .....	1
---------------------------------	---

### COMBINED FINANCIAL STATEMENTS

Exhibit I: Combined Balance Sheet/Statement of Net Assets – Governmental Funds .....	2
Exhibit II: Combined Statement of Revenues, Expenditures and Changes in Fund Balances / Statement of Activities – Governmental Funds .....	3
Exhibit VI: Combined Statement of Net Assets – Fiduciary Funds .....	4
Notes to Financial Statements .....	5

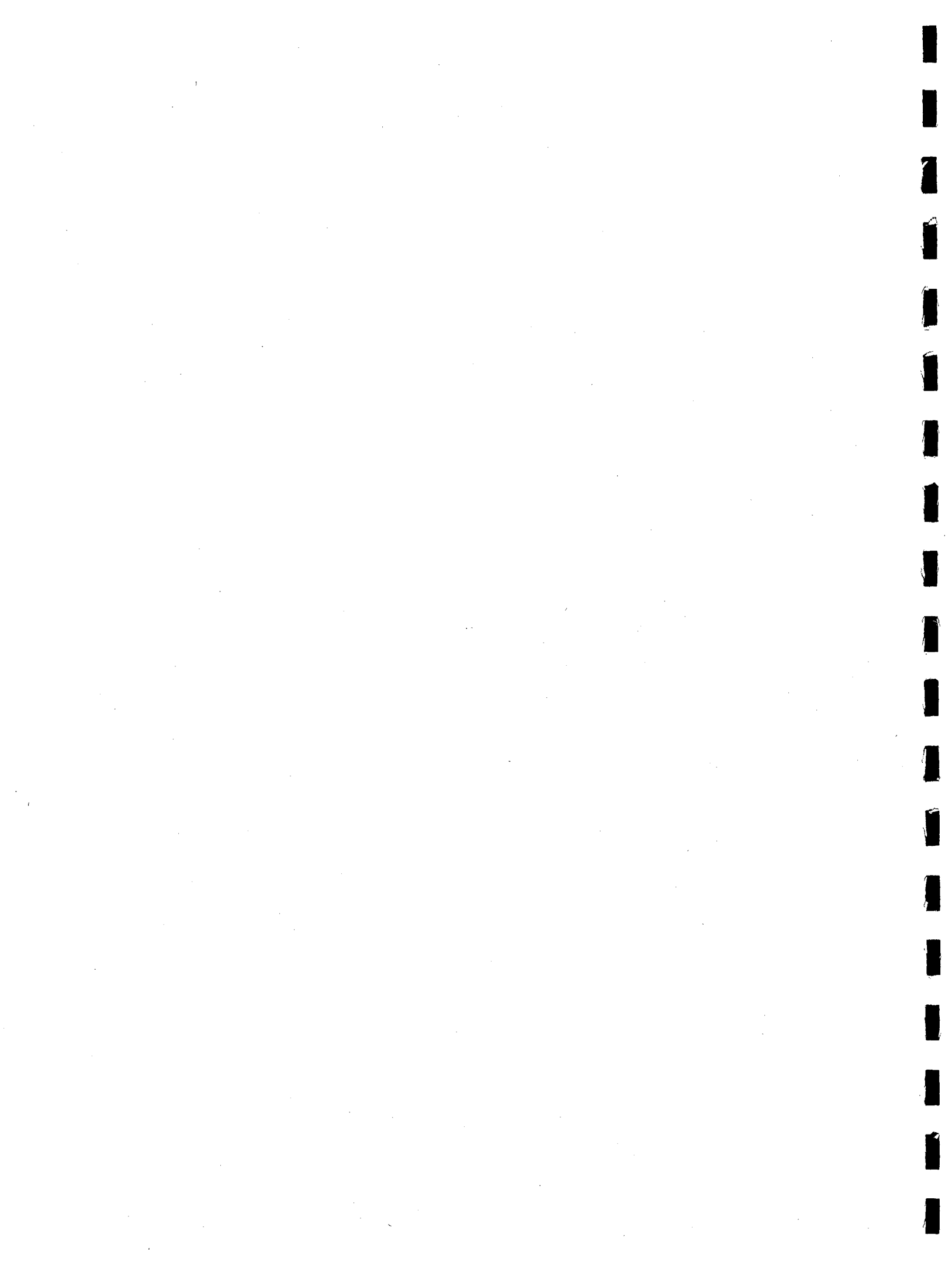
### COMBINING FINANCIAL STATEMENTS

Exhibit A-1: Combining Balance Sheet – All General and Consolidated Funds .....	22
Exhibit A-2: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General and Consolidated Funds .....	24
Exhibit B-1: Combining Balance Sheet – Special Revenue Funds .....	26
Exhibit B-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds .....	27
Exhibit C-1: Combining Balance Sheet – Capital Project Funds .....	28
Exhibit C-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds .....	29
Exhibit J-1: Combining Statement of Changes in Assets and Liabilities – Agency Funds .....	30

### SUPPLEMENTAL INFORMATION

#### Schedules

1-A: Schedule of Expenditures of Federal Awards .....	33
1-B: Schedule of State Grant Pass Throughs From/To State Agencies .....	47





# TEXAS DEPARTMENT OF PUBLIC SAFETY

5805 N LAMAR BLVD • BOX 4087 • AUSTIN, TEXAS 78773-0001

512/424-2000

[www.dps.texas.gov](http://www.dps.texas.gov)



STEVEN C. McCRAW  
DIRECTOR  
DAVID G. BAKER  
CHERYL MacBRIDE  
DEPUTY DIRECTORS



COMMISSION  
A. CYNTHIA LEON, CHAIR  
CARIN MARCY BARTH  
ADA BROWN  
ALLAN B. POLUNSKY  
JOHN STEEN

November 16, 2012

Honorable Rick Perry, Governor  
Honorable Susan Combs, Texas Comptroller  
Ursula Parks, Acting Director, Legislative Budget Board  
John Keel, CPA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the Annual Financial Report of the Texas Department of Public Safety for the year ended August 31, 2012, in compliance with TEX. GOV'T CODE ANN §2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

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

If you have any questions, please contact Sharon Flores (512) 424-2063. Maureen Coulehan may be contacted at (512) 424-2351 for questions related to the Schedule of Expenditures of Federal Awards.

Sincerely,

A handwritten signature in black ink that reads "Steven C. McCraw".

Steven C. McCraw  
Director

UNAUDITED

Texas Department of Public Safety (405)

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

For the Fiscal Year Ended August 31, 2012

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exh A-1)	Special Revenue Funds (Exh B-1)	Capital Projects Funds (Exh C-1)	
<b>ASSETS</b>				
Current Assets:				
Cash				
Cash on Hand	\$ 959,742.35	\$ 162,006.63	\$ -	\$ 1,121,748.98
Cash in Bank (Note 3)	-	282,000.00	-	282,000.00
Cash in State Treasury	143,567,233.20	206,551.83	-	143,773,785.03
Legislative Appropriations	39,636,473.31	-	-	39,636,473.31
Receivables from:				
Federal	16,015,163.07	6,286,472.31	-	22,301,635.38
Accounts Receivable	1,748,751.10	28,553.38	-	1,777,304.48
Due From Other Funds	1,418,297.59	1,946,747.63	-	3,365,045.22
Due From Other Agencies	539,333.58	44,239,665.73	186,357.39	44,965,356.70
Consumable Inventories	-	2,593,816.51	-	2,593,816.51
Total Current Assets	<u>203,884,994.20</u>	<u>55,745,814.02</u>	<u>186,357.39</u>	<u>259,817,165.61</u>
Non-Current Assets:				
Total Non-Current Assets:	-	-	-	-
Total Assets:	<u>\$ 203,884,994.20</u>	<u>\$ 55,745,814.02</u>	<u>\$ 186,357.39</u>	<u>\$ 259,817,165.61</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Current Liabilities:				
Payables from:				
Accounts	\$ 6,682,628.98	\$ 5,871,044.49	\$ 186,357.39	\$ 12,740,030.86
Payroll	5,803,698.35	37,961,557.70	-	43,765,256.05
Due to Other Funds	1,418,297.59	1,946,747.63	-	3,365,045.22
Due to Other Agencies	10,894,830.24	-	-	10,894,830.24
Deferred Revenues	790,660.49	285,502.61	-	1,076,163.10
Total Current Liabilities:	<u>25,590,115.65</u>	<u>46,064,852.43</u>	<u>186,357.39</u>	<u>71,841,325.47</u>
Non-Current Liabilities:				
Total Non-Current Liabilities:	-	-	-	-
Total Liabilities:	<u>\$ 25,590,115.65</u>	<u>\$ 46,064,852.43</u>	<u>\$ 186,357.39</u>	<u>\$ 71,841,325.47</u>
<b>FUND FINANCIAL STATEMENT</b>				
Fund Balances (Deficits):				
Nonspendable In Inventory	\$ -	\$ 2,593,816.51	\$ -	2,593,816.51
Restricted	24,652,242.10	7,087,145.08	-	31,739,387.18
Committed	95,152,433.31	0	-	95,152,433.31
Unassigned	56,490,203.14	-	-	56,490,203.14
Total Fund Balances	<u>176,294,878.55</u>	<u>9,680,961.59</u>	<u>-</u>	<u>185,975,840.14</u>
Total Liabilities and Fund Balances	<u>\$ 201,884,994.20</u>	<u>\$ 55,745,814.02</u>	<u>\$ 186,357.39</u>	<u>\$ 257,817,165.61</u>

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

## UNAUDITED

## Texas Department of Public Safety (405)

## Exhibit II - Combined Statement of Revenues, Expenditures, and Changes in Fund Balances /

## Statement of Activities - Governmental Funds

For the Fiscal Year Ended August 31, 2012

	General Funds (Exh A-2)	Special Revenue Funds (Exh B-2)	Capital Projects Funds (Exh C-2)	Governmental Funds Total
<b>REVENUES</b>				
Legislative Appropriations:				
Original Appropriations	\$ 48,024,087.49	\$ -	\$ -	\$ 48,024,087.49
Additional Appropriations	8,188,424.79	-	-	8,188,424.79
Federal Revenue (Sch. 1A)	401,071,859.18	30,028,265.40	-	431,100,124.58
Federal Grant Pass-Through Revenue (Sch. 1A)	4,605,325.37	4,627,728.90	-	9,233,054.27
State Grant Pass-Through Revenue (Sch. 1B)	4,660,681.67	2,453,099.48	-	7,113,781.15
Licenses, Fees & Permits	128,722,678.69	646,317.03	-	129,368,995.72
Interest and Other Investment Income	257,303.54	28,036.44	-	285,339.98
Settlement of Claims	6,892,182.58	968,559.07	-	7,860,741.65
Sales of Goods and Services	187,778.67	8,455,425.20	-	8,643,203.87
Other	5,203,086.35	892,276.70	1,630.00	6,096,993.05
<b>Total Revenues</b>	<b>\$ 607,813,408.33</b>	<b>\$ 48,099,708.22</b>	<b>\$ 1,630.00</b>	<b>\$ 655,914,746.55</b>
<b>EXPENDITURES</b>				
Salaries and Wages	\$ 57,553,583.46	\$ 391,858,369.65	\$ -	\$ 449,411,953.11
Payroll Related Costs	17,839,567.04	103,115,436.33	-	120,955,003.37
Professional Fees and Services	35,443,650.30	19,101,985.70	175,677.14	54,721,313.14
Travel	1,915,330.04	7,861,561.85	-	9,776,891.89
Materials and Supplies	10,561,305.39	52,604,378.33	2,655,896.47	65,821,580.19
Communication and Utilities	4,522,991.50	13,649,603.69	960.00	18,173,555.19
Repairs and Maintenance	9,577,322.66	14,997,672.34	23,642.18	24,598,637.18
Rentals and Leases	2,034,106.38	3,605,462.58	66.50	5,639,635.46
Printing and Reproduction	2,859,091.98	673,658.21	-	3,532,750.19
Claims and Judgments	10,756.24	608,241.48	-	618,997.72
Federal Grant Pass-Through Expenditures	65,814,940.30	-	-	65,814,940.30
State Grant Pass-Through Expenditures	4,100,787.45	-	-	4,100,787.45
Intergovernmental Payments	269,452,875.18	-	-	269,452,875.18
Public Assistance Payments	38,921,011.43	-	-	38,921,011.43
Other Expenditures	83,383,522.48	21,058,222.31	(14,468.52)	104,427,276.27
Capital Outlay	17,123,472.39	19,943,856.21	22,031,708.15	59,099,036.75
Debt service:				
Principal	122,619.06	867,639.68	-	990,258.74
<b>Total Expenditures/Expenses</b>	<b>\$ 621,236,933.28</b>	<b>\$ 649,946,088.36</b>	<b>\$ 24,873,481.92</b>	<b>\$ 1,296,056,503.56</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (13,423,524.95)	\$ (601,846,380.14)	\$ (24,871,851.92)	\$ (640,141,757.01)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	\$ 4,372,843.67	\$ 1,246,222.02	\$ -	\$ 5,619,065.69
Increase in Obligations under Capital Leases	-	\$ 2,778,717.40	-	\$ 2,778,717.40
Insurance Recoveries	2,665.07	159,140.38	-	161,805.45
Transfers In	5,892,350.11	606,757,993.06	36,639,884.68	649,290,227.85
Transfers Out	(10,196,495.71)	(351,997.46)	(11,768,032.76)	(22,316,525.93)
Legislative Transfers In	-	-	-	-
Legislative Transfers Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 71,363.14</b>	<b>\$ 610,590,075.40</b>	<b>\$ 24,871,851.92</b>	<b>\$ 635,533,290.46</b>
Net Change in Fund Balances/Net Assets	(13,352,161.81)	8,743,695.26	-	(4,608,466.55)
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>				
Fund Balances - Beginning	\$ 188,111,541.58	\$ 814,034.03	\$ -	\$ 188,925,575.61
Restatements	1,964,446.35	123,232.30	-	2,087,678.65
Fund Balances as Restated	190,075,987.93	937,266.33	-	191,013,254.26
Appropriations Lapsed	(428,947.57)	-	-	(428,947.57)
<b>Fund Balances - Ending</b>	<b>\$ 176,294,878.55</b>	<b>\$ 9,680,961.59</b>	<b>\$ -</b>	<b>\$ 185,975,840.14</b>

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

UNAUDITED

Texas Department of Public Safety (405)

Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds

August 31, 2012

	Agency Funds (Exhibit J-1)	Totals
<b>ASSETS</b>		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 1,529,063.39	\$ 1,529,063.39
Cash in Bank	364,628.08	364,628.08
Securities Held in Trust	6,584,960.58	6,584,960.58
Total Current Assets	8,478,652.05	8,478,652.05
 Total Assets	 \$ 8,478,652.05	 \$ 8,478,652.05
 <b>LIABILITIES</b>		
Funds Held for Others	8,478,652.05	8,478,652.05
Total Current Liabilities	8,478,652.05	8,478,652.05
 Total Liabilities	 \$ 8,478,652.05	 \$ 8,478,652.05

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

## Note 1: Summary of Significant Accounting Policies

### Entity

The Texas Department of Public Safety is an agency of the State of Texas and its financial records comply with state statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The Department of Public Safety was created under the provisions of S.B. 146, 44<sup>th</sup> Legislature, Regular Session (1935), which incorporated the Texas Rangers and the State Highway Patrol into a new department. The principal objectives of the Department are to protect the life, rights, privileges and well being of the people of Texas.

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

Blended Component Units: No component units have been identified which should have been blended into an appropriate fund.

### Fund Structure

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

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

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

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

### Fiduciary Fund Types

Fiduciary funds account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. When assets are held under the terms of a formal trust agreement, either a pension trust fund, or a private purpose trust fund is used.

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

## **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.

## **Budgets 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.

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

**Capital Assets:** Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year should be capitalized. These assets are capitalized at cost or, if not purchased, at appraised fair value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all "exhaustible" assets. "Inexhaustible" assets such as works of art and historical treasures are not depreciated. Road and highway infrastructure is reported on the modified basis. 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. This account can appear in governmental and proprietary fund types.

## **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:** Payables are the accrual at year-end of expenditure transactions. 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:** Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

- Nonspendable fund balance includes amounts not available to be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the Texas Legislature, the state's highest level of decision making authority.
- Assigned fund balance includes amounts constrained by the state's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by (1) the Texas Legislature or (2) a body (for example, a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned fund balance is the residual classification for the general fund. This classification represents fund balance that was not assigned to other funds and was not restricted, committed or assigned to specific purposes within the general fund.

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

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

**Unrestricted Net Assets:** Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources, which are imposed by management but can be removed or modified

## **Interfund Activities and Balances**

---

The agency has the following types of transactions between funds:

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

**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.

**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".

**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.



## Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2012, is presented below:

	Balance 9/1/2011	Adj	Reclassifications		Additions	Deletions	Balance 8/31/2012
			Completed CIP	Inc-int'agy Trans			
<b>GOVERNMENTAL ACTIVITIES</b>							
<b>Non-Depreciable Assets</b>							
Land and Land Improvements	12,912,074.01				653,996.19	(7,778.00)	13,558,292.20
Construction in Progress	106,086,571.32	(1,580,830.59)	(39,575,587.63)		16,423,398.22		81,353,551.32
Other Capital Assets							
<b>Total Non-Depreciable Assets</b>	<b>118,998,645.33</b>	<b>(1,580,830.59)</b>	<b>(39,575,587.63)</b>	<b>-</b>	<b>17,077,394.41</b>	<b>(7,778.00)</b>	<b>94,911,843.52</b>
<b>Depreciable Assets</b>							
Buildings and Building Improvements	187,372,458.93		39,575,587.63		957,912.00		227,905,958.56
Infrastructure	19,676,372.82						19,676,372.82
Facilities and Other Improvements	291,308.45						291,308.45
Furniture and Equipment	120,611,186.12	(2,299,486.56)			21,884,210.16	(14,315,062.32)	125,775,684.09
Vehicle, Boats & Aircraft	168,312,747.71	(201,387.00)			18,800,960.18	(25,126,474.06)	161,544,258.83
Other Capital Assets	16,000.00						16,000.00
<b>Total Depreciable Assets at Historical Cost</b>	<b>496,280,074.03</b>	<b>(2,500,873.56)</b>	<b>39,575,587.63</b>	<b>-</b>	<b>41,643,082.34</b>	<b>(39,441,536.38)</b>	<b>535,209,582.75</b>
<b>Less Accumulated Depreciation for:</b>							
Buildings and Improvements	(91,893,493.16)				(4,633,474.79)		(96,526,967.95)
Infrastructure	(5,135,755.48)				(766,280.40)		(5,902,035.88)
Facilities and Other Improvements	(153,037.44)				(7,309.44)		(160,346.88)
Furniture and Equipment	(69,579,734.53)	625,752.07		90,188.19	(13,656,689.56)	12,688,304.63	(69,832,179.20)
Vehicles, Boats & Aircraft	(76,037,386.26)	(51,734.26)		219,441.40	(23,645,178.93)	19,914,021.07	(79,600,836.98)
Other Capital Assets	(2,285.52)				(2,285.52)		(4,571.04)
<b>Total Accumulated Depreciation</b>	<b>(242,801,692.39)</b>	<b>574,017.81</b>	<b>-</b>	<b>-</b>	<b>(42,711,218.64)</b>	<b>32,602,325.70</b>	<b>(252,026,937.93)</b>
<b>Amortizable Assets - Intangible</b>							
Computer Software	10,712,003.73				378,560.00	(368,093.65)	10,722,470.08
Other Intangible Capital Assets							
<b>Total Depreciable Assets at Historical Costs</b>	<b>10,712,003.73</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378,560.00</b>	<b>(368,093.65)</b>	<b>10,722,470.08</b>
<b>Less Accumulated Amortization for:</b>							
Computer Software	(7,221,789.87)				(1,093,833.21)	353,519.94	(7,962,103.14)
Other Intangible Capital Assets							
<b>Total Accumulated Amortization</b>	<b>(7,221,789.87)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,093,833.21)</b>	<b>353,519.94</b>	<b>(7,962,103.14)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>375,967,240.83</b>	<b>(3,507,686.34)</b>	<b>-</b>	<b>-</b>	<b>(37,121.72)</b>	<b>(6,861,562.39)</b>	<b>380,854,855.28</b>

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

Texas Department of Public Safety is authorized by statute to make investments following the “prudent person rule.” There were no significant violations of legal provisions during the period.

