

MARTINEZ, ROSARIO & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

**TEXAS LOW – LEVEL RADIOACTIVE WASTE
DISPOSAL COMPACT COMMISSION**

FINANCIAL STATEMENTS

August 31, 2024

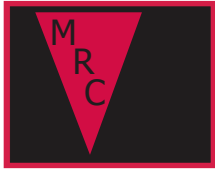
TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION

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FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Texas Low - Level Radioactive Waste Disposal Compact Commission
Austin, Texas

Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of the Texas Low - Level Radioactive Waste Disposal Compact Commission ("the Commission"), a component unit of the State of Texas, as of August 31, 2024 and for the year then ended, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Commission as of August 31, 2024, and the respective changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

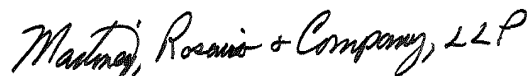
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles Generally Accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The budgetary comparison schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Martinez, Rosario & Company, LLP
Certified Public Accountants
San Antonio, Texas

March 7, 2025

**TEXAS LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
For the Year Ended August 31, 2024**

Management Discussion and Analysis

The following is a narrative overview and analysis of the financial activities of Texas Low - Level Radioactive Waste Disposal Compact Commission (“the Commission”) for the fiscal years ended August 31, 2024, and 2023. This Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the Commission’s basic financial statements, which have the following components: (1) proprietary fund financial statements and (2) notes to the financial statements.

Financial Highlights

- Total net position of the Commission as of August 31, 2024 and 2023 is \$115,338 and \$1,887, respectively. There was an increase of \$113,451 in net position from 2024 to 2023, respectively, as a result of each year’s operations.
- Total operating expenses decreased by \$41,721 from the fiscal year 2024 and 2023. The decrease for the fiