

TEXAS DEPARTMENT OF PUBLIC SAFETY

ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2014

Steven C. McCraw
Director

TABLE OF CONTENTS

Agency Transmittal Letter	1
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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	20
Exhibit A-2: Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All General and Consolidated Funds	22
Exhibit B-1: Combining Balance Sheet – Special Revenue Funds	24
Exhibit B-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	25
Exhibit C-1: Combining Balance Sheet – Capital Project Funds	26
Exhibit C-2: Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Capital Project Funds	27
Exhibit J-1: Combining Statement of Changes in Assets and Liabilities – Agency Funds	28

SUPPLEMENTAL INFORMATION

Schedules

1-A: Schedule of Expenditures of Federal Awards	32
1-B: Schedule of State Grant Pass-Through From/To State Agencies	45

TEXAS DEPARTMENT OF PUBLIC SAFETY

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STEVEN C. McCRAW
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DAVID G. BAKER
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November 20, 2014

Honorable Rick Perry, Governor
Honorable Susan Combs, Texas Comptroller
Ursula Parks, 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, 2014, 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 Page at (512) 424-2063.

Kelley Glaeser may be contacted at (512) 462-6169 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

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Texas Department of Public Safety (405)
Exhibit I - Combined Balance Sheet / Statement of Net Assets - Governmental Funds
 For the Fiscal Year Ended August 31, 2014

	Governmental Fund Types			Governmental Funds Total
	General Funds (Exh A-1)	Special Revenue Funds (Exh B-1)	Capital Projects Funds (Exh C-1)	
ASSETS				
Current Assets:				
Cash				
Cash on Hand	\$ 918,600.00	\$ 216,225.00	\$ -	\$ 1,134,825.00
Cash in Bank	-	332,000.00	-	332,000.00
Cash in State Treasury	54,296,812.48	-	-	54,296,812.48
Legislative Appropriations	88,012,785.93	-	-	88,012,785.93
Receivables from:				
Federal	26,878,497.19	6,777,937.16	-	33,656,434.35
Accounts Receivable	-	3,518,288.74	-	3,518,288.74
Due From Other Funds	41,794.34	543,966.24	-	585,760.58
Due From Other Agencies	955,782.65	34,371,002.34	2,072,969.87	37,399,754.86
Consumable Inventories	-	3,657,589.51	-	3,657,589.51
Total Current Assets	\$ 171,104,272.59	\$ 49,417,008.99	\$ 2,072,969.87	\$ 222,594,251.45
Non-Current Assets:				
Total Non-Current Assets:	\$ -	\$ -	\$ -	\$ -
Total Assets:	\$ 171,104,272.59	\$ 49,417,008.99	\$ 2,072,969.87	\$ 222,594,251.45
LIABILITIES AND FUND BALANCES				
Current Liabilities:				
Payables from:				
Accounts	\$ 12,480,062.55	\$ 2,654,291.98	\$ 2,072,969.87	\$ 17,207,324.40
Payroll	14,626,044.83	35,932,420.14	-	50,558,464.97
Due to Other Funds	585,760.58	-	-	585,760.58
Due to Other Agencies	22,940,884.85	-	-	22,940,884.85
Deferred Revenues (Sch. 1A - Note 7)	9,260,627.16	202,751.72	-	9,463,378.88
Total Current Liabilities:	\$ 59,893,379.97	\$ 38,789,463.84	\$ 2,072,969.87	\$ 100,755,813.68
Non-Current Liabilities:				
Total Non-Current Liabilities:	\$ -	\$ -	\$ -	\$ -
Total Liabilities:	\$ 59,893,379.97	\$ 38,789,463.84	\$ 2,072,969.87	\$ 100,755,813.68
FUND FINANCIAL STATEMENT				
Fund Balances (Deficits):				
Nonspendable In Inventory	\$ -	\$ 3,657,589.51	\$ -	\$ 3,657,589.51
Restricted	5,847,416.97	6,969,955.64	-	12,817,372.61
Committed	29,733,286.41	-	-	29,733,286.41
Unassigned	75,630,189.24	-	-	75,630,189.24
Total Fund Balances	\$ 111,210,892.62	\$ 10,627,545.15	\$ -	\$ 121,838,437.77
Total Liabilities and Fund Balances	\$ 171,104,272.59	\$ 49,417,008.99	\$ 2,072,969.87	\$ 222,594,251.45

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, 2014

	General Funds (Exh A-2)	Special Revenue Funds (Exh B-2)	Capital Projects Funds (Exh C-2)	Governmental Funds Total
REVENUES				
Legislative Appropriations:				
Original Appropriations	\$ 228,042,201.82	\$ -	\$ -	\$ 228,042,201.82
Additional Appropriations	63,858,103.14	-	-	63,858,103.14
Federal Revenue	278,576,944.92	33,146,597.47	-	311,723,542.39
Federal Grant Pass-Through Revenue	2,072,925.77	2,119,770.79	-	4,192,696.56
State Grant Pass-Through Revenue	2,968,296.52	753,829.49	-	3,722,126.01
Licenses, Fees & Permits	115,545,952.63	316,654.10	-	115,862,606.73
Interest and Other Investment Income	42,754.14	-	-	42,754.14
Land Income	-	-	-	-
Settlement of Claims	-	715,005.43	-	715,005.43
Sales of Goods and Services	3,165,968.94	5,771,388.36	-	8,937,357.30
Other	2,758,393.49	706,170.25	-	3,464,563.74
Total Revenues	\$ 697,031,541.37	\$ 43,529,415.89	\$ -	\$ 740,560,957.26
EXPENDITURES				
Salaries and Wages	\$ 267,671,035.87	\$ 262,243,240.63	\$ -	\$ 529,914,276.50
Payroll Related Costs	66,783,015.65	97,575,086.39	-	164,358,102.04
Professional Fees and Services	23,683,111.52	3,304,057.33	38,425.86	27,025,594.71
Travel	3,259,165.97	6,223,577.24	-	9,482,743.21
Materials and Supplies	33,402,121.46	37,653,728.90	1,935,403.31	72,991,253.67
Communication and Utilities	18,945,592.81	3,409,347.00	-	22,354,939.81
Repairs and Maintenance	20,410,169.22	14,400,854.48	301,925.23	35,112,948.93
Rentals and Leases	4,994,078.40	6,764,213.27	-	11,758,291.67
Printing and Reproduction	5,246,623.94	5,147,550.96	-	10,394,174.90
Claims and Judgments	292,392.97	690,808.50	-	983,201.47
Federal Grant Pass-Through Expenditures	79,728,299.56	-	-	79,728,299.56
State Grant Pass-Through Expenditures	17,186.98	-	-	17,186.98
Intergovernmental Payments	151,254,966.31	855,092.87	-	152,110,059.18
Public Assistance Payments	2,082,136.50	-	-	2,082,136.50
Other Expenditures	93,200,929.35	15,927,318.88	353,961.34	109,482,209.57
Capital Outlay (Note 2)	32,688,672.79	18,329,559.09	18,879,093.30	69,897,325.18
Debt service:	33,354,465.05	-	-	33,354,465.05
Principal	-	-	-	-
Total Expenditures/Expenses	\$ 837,013,964.35	\$ 472,524,435.54	\$ 21,508,809.04	\$ 1,331,047,208.93
Excess (Deficiency) of Revenues over Expenditures	\$ (139,982,422.98)	\$ (428,995,019.65)	\$ (21,508,809.04)	\$ (590,486,251.67)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	\$ 2,248,819.98	\$ 21,060.00	\$ -	\$ 2,269,879.98
Increase in Obligations under Capital Leases	\$ 33,354,465.05	-	-	\$ 33,354,465.05
Insurance Recoveries	-	247,656.87	-	247,656.87
Transfers In	3,372,091.10	434,355,286.39	20,897,718.50	458,625,095.99
Transfers Out	(34,154,028.81)	-	-	(34,154,028.81)
Legislative Transfers In	1,620,902.62	-	-	1,620,902.62
Legislative Transfers Out	(1,620,902.62)	-	-	(1,620,902.62)
Total Other Financing Sources (Uses)	\$ 4,821,347.32	\$ 434,624,003.26	\$ 20,897,718.50	\$ 460,343,069.08
Net Change in Fund Balances/Net Assets	\$ (135,161,075.66)	\$ 5,628,983.61	\$ (611,090.54)	\$ (130,143,182.59)
FUND FINANCIAL STATEMENT - FUND BALANCES				
Fund Balances - Beginning	\$ 255,116,501.04	\$ 4,998,561.54	\$ -	\$ 260,115,062.58
Restatements	(9,043,982.08)	-	611,090.54	(8,432,891.54)
Fund Balances as Restated	246,072,518.96	4,998,561.54	611,090.54	251,682,171.04
Appropriations Lapsed	299,449.32	-	-	299,449.32
Fund Balances - Ending	\$ 111,210,892.62	\$ 10,627,545.15	\$ -	\$ 121,838,437.77

UNAUDITED

Texas Department of Public Safety (405)

Exhibit VI - Combined Statement of Net Assets - Fiduciary Funds

For the Fiscal Year Ended August 31, 2014

	<u>Agency Funds (Exhibit J-1)</u>	<u>Totals</u>
ASSETS		
Cash and Cash Equivalents:		
Cash in State Treasury	\$ 2,382,443.80	\$ 2,382,443.80
Cash in Bank	137,510.32	137,510.32
Securities Held in Trust	6,454,079.83	6,454,079.83
Total Current Assets	<u>\$ 8,974,033.95</u>	<u>\$ 8,974,033.95</u>
 Total Assets	 <u>\$ 8,974,033.95</u>	 <u>\$ 8,974,033.95</u>
 LIABILITIES		
Funds Held for Others	8,974,033.95	8,974,033.95
Total Current Liabilities	<u>\$ 8,974,033.95</u>	<u>\$ 8,974,033.95</u>
 Total Liabilities	 <u>\$ 8,974,033.95</u>	 <u>\$ 8,974,033.95</u>

The accompanying notes to the financial 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, 44th 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. DPS has 13 dedicated funds. The funds and purpose are listed below:

Fund 0092 - Federal Disaster Fund is part of the General Revenue Fund. Fund 0092 was established to receive state and federal revenue which is used to pay for disaster related activities.

Fund 0099 - Operator & Chauffeur License Fund - This fund was created to receive federal funds and other authorized revenue. In FY 2014 DPS remains the controlling agency but does not have authority to spend out of this fund.

Fund 0151 - The Clean Air Fund is a General Revenue-Dedicated account and was established to receive Clean Air Act fees which are used to safeguard the air resources of the state, recover the costs of permitting new or modified emission sources, and recover the costs of permit review and renewal. The largest portion of the fees comes from the motor vehicle safety inspection fee.

Fund 0221 - Federal Civil Defense & Disaster Relief Fund - This fund was created to hold federal funds appropriated to support the organization and coordination of a program of civil defense and disaster relief.

Fund 0222 - Department of Public Safety Federal Fund - This fund was created to receive federal funds for use in accordance with the "Federal Emergency Planning Program" and other Federal programs.

Fund 0369 - Federal ARRA fund - This fund was established by the Comptroller's Office in 2009 to retain funds received that relate to the American Recovery and Reinvestment Act.

Fund 0453 - Disaster Contingencies Fund - This fund was created to receive funds appropriated by legislature and gifts, grants or loans. Used for purposes appropriated by legislature in accordance with Texas Disaster Act 1975.

Fund 0501 - Motorcycle Education Fund - This fund was created to receive \$5 of each Class M license renewal fee. Funds may be used to defray the costs of administering the motorcycle operation training and safety program.

Fund 0582 - Motor Carrier Act Enforcement Federal - This fund was created to receive federal dollars to enforce the safety certificate, rate or other provision of the Motor Carrier Act.

Fund 0599 - Economic Stabilization Fund - To receive transfer of one-half of any unencumbered positive balance in the General Revenue Fund (0001) on the last day of the preceding biennium and an amount equal to 75 percent of excess oil and gas production taxes received in fiscal year 1987 and any other money appropriated to the fund by the legislature. HB 1025; Section 21, appropriated the Department \$2,700,000.00 for Disasters during the 83rd Legislature. These funds were to be use during appropriation year 2012 and 2013 (appropriation year 2013 will run through fiscal year 2015.)

Fund 5013 - Breath Alcohol Testing Fund - This account is created in General Revenue to receive court costs from defendants convicted under the Penal Code.

Fund 5071 - Emission Reduction Fund is General Revenue - Dedicated account established to reduce emissions from on-road and non-road diesel-powered construction and industrial equipment, vehicles, and stationary engines. Major sources of revenue deposited to TERP Account No. 5071 include: a portion of vehicle certificate of title fees, fee on sale or lease of off-road diesel; on-road diesel fees; commercial vehicle registration surcharges, and commercial vehicle surcharge.

Fund 5153 - Emergency Radio Infrastructure Fund - Fees are deposited in the account as provided by Section 133.102(e) (11), Local Government Code.

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.

Fund 0006 - State Highway Fund - This fund receives funds allocated by law for public road construction, maintenance, monitoring and law enforcement of the state's highway system.

Capital Projects Funds: These funds are used to finance construction of new DPS buildings and Crime lab facilities in various state locations.

Fund 7209 - T.P.F.A. G.O. Series 2008A Refunding DPS Project Fund - The purpose of this fund is to deposit proceeds from the sale of bonds (except for amounts deposited to the interest and Sinking Fund) and investment earnings for Crime Lab and Regional offices. To be used to pay project costs as defined in the bond resolution.

Fund 7211 - T.P.F.A. G.O. Series 2009B DPS Project Fund - The purpose of this fund is to deposit 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.

Fund 7618 - T.P.F.A. G.O. Series 2002A Commercial Paper DPS Project B Fund - The purpose of this fund is to deposit 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.

Fund 7629 - T.P.F.A. G.O. Commercial Paper Series 2008 DPS Project 1A Fund - The purpose of this fund is to deposit proceeds from the sale of bonds (except accrued interest) and investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

Fund 7648 - T.P.F.A. G.O. Commercial Paper Series 2008 DPS Project 1B Fund - The purpose of this fund is to deposit proceeds from the sale of bonds (except accrued interest) and investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

Fund 7656 - T.P.F.A. G.O. Commercial Paper Series 2008 DPS Project 1C Fund - The purpose of this fund is to deposit proceeds from the sale of bonds (except accrued interest) and investment earnings. To be used to pay cost of issuance and project costs as defined in the bond resolution.

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 non-spendable, restricted, committed, assigned or unassigned in the fund financial statements.

- Non-spendable 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, 2014, is presented below:

	Balance 9/12013	Adj	Completed CIP	Inc-Inf'gy Trans	Dec-Inf'gy Trans	Additions	Deletions	Balance 8/312014
GOVERNMENTAL ACTIVITIES								
Non-Depreciable Assets								
Land and Land Improvements	13,611,934.11					139,350.00		13,751,284.11
Construction in Progress	95,729,370.19					16,766,744.02		112,496,114.21
Other Capital Assets	-							-
Total Non-Depreciable Assets	109,341,304.30	-	-	-	-	16,906,094.02	-	126,247,398.32
Depreciable Assets								
Buildings and Building Improvements	250,182,678.87					3,043,224.04	(2,616,950.51)	250,608,952.40
Infrastructure	19,676,372.82							19,676,372.82
Facilities and Other Improvements	291,308.45					580,503.10	-	871,811.55
Furniture and Equipment	131,400,128.96	107,417.33			(16,308.69)	54,378,883.41	(4,668,166.69)	181,201,954.32
Vehicle, Boats & Aircraft	183,732,178.69	21,634.00			(2,474,361.67)	26,088,736.29	(10,140,119.78)	197,228,067.53
Other Capital Assets	16,000.00					10,500.00	(8,000.00)	18,500.00
Total Depreciable Assets at Historical Cost	585,298,667.79	129,051.33	-	-	(2,490,670.36)	84,101,846.84	(17,433,236.98)	649,605,658.62
Less Accumulated Depreciation for:								
Buildings and Improvements	(101,734,791.86)					(5,914,642.16)	1,972,212.32	(105,677,221.70)
Infrastructure	(6,668,316.28)					(766,280.40)	-	(7,434,596.68)
Facilities and Other Improvements	(167,656.32)					(21,169.58)	-	(188,825.90)
Furniture and Equipment	(78,379,548.89)	(38,826.44)			10,075.68	(19,212,115.60)	4,341,836.76	(93,278,578.49)
Vehicles, Boats & Aircraft	(95,809,847.53)	(258,857.76)			2,154,930.60	(24,902,749.58)	8,844,867.37	(109,971,656.90)
Other Capital Assets	(6,856.56)					(2,779.60)	4,190.12	(5,446.04)
Total Accumulated Depreciation	(282,767,017.44)	(297,684.20)	-	-	2,165,006.28	(50,819,736.92)	15,163,106.57	(316,556,325.71)
Amortizable Assets - Intangible								
Computer Software	10,937,786.14					3,207,520.65	(1,074,482.00)	13,070,824.79
Other Intangible Capital Assets	-							-
Total Depreciable Assets at Historical Costs	10,937,786.14	-	-	-	-	3,207,520.65	(1,074,482.00)	13,070,824.79
Less Accumulated Amortization for:								
Computer Software	(8,274,738.87)					(1,661,908.95)	1,039,190.14	(8,897,457.68)
Other Intangible Capital Assets	-							-
Total Accumulated Amortization	(8,274,738.87)	-	-	-	-	(1,661,908.95)	1,039,190.14	(8,897,457.68)
Governmental Activities Capital Assets, Net	414,536,001.92	(168,632.87)	-	-	(325,664.08)	51,733,815.64	(2,305,422.27)	463,470,098.34

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, 2014, the carrying amount of deposits was \$469,510.32 as presented below.

Governmental and Business-Type Activities	
Cash in Bank – Carrying Value	\$ 332,000.00
Cash in Bank per AFR	\$ 332,000.00

Fiduciary Funds	
Cash in Bank – Carrying Value	\$ 137,510.32
Cash in Bank per AFR	\$ 137,510.32

Note 4: Short-Term Debt

Not Applicable

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

During the year ended August 31, 2014 the following changes occurred in liabilities.

Governmental Activities	Balance 9/01/13	Additions	Reductions	Balance 8/31/14	Amounts Due Within 1 Year	Amounts Due Thereafter
Capital Lease Obligations	\$191,008.09	33,354,465.05	167,648.55	\$33,377,824.59	\$3,844,523.44	\$29,533,301.15
Compensable Leave	\$62,172,156.22	106,955,955.93	97,352,304.11	\$71,775,808.04	\$38,941,880.74	\$32,833,927.30
Pollution Remediation	\$303,000.00	60,000.00	68,390.00	\$294,610.00	\$280,000.00	\$14,610.00
Total Governmental Activities	\$62,666,164.31	\$140,370,420.98	97,588,342.66	105,448,242.63	\$43,066,404.18	62,381,838.45

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 8 sites; conducting lead remediation at the North Lamar and Florence shooting ranges; the cleanup 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	\$4,994,078.40
Special Revenue Fund	\$6,764,213.27

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, 2015	\$7,611,154.74
Year Ending August 31, 2016	8,029,050.89
Year Ending August 31, 2017	6,922,458.72
Year Ending August 31, 2018	5,854,790.26
Year Ending August 31, 2019	5,285,944.11
Year Ending August 31, 2020 and beyond	4,089,272.19
Total Minimum Future Lease Rental Payments	\$37,792,670.91

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 8/31/14:

Governmental Activities			
Class of Property	Assets under Capital Lease	Accumulated Depreciation	Total Governmental Activities
Furniture & Equipment	\$52,207,728.87	(\$13,462,981.53)	\$38,744,747.34
Totals	\$52,207,728.87	(\$13,462,981.53)	\$38,744,747.34

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, 2015	3,844,523.44	4,904.44	3,849,427.88
Year Ending August 31, 2016	3,782,564.89	15,618.28	3,798,183.17
Year Ending August 31, 2017	3,583,680.00	0	3,583,680.00
Year Ending August 31, 2018	3,583,680.00	0	3,583,680.00
Year Ending August 31, 2019	3,583,680.00	0	3,583,680.00
Year Ending August 31, 2020 and beyond	14,999,696.26	0	14,999,696.26
Total Capital Lease Payments	\$33,377,824.59	\$20,522.72	\$33,398,347.31

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 FY 2014, 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. Deferred Revenue – Change in Accounting Policy
- c. Error correction

	Capital Assets	Fund 0092	Fund 0151	Fund 0099	Fund 0222	Fund 0501	Total
Fund Balance August 31, 2013	\$414,536,001.92	\$14,609,576.69	\$0.00	\$2,674,925.63	\$8,549,446.54	\$15,232,170.38	\$455,602,121.16
Restatements							0.00
a. Capital Assets and related Accumulated Depreciation	(168,632.87)						(168,632.87)
b. Deferred Revenue - change in accounting policy			(306,139.00)	(366,680.77)	(8,371,208.71)		(8,371,208.71)
c. Error correction		22.70				22.70	(672,774.37)
Fund Balance September 1, 2013 as Restated	\$414,367,369.05	\$14,609,599.39	(\$306,139.00)	\$2,308,244.86	\$178,237.83	\$15,232,193.08	(\$9,212,615.95)

Note 15: Contingent Liabilities**Unpaid Claims and Lawsuits**

As of August 31, 2014, 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 93 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 \$3,888,000.00. 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

DPS had three items in FY 2014 to note:

- 1) In FY 2014 a major change in funding occurred between Appropriated Fund 0001 and Appropriated Fund 0006. Appropriations in Fund 0001 were increased by sixty million and appropriations in Fund 0006 were decreased accordingly. The change in Fund 0001 and Fund 0006 caused expenditures in Fund 001 to substantially increase and Fund 0006 to decrease proportionately.
- 2) DPS purchased radio equipment on a capital lease for 33,354,465.05. This lease extends over the next ten years.
- 3) The Governor, Rick Perry, Lieutenant Governor, David Dewhurst, and the Speaker of the House, Joe Straus launched Operation Strong Safety. In a letter dated June 18, 2014, DPS was asked to “leverage technology and manpower to reduce criminal activities and drive up the cost of business for the cartels.” This letter authorized DPS to ‘utilize all existing appropriated funds toward this operation.’

Note 19: The Financial Reporting Entity

The Texas Department of Public Safety Foundation was established in 2012 to support DPS in fulfilling its mission to serve the people of Texas. The Foundation was set up to:

- 1) Strengthen the agency by providing financial assistance to DPS to fulfill its mission
- 2) Recognize employee valor and sacrifice, and
- 3) Contribute to employee injured in the line of duty and families of employees killed in the line of duty.

Note 20: Stewardship, Compliance, & AccountabilityConfiscated/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, 2014, 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***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*

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Texas Department of Public Safety (405)
 Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds
 For the Fiscal Year Ended August 31, 2014

	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)
ASSETS						
Current Assets:						
Cash						
Cash on Hand	\$ 915,600.00	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00
Cash in State Treasury	-	6,951,508.08	613,155.42	-	1,604,668.49	7,697,313.69
Legislative Appropriations	88,012,785.93	-	-	-	-	-
Receivables from:	-	-	-	-	-	-
Federal	183,640.81	23,719,517.80	-	-	2,975,338.58	-
Accounts Receivable	-	-	-	-	-	-
Due From Other Funds	40,610.35	-	-	-	-	1,183.99
Due From Other Agencies	908,327.46	47,455.19	-	-	-	-
Total Current Assets	\$ 90,060,964.55	\$ 30,718,481.07	\$ 613,155.42	\$ -	\$ 4,580,007.07	\$ 7,701,497.68
Non-Current Assets:						
Total Non-Current Assets:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Assets:	\$ 90,060,964.55	\$ 30,718,481.07	\$ 613,155.42	\$ -	\$ 4,580,007.07	\$ 7,701,497.68
LIABILITIES AND FUND BALANCES						
Current Liabilities:						
Payables from:						
Accounts	\$ 8,883,886.08	\$ 102,356.56	\$ 54.00	\$ -	\$ 3,019,906.02	\$ 473,859.89
Payroll	13,451,934.24	968,537.62	-	-	205,572.98	(0.01)
Due To Other Funds	-	583,835.33	1,925.25	-	-	-
Due To Other Agencies	58,018.57	22,757,179.92	-	-	-	-
Unearned Revenues	-	1,936,888.53	142,359.10	-	172,067.28	7,009,312.25
Total Current Liabilities	\$ 22,393,838.89	\$ 26,348,797.96	\$ 144,338.35	\$ -	\$ 3,397,546.28	\$ 7,483,172.13
Non-Current Liabilities:						
Total Non-Current Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities:	\$ 22,393,838.89	\$ 26,348,797.96	\$ 144,338.35	\$ -	\$ 3,397,546.28	\$ 7,483,172.13
Fund Balances (Deficits):						
Restricted	\$ -	\$ 4,369,683.11	\$ -	\$ -	\$ 1,182,460.79	\$ 218,325.55
Committed	-	-	468,817.07	-	-	-
Unassigned	67,667,125.66	-	-	-	-	-
Total Fund Balances	\$ 67,667,125.66	\$ 4,369,683.11	\$ 468,817.07	\$ -	\$ 1,182,460.79	\$ 218,325.55
Total Liabilities and Fund Balances	\$ 90,060,964.55	\$ 30,718,481.07	\$ 613,155.42	\$ -	\$ 4,580,007.07	\$ 7,701,497.68

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Consolidated Accounts								
Disaster Contingency Fund (0453)	Motorcycle Education Fund (0501)	Motor Carrier Act Enforcement Fund (0582)	Economic Stabilization Fund (0599)	Breath Alcohol Testing Fund (5013)	Emissions Reduction Fund (5071)	Emergency Radio Infrastructure Fund (5153)	TOTALS	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
814,004.07	16,484,118.03	76,947.52	-	12,092,033.60	-	7,963,063.58	918,600.00	54,296,812.48
-	-	-	-	-	-	-	88,012,785.93	0.00
-	-	-	-	-	-	-	26,878,497.19	0.00
-	-	-	-	-	-	-	41,794.34	955,782.65
\$ 814,004.07	\$ 16,484,118.03	\$ 76,947.52	\$ -	\$ 12,092,033.60	\$ -	\$ 7,963,063.58	\$ 171,104,272.59	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 814,004.07	\$ 16,484,118.03	\$ 76,947.52	\$ -	\$ 12,092,033.60	\$ -	\$ 7,963,063.58	\$ 171,104,272.59	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,480,062.55	14,626,044.83
-	-	-	-	-	-	-	585,760.58	22,940,884.85
125,686.36	-	-	-	-	-	-	9,260,627.16	59,893,379.97
\$ 125,686.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 125,686.36	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,893,379.97
\$ -	\$ -	\$ 76,947.52	\$ -	\$ -	\$ -	\$ -	\$ 5,847,416.97	29,733,286.41
688,317.71	16,484,118.03	-	-	12,092,033.60	-	-	75,630,189.24	7,963,063.58
\$ 688,317.71	\$ 16,484,118.03	\$ 76,947.52	\$ -	\$ 12,092,033.60	\$ -	\$ 7,963,063.58	\$ 111,210,892.62	
\$ 814,004.07	\$ 16,484,118.03	\$ 76,947.52	\$ -	\$ 12,092,033.60	\$ -	\$ 7,963,063.58	\$ 171,104,272.59	

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

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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, 2014

	General		Consolidated Accounts			
	General	Federal	Operator &	Clean Air	Fed. Civil	Federal
	Revenue	Disaster	Chaffeur		Defense &	
	Fund (0001)	Fund (0092)	Fund (0099)	Fund (0151)	Disaster Relief	Fund (0222)
REVENUES						
Legislative Appropriations:						
Original Appropriations	\$ 228,042,201.82	\$ -	\$ -	\$ -	\$ -	\$ -
Additional Appropriations	63,858,103.14					
Federal Revenue (Schedule 1A)	2,280,933.93	162,687,257.95			106,402,538.26	7,206,214.78
Federal Grant Pass-Through Revenue (Schedule 1A)	1,839,797.95	233,127.82				
State Grant Pass-Through Revenue (Schedule 1B)	2,968,296.52					
Licenses, Fees & Permits	103,991,054.00		(643,509.22)			
Interest and Other Investment Income	2,667.42					40,086.72
Land Income						
Settlement of Claims	-					
Sales of Goods and Services	2,939,481.58	224,635.23	1,852.13			
Other	196,804.28	2,199,516.50	28,582.92		333,489.79	
Total Revenues	\$ 406,119,340.64	\$ 165,344,537.50	\$ (613,074.17)	\$ -	\$ 106,736,028.05	\$ 7,246,301.50
EXPENDITURES						
Salaries and Wages	\$ 244,836,878.33	\$ 21,546,939.50	\$ (326,147.79)		\$ 1,585,335.49	
Payroll Related Costs	63,874,842.60	2,364,132.10	25,237.44		508,358.94	
Professional Fees and Services	21,129,321.71	2,783,795.36	(774,881.06)		543,586.81	1,288.70
Travel	2,809,077.76	253,863.47	117,789.68		77,572.55	
Materials and Supplies	29,630,811.18	1,541,597.52	353,751.04		901,536.63	972,858.77
Communication and Utilities	17,704,423.67	377,637.02	10,360.88		853,171.24	
Repairs and Maintenance	19,775,481.58	71,562.80	40,693.56		200,951.75	321,479.53
Rentals and Leases	4,073,534.27	780,372.85	2,189.95		137,981.33	
Printing and Reproduction	5,066,726.97	11,320.79	167,390.51		1,185.67	
Claims and Judgments	292,392.97					
Federal Grant Pass-Through Expenditures		79,672,299.56			56,000.00	
State Grant Pass-Through Expenditures (Schedule 1B)	(58,766.80)	418.28				
Intergovernmental Payments	3,558,042.45	50,770,222.13	353,055.65		96,573,646.08	
Public Assistance Payments	(63,960.29)	1,431,455.86			714,640.93	
Other Expenditures	74,438,231.25	16,673,799.31	447,562.11		1,448,528.73	71,447.90
Debt service:	33,354,465.05					
Principal						
Capital Outlay	24,396,042.29	101,128.53			2,352,362.09	5,839,139.88
Total Expenditures	\$ 544,817,544.99	\$ 178,380,545.08	\$ 417,001.97	\$ -	\$ 105,954,858.24	\$ 7,206,214.78
Excess (Deficiency) of Revenues over Expenditures	\$ (138,698,204.35)	\$ (13,036,007.58)	\$ (1,030,076.14)	\$ -	\$ 781,169.81	\$ 40,086.72
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	\$ 2,248,819.98					
Insurance Recoveries						
Transfers In	-	2,796,091.30	6,549.63	306,139.00	68,647.38	
Transfers Out	(5,058,786.05)		(815,901.28)		(70,807.38)	
Increase in Obligations under Capital Leases	33,354,465.05					
Legislative Transfers In	1,620,902.62					
Legislative Transfers Out	(1,620,902.62)					
Total Other Financing Sources (Uses)	\$ 30,544,498.98	\$ 2,796,091.30	\$ (809,351.65)	\$ 306,139.00	\$ (2,160.00)	\$ -
Net Change in Fund Balances	\$ (108,153,705.37)	\$ (10,239,916.28)	\$ (1,839,427.79)	\$ 306,139.00	\$ 779,009.81	\$ 40,086.72
FUND FINANCIAL STATEMENT - FUND BALANCES						
Fund Balances - Beginning	\$ 175,521,381.71	\$ 14,609,576.69	\$ 2,674,925.63	\$ -	\$ 403,450.98	\$ 8,549,446.54
Restatements		22.70	(366,680.77)	(306,139.00)		(8,371,207.71)
Fund Balances as Restated	175,521,381.71	14,609,599.39	2,308,244.86		403,450.98	178,238.83
Appropriations Lapsed	299,449.32					
Fund Balances--Ending (See Note 18)	\$ 67,667,125.66	\$ 4,369,683.11	\$ 468,817.07	\$ -	\$ 1,182,460.79	\$ 218,325.55

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Consolidated Accounts (cont'd)

Disaster Contingency Fund (0453)	Motorcycle Education Fund (0501)	Motor Carrier Act Enforcement Fund (0582)	Economic Stabilization Fund (0599)	Breath Alcohol Testing Fund (5013)	Emissions Reduction Fund (5071)	Emergency Radio Infrastructure Fund (5153)	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 228,042,201.82
							63,858,103.14
							278,576,944.92
							2,072,925.77
							2,968,296.52
	1,251,924.95			996,952.91	(32,400.00)	9,981,929.99	115,545,952.63
							42,754.14
							0.00
							0.00
							3,165,968.94
							2,758,393.49
\$ -	\$ 1,251,924.95	\$ -	\$ -	\$ 996,952.91	\$ (32,400.00)	\$ 9,981,929.99	\$ 697,031,541.37
			\$ 28,030.34				\$ 267,671,035.87
			10,444.57				66,783,015.65
							23,683,111.52
			862.51				3,259,165.97
			1,566.32				33,402,121.46
							18,945,592.81
							20,410,169.22
							4,994,078.40
							5,246,623.94
							292,392.97
							79,728,299.56
75,535.50							17,186.98
							151,254,966.31
							2,082,136.50
			121,360.05				93,200,929.35
							33,354,465.05
							0.00
							32,688,672.79
\$ 75,535.50	\$ -	\$ -	\$ 162,263.79	\$ -	\$ -	\$ -	\$ 837,013,964.35
\$ (75,535.50)	\$ 1,251,924.95	\$ -	\$ (162,263.79)	\$ 996,952.91	\$ (32,400.00)	\$ 9,981,929.99	\$ (139,982,422.98)
							\$ 2,248,819.98
							\$ -
			162,263.79		32,400.00		\$ 3,372,091.10
						(28,208,534.10)	\$ (34,154,028.81)
							\$ 33,354,465.05
							\$ 1,620,902.62
							\$ (1,620,902.62)
\$ -	\$ -	\$ -	\$ 162,263.79	\$ -	\$ 32,400.00	\$ (28,208,534.10)	\$ 4,821,347.32
\$ (75,535.50)	\$ 1,251,924.95	\$ -	\$ -	\$ 996,952.91	\$ -	\$ (18,226,604.11)	\$ (135,161,075.66)
\$ 763,853.21	\$ 15,232,170.38	\$ 76,947.52		\$ 11,095,080.69	\$ -	\$ 26,189,667.69	255,116,501.04
	22.70						(9,043,982.08)
763,853.21	15,232,193.08	76,947.52		11,095,080.69		26,189,667.69	246,378,657.96
							299,449.32
\$ 688,317.71	\$ 16,484,118.03	\$ 76,947.52	\$ -	\$ 12,092,033.60	\$ -	\$ 7,963,063.58	\$ 111,210,892.62

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, 2014

	<u>Special Revenue</u>	
	<u>State Highway</u>	
	<u>Fund (0006)</u>	<u>TOTALS</u>
ASSETS		
Current Assets:		
Cash		
Cash on Hand	\$ 216,225.00	\$ 216,225.00
Cash in Bank	332,000.00	332,000.00
Cash in State Treasury		-
Receivables from:		-
Federal	6,777,937.16	6,777,937.16
Accounts Receivable	3,518,288.74	3,518,288.74
Due From Other Funds	543,966.24	543,966.24
Due From Other Agencies	34,371,002.34	34,371,002.34
Consumable Inventories	3,657,589.51	3,657,589.51
Total Current Assets	<u>\$ 49,417,008.99</u>	<u>\$ 49,417,008.99</u>
Total Assets:	<u>\$ 49,417,008.99</u>	<u>\$ 49,417,008.99</u>
LIABILITIES AND FUND BALANCES		
Liabilities		
Current Liabilities:		
Payables from:		
Accounts	\$ 2,654,291.98	\$ 2,654,291.98
Payroll	35,932,420.14	35,932,420.14
Due to Other Funds		-
Due To Other Agencies		-
Interfund Payable		-
Deferred Revenue	202,751.72	202,751.72
Total Current Liabilities	<u>\$ 38,789,463.84</u>	<u>\$ 38,789,463.84</u>
Non-Current Liabilities:	\$ -	\$ -
Total Non-Current Liabilities:	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities:	<u>\$ 38,789,463.84</u>	<u>\$ 38,789,463.84</u>
Fund Balances (Deficits):		
Nonspendable in Inventory	\$ 3,657,589.51	3,657,589.51
Restricted	6,969,955.64	6,969,955.64
Unreserved/Undesignated		-
Unassigned		-
Total Fund Balances	<u>\$ 10,627,545.15</u>	<u>\$ 10,627,545.15</u>
Total Liabilities and Fund Balances	<u>\$ 49,417,008.99</u>	<u>\$ 49,417,008.99</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, 2014

	Special Revenue	
	State Highway	
	Fund (0006)	TOTALS
REVENUES		
Federal Revenue	\$ 33,146,597.47	\$ 33,146,597.47
Federal Grant Pass-Through Revenue	2,119,770.79	2,119,770.79
State Grant Pass-Through Revenue	753,829.49	753,829.49
Licenses, Fees & Permits	316,654.10	316,654.10
Interest and Other Investment Income		-
Land Income		-
Settlement of Claims	715,005.43	715,005.43
Sales of Goods and Services	5,771,388.36	5,771,388.36
Other	706,170.25	706,170.25
Total Revenues	\$ 43,529,415.89	\$ 43,529,415.89
EXPENDITURES		
Salaries and Wages	\$ 262,243,240.63	\$ 262,243,240.63
Payroll Related Costs	97,575,086.39	97,575,086.39
Professional Fees and Services	3,304,057.33	3,304,057.33
Travel	6,223,577.24	6,223,577.24
Materials and Supplies	37,653,728.90	37,653,728.90
Communication and Utilities	3,409,347.00	3,409,347.00
Repairs and Maintenance	14,400,854.48	14,400,854.48
Rentals and Leases	6,764,213.27	6,764,213.27
Printing and Reproduction	5,147,550.96	5,147,550.96
Claims and Judgments	690,808.50	690,808.50
Federal Grant Pass-Through Expenditures		-
Intergovernmental Payments	855,092.87	855,092.87
Public Assistance Payments		-
Other Expenditures	15,927,318.88	15,927,318.88
Debt service:		-
Principal		-
Capital Outlay	18,329,559.09	18,329,559.09
Total Expenditures	\$ 472,524,435.54	\$ 472,524,435.54
Excess (Deficiency) of Revenues over Expenditures	\$ (428,995,019.65)	\$ (428,995,019.65)
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	\$ 21,060.00	\$ 21,060.00
Increase in Obligations Under Capital Leases		-
Insurance Recoveries	247,656.87	247,656.87
Transfers In	434,355,286.39	434,355,286.39
Transfers Out	-	-
Total Other Financing Sources (Uses)	\$ 434,624,003.26	\$ 434,624,003.26
Net Change in Fund Balances/Net Assets	\$ 5,628,983.61	\$ 5,628,983.61
FUND FINANCIAL STATEMENT - FUND BALANCES		
Fund Balances - Beginning	\$ 4,998,561.54	\$ 4,998,561.54
Restatements		-
Other Financing Sources (Uses)		-
Fund Balances as Restated	4,998,561.54	4,998,561.54
Appropriations Lapsed		-
Fund Balances - Ending	\$ 10,627,545.15	\$ 10,627,545.15

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
 For the Fiscal Year Ended August 31, 2014

	Capital Project Funds					
	Capital Projects Fund (7209)	Capital Projects Fund (7211)	Capital Projects Fund (7629)	Capital Projects Fund (7648)	Capital Projects Fund (7656)	TOTALS
ASSETS						
Current Assets:						
Cash						
Cash on Hand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash in Bank	-	-	-	-	-	-
Receivables from:						
Federal	-	-	-	-	-	-
Accounts Receivable	-	-	-	-	-	-
Due From Other Agencies	-	-	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
Total Current Assets	\$ -	\$ -	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
Total Assets:	\$ -	\$ -	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
LIABILITIES AND FUND BALANCES						
Liabilities						
Current Liabilities:						
Payables from:						
Accounts Payable	-	-	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
Payroll	-	-	-	-	-	-
Due To Other Agencies	-	-	-	-	-	-
Total Current Liabilities	\$ -	\$ -	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
Non-Current Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Non-Current Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities:	\$ -	\$ -	\$ 1,352,884.55	\$ 493,099.39	\$ 226,985.93	\$ 2,072,969.87
Fund Balances (Deficits):						
Restricted	-	-	(\$1,352,884.55)	(\$493,099.39)	(\$ 226,985.93)	(\$ 2,072,969.87)
Unassigned	\$ -	\$ -	-	-	-	\$ -
Total Fund Balances	\$ -	\$ -	\$ (1,352,884.55)	\$ (493,099.39)	\$ (226,985.93)	\$ (2,072,969.87)
Total Liabilities and Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2014

	Capital Project Funds						TOTALS
	Capital Projects Fund (7209)	Capital Projects Fund (7211)	Capital Projects Fund (7618)	Capital Projects Fund (7629)	Capital Projects Fund (7648)	Capital Projects Fund (7656)	
REVENUES							
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	-	-	-	-	-	-	-
Total Revenues	\$ -	\$ -					
EXPENDITURES							
Salaries and Wages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Payroll Related Costs	-	-	-	-	-	-	-
Professional Fees and Services	-	-	-	18,825.86	19,600.00	-	38,425.86
Travel	-	-	-	-	-	-	-
Materials and Supplies	-	-	-	1,910,650.44	24,752.87	7,010.00	1,942,413.31
Communication and Utilities	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	191,343.46	110,581.77	7,945.00	309,870.23
Rentals and Leases	-	-	-	-	-	-	-
Printing and Reproduction	-	-	-	-	-	-	-
Claims and Judgments	-	-	-	-	-	-	-
Federal Grant Pass-Through Expenditures	-	-	-	-	-	-	-
Intergovernmental Payments	-	-	-	-	-	-	-
Public Assistance Payments	-	-	-	-	-	-	-
Other Expenditures	-	-	-	4,758.25	349,203.09	19,965.57	373,926.91
Debt service:	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-
Capital Outlay	-	224,863.10	-	13,593,599.03	5,060,631.17	606,958.22	19,486,051.52
Total Expenditures	\$ -	\$ 224,863.10	\$ -	\$ 15,719,177.04	\$ 5,564,768.90	\$ 641,878.79	\$ 22,150,687.83
Excess (Deficiency) of Revenues over Expenditures	\$ -	\$ (224,863.10)	\$ -	\$ (15,719,177.04)	\$ (5,564,768.90)	\$ (641,878.79)	\$ (22,150,687.83)
OTHER FINANCING SOURCES (USES)							
Sale of Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Insurance Recoveries	-	-	-	-	-	-	-
Transfers In	-	224,863.10	-	15,719,177.04	4,953,678.36	641,878.79	21,539,597.29
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ 224,863.10	\$ -	\$ 15,719,177.04	\$ 4,953,678.36	\$ 641,878.79	\$ 21,539,597.29
Net Change in Fund Balances/Net Assets	\$ -	\$ -	\$ -	\$ -	\$ (611,090.54)	\$ -	\$ (611,090.54)
FUND FINANCIAL STATEMENT - FUND BALANCES							
Fund Balances - Beginning	\$ -	\$ -	\$ -	\$ -	\$ 611,090.54	\$ -	611,090.54
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, 2014**

	Beginning Balance September 1, 2013	Additions	Deductions	Ending Balance August 31, 2014
<u>Child Support Deductions (0807)</u>				
ASSETS				
Cash in State Treasury	\$ 294,862.86	\$ 3,900,027.20	\$ 3,898,058.01	\$ 296,832.05
Total Assets	\$ 294,862.86	\$ 3,900,027.20	\$ 3,898,058.01	\$ 296,832.05
LIABILITIES				
Funds Held for Others	\$ 294,862.86	\$ 3,900,027.20	\$ 3,898,058.01	\$ 296,832.05
Total Liabilities	\$ 294,862.86	\$ 3,900,027.20	\$ 3,898,058.01	\$ 296,832.05
<u>City MTA & SPD Account (0882)</u>				
ASSETS				
Cash in State Treasury	\$ -	\$ 43,982.38	\$ 43,982.38	\$ -
Total Assets	\$ -	\$ 43,982.38	\$ 43,982.38	\$ -
LIABILITIES				
Funds Held for Others	\$ -	\$ 43,982.38	\$ 43,982.38	\$ -
Total Liabilities	\$ -	\$ 43,982.38	\$ 43,982.38	\$ -
<u>Departmental Suspense - FBI fee (Fund 0900)</u>				
ASSETS				
Cash in State Treasury	\$ 2,677,322.49	\$ 25,865,135.95	\$ 26,934,376.28	\$ 1,608,082.16
Total Assets	\$ 2,677,322.49	\$ 25,865,135.95	\$ 26,934,376.28	\$ 1,608,082.16
LIABILITIES				
Funds Held for Others	\$ 2,677,322.49	\$ 25,865,135.95	\$ 26,934,376.28	\$ 1,608,082.16
Total Liabilities	\$ 2,677,322.49	\$ 25,865,135.95	\$ 26,934,376.28	\$ 1,608,082.16
<u>Safety Responsibility Trust (Fund 0914)</u>				
ASSETS				
Cash in State Treasury	\$ 146,735.22	\$ 449,164.72	\$ 121,265.87	\$ 474,634.07
Total Assets	\$ 146,735.22	\$ 449,164.72	\$ 121,265.87	\$ 474,634.07
LIABILITIES				
Funds Held for Others	\$ 146,735.22	\$ 449,164.72	\$ 121,265.87	\$ 474,634.07
Total Liabilities	\$ 146,735.22	\$ 449,164.72	\$ 121,265.87	\$ 474,634.07
<u>Motor Vehicle Proof of Responsibility (Fund 0940)</u>				
ASSETS				
Securities Held in Trust	\$ 6,465,715.58		\$ 11,635.75	\$ 6,454,079.83
Total Assets	\$ 6,465,715.58	\$ -	\$ 11,635.75	\$ 6,454,079.83
LIABILITIES				
Funds Held for Others	\$ 6,465,715.58		\$ 11,635.75	\$ 6,454,079.83
Total Liabilities	\$ 6,465,715.58	\$ -	\$ 11,635.75	\$ 6,454,079.83

The accompanying notes to the financials 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, 2014

	Beginning Balance September 1, 2013	Additions	Deductions	Ending Balance August 31, 2014
Direct Deposit Correction (0980)				
ASSETS				
Cash in State Treasury	\$ 7,856.75	\$ 256,293.63	\$ 261,254.86	\$ 2,895.52
Total Assets	<u>\$ 7,856.75</u>	<u>\$ 256,293.63</u>	<u>\$ 261,254.86</u>	<u>\$ 2,895.52</u>
LIABILITIES				
Funds Held for Others	\$ 7,856.75	\$ 256,293.63	\$ 261,254.86	\$ 2,895.52
Total Liabilities	<u>\$ 7,856.75</u>	<u>\$ 256,293.63</u>	<u>\$ 261,254.86</u>	<u>\$ 2,895.52</u>
Funds Held Outside Treasury (Fund 9999)				
ASSETS				
Cash in Bank	\$ 371,036.68		\$ 233,526.36	\$ 137,510.32
Total Assets	<u>\$ 371,036.68</u>	<u>\$ -</u>	<u>\$ 233,526.36</u>	<u>\$ 137,510.32</u>
LIABILITIES				
Funds Held for Others	\$ 371,036.68		\$ 233,526.36	\$ 137,510.32
Total Liabilities	<u>\$ 371,036.68</u>	<u>\$ -</u>	<u>\$ 233,526.36</u>	<u>\$ 137,510.32</u>
Totals - All Agency Funds				
ASSETS				
Cash in State Treasury	\$ 3,126,777.32	\$ 30,470,621.50	\$ 31,214,955.02	\$ 2,382,443.80
Cash in Bank	371,036.68	-	233,526.36	\$ 137,510.32
Securities Held in Trust	6,465,715.58	-	11,635.75	\$ 6,454,079.83
Total Assets	<u>\$ 9,963,529.58</u>	<u>\$ 30,470,621.50</u>	<u>\$ 31,460,117.13</u>	<u>\$ 8,974,033.95</u>
LIABILITIES				
Funds Held for Others	\$ 9,963,529.58	\$ 30,470,621.50	\$ 31,460,117.13	\$ 8,974,033.95
Total Liabilities	<u>\$ 9,963,529.58</u>	<u>\$ 30,470,621.50</u>	<u>\$ 31,460,117.13</u>	<u>\$ 8,974,033.95</u>

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

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**SUPPLEMENTAL
SCHEDULES**

**Agency 405 - Department of Public Safety
Schedule 1A
For the Fiscal Year Ended August 31, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
U.S. Department of Commerce						
<u>Direct Programs:</u>						
State and Local Implementation Program	11.549					\$ 844,102.99
Total - U. S. Department of Commerce				\$ -	\$ -	\$ 844,102.99
U.S. Department of Justice						
Crime Victim Assistance	16.575					\$ (4,781.11)
Edward Byrne Memorial Formula Grant I	16.579					\$ 484,891.68
DNA Backlog Reduction Program	16.741					\$ 3,981,172.28
Equitable Sharing Program	16.922					\$ 2,081,973.07
<u>Pass-Through From:</u>						
Crime Victim Assistance	16.575					
<u>Pass-Through From:</u>						
<i>Governor - Fiscal</i>						
Paul Coverdell Forensic Sciences Impro	16.742		300	\$ 258,231.11		
<u>Pass-Through From:</u>						
<i>Governor - Fiscal</i>						
			300	\$ 131,911.91		
Totals - U.S. Department of Justice				\$ 390,143.02	\$ -	\$ 6,543,255.92
U.S. Department of Transportation						
<u>Direct Programs:</u>						
National Motor Carrier Safety	20.218					\$ 8,484,548.53
Performance and Registration Informatic	20.231					\$ 199,695.00
Border Enforcement Grants	20.233					\$ 20,105,380.84
Safety Data Improvement Program	20.234					\$ 179,687.90
Commercial Drivers License Information	20.238					\$ 299,862.00
Interagency Hazardous Materials Public	20.703					\$ 1,463,401.66
<u>Pass - Through From:</u>						
National Priority Safety Programs	20.616					
<u>Pass-Through From:</u>						
Texas Department of Transportation			601	\$ 763,564.78		
Totals - U.S. Department of Transportation				\$ 763,564.78		\$ 30,732,575.93

Total PT From and Direct Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
\$ 844,102.99			\$ -	\$ 844,102.99	\$ 844,102.99
\$ 844,102.99	\$	-	\$ -	\$ 844,102.99	\$ 844,102.99
\$ (4,781.11)				\$ (4,781.11)	\$ (4,781.11)
\$ 484,891.68				\$ 484,891.68	\$ 484,891.68
\$ 3,981,172.28				\$ 3,981,172.28	\$ 3,981,172.28
\$ 2,081,973.07				\$ 2,081,973.07	\$ 2,081,973.07
\$ 258,231.11				\$ 258,231.11	\$ 258,231.11
\$ 131,911.91				\$ 131,911.91	\$ 131,911.91
\$ 6,933,398.94	\$	-	\$ -	\$ 6,933,398.94	\$ 6,933,398.94
\$ 8,484,548.53				\$ 8,484,548.53	\$ 8,484,548.53
\$ 199,695.00				\$ 199,695.00	\$ 199,695.00
\$ 20,105,380.84				\$ 20,105,380.84	\$ 20,105,380.84
\$ 179,687.90				\$ 179,687.90	\$ 179,687.90
\$ 299,862.00				\$ 299,862.00	\$ 299,862.00
\$ 1,463,401.66				\$ 1,463,401.66	\$ 1,463,401.66
\$ 763,564.78				\$ 763,564.78	\$ 763,564.78
\$ 31,496,140.71				\$ 31,496,140.71	\$ 31,496,140.71

**Agency 405 - Department of Public Safety
Schedule 1A
For the Fiscal Year Ended August 31, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
U.S. Department of the Treasury						
<u>Direct Programs</u>						
U.S. Department of the Treasury	21.000	9101036151				\$ 5,124,241.71
Totals- U.S. Department of the Treasury						\$ 5,124,241.71
General Services Administration						
<u>Pass-Through From:</u>						
Donation of Federal Surplus Personal Pr 39.003						
<u>Pass-Through From:</u>						
Texas Facilities Commission			303	\$ 894.40		
Totals - General Services Administration				\$ 894.40	\$ -	\$ -
U.S. Department of Energy						
<u>Direct Programs</u>						
Transport of Transuranic Wastes to the 1	81.106					\$ (0.03)
Environmental Monitoring/Cleanup, Cultu	81.214					\$ (1,997.41)
<u>Pass-Through From:</u>						
Transport of Transuranic Wastes to the 1	81.106					
<u>Pass-Through From:</u>						
Comptroller - State Energy Conservation Office			907			
				\$ 111,438.22		
Environmental Monitoring/Cleanup, Cultu	81.214					
<u>Pass-Through From:</u>						
Comptroller - State Energy Conservation Office			907	\$ 170,472.90		
Totals - U.S. Department of Energy				\$ 281,911.12	\$ -	\$ (1,997.44)
Executive Office of the President						
<u>Direct Programs</u>						
High Intensity Drug Trafficking Areas Program			95.001			\$ 591,486.42
Totals- Executive Office of the President						\$ 591,486.42

Total PT From and Direct Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
\$ 5,124,241.71				\$ 5,124,241.71	\$ 5,124,241.71
\$ 5,124,241.71				\$ 5,124,241.71	\$ 5,124,241.71
\$ 894.40				\$ 894.40	\$ 894.40
\$ 894.40		\$ -	\$ -	\$ 894.40	\$ 894.40
\$ (0.03)				\$ (0.03)	\$ (0.03)
\$ (1,997.41)				\$ (1,997.41)	\$ (1,997.41)
\$ 111,438.22				\$ 111,438.22	\$ 111,438.22
\$ 170,472.90				\$ 170,472.90	\$ 170,472.90
\$ 279,913.68		\$ -	\$ -	\$ 279,913.68	\$ 279,913.68
\$ 591,486.42				\$ 591,486.42	\$ 591,486.42
\$ 591,486.42				\$ 591,486.42	\$ 591,486.42

**Agency 405 - Department of Public Safety
Schedule 1A
For the Fiscal Year Ended August 31, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
U.S. Department of Homeland Security						
Non-Profit Security Program	97.008					\$ 461,547.97
Disaster Grants - Public Assistance (Pre	97.036					\$ 34,869,205.93
Disaster Grants - Public Assistance (Pre	97.036					\$ 593,354.03
<i>pass Through To:</i>						
<i>General Land Office</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 381,019.87
<i>Pass-Through To:</i>						
<i>Texas Military Department</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 68,289.47
<i>Pass-Through To:</i>						
<i>Health and Human Services Commission</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 6,647.93
<i>Pass-Through To:</i>						
<i>Department of State Health Services</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 6,055.17
<i>Pass-Through To:</i>						
<i>Texas Animal Health Commission</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 72,402.14
<i>Pass-Through To:</i>						
<i>Texas A&M Forest Service</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 92,822.64
<i>Pass-Through To:</i>						
<i>Texas Commission on Environmental Quality</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 65,877.52
<i>Pass-Through To:</i>						
<i>Texas Department of Transportation</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ (4,610.49)
<i>Pass-Through To:</i>						
<i>Texas A&M Engineering Extension Service</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 4,137,713.17

Total PT From and Direct Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
\$ 461,547.97			\$ 456,904.17	\$ 4,643.80	\$ 461,547.97
\$ 34,869,205.93			\$ 20,008,991.12	\$ 14,860,214.81	\$ 34,869,205.93
\$ 593,354.03					\$ 593,354.03
	305	\$ 593,354.03			
\$ 381,019.87					\$ 381,019.87
	401	\$ 381,019.87			
\$ 68,289.47					\$ 68,289.47
	529	\$ 68,289.47			
\$ 6,647.93					\$ 6,647.93
	537	\$ 6,647.93			
\$ 6,055.17					\$ 6,055.17
	554	\$ 6,055.17			
\$ 72,402.14					\$ 72,402.14
	576	\$ 72,402.14			
\$ 92,822.64					\$ 92,822.64
	582	\$ 92,822.64			
\$ 65,877.52					\$ 65,877.52
	601	\$ 65,877.52			
\$ (4,610.49)					\$ (4,610.49)
	716	\$ (4,610.49)			
\$ 4,137,713.17					\$ 4,137,713.17

**Agency 405 - Department of Public Safety
Schedule 1A
For the Fiscal Year Ended August 31, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
<i>Pass-Through To:</i> <i>Texas Southern University</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 68,857,459.94
<i>Pass-Through To:</i> <i>University of Texas Medical Branch at Galveston</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 6,838.99
<i>Pass-Through To:</i> <i>University of Texas Health Science Center at Houst</i>						
Disaster Grants - Public Assistance (Pre	97.036					\$ 3,340,202.22
<i>Pass-Through To:</i> <i>Parks and Wildlife Department</i>						
Hazard Mitigation Grant	97.039					\$ 26,773,289.66
Hazard Mitigation Grant	97.039					\$ 746,186.71
<i>Pass-Through To:</i> <i>University of Texas M. D. Anderson Cancer Center</i>						
Hazard Mitigation Grant	97.039					\$ 72,727.69
<i>Pass-Through To:</i> <i>Texas A&M Forest Service</i>						
Hazard Mitigation Grant	97.039					\$ 179,531.54
<i>Pass-Through To:</i> <i>Texas Water Development Board</i>						
Hazard Mitigation Grant	97.039					\$ 651,359.89
<i>Pass-Through To:</i> <i>University of Texas Medical Branch at Galveston</i>						
Hazard Mitigation Grant	97.039					\$ 13,500.00
<i>Pass-Through To:</i> <i>University of Houston</i>						
Emergency Management Performance C	97.042					\$ 17,764,847.24
Fire Management Assistance Grant	97.046					\$ 43,828.26
Fire Management Assistance Grant	97.046					\$ 380,239.67

Total PT From and Direct Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
	717	\$ 4,137,713.17			
\$ 68,857,459.94					\$ 68,857,459.94
	723	\$ 68,857,459.94			
\$ 6,838.99					\$ 6,838.99
	744	\$ 6,838.99			
\$ 3,340,202.22					\$ 3,340,202.22
	802	\$ 3,340,202.22			
\$ 26,773,289.66			\$ 24,864,352.27	\$ 1,908,937.39	\$ 26,773,289.66
\$ 746,186.71					\$ 746,186.71
	506	\$ 746,186.71			
\$ 72,727.69					\$ 72,727.69
	576	\$ 72,727.69			
\$ 179,531.54					\$ 179,531.54
	580	\$ 179,531.54			
\$ 651,359.89					\$ 651,359.89
	723	\$ 651,359.89			
\$ 13,500.00					\$ 13,500.00
	730	\$ 13,500.00			
\$ 17,764,847.24			\$ 5,788,207.60	\$ 11,976,639.64	\$ 17,764,847.24
\$ 43,828.26			\$ 29,321.05	\$ 14,507.21	\$ 43,828.26
\$ 380,239.67					\$ 380,239.67