#### **Deposits of Cash in Bank**

As of August 31, 2012, the carrying amount of deposits was \$646,628.08 as presented below.

<b>Governmental and Business-Type Activities</b>	
Cash in Bank - Carrying Value	\$ 282,000.00
Cash in Bank per AFR	\$ 282,000.00

<b>Fiduciary Funds</b>	
Cash in Bank - Carrying Value	\$ 364,628.08
Cash in Bank per AFR	\$ 364,628.08

**Note 4: Short-Term Debt**

*Not Applicable*

## 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	Balance 8/31/12	Amounts Due Within 1 Year	Amounts Due Thereafter
Capital Lease Obligations	\$3,054,061.36	\$ 2,778,717.40	\$ 990,258.74	\$ 4,842,520.02	\$ 1,113,802.91	\$ 3,728,717.11
Compensable Leave	54,174,015.98	46,817,138.11	39,405,716.72	61,585,437.37	24,792,444.44	36,792,992.93
Pollution Remediation	11,307.00	330,000.00	11,307.00	330,000.00	0.00	330,000.00
<b>Total Governmental Activities</b>	<b>\$57,239,384.34</b>	<b>\$49,925,855.51</b>	<b>\$40,407,282.46</b>	<b>\$66,757,957.39</b>	<b>\$25,906,247.35</b>	<b>\$40,851,710.04</b>

### Employees' Compensable Leave

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

### Pollution Remediation Obligations

The Agency is responsible for: the maintenance of DPS state owned underground storage tanks and is currently managing 31 sites; conducting lead remediation at the North Lamar and Florence shooting ranges; the clean up and preventative measures for the protection of Waller Creek; asbestos abatement in DPS state owned offices; and also managing chemical spill sites.

**Note 6: Bonded Indebtedness**

*Not Applicable*

**Note 7: Derivatives**

*Not Applicable*

## Note 8: Leases

### Operating Leases

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

Fund Type	Amount
General Fund	\$ 2,034,106.38
Special Revenue Fund	\$ 3,605,462.58

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

Year Ending August 31, 2013	\$ 2,909,432.25
Year Ending August 31, 2014	2,458,119.05
Year Ending August 31, 2015	1,952,900.98
Year Ending August 31, 2016	1,322,761.73
Year Ending August 31, 2017	833,329.82
Year Ending August 31, 2018 and beyond	244,587.99
<b>Total Minimum Future Lease Rental Payments</b>	<b>\$ 9,721,131.82</b>

### Capital Leases

The Department of Public Safety has entered into long-term leases for financing the purchase of certain capital assets. Such leases are classified as capital leases for accounting purposes; therefore, such leases are recorded at the present value of the future minimum lease payments at the inception of the lease. The following is a summary of the original capital costs of all such property under the lease in addition to the accumulated depreciation as of 8/31/12:

Governmental Activities			
Class of Property	Assets under Capital Lease	Accumulated Depreciation	Total Governmental Activities
Furniture & Equipment	\$ 6,293,440.40	\$(1,154,905.73)	\$ 51,138,534.67
<b>Totals</b>	<b>\$ 6,293,440.40</b>	<b>\$(1,154,905.73)</b>	<b>\$ 51,138,534.67</b>

**Note 8: Leases - Continued**

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

	Principal	Interest	Total Future Minimum Lease Payments
Year Ending August 31, 2013	\$ 1,115,626.76	\$ 1,077,140.56	\$ 2,192,767.32
Year Ending August 31, 2014	1,420,167.33	772,599.99	2,192,767.32
Year Ending August 31, 2015	1,693,781.51	384,549.34	2,078,330.85
Year Ending August 31, 2016	650,835.51	66,358.74	717,194.25
Year Ending August 31, 2017			0.00
Year Ending August 31, 2018 and beyond			0.00
<b>Total Capital Lease Payments</b>	<b>\$ 4,880,411.11</b>	<b>\$ 2,300,648.63</b>	<b>\$ 7,181,059.74</b>

**Note 9: Pension Plans**

*Not Applicable*

**Note 10: Deferred Compensation**

*Not Applicable*

**Note 11: Post Employment Health Care and Life Insurance**

*Not Applicable*

**Note 12: Interfund Activities and Transactions**

*Not Applicable*

**Note 13: Continuance Subject to Review**

Under the Texas Sunset Act, the Agency will be abolished effective September 1, 2019, unless continued in existence by the Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2020 to close out its operations.



### Note 14: Adjustments to Fund Balances/Net Assets

During the FY 2012, adjustments were made which required the restatement of the amounts in fund balances and fund equity as shown and discussed below:

- a. Capital Assets
- b. Legislative Appropriations
- c. Accounts Receivable
- d. Compensable Leave

	Capital Assets	Long-Term Debt	Total
<b>Fund Balance August 31, 2011</b>	\$375,967,240.83	\$54,174,015.98	\$430,141,256.69
<b>Restatements:</b>			
<b>a. Capital Assets</b>	(3,507,686.34)		(3,507,686.34)
<b>b. Compensable Leave</b>		10,000,000.00	10,000,000.00
<b>Fund Balance Sept. 1, 2012 Restated</b>	\$372,459,554.49	\$64,174,015.98	\$436,633,570.60

	Fund 0001	Fund 0099	Fund 0151	Fund 0006	Total
<b>Fund Balance August 31, 2011</b>	\$17,797,900.64	\$122,326,520.01	\$19,634.50	\$814,034.03	\$140,958,089.38
<b>Restatements:</b>					
<b>a. Legislative Appropriations</b>	223,116.26				223,116.26
<b>b. Accounts Receivable</b>	1,413,114.70	328,015.39	200.00	123,232.30	1,864,562.39
<b>Fund Balance Sept. 1, 2012</b>	\$19,434,131.60	\$122,654,535.40	\$19,834.50	\$837,266.33	\$143,045,767.93

## **Note 15: Contingent Liabilities**

### **Unpaid Claims and Lawsuits**

As of August 31, 2012, the Texas Department of Public Safety or employees of the Texas Department of Public Safety sued based upon their official acts were named as defendant in 112 lawsuits. These included suits arising from tort claims, civil rights, wrongful death, and third party claims. The monetary range of potential damages against the Department range from \$0 (i.e. injunctive relief only sought) to \$772,644.92. Some cases are clearly frivolous in nature. Adverse judgment of suits determined valid could result in liabilities to the Department, but based on prior experience, it is unlikely that the outcome for these claims will materially affect the financial position of the Department. It is anticipated that any resulting judgments of consequence would be presented to a forthcoming session of the legislature for its consideration as to method of funding.

### **Federal Assistance**

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

**Note 16: Subsequent Events**

*Not Applicable*

**Note 17: Risk Management**

*Not Applicable*

**Note 18: Management Discussion & Analysis**

*Not Applicable*

**Note 19: The Financial Reporting Entity**

*Not Applicable*

## **Note 20: Stewardship, Compliance, & Accountability**

### Confiscated/Entrusted Property

Confiscated/Entrusted Property represents assets held by the Department as the result of criminal investigations or stolen assets recovered by the Department. Those seized assets are held in the custody of the Department at the request of various courts in the State until court decisions have been made. At the time of the decisions, the property will either be returned to the defendant or awarded to the State, county, or federal government. Stolen assets recovered by the Department are held until positive identification is made and those items can be returned to the rightful owner.

Confiscated/Entrusted Property may consist of cash, foreign currency, automobiles, airplanes, weapons, precious metals and various other assets of value and is maintained throughout the State in Department-secured locations. On August 31, 2012, a physical count of the property was performed. American monetary assets are recorded in Agency Funds. The values of the other confiscated assets cannot be readily determined and are disclosed only by type as listed above.

