

**TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL  
COMPACT COMMISSION  
#535**

**ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2014**

**Brandon T. Hurley  
CHAIRMAN**

**John M. Salsman  
VICE CHAIRMAN**

**Leigh Ing  
EXECUTIVE DIRECTOR**

**TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL  
COMPACT COMMISSION  
#535**

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# Texas Low-Level Radioactive Waste Disposal Compact Commission

**Chair**  
Brandon T. Hurley, TX

**Vice-Chair**  
John M. Salsman, CHP, TX

**Executive Director**  
Leigh Ing

**Mailing Address:**  
333 Guadalupe St., 3-240  
Austin, Texas 78701

(512) 305-8941

Administration@tllrwfcc.org

**Commissioners**  
Peter Bradford, VT  
Hon. Richard H. Dolgener, TX  
Linda Morris, LMP, TX  
Richard Saudek, VT  
Clint J. Weber, TX  
Robert C. Wilson, TX

\*\*\*\*\*

**Alternate**  
Jane O'Meara Sanders, Ph.D., VT

November 18, 2014

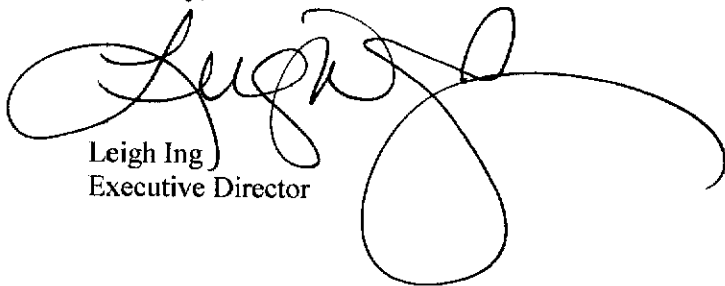
Honorable Rick Perry, Governor  
Honorable Susan Combs, Texas Comptroller  
Ursula Parks, Director, Legislative Budget Board  
John Keel, CPA, State Auditor

Ladies and Gentlemen:

We are pleased to submit the annual financial report of the Texas Low-Level Radioactive Waste Disposal Compact Commission for the year ended August 31, 2014, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Comptroller of Public Accounts.

If you have any questions, please contact me at 512-305-8941.

Sincerely,



Leigh Ing  
Executive Director

# **FINANCIAL STATEMENTS**

Texas Low-Level Radioactive Waste Disposal Compact Commission #535  
 Exhibit VIII — Combined Statement of Net Position —  
 Discretely Presented Component Units  
 August 31, 2014