**Agency 405 - Department of Public Safety
Schedule 1A
For the Fiscal Year Ended August 31, 2014**

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
Pass-Through From:						
Texas Military Department						
Pre-Disaster Mitigation	97.047					\$ 1,267,078.86
Emergency Operation Centers	97.052					\$ 1,771,116.12
Homeland Security Grant Program	97.067					\$ 100,386,197.91
Homeland Security Grant Program	97.067					\$ 56,000.00
Pass-Through From:						
Park and Wildlife Department						
Buffer Zone Protection Program (BZPP)	97.078					\$ 955,398.53
Driver's License Security Grant Program	97.089					\$ 1,100,806.75
Repetitive Flood Claims	97.092					\$ 833,306.78
Regional Catastrophic Preparedness (R)	97.111					\$ 1,837,256.01
Border Interoperability Demonstration Pr	97.120					\$ 90,918.73
Totals - U.S. Department of Homeland Security				\$ -	\$ -	\$ 267,878,416.85

**Research & Development Cluster
U. S. Department of Homeland Security**

Direct Programs:

Hazard Mitigation Grant	97.039					\$ 4,681.46
Pass-Through To:						
University of North Texas						
Total - U. S. Department of Homeland Security				\$ -	\$ -	\$ 4,681.46

**JAG Program Cluster
U.S. Department of Justice**

Direct Programs:

Edward Byrne Memorial Justice Assistar	16.738					\$ (30,210.00)
Pass-Through From:						
Edward Byrne Memorial Justice Assistar						
Pass-Through From:						
Governor - Fiscal						
			300	\$ 1,254,015.85		
Totals - U.S. Department of Justice				\$ 1,254,015.85	\$ -	\$ (30,210.00)

Total PT From and Diredt Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non- State Entities Amount		
	401	\$ 380,239.67			
\$ 1,267,078.86			\$ 1,255,099.40	\$ 11,979.46	\$ 1,267,078.86
\$ 1,771,116.12			\$ 1,765,405.21	\$ 5,710.91	\$ 1,771,116.12
\$ 100,386,197.91			\$ 92,414,957.14	\$ 7,971,240.77	\$ 100,386,197.91
\$ 56,000.00					\$ 56,000.00
	802	\$ 56,000.00			
\$ 955,398.53			\$ 926,174.64	\$ 29,223.89	\$ 955,398.53
\$ 1,100,806.75				\$ 1,100,806.75	\$ 1,100,806.75
\$ 833,306.78			\$ 819,806.75	\$ 13,500.03	\$ 833,306.78
\$ 1,837,256.01			\$ 1,647,153.34	\$ 190,102.67	\$ 1,837,256.01
\$ 90,918.73			\$ 77,692.50	\$ 13,226.23	\$ 90,918.73
\$ 267,878,416.85		\$ 79,723,618.10	\$ 150,054,065.19	\$ 38,100,733.56	\$ 267,878,416.85
\$ 4,681.46					\$ 4,681.46
\$ 4,681.46	752	\$ 4,681.46	\$ -	\$ -	\$ 4,681.46
\$ (30,210.00)				\$ (30,210.00)	\$ (30,210.00)
\$ 1,254,015.85				\$ 1,254,015.85	\$ 1,254,015.85
\$ 1,223,805.85	\$-	\$ -	\$ -	\$ 1,223,805.85	\$ 1,223,805.85

Agency 405 - Department of Public Safety
 Schedule 1A
 For the Fiscal Year Ended August 31, 2014

Federal Grantor/ Pass-through Grantor/ Program Title	CFDA Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount
				Pass-Through From Agencies or Universities Amount	Pass-Through From Non-State Entities Amount	
Highway Safety Cluster						
U.S. Department of Transportation						
<u>Direct Programs:</u>						
State and Community Highway Safety	20.600					\$ (104,148.04)
Alcohol Impaired Driving Countermeasu	20.601					\$ (8,582.93)
<u>Pass-Through From:</u>						
State and Community Highway Safety	20.600					
<i>Texas Department of Transportation</i>			601	\$ 1,081,927.00		
Alcohol Impaired Driving Countermeasu	20.601					
<u>Pass-Through From:</u>						
<i>Texas Department of Transportation</i>			601	\$ 421,134.79		
Totals - U.S. Department of Transportation				\$ 1,503,061.79	\$ -	\$ (112,730.97)
Total Expenditures of Federal Awards				\$4,193,590.96	\$0.00	\$311,573,822.87

Total PT From and Direct Prog. Amount	Agy/ Univ No	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
		Pass-Through To Agencies or Universities Amount	Pass-Through To Non-State Entities Amount		
\$ (104,148.04)				\$ (104,148.04)	\$ (104,148.04)
\$ (8,582.93)				\$ (8,582.93)	\$ (8,582.93)
\$ 1,081,927.00				\$ 1,081,927.00	\$ 1,081,927.00
\$ 421,134.79				\$ 421,134.79	\$ 421,134.79
<u>\$ 1,390,330.82</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,390,330.82</u>	<u>\$ 1,390,330.82</u>
<u>\$315,767,413.83</u>		<u>\$79,728,299.56</u>	<u>\$150,054,065.19</u>	<u>\$85,985,049.08</u>	<u>\$315,767,413.83</u>

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

For the Fiscal Year Ended August 31, 2014

Note 1: Non-Monetary Assistance

DPS received personal property as part of the General Service Administration donation of Federal Surplus Personal Property (CFDA 39.003). The dollar value of personal property for the fiscal year ended August 31, 2014 was \$894.40.

Note 2 – Reconciliation

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)	\$311,723,542.39
Governmental Funds – Federal Pass-Through Revenue	<u>\$4,192,696.56</u>
Total Pass Through and Expenditures per Federal Schedule	<u>\$315,916,238.95</u>
Other	(\$149,719.52)
Non -Monetary	<u>894.40</u>
SEFA balance	<u>\$315,767,413.83</u>

Note 7 – Deferred Revenue

CFDA Number CFDA Title Federal	Deferred Revenue
State and Local Implementation Grant Program	1,086.62
Edward Byrne Memorial Formula Grant Program	202,751.72
Equitable Sharing Program	1,656,857.67
U.S. Department of the Treasury	5,352,454.58
Non-Profit Security Program	4,596.41
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	1,351,488.76
Hazard Mitigation Grant	6,470.98
Emergency Management Performance Grants	564,830.19
Fire Management Assistance Grant	6.47
Pre-Disaster Mitigation	9,035.08
Emergency Operations Centers	7,192.48
State Homeland Security Program (SHSP)	139,634.44
Buffer Zone Protection Program (BZPP)	13,201.58
Repetitive Flood Claims	5,057.05
Regional Catastrophic Preparedness Grant Program (RCPGP)	5,442.09
Border Interoperability Demonstration Project	<u>913.66</u>
Total Deferred Revenue	<u>\$ 9,321,019.78</u>

Texas Department of Public Safety (405)
Schedule 1B
Schedule of State Grant Pass-Throughs From/To State Agencies
For the Year Ended August 31, 2014

Pass-through From	Grant ID	Agency Number	Amount
DISASTER GRANTS - GENERAL REVENUE FUND 0001	300.0001		
Governor - Fiscal		300	\$ 2,004,518.07
			<u>\$ 2,004,518.07</u>
TEXAS BOIRDER SECURITY GRANTS - GR-D FUND 0099	300.0003		
Governor - Fiscal		300	\$ (6,067.05)
			<u>\$ (6,067.05)</u>
CRIMINAL JUSTICE PLANNING GRANTS - GR-D FUND 0421	300.0004		
Governor - Fiscal		300	\$ 1,392,094.45
			<u>\$ 1,392,094.45</u>
CRIME STOPPERS ASSISTANCE GRANTS - GR -D FUND 5012	300.0005		
Governor - Fiscal		300	\$ 8,793.97
			<u>\$ 8,793.97</u>
Enhancement of DPS Regional Victim Services	302.0002		
Attorney General		300	\$ 199,904.00
			<u>\$ 199,904.00</u>
Border Security Program	551.0034		
Department of Agriculture		551	\$ 6,860.50
			<u>\$ 6,860.50</u>
BATIC	608.0001		
Texas Department of Motor Vehicles		608	\$ 57,668.42
			<u>\$ 57,668.42</u>
Stolen Vehicles	608.0002		
Texas Department of Motor Vehicles		608	\$ 58,353.65
			<u>\$ 58,353.65</u>
Total Pass-Through from Other Agencies (Exh. II):			\$ 3,722,126.01

Pass-through To	Grant ID	Agency Number	Amount
HB 4586 Blue Water Highway Restoration	405.0009		
General Land Office		305	\$ 75,535.50
			<u>\$ 75,535.50</u>
West Explosion	405.0010		
Texas A&M Engineering Extension Service		716	\$ (94,595.38)
			<u>\$ (94,595.38)</u>
Nueces/Three Rivers Deployment	405.0012		
Texas A&M Engineering Extension Service		716	\$ 36,246.86
			<u>\$ 36,246.86</u>
Total Pass-Through to Other Agencies (Exh. II):			\$ 17,186.98