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

*Not Applicable*

**Note 22: Donor-Restricted Endowments**

*Not Applicable*

**Note 23: Extraordinary or Special Items**

*Not Applicable*

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

*Not Applicable*

**Note 25: Termination Benefits**

*Not Applicable*

**Note 26: Segment Information**

*Not Applicable*

UNAUDITED

Texas Department of Public Safety (405)  
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds  
 For Fiscal Year Ended August 31, 2012

	General Revenue Fund (0001)	Federal Disaster Fund (0092)	Operator & Chauffeur License Fund (0099)	Clean Air Fund (0151)	Fed. Civil Defense & Disaster Relief Fund (0221)	Federal Fund (0222)
<b>ASSETS</b>						
Current Assets:						
Cash						
Cash on Hand	\$ 956,742.35					\$ 3,000.00
Cash in State Treasury		4,604,488.94	79,410,648.27		1,220,582.33	13,363,222.95
Legislative Appropriations	39,636,473.31					
Receivables from:						
Federal	620,040.14	12,491,056.49	366,732.21		2,537,334.23	
Accounts Receivable	1,748,751.10					
Due From Other Funds	1,417,113.60					1,183.99
Due From Other Agencies	345,247.58	114,567.50	79,518.50			
Total Current Assets	44,724,368.08	17,210,112.93	79,856,898.98	-	3,757,916.56	13,367,406.94
Non-Current Assets:						
Total Non-Current Assets:	-	-	-	-	-	-
Total Assets:	\$ 44,724,368.08	\$ 17,210,112.93	\$ 79,856,898.98	\$ -	\$ 3,757,916.56	\$ 13,367,406.94
<b>LIABILITIES AND FUND BALANCES</b>						
Current Liabilities:						
Payables from:						
Accounts	\$ 2,890,319.51	\$ 471,691.91	\$ 336,177.36		\$ 2,984,440.20	
Payroll	1,156,088.36	711,324.55	3,731,822.76		204,462.68	
Due To Other Funds		1,416,372.34	1,925.25			
Due To Other Agencies	42,242.29	3,133,548.78	4,625,956.25		190,000.00	
Deferred Revenues		605,045.78	142,359.10		43,255.61	
Total Current Liabilities	4,088,650.16	6,337,983.36	8,838,240.72	-	3,422,158.49	-
Non-Current Liabilities:						
Total Non-Current Liabilities:	-	-	-	-	-	-
Total Liabilities:	\$ 4,088,650.16	\$ 6,337,983.36	\$ 8,838,240.72	\$ -	\$ 3,422,158.49	\$ -
Fund Balances (Deficits):						
Restricted		10,872,129.57			335,758.07	13,367,406.94
Committed			69,018,658.26			
Unassigned	40,635,717.92					
Total Fund Balances	40,635,717.92	10,872,129.57	69,018,658.26	-	335,758.07	13,367,406.94
Total Liabilities and Fund Balances	\$ 44,724,368.08	\$ 17,210,112.93	\$ 77,856,898.98	\$ -	\$ 3,757,916.56	\$ 13,367,406.94

UNAUDITED

Consolidated Accounts							
Federal ARRA Fund (0369)	Disaster Contingency Fund (0453)	Motorcycle Education Fund (0501)	Motor Carrier Act Enforcement Fund (0582)	Breath Alcohol Testing Fund (5013)	Emmissions Reduction Fund (5071)	Emergency Radio Infrastructure Fund (5153)	TOTALS
	4,993,455.63	13,977,186.03	76,947.52	10,066,216.31		15,854,485.22	\$ 959,742.35 143,567,233.20 39,636,473.31
							16,015,163.07 1,748,751.10 1,418,297.59 539,333.58
-	4,993,455.63	13,977,186.03	76,947.52	10,066,216.31	-	15,854,485.22	203,884,994.20
<hr/>							
\$	\$ 4,993,455.63	\$ 13,977,186.03	\$ 76,947.52	\$ 10,066,216.31	\$ -	\$ 15,854,485.22	\$ 203,884,994.20
<hr/>							
	2,903,082.92						\$ 6,682,628.98 5,803,698.35 1,418,297.59 10,894,830.24 790,660.49
-	2,903,082.92	-	-	-	-	-	25,590,115.65
<hr/>							
\$	\$ 2,903,082.92	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,590,115.65
<hr/>							
	2,090,372.71	13,977,186.03	76,947.52	10,066,216.31		15,854,485.22	24,652,242.10 95,152,433.31 56,490,203.14
-	2,090,372.71	13,977,186.03	76,947.52	10,066,216.31	-	15,854,485.22	176,294,878.55
\$	\$ 4,993,455.63	\$ 13,977,186.03	\$ 76,947.52	\$ 10,066,216.31	\$ -	\$ 15,854,485.22	\$ 201,884,994.20

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

UNAUDITED

Texas Department of Public Safety (405)  
 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

	General	Consolidated Accounts			
	General Revenue Fund (0001)	Federal Disaster Fund (0092)	Operator & Chaffeur License Fund (0099)	Clean Air Fund (0151)	Fed. Civil Defense & Disaster Relief Fund (0221)
<b>REVENUES</b>					
Legislative Appropriations:					
Original Appropriations	\$ 48,024,087.49				
Additional Appropriations	8,188,424.79				
Federal Revenue	1,749,963.83	216,858,876.04	1,183,208.89		178,975,417.24
Federal Grant Pass-Through Revenue	70,073.23	276,499.01	12,195.51		
State Grant Pass-Through Revenue	4,525,119.39	50,052.18	85,510.10		
Licenses, Fees & Permits	95,657,397.63		20,911,293.81	(6,016.66)	
Interest and Other Investment Income	128,287.13	48,741.91			5,458.67
Settlement of Claims	16.00				
Sales of Goods and Services	132,017.36	13,265.44			
Other	1,535,758.37	3,447,591.14	191,493.81		27,888.03
<b>Total Revenues</b>	<b>\$ 160,011,145.22</b>	<b>\$ 220,695,025.72</b>	<b>\$ 22,383,702.12</b>	<b>\$ (6,016.66)</b>	<b>\$ 179,008,763.94</b>
<b>EXPENDITURES</b>					
Salaries and Wages	\$ 8,555,524.19	\$ 7,123,843.83	\$ 38,752,841.44		\$ 2,196,261.55
Payroll Related Costs	8,426,734.73	1,700,241.49	6,943,418.08		617,435.76
Professional Fees and Services	23,783,169.65	3,230,665.36	3,273,233.50		766,522.42
Travel	491,215.46	240,276.63	1,058,754.16		96,132.95
Materials and Supplies	4,968,031.63	1,510,207.83	3,411,849.79		5,396.86
Communication and Utilities	2,416,224.80	256,805.93	1,100,513.10		707,767.58
Repairs and Maintenance	6,588,720.87	167,608.17	2,357,676.27		443,722.90
Rentals and Leases	275,267.98	437,475.76	984,181.52		160,633.68
Printing and Reproduction	210,788.63	1,119.47	2,646,673.88		
Claims and Judgments			10,756.24		
Federal Grant Pass-Through Expenditures		65,647,147.12	(107,072.09)		331,458.51
State Grant Pass-Through Expenditures					
Intergovernmental Payments	3,617,538.22	90,987,954.93	4,231,092.52		170,613,784.28
Public Assistance Payments	389,029.73	37,337,344.47			1,194,637.23
Other Expenditures	69,195,446.06	5,301,670.25	7,360,933.37		1,240,210.55
Debt service:					
Principal	58,202.57	8,142.82			56,273.67
Capital Outlay	7,045,979.02	102,258.70	873,545.23		885,278.63
<b>Total Expenditures</b>	<b>\$ 136,021,873.54</b>	<b>\$ 214,052,762.76</b>	<b>\$ 72,898,397.01</b>	<b>\$ -</b>	<b>\$ 179,315,516.57</b>
Excess (Deficiency) of Revenues over Expenditures	\$ 23,989,271.68	\$ 6,642,262.96	\$ (50,514,694.89)	\$ (6,016.66)	\$ (306,752.63)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets	\$ 4,372,843.67				
Insurance Recoveries		1,387.57	1,277.50		
Transfers In	218,539.24				
Transfers Out	(6,950,120.70)		(3,122,459.75)	(13,817.84)	
Legislative Transfers In					
Legislative Transfers Out					
<b>Total Other Financing Sources (Uses)</b>	<b>(2,358,737.79)</b>	<b>1,387.57</b>	<b>(3,121,182.25)</b>	<b>(13,817.84)</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 21,630,533.89</b>	<b>\$ 6,643,650.53</b>	<b>\$ (53,635,877.14)</b>	<b>\$ (19,834.50)</b>	<b>\$ (306,752.63)</b>
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>					
Fund Balances - Beginning	\$ 17,797,900.64	\$ 4,228,479.04	\$ 122,326,520.01	\$ 19,634.50	\$ 642,510.70
Restatements	1,636,230.96		328,015.39	200.00	
Fund Balances as Restated	19,434,131.60	4,228,479.04	122,654,535.40	19,834.50	642,510.70
Appropriations Lapsed	(428,947.57)				
<b>Fund Balances--Ending</b>	<b>\$ 40,635,717.92</b>	<b>\$ 10,872,129.57</b>	<b>\$ 69,018,658.26</b>	<b>\$ -</b>	<b>\$ 335,758.07</b>