|   | Component Units<br>(Exhibit K-1) |
|---|----------------------------------|
| <b>ASSETS</b>                                   |                                  |
| Current Assets:                                 |                                  |
| Cash in State Treasury                          | \$ 166,377.95                    |
| Shared Cash                                     | 309,073.18                       |
| <b>Total Current Assets</b>                     | <b>475,451.13</b>                |
| Non-Current Assets:                             |                                  |
| Total Non-Current Assets                        | 0                                |
| <b>Total Assets</b>                             | <b>475,451.13</b>                |
| <b>LIABILITIES</b>                              |                                  |
| Current Liabilities:                            |                                  |
| Payables from:                                  |                                  |
| Accounts  | \$ 31,831.62                     |
| Federal   |                                  |
| Other Intergovernmental                         |                                  |
| Payroll   |                                  |
| Contracts                                       |                                  |
| Other   |                                  |
| Interfund Payable (Note 12)                     |                                  |
| Due To Other Funds (Note 12)                    |                                  |
| Due To Primary Government (Note 12)             | 309,073.18                       |
| Deferred Revenues                               |                                  |
| Short Term Debt                                 |                                  |
| Notes and Loans Payable (Note 5)                |                                  |
| Revenue Bonds Payable (Note 5, 6)               |                                  |
| General Obligation Bonds Payable (Note 5, 6)    |                                  |
| Claims and Judgments (Note 5)                   |                                  |
| Employees' Compensable Leave (Note 5)           |                                  |
| Capital Lease Obligations (Note 5, 8)           |                                  |
| Contract Retainage Payable                      |                                  |
| Liabilities Payable from Restricted Assets      |                                  |
| Obligations/Reverse Repurchase Agreement        |                                  |
| Obligations Under Securities Lending            |                                  |
| Funds Held For Others                           |                                  |
| <b>Total Current Liabilities</b>                | <b>340,904.80</b>                |
| Non-Current Liabilities                         |                                  |
| Interfund Payables (Note 12)                    |                                  |
| Notes and Loans Payable (Note 5)                |                                  |
| Revenue Bonds Payable (Note 5, 6)               |                                  |
| General Obligation Bonds Payable (Note 5, 6)    |                                  |
| Claims and Judgments (Note 5)                   |                                  |
| Employees' Compensable Leave (Note 5)           |                                  |
| Capital Lease Obligations (Note 5, 8)           |                                  |
| Liabilities Payable from Restricted Assets      |                                  |
| Assets Held for Others                          |                                  |
| <b>Total Non-Current Liabilities</b>            | <b>0</b>                         |
| <b>Total Liabilities</b>                        | <b>340,904.80</b>                |
| <b>NET POSITION</b>                             |                                  |
| Invested in Capital Assets, Net of Related Debt |                                  |
| Restricted For:                                 |                                  |
| Debt Retirement                                 |                                  |
| Capital Projects                                |                                  |
| Funds Held as Permanent Investments:            |                                  |
| Expendable                                      |                                  |
| Non-Expendable                                  |                                  |
| Other   |                                  |
| Unrestricted                                    | 134,546.33                       |
| <b>Total Net Position</b>                       | <b>\$ 134,546.33</b>             |

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

**Texas Low-Level Radioactive Waste Disposal Compact Commission #535**  
**Exhibit IX — Combined Statement of Revenues, Expenses and Changes in Net**  
**Position —**  
**Discretely Presented Component Units**  
**For the Fiscal Year Ended August 31, 2014**

|   | Component Units<br>(Exhibit K-2) |
|---|----------------------------------|
| <b>OPERATING REVENUES*</b>  | 99,907.09                        |
| <b>Total Operating Revenues</b>   | <u>99,907.09</u>                 |
| <b>OPERATING EXPENSES:</b>  |                                  |
| Cost of Goods Sold  |                                  |
| Salaries and Wages  |                                  |
| Payroll Related Costs   |                                  |
| Professional Fees and Services  | 179,244.16                       |
| Travel  | 46,128.34                        |
| Materials and Supplies  | 1,424.80                         |
| Communication and Utilities   | 886.27                           |
| Repairs and Maintenance   | 193.37                           |
| Rentals and Leases  | 5,727.78                         |
| Printing and Reproduction   | 1,381.72                         |
| Federal Grant Pass-Through Expense  |                                  |
| State Grant Pass-Through Expense  |                                  |
| Depreciation and Amortization   |                                  |
| Bad Debt Expense  |                                  |
| Interest  |                                  |
| Scholarships  |                                  |
| Lottery Prizes  |                                  |
| Employee Participation Benefit Payments                                       |                                  |
| Claims and Judgments  |                                  |
| Other Operating Expenses  | 10,509.99                        |
| <b>Total Operating Expenses</b>   | <u>245,476.43</u>                |
| Operating Income (Loss)   | (145,569.34)                     |
| <b>NONOPERATING REVENUE (EXPENSES) *</b>                                      | 0                                |
| <b>Total Other Nonoperating Revenues (Expenses)</b>                           | <u>0</u>                         |
| Income (Loss) Before Other Revenues, Expenses,<br>Gains/Losses, and Transfers | (145,569.34)                     |
| <b>OTHER REVENUES, EXPENSES, GAINS/LOSSES, and TRANSFERS</b>                  |                                  |
| Capital Contributions   |                                  |
| Special Items   |                                  |
| Extraordinary Items   |                                  |
| Transfer In   | 583,289.00                       |
| Transfer Out  | (372,515.86)                     |
| <b>Total Other Revenues, Expenses, Gains/Losses, and</b>                      | <u>210,773.15</u>                |
| Change in Net Position  | 65,203.81                        |
| <b>Total Net Position, September 1, 2013</b>                                  | <u>69,342.52</u>                 |
| Restatements  |                                  |
| Net Position, September 1, 2013, as Restated                                  | 69,342.52                        |
| <b>Net Position, August 31, 2014</b>  | <u>\$ 134,546.33</u>             |