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



UNAUDITED

Consolidated Accounts (cont'd)								
Federal Fund (0222)	Federal ARRA Fund (0369)	Disaster Contingency Fund (0453)	Motorcycle Education Fund (0501)	Motor Carrier Act Enforcement Fund (0582)	Breath Alcohol Testing Fund (5013)	Emmissions Reduction Fund (5071)	Emergency Radio Infrastructure Fund (5153)	TOTALS
								\$ 48,024,087.49
								8,188,424.79
2,304,393.18								401,071,859.18
	4,246,557.62							4,605,325.37
								4,660,681.67
			1,248,636.75		1,019,973.21	(244,716.67)	10,136,110.62	128,722,678.69
30,252.10							44,563.73	257,303.54
6,892,166.58								6,892,182.58
42,495.87								187,778.67
			355.00					5,203,086.35
\$ 9,269,307.73	\$ 4,246,557.62	\$ -	\$ 1,248,991.75	\$ -	\$ 1,019,973.21	\$ (244,716.67)	\$ 10,180,674.35	\$ 607,813,408.33
\$ 925,112.45								\$ 57,553,583.46
151,736.98								17,839,567.04
182,494.75	4,207,564.62							35,443,650.30
28,950.84								1,915,330.04
665,819.28								10,561,305.39
41,680.09								4,522,991.50
19,594.45								9,577,322.66
176,547.44								2,034,106.38
510.00								2,859,091.98
(56,593.24)								10,756.24
		4,100,787.45						65,814,940.30
2,505.23								4,100,787.45
								269,452,875.18
285,262.25								38,921,011.43
								83,383,522.48
								122,619.06
8,177,417.81	38,993.00							17,123,472.39
\$ 10,601,038.33	\$ 4,246,557.62	\$ 4,100,787.45	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 621,236,933.28
\$ (1,331,730.60)	\$ -	\$ (4,100,787.45)	\$ 1,248,991.75	\$ -	\$ 1,019,973.21	\$ (244,716.67)	\$ 10,180,674.35	\$ (13,423,524.95)
								\$ 4,372,843.67
								2,665.07
							5,673,810.87	5,892,350.11
						(110,097.42)		(10,196,495.71)
						(110,097.42)	5,673,810.87	71,363.14
\$ (1,331,730.60)	\$ -	\$ (4,100,787.45)	\$ 1,248,991.75	\$ -	\$ 1,019,973.21	\$ (354,814.09)	\$ 15,854,485.22	\$ (13,352,161.81)
\$ 14,699,137.54	\$ -	\$ 6,191,160.16	\$ 12,728,194.28	\$ 76,947.52	\$ 9,046,243.10	\$ 354,814.09		\$ 188,111,541.58
14,699,137.54	0.00	6,191,160.16	12,728,194.28	76,947.52	9,046,243.10	354,814.09	0.00	1,964,446.35
								190,075,987.93
								(428,947.57)
\$ 13,367,406.94	\$ -	\$ 2,090,372.71	\$ 13,977,186.03	\$ 76,947.52	\$ 10,066,216.31	\$ -	\$ 15,854,485.22	\$ 176,294,878.55

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

UNAUDITED

**Texas Department of Public Safety (405)**  
**Exhibit B-1 - Combining Balance Sheet - Special Revenue Funds**  
 For the Fiscal Year Ended August 31, 2012

	<u>Special Revenue</u>	
	<u>State Highway</u>	
	<u>Fund (0006)</u>	<u>TOTALS</u>
<b>ASSETS</b>		
Current Assets:		
Cash		
Cash on Hand	\$ 162,006.63	\$ 162,006.63
Cash in Bank (Note 3)	282,000.00	282,000.00
Cash in State Treasury	206,551.83	206,551.83
Receivables from:		
Federal	6,286,472.31	6,286,472.31
Accounts Receivable	28,553.38	28,553.38
Due From Other Funds	1,946,747.63	1,946,747.63
Due From Other Agencies	44,239,665.73	44,239,665.73
Consumable Inventories	2,593,816.51	2,593,816.51
Total Current Assets	<u>55,745,814.02</u>	<u>55,745,814.02</u>
Total Assets:	<u>\$ 55,745,814.02</u>	<u>\$ 55,745,814.02</u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	\$ 5,871,044.49	\$ 5,871,044.49
Payroll	37,961,557.70	37,961,557.70
Due to Other Funds	1,946,747.63	1,946,747.63
Due To Other Agencies	-	-
Deferred Revenue	285,502.61	285,502.61
Total Current Liabilities	<u>46,064,852.43</u>	<u>46,064,852.43</u>
Non-Current Liabilities:		
Total Non-Current Liabilities:	<u>-</u>	<u>-</u>
Total Liabilities:	<u>\$ 46,064,852.43</u>	<u>\$ 46,064,852.43</u>
Fund Balances (Deficits):		
Nonspendable In Inventory	\$ 2,593,816.51	\$ 2,593,816.51
Restricted	7,087,145.08	7,087,145.08
Unassigned	-	-
Total Fund Balances	<u>9,680,961.59</u>	<u>9,680,961.59</u>
Total Liabilities and Fund Balances	<u>\$ 55,745,814.02</u>	<u>\$ 55,745,814.02</u>

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

UNAUDITED

Texas Department of Public Safety (405)

**Exhibit B-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Special Revenue Funds**

For the Fiscal Year Ended August 31, 2012

	<u>Special Revenue</u>	
	<u>State Highway</u>	
	<u>Fund (0006)</u>	<u>TOTALS</u>
<b>REVENUES</b>		
Federal Revenue	\$ 30,028,265.40	\$ 30,028,265.40
Federal Grant Pass-Through Revenue	4,627,728.90	4,627,728.90
State Grant Pass-Through Revenue	2,453,099.48	2,453,099.48
Licenses, Fees & Permits	646,317.03	646,317.03
Interest and Other Investment Income	28,036.44	28,036.44
Land Income		-
Settlement of Claims	968,559.07	968,559.07
Sales of Goods and Services	8,455,425.20	8,455,425.20
Other	892,276.70	892,276.70
Total Revenues	<u>\$ 48,099,708.22</u>	<u>\$ 48,099,708.22</u>
<b>EXPENDITURES</b>		
Salaries and Wages	\$ 391,858,369.65	\$ 391,858,369.65
Payroll Related Costs	103,115,436.33	103,115,436.33
Professional Fees and Services	19,101,985.70	19,101,985.70
Travel	7,861,561.85	7,861,561.85
Materials and Supplies	52,604,378.33	52,604,378.33
Communication and Utilities	13,649,603.69	13,649,603.69
Repairs and Maintenance	14,997,672.34	14,997,672.34
Rentals and Leases	3,605,462.58	3,605,462.58
Printing and Reproduction	673,658.21	673,658.21
Claims and Judgments	608,241.48	608,241.48
Federal Grant Pass-Through Expenditures		-
Intergovernmental Payments		-
Public Assistance Payments		-
Other Expenditures	21,058,222.31	21,058,222.31
Debt service:		
Principal	867,639.68	867,639.68
Capital Outlay	19,943,856.21	19,943,856.21
Total Expenditures	<u>\$ 649,946,088.36</u>	<u>\$ 649,946,088.36</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (601,846,380.14)</u>	<u>\$ (601,846,380.14)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Sale of Capital Assets	\$ 1,246,222.02	\$ 1,246,222.02
Increase in Obligations Under Capital Leases	2,778,717.40	2,778,717.40
Insurance Recoveries	159,140.38	159,140.38
Transfers In	606,757,993.06	606,757,993.06
Transfers Out	(351,997.46)	(351,997.46)
Total Other Financing Sources (Uses)	<u>610,590,075.40</u>	<u>610,590,075.40</u>
Net Change in Fund Balances/Net Assets	<u>\$ 8,743,695.26</u>	<u>\$ 8,743,695.26</u>
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>		
Fund Balances - Beginning	\$ 814,034.03	814,034.03
Restatements	123,232.30	123,232.30
Fund Balances as Restated	937,266.33	937,266.33
Appropriations Lapsed		-
Fund Balances - Ending	<u>\$ 9,680,961.59</u>	<u>\$ 9,680,961.59</u>

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

UNAUDITED

Texas Department of Public Safety (405)  
 Exhibit C-1 - Combining Balance Sheet - Capital Project Funds  
 August 31, 2012

	Capital Project Funds			TOTALS
	Capital Projects Fund (7209)	Capital Projects Fund (7211)	Capital Projects Fund (7648)	
<b>ASSETS</b>				
Current Assets:				
Cash				
Cash on Hand				\$ -
Cash in Bank				-
Receivables from:				
Federal				-
Accounts Receivable				-
Interfund Receivables				-
Due From Other Agencies		186,357.39	4,746.00	186,357.39
Total Current Assets	-	186,357.39	4,746.00	186,357.39
Total Assets:	\$ -	\$ 186,357.39	\$ 4,746.00	\$ 186,357.39
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities				
Current Liabilities:				
Payables from:				
Accounts		\$ 186,357.39	\$ 4,746.00	\$ 186,357.39
Payroll				-
Interfund Payable				-
Due To Other Agencies				-
Total Current Liabilities	-	186,357.39	4,746.00	186,357.39
Non-Current Liabilities:				
Total Non-Current Liabilities:	-	-	-	-
Total Liabilities:	\$ -	\$ 186,357.39	\$ 4,746.00	\$ 186,357.39
Fund Balances (Deficits):				
Unassigned				-
Total Fund Balances	-	-	-	-
Total Liabilities and Fund Balances	\$ -	\$ 186,357.39	\$ 4,746.00	\$ 186,357.39

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

UNAUDITED

Texas Department of Public Safety (405)

Exhibit C-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -

Capital Project Funds

For the Fiscal Year Ended August 31, 2012

	Capital Project Funds				TOTALS
	Capital Projects Fund (7209)	Capital Projects Fund (7211)	Capital Projects Fund (7618)	Capital Projects Fund (7648)	
<b>REVENUES</b>					
Interest and Investment Income					\$ -
Federal Revenue					-
Federal Grant Pass-Through Revenue					-
State Grant Pass-Through Revenue					-
Licenses, Fees & Permits					-
Land Income					-
Settlement of Claims					-
Sales of Goods and Services					-
Other	1,630.00				1,630.00
Total Revenues	\$ 1,630.00	\$ -	\$ -	\$ -	\$ 1,630.00
<b>EXPENDITURES</b>					
Salaries and Wages					\$ -
Payroll Related Costs					-
Professional Fees and Services		13,155.64		162,521.50	175,677.14
Travel					-
Materials and Supplies		2,588,002.56		67,893.91	2,655,896.47
Communication and Utilities				960.00	960.00
Repairs and Maintenance	(10,254.15)	(56,849.28)		90,745.61	23,642.18
Rentals and Leases		(1,692.00)		1,758.50	66.50
Printing and Reproduction					-
Claims and Judgments					-
Federal Grant Pass-Through Expenditures					-
Intergovernmental Payments					-
Public Assistance Payments					-
Other Expenditures	(221,219.76)	134,804.75		71,946.49	(14,468.52)
Debt service:					
Principal					-
Capital Outlay	348,970.72	20,354,931.89		1,327,805.54	22,031,708.15
Total Expenditures	\$ 117,496.81	\$ 23,032,353.56	\$ -	\$ 1,723,631.55	\$ 24,873,481.92
Excess (Deficiency) of Revenues over Expenditures	\$ (115,866.81)	\$ (23,032,353.56)	\$ -	\$ (1,723,631.55)	\$ (24,871,851.92)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Capital Assets					\$ -
Insurance Recoveries					-
Transfers In	805,704.01	31,512,984.12		4,321,196.55	36,639,884.68
Transfers Out	(689,837.20)	(8,480,630.56)		(2,597,565.00)	(11,768,032.76)
Total Other Financing Sources (Uses)	115,866.81	23,032,353.56	-	1,723,631.55	24,871,851.92
Net Change in Fund Balances/Net Assets	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FUND FINANCIAL STATEMENT - FUND BALANCES</b>					
Fund Balances - Beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Appropriations Lapsed	-	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -	\$ -

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

UNAUDITED

Texas Department of Public Safety (405)

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

For the Fiscal Year Ended August 31, 2012

	Beginning Balance September 1, 2011	Additions	Deductions	Ending Balance August 31, 2012
<b>Child Support Deductions (0807)</b>				
<b>ASSETS</b>				
Cash in State Treasury	272,401.40	6,152,231.31	6,142,255.02	282,377.69
Total Assets	\$ 272,401.40	\$ 6,152,231.31	\$ 6,142,255.02	\$ 282,377.69
<b>LIABILITIES</b>				
Funds Held for Others	272,401.40	6,152,231.31	6,142,255.02	282,377.69
Total Liabilities	\$ 272,401.40	\$ 6,152,231.31	\$ 6,142,255.02	\$ 282,377.69
<b>City MTA &amp; SPD Account (0882)</b>				
<b>ASSETS</b>				
Cash in State Treasury	-	40,322.42	40,322.42	-
Total Assets	\$ -	\$ 40,322.42	\$ 40,322.42	\$ -
<b>LIABILITIES</b>				
Funds Held for Others	-	40,322.42	40,322.42	-
Total Liabilities	\$ -	\$ 40,322.42	\$ 40,322.42	\$ -
<b>Suspense Fund (0900)</b>				
<b>ASSETS</b>				
Cash in State Treasury	397,112.23	11,483,114.42	11,076,467.10	803,759.55
Total Assets	\$ 397,112.23	\$ 11,483,114.42	\$ 11,076,467.10	\$ 803,759.55
<b>LIABILITIES</b>				
Funds Held for Others	397,112.23	11,483,114.42	11,076,467.10	803,759.55
Total Liabilities	\$ 397,112.23	\$ 11,483,114.42	\$ 11,076,467.10	\$ 803,759.55
<b>Safety Responsibility Trust (Fund 0914)</b>				
<b>ASSETS</b>				
Cash in State Treasury	397,344.24	109,993.61	67,193.79	440,144.06
Total Assets	\$ 397,344.24	\$ 109,993.61	\$ 67,193.79	\$ 440,144.06
<b>LIABILITIES</b>				
Funds Held for Others	397,344.24	109,993.61	67,193.79	440,144.06
Total Liabilities	\$ 397,344.24	\$ 109,993.61	\$ 67,193.79	\$ 440,144.06
<b>Motor Vehicle Proof of Responsibility (Fund 0940)</b>				
<b>ASSETS</b>				
Securities Held in Trust	6,574,481.18	10,479.40	-	6,584,960.58
Total Assets	\$ 6,574,481.18	\$ 10,479.40	\$ -	\$ 6,584,960.58
<b>LIABILITIES</b>				
Funds Held for Others	6,574,481.18	10,479.40	-	6,584,960.58
Total Liabilities	\$ 6,574,481.18	\$ 10,479.40	\$ -	\$ 6,584,960.58

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

UNAUDITED

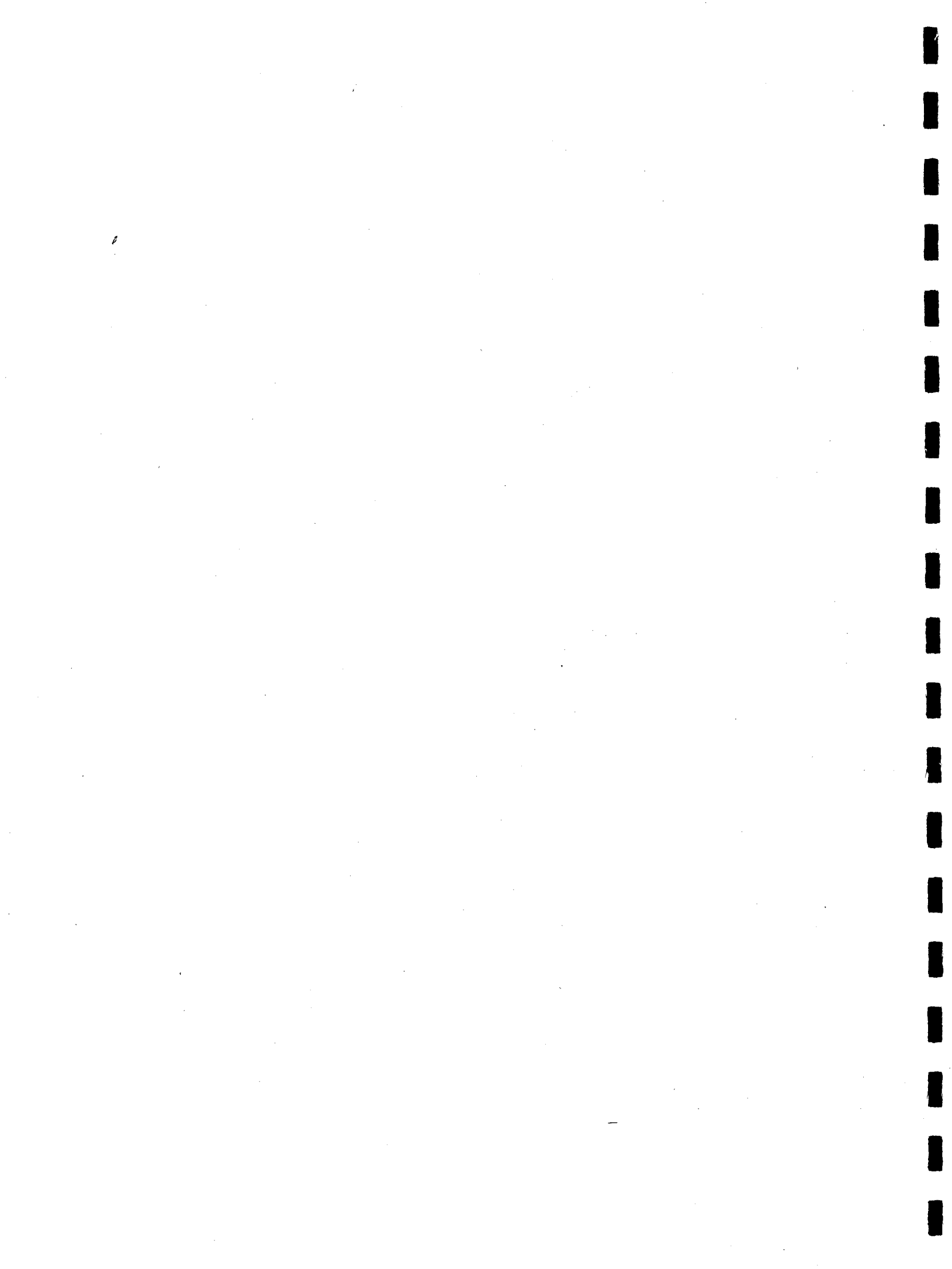
Texas Department of Public Safety (405)

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

For the Fiscal Year Ended August 31, 2012

	Beginning Balance September 1, 2011	Additions	Deductions	Ending Balance August 31, 2012
<b>Direct Deposit Correction (0980)</b>				
<b>ASSETS</b>				
Cash in State Treasury	2,782.09	300,322.44	300,322.44	2,782.09
Total Assets	<u>\$ 2,782.09</u>	<u>\$ 300,322.44</u>	<u>\$ 300,322.44</u>	<u>\$ 2,782.09</u>
<b>LIABILITIES</b>				
Funds Held for Others	2,782.09	300,322.44	300,322.44	2,782.09
Total Liabilities	<u>\$ 2,782.09</u>	<u>\$ 300,322.44</u>	<u>\$ 300,322.44</u>	<u>\$ 2,782.09</u>
<b>Funds Held Outside Treasury (Fund 9999)</b>				
<b>ASSETS</b>				
Cash in Bank	399,228.59	-	34,600.51	364,628.08
Total Assets	<u>\$ 399,228.59</u>	<u>\$ -</u>	<u>\$ 34,600.51</u>	<u>\$ 364,628.08</u>
<b>LIABILITIES</b>				
Funds Held for Others	399,228.59	-	34,600.51	364,628.08
Total Liabilities	<u>\$ 399,228.59</u>	<u>\$ -</u>	<u>\$ 34,600.51</u>	<u>\$ 364,628.08</u>
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash in State Treasury	1,069,639.96	18,085,984.20	17,626,560.77	1,529,063.39
Cash in Bank	399,228.59	-	34,600.51	364,628.08
Securities Held in Trust	6,574,481.18	10,479.40	-	6,584,960.58
Total Assets	<u>\$ 8,043,349.73</u>	<u>\$ 18,096,463.60</u>	<u>\$ 17,661,161.28</u>	<u>\$ 8,478,652.05</u>
<b>LIABILITIES</b>				
Funds Held for Others	8,043,349.73	18,096,463.60	17,661,161.28	8,478,652.05
Total Liabilities	<u>\$ 8,043,349.73</u>	<u>\$ 18,096,463.60</u>	<u>\$ 17,661,161.28</u>	<u>\$ 8,478,652.05</u>