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

**Texas Low-Level Radioactive Waste Disposal Compact Commission #535**  
**Exhibit K1 — Combining Statement of Net Position —**  
**Discretely Presented Component Units**  
**August 31, 2014**

|   | GR Acct-TLLRWDC<br>(4156)*<br>U/F (0088) | TLLRWDC<br>(4156)*<br>U/F (5151) |
|---|--|----------------------------------|
| <b>ASSETS</b>                                   |  |                                  |
| Current Assets:                                 |  |                                  |
| Cash in State Treasury                          | \$ (309,073.18)                          | \$ 475,451.13                    |
| Shared Cash                                     | 309,073.18                               |                                  |
| <b>Total Current Assets</b>                     | <b>0</b>                                 | <b>475,451.13</b>                |
| Non-Current Assets:                             |  |                                  |
| <b>Total Non-Current Assets</b>                 | <b>0</b>                                 | <b>0</b>                         |
| <b>Total Assets</b>                             | <b>0</b>                                 | <b>475,451.13</b>                |
| <b>LIABILITIES</b>                              |  |                                  |
| Current Liabilities:                            |  |                                  |
| Payables from:                                  |  |                                  |
| Accounts  |  |                                  |
| Federal   | \$ 0                                     | \$ 31,831.62                     |
| Other Intergovernmental                         |  |                                  |
| Payroll   |  |                                  |
| Contracts                                       |  |                                  |
| Other   |  |                                  |
| Interfund Payable (Note 12)                     |  |                                  |
| Due To Other Funds (Note 12)                    |  |                                  |
| Due To Primary Government (Note 12)             | 309,073.18                               |                                  |
| Deferred Revenues                               |  |                                  |
| Short Term Debt                                 |  |                                  |
| Notes and Loans Payable (Note 5)                |  |                                  |
| Revenue Bonds Payable (Note 5, 6)               |  |                                  |
| General Obligation Bonds Payable (Note 5, 6)    |  |                                  |
| Claims and Judgments (Note 5)                   |  |                                  |
| Employees' Compensable Leave (Note 5)           |  |                                  |
| Capital Lease Obligations (Note 5, 8)           |  |                                  |
| Contract Retainage Payable                      |  |                                  |
| Liabilities Payable from Restricted Assets      |  |                                  |
| Obligations/Reverse Repurchase Agreement        |  |                                  |
| Obligations Under Securities Lending            |  |                                  |
| Funds Held For Others                           |  |                                  |
| <b>Total Current Liabilities</b>                | <b>309,073.18</b>                        | <b>31,831.62</b>                 |
| Non-Current Liabilities:                        |  |                                  |
| Interfund Payables (Note 12)                    |  |                                  |
| Notes and Loans Payable (Note 5)                |  |                                  |
| Revenue Bonds Payable (Note 5, 6)               |  |                                  |
| General Obligation Bonds Payable (Note 5, 6)    |  |                                  |
| Claims and Judgments (Note 5)                   |  |                                  |
| Employees' Compensable Leave (Note 5)           |  |                                  |
| Capital Lease Obligations (Note 5, 8)           |  |                                  |
| Liabilities Payable from Restricted Assets      |  |                                  |
| Assets Held for Others                          |  |                                  |
| <b>Total Non-Current Liabilities</b>            | <b>0</b>                                 | <b>0</b>                         |
| <b>Total Liabilities</b>                        | <b>309,073.18</b>                        | <b>31,831.62</b>                 |
| <b>NET POSITION</b>                             |  |                                  |
| Invested in Capital Assets, Net of Related Debt |  |                                  |
| <b>Restricted For</b>                           |  |                                  |
| Debt Retirement                                 |  |                                  |
| Capital Projects                                |  |                                  |
| Funds Held as Permanent Investments:            |  |                                  |
| Expendable                                      |  |                                  |
| Non-Expendable                                  |  |                                  |
| Other   |  |                                  |
| Unrestricted                                    | (309,073.18)                             | 443,619.51                       |
| <b>Total Net Position</b>                       | <b>\$ (309,073.18)</b>                   | <b>\$ 443,619.51</b>             |

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

Texas Low-Level Radioactive Waste Disposal Compact Commission #535  
 Exhibit K-2 — Combining Statement of Revenues, Expenses and Changes in Net Position —  
 Discretely Presented Component Units  
 For the Fiscal Year Ended August 31, 2014

|   | GR Acct-TLLRWDC<br>(4156)*<br>U/F (0088) | TLLRWDC<br>(4156)*<br>U/F (5151) |
|---|--|----------------------------------|
| <b>OPERATING REVENUES*</b>  |  | 99,907.09                        |
| <b>Total Operating Revenues</b>   | <b>0</b>                                 | <b>99,907.09</b>                 |
| <b>OPERATING EXPENSES:</b>  |  |                                  |
| Cost of Goods Sold  |  |                                  |
| Salaries and Wages  |  |                                  |
| Payroll Related Costs   |  |                                  |
| Professional Fees and Services  | 4,979.40                                 | 174,264.76                       |
| Travel  | 920.45                                   | 45,207.89                        |
| Materials and Supplies  |  | 1,424.80                         |
| Communication and Utilities   |  | 896.27                           |
| Repairs and Maintenance   |  | 193.37                           |
| Rentals and Leases  |  | 5,727.78                         |
| Printing and Reproduction   |  | 1,381.72                         |
| Federal Grant Pass-Through Expense  |  |                                  |
| State Grant Pass-Through Expense  |  |                                  |
| Depreciation and Amortization   |  |                                  |
| Bad Debt Expense  |  |                                  |
| Interest  |  |                                  |
| Scholarships  |  |                                  |
| Lottery Prizes  |  |                                  |
| Employee Participation Benefit Payments                                       |  |                                  |
| Claims and Judgments  |  |                                  |
| Other Operating Expenses  |  | 10,509.99                        |
| <b>Total Operating Expenses</b>   | <b>5,899.85</b>                          | <b>239,576.58</b>                |
| Operating Income (Loss)   | (5,899.85)                               | (139,669.49)                     |
| <b>NONOPERATING REVENUE (EXPENSES) *</b>                                      |  | <b>0</b>                         |
| <b>Total Other Nonoperating Revenues (Expenses)</b>                           | <b>0</b>                                 | <b>0</b>                         |
| Income (Loss) Before Other Revenues, Expenses,<br>Gains/Losses, and Transfers | (5,899.85)                               | (139,669.49)                     |
| <b>OTHER REVENUES, EXPENSES, GAINS/LOSSES, and TRANSFERS</b>                  |  |                                  |
| Capital Contributions   |  |                                  |
| Special Items   |  |                                  |
| Extraordinary Items   |  |                                  |
| Transfer In   |  | 583,289.00                       |
| Transfer Out  |  | (372,515.85)                     |
| <b>Total Other Revenues, Expenses, Gains/Losses, and</b>                      | <b>0</b>                                 | <b>210,773.15</b>                |
| Change in Net Position  | (5,899.85)                               | 71,103.66                        |
| <b>Total Net Position, September 1, 2013</b>                                  | <b>(303,173.33)</b>                      | <b>372,515.85</b>                |
| <b>Restatements</b>   |  |                                  |
| Net Position, September 1, 2013, as Restated                                  | (303,173.33)                             | 372,515.85                       |
| <b>Net Position, August 31, 2014</b>  | <b>\$ (309,073.18)</b>                   | <b>\$ 443,619.51</b>             |