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





**SUPPLEMENTAL  
SCHEDULES**

**Agency 405 - Department of Public Safety  
Schedule 1A  
For the Fiscal Year Ended August 31, 2012**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				From Agencies or Universities Amount	From Non- State Entities Amount		
<b>U.S. Department of Commerce</b>							
<u>Direct Programs:</u>							
Public Safety Interoperable Communications Grant Program	11.555					11,112,518.21	11,112,518.21
Totals - U.S. Department of Commerce				0	0	11,112,518.21	11,112,518.21
<b>U.S. Department of Justice</b>							
National Criminal History Improvement Program (NCHIP)	16.554					1,235,290.62	1,235,290.62
Edward Byrne Memorial Formula Grant Program	16.579					79,666.13	79,666.13
Forensic DNA Backlog Reduction Program	16.741					3,068,284.50	3,068,284.50
Convicted Offender and/or Arrestee DNA Backlog Reduction Program	16.748					142,270.02	142,270.02
<u>Pass-Through From:</u>							
Crime Victim Assistance	16.575						263,478.20
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>			300	263,478.20			
Bulletproof Vest Partnership Program	16.607						259,248.21
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>			300	259,248.21			
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742						243,143.12
<i>Pass-Through From:</i> <i>Governor - Fiscal</i>			300	243,143.12			
Totals - U.S. Department of Justice				765,869.53	0	4,525,511.27	5,291,380.80
<b>U.S. Department of Transportation</b>							
<u>Direct Programs:</u>							
National Motor Carrier Safety	20.218					6,472,992.17	6,472,992.17
Commercial Driver's License Program Improvement Grant	20.232					11,979.76	11,979.76
Border Enforcement Grants	20.233					17,773,427.31	17,773,427.31
Commercial Drivers License Information System (CDLIS) Modernization Grant	20.238					542,049.48	542,049.48
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703					890,657.90	890,657.90
Totals - U.S. Department of Transportation				0	0	25,691,106.62	25,691,106.62
<b>U.S. Department of Energy</b>							
<u>Pass-Through From:</u>							
Transport of Transuranic Wastes to the Waste Isolation Pilot Plant: States and Tribal Concerns, Proposed Solutions	81.106						153,446.36
<i>Pass-Through From:</i> <i>Comptroller - State Energy Conservation Office</i>			907	153,446.36			

Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
		10,218,681.44	893,836.77	11,112,518.21
	0	10,218,681.44	893,836.77	11,112,518.21
			1,235,290.62	1,235,290.62
			79,666.13	79,666.13
			3,068,284.50	3,068,284.50
			142,270.02	142,270.02
			263,478.20	263,478.20
			259,248.21	259,248.21
			243,143.12	243,143.12
	0	0	5,291,380.80	5,291,380.80
			6,472,992.17	6,472,992.17
			11,979.76	11,979.76
			17,773,427.31	17,773,427.31
			542,049.48	542,049.48
		27,925.02	862,732.88	890,657.90
	0	27,925.02	25,663,181.60	25,691,106.62
			153,446.36	153,446.36

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				From Agencies or Universities Amount	From Non- State Entities Amount		
Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emergency Response Research, Outreach, Technical Analysis	81.214						160,498.41
<i>Pass-Through From:</i>							
<i>Comptroller - State Energy Conservation Office</i>				907	160,498.41		
Miscellaneous	81.502						27,069.03
<i>Pass-Through From:</i>							
<i>Comptroller - State Energy Conservation Office</i>				907	27,069.03		
<b>Totals - U.S. Department of Energy</b>					<b>341,013.80</b>	<b>0</b>	<b>341,013.80</b>
<b>U.S. Department of Health and Human Services</b>							
<b>Direct Programs:</b>							
National Bioterrorism Hospital Preparedness Program	93.889					450,000.00	450,000.00
<b>Totals - U.S. Department of Health and Human Services</b>					<b>0</b>	<b>0</b>	<b>450,000.00</b>
<b>Executive Office of the President</b>							
High Intensity Drug Trafficking Areas Program	95.001					846,386.24	846,386.24
<b>Totals - Executive Office of the President</b>					<b>0</b>	<b>0</b>	<b>846,386.24</b>
<b>U.S. Department of Homeland Security</b>							
Non-Profit Security Program	97.008					609,514.97	609,514.97
Crisis Counseling	97.032					17,711.39	17,711.39
Crisis Counseling	97.032					162,477.99	162,477.99
<i>Pass-Through To:</i>							
<i>Department of State Health Services</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					102,627,698.21	102,627,698.21
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					159,756.19	159,756.19
<i>Pass-Through To:</i>							
<i>General Land Office</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					1,427,463.80	1,427,463.80
<i>Pass-Through To:</i>							
<i>Adjutant General's Department</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					2,800,351.44	2,800,351.44
<i>Pass-Through To:</i>							
<i>Health and Human Services Commission</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					166,072.39	166,072.39
<i>Pass-Through To:</i>							
<i>Department of Family and Protective Services</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					282,817.82	282,817.82
<i>Pass-Through To:</i>							
<i>Department of State Health Services</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					24,236.11	24,236.11
<i>Pass-Through To:</i>							
<i>Department of Aging and Disability Services</i>							

Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
			160,498.41	160,498.41
			27,069.03	27,069.03
	0	0	341,013.80	341,013.80
			450,000.00	450,000.00
	0	0	450,000.00	450,000.00
			846,386.24	846,386.24
	0	0	846,386.24	846,386.24
		598,910.53	10,604.44	609,514.97
			17,711.39	17,711.39
				162,477.99
537	162,477.99			
		90,232,350.03	12,395,348.18	102,627,698.21
				159,756.19
305	159,756.19			
				1,427,463.80
401	1,427,463.80			
				2,800,351.44
529	2,800,351.44			
				166,072.39
530	166,072.39			
				282,817.82
537	282,817.82			
				24,236.11
539	24,236.11			

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				From Agencies or Universities Amount	From Non- State Entities Amount		
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					15,796.49	15,796.49
<i>Pass-Through To: Department of Agriculture</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					15,169.54	15,169.54
<i>Pass-Through To: Texas Animal Health Commission</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					2,098.92	2,098.92
<i>Pass-Through To: Texas A&amp;M AgriLife Extension Service</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					3,261.50	3,261.50
<i>Pass-Through To: Texas A&amp;M Forest Service</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					44,404.87	44,404.87
<i>Pass-Through To: Texas Commission on Environmental Quality</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					5,451,591.78	5,451,591.78
<i>Pass-Through To: Texas Department of Transportation</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					49,741.87	49,741.87
<i>Pass-Through To: Texas Department of Criminal Justice</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					415,774.07	415,774.07
<i>Pass-Through To: Texas A&amp;M University System</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					10,501.95	10,501.95
<i>Pass-Through To: Texas A&amp;M Engineering Extension Service</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					2,973,970.98	2,973,970.98
<i>Pass-Through To: Texas Southern University</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					44,337,867.19	44,337,867.19
<i>Pass-Through To: University of Texas Medical Branch at Galveston</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					7,046.23	7,046.23
<i>Pass-Through To: University of Texas Southwestern Medical Center</i>							

Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
				15,796.49
551	15,796.49			15,169.54
554	15,169.54			2,098.92
555	2,098.92			3,261.50
576	3,261.50			44,404.87
582	44,404.87			5,451,591.78
601	5,451,591.78			49,741.87
696	49,741.87			415,774.07
710	415,774.07			10,501.95
716	10,501.95			2,973,970.98
717	2,973,970.98			44,337,867.19
723	44,337,867.19			7,046.23
729	7,046.23			

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				From Agencies or Universities Amount	From Non- State Entities Amount		
<i>at Dallas</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.035					1,202,869.15	1,202,869.15
<i>Pass-Through To: University of Houston</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					176,349.08	176,349.08
<i>Pass-Through To: University of Texas Health Science Center at Houston</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					18,797.94	18,797.94
<i>Pass-Through To: University of Texas at Brownsville</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					851.84	851.84
<i>Pass-Through To: Texas State University - San Marcos</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					810,020.27	810,020.27
<i>Pass-Through To: Lamar State College - Orange</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					880,018.21	880,018.21
<i>Pass-Through To: Parks and Wildlife Department</i>							
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036					-20,933.60	-20,933.60
<i>Pass-Through To: Texas Historical Commission</i>							
Hazard Mitigation Grant	97.039					29,965,067.42	29,965,067.42
Hazard Mitigation Grant	97.039					465,385.37	465,385.37
<i>Pass-Through To: University of Texas M.D. Anderson Cancer Center</i>							
Hazard Mitigation Grant	97.039					157,697.94	157,697.94
<i>Pass-Through To: Department of State Health Services</i>							
Hazard Mitigation Grant	97.039					307,110.34	307,110.34
<i>Pass-Through To: Texas Water Development Board</i>							
Hazard Mitigation Grant	97.039					11,549.08	11,549.08
<i>Pass-Through To: Texas A&amp;M Engineering Experiment Station</i>							
Emergency Management Performance Grants	97.042					16,277,911.36	16,277,911.36
Emergency Management Performance Grants	97.042					19,719.00	19,719.00
<i>Pass-Through To: Attorney General</i>							



Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
				1,202,869.15
730	1,202,869.15			176,349.08
744	176,349.08			18,797.94
747	18,797.94			851.84
754	851.84			810,020.27
787	810,020.27			880,018.21
802	880,018.21			-20,933.60
808	-20,933.60	28,552,464.94	1,412,602.48	29,965,067.42
506	465,385.37			465,385.37
537	157,697.94			157,697.94
580	307,110.34			307,110.34
712	11,549.08			11,549.08
		5,455,780.38	10,822,130.98	16,277,911.36
302	19,719.00			19,719.00

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	
				From Agencies or Universities Amount	From Non- State Entities Amount			
Emergency Management Performance Grants	97.042					780,126.13	780,126.13	
<i>Pass-Through To:</i>								
<i>Texas A&amp;M Forest Service</i>								
Fire Management Assistance Grant	97.046					1,273,287.32	1,273,287.32	
Fire Management Assistance Grant	97.046					2,380,113.15	2,380,113.15	
<i>Pass-Through To:</i>								
<i>Texas A&amp;M Forest Service</i>								
Pre-Disaster Mitigation	97.047					2,778,959.18	2,778,959.18	
Emergency Operations Centers	97.052					3,154,454.05	3,154,454.05	
Interoperable Emergency Communications	97.055					1,985,145.39	1,985,145.39	
Homeland Security Grant Program	97.067					155,863,497.62	155,863,497.62	
Homeland Security Grant Program	97.067					45,000.00	45,000.00	
<i>Pass-Through To:</i>								
<i>Health and Human Services Commission</i>								
Homeland Security Grant Program	97.067					-41,467.41	-41,467.41	
<i>Pass-Through To:</i>								
<i>Texas A&amp;M Forest Service</i>								
Homeland Security Grant Program	97.067					81,332.68	81,332.68	
<i>Pass-Through To:</i>								
<i>Texas A&amp;M Engineering Extension Service</i>								
Rail and Transit Security Grant Program	97.075					590,608.50	590,608.50	
Buffer Zone Protection Program (BZPP)	97.078					5,715,017.91	5,715,017.91	
Buffer Zone Protection Program (BZPP)	97.078					190,000.00	190,000.00	
<i>Pass-Through To:</i>								
<i>University of Texas at Austin</i>								
Earthquake Consortium	97.082					39,319.23	39,319.23	
Driver's License Security Grant Program	97.089					1,735,168.63	1,735,168.63	
Repetitive Flood Claims	97.092					427,064.20	427,064.20	
Regional Catastrophic Preparedness Grant Program (RCPGP)	97.111					1,835,565.12	1,835,565.12	
Border Interoperability Demonstration Project	97.120					22,264.87	22,264.87	
<i>Pass-Through From:</i>								
Crisis Counseling	97.032						630.5	
<i>Pass-Through From:</i>								
<i>Department of State Health Services</i>								
			537		630.5			
Totals - U.S. Department of Homeland Security					630.5	0	390,733,195.67	390,733,826.17
<b>JAG Program Cluster</b>								
<b>U.S. Department of Justice</b>								
<i>Pass-Through From:</i>								
Edward Byrne Memorial Justice Assistance Grant Program	16.738						562,362.00	
<i>Pass-Through From:</i>								
<i>Governor - Fiscal</i>								
			300		562,362.00			
ARRA - Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants to States and Territories	16.803						6,967,706.63	

Pass-through To

Agy/ Univ No	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
				780,126.13
576	780,126.13			
		891,092.90	382,194.42	1,273,287.32
				2,380,113.15
576	2,380,113.15			
		2,761,505.35	17,453.83	2,778,959.18
		3,132,385.95	22,068.10	3,154,454.05
		1,570,315.32	414,830.07	1,985,145.39
		148,443,995.38	7,419,502.24	155,863,497.62
				45,000.00
529	45,000.00			
				-41,467.41
576	-41,467.41			
				81,332.68
716	81,332.68			
		558,815.91	31,792.59	590,608.50
		5,651,679.54	63,338.37	5,715,017.91
				190,000.00
721	190,000.00			
		37,473.00	1,846.23	39,319.23
			1,735,168.63	1,735,168.63
		424,815.66	2,248.54	427,064.20
		1,604,609.33	230,955.79	1,835,565.12
		15,416.03	6,848.84	22,264.87
			630.5	630.5
	65,814,940.30	289,931,610.25	34,987,275.62	390,733,826.17
			562,362.00	562,362.00
			6,967,706.63	6,967,706.63

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount
				From Agencies or Universities Amount	From Non- State Entities Amount		
<i>Pass-Through From:</i>							
<i>Governor - Fiscal</i>							
			300	6,967,706.63			
Totals - U.S. Department of Justice				7,530,068.63	0	0	7,530,068.63
<b><u>Highway Safety Cluster</u></b>							
<b>U.S. Department of Transportation</b>							
<u>Pass-Through From:</u>							
State and Community Highway Safety	20.600						429,146.07
<i>Pass-Through From:</i>							
<i>Texas Department of Transportation</i>							
			601	429,146.07			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601						166,325.74
<i>Pass-Through From:</i>							
<i>Texas Department of Transportation</i>							
			601	166,325.74			
Totals - U.S. Department of Transportation				595,471.81	0	0	595,471.81
<b>Total Expenditures of Federal Awards</b>				<b>9,233,054.27</b>	<b>0</b>	<b>433,358,718.01</b>	<b>442,591,772.28</b>

Pass-through To

Agy/ Univ No	Agencies or Universities Amount	Pass-Through To Non-State Entities Amount	Expenditures Amount	Total PT To and Expenditures Amount
	0	0	7,530,068.63	7,530,068.63
			429,146.07	429,146.07
			166,325.74	166,325.74
	0	0	595,471.81	595,471.81
	<b>65,814,940.30</b>	<b>300,178,216.71</b>	<b>76,598,615.27</b>	<b>442,591,772.28</b>

**SCHEDULE 1A – SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS** *continued*

For the Fiscal Year Ended August 31, 2012

<b>Note 1: Non-Monetary Assistance</b>
--

*Not Applicable*

<b>Note 2: Reconciliation</b>
-------------------------------

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

Per Combined Governmental Operating Statement/Statement  
of Activities and Proprietary Statement of Changes in Revenues, Expenses and Net Assets

Governmental Funds – Federal Revenue (Exh. II)	\$ 431,100,124.58
Governmental Funds – Federal Pass-Through Revenue	9,233,054.27
Subtotal	\$440,333,178.85

Reconciling Items:

CFDA 97.036 FEMA Public Assistance	\$1,905,001.73
CFDA 97.046 FEMA Fire Management Assistance Grants	\$282,360.97
CFDA 95.001 High Intensity Drug Trafficking Areas	\$71,230.73
	\$442,591,772.28

Total Pass Through and Expenditures per Federal Schedule	\$ 442,591,772.28
--	-------------------

## Note 7: Deferred Revenue

The Department of Public Safety has pre paid federal grant revenue for the following CFDA's:

Beginning Deferred Revenue Balance 9/1/2011	\$312,414.81
Net change during Fiscal Year	<u>\$763,748.29</u>
Ending Balance 8/31/2012	<u>\$1,076,163.10</u>

This deferred revenue is the result of federal cash drawn in advance of payment vouchers. At 8/31/12 the payment vouchers had not fully processed through the accounting system:

97.067	(\$312,414.81)
16.579.008	\$285,502.61
97.008	\$645.86
97.042	\$605,045.78
97.055	\$7,102.12
97.075	\$35,487.64
97.120	\$19.99
97.036	\$142,359.10

**Texas Department of Public Safety (405)**  
**Schedule 1B**  
**Schedule of State Grant Pass-Throughs From/To State Agencies**  
**For the Year Ended August 31, 2012**

<b>Pass-through From</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
<b>Amber Alert</b>	<b>300.0001</b>		
Governor - Fiscal		300	135,562.28
			<u>135,562.28</u>
<b>Disaster Grants</b>	<b>300.0010</b>		
Governor - Fiscal		300	4,003,158.81
			<u>4,003,158.81</u>
<b>Texas Border Security</b>	<b>300.0013</b>		
Governor - Fiscal		300	2,115,454.21
			<u>2,115,454.21</u>
<b>Texas Top 10 Technology Enhancement</b>	<b>300.0014</b>		
Governor - Fiscal		300	5,998.80
			<u>5,998.80</u>
<b>Drawbridge Expansion Project</b>	<b>300.0023</b>		
Governor - Fiscal		300	518,282.97
			<u>518,282.97</u>
<b>Backlog Reduction of DNA Testing</b>	<b>300.0024</b>		
Governor-Fiscal		300	38,872.64
			<u>38,872.64</u>
<b>Enhancement of DPS Regional Victim Crime Services</b>	<b>302.0002</b>		
Attorney General		302	200,478.65
			<u>200,478.65</u>
<b>BATIC - Border Auto Theft Information Center</b>	<b>608.0001</b>		
Texas Department of Motor Vehicles		603	24,505.69
			<u>24,505.69</u>
<b>Stolen Vehicles</b>	<b>608.0002</b>		
Texas Department of Motor Vehicles		608	71,467.10
			<u>71,467.10</u>
<b>Total Pass-Through from Other Agencies (Exh. II):</b>			<b>7,113,781.15</b>

<b>Pass-through To</b>	<b>Grant ID</b>	<b>Agency Number</b>	<b>Amount</b>
<b>HB 4586 Blue Water Highway Restoration</b>	<b>405.0009</b>		
General Land Office		305	4,100,787.45
			<u>4,100,787.45</u>
<b>Total Pass-Through to Other Agencies (Exh. II):</b>			<b>4,100,787.45</b>