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



## **NOTES TO THE FINANCIAL STATEMENTS**

UNAUDITED

**Texas Low-Level Radioactive Waste Disposal  
Compact Commission (535)**

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

**Entity**

The Texas Low-Level Radioactive Waste Disposal Compact Commission ("TLLRWDC" or "Commission") is not an agency of the State of Texas. It is an entity created by the Low-Level Radioactive Waste Disposal Policy Amendment Act of 1985 and approved by Congress as Public Law 105-236. However, the TLLRWDC's financial records comply with the State of Texas statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts' Reporting Requirements for State Agencies.

The mission of the TLLRWDC is to promote the health, safety and welfare of the citizens and the environment of the Compact's party states which are currently Texas and Vermont. It is also the mission of the TLLRWDC to limit the number of radioactive waste disposal facilities and to effectively, efficiently, and economically manage low-level radioactive waste and to encourage the reduction of the generation thereof. The Commission fulfills its mission through the regulation of the import and export of low-level radioactive waste to and from the Compact party states.

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.

Texas Low-Level Radioactive Waste Disposal Compact Commission is considered a discrete component unit by the Texas Comptroller of Public Accounts. Information on the component unit can be found in Note 19. Discrete component units are reported under GAAP fund type 15.

## **Fund Structure**

The fund of the individual discrete component unit is available from the component units' separately issued financial statements. Additional information about component units can be found in Note 19.

## **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.

Proprietary funds, pension trust funds, external investment trust funds and private-purpose trust funds are accounted for on the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

Proprietary funds distinguish operating from non-operating items. Operating revenues and expenses result from providing services or producing and delivering goods in connection with the proprietary funds' principal ongoing operations. Operating expenses for the enterprise and internal services funds include the cost of sales and services, administrative expenses and depreciation on capital assets.

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

### **Assets**

### **Liabilities**

Accounts Payable: Accounts Payable represents the liability for the value 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.

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

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

### **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 that are imposed by management but can be removed or modified.

UNAUDITED

**TEXAS LOW-LEVEL RADIOACTIVE WASTE  
DISPOSAL COMPACT COMMISSION (535)**

**Note 12: Interfund Activity and Transactions**

In Interfund Activities and Balances, there are numerous transactions between funds and agencies. At year-end amounts to be received or paid are reported as:

- Interfund Receivables or Interfund Payables
- Due From Other Agencies or Due to Other Agencies
- Due to Other Funds or Due From other Funds
- Transfers In or Transfers Out
- Legislative Transfers In or Legislative Transfers Out

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

Individual fund balances and activity at August 31, 2014 are as follows:

|   | <b>Due From Other Agencies</b> | <b>Due To Other Agencies</b> |
|---|--------------------------------|------------------------------|
| Discrete Component Unit (FT15)          |                                |                              |
| Appd Fund 0088, D23 Fund 0088           |                                |                              |
| To Agency 582, D23 Fund 0088            |                                | \$309,073.18                 |
| <b>Total Due From/To Other Agencies</b> |                                | \$309,073.18                 |
|   | <b>Transfers In</b>            | <b>Transfers Out</b>         |
| Discrete Component Unit (FT15)          |                                |                              |
| Appd Fund 5151, D23 Fund 5151           |                                |                              |
| From Agency 582, D23 Fund 0088          | \$583,289.00                   |                              |
| To Agency 582, D23 Fund 0088            |                                | \$372,515.85                 |
| <b>Total Transfers</b>                  | \$583,289.00                   | \$372,515.85                 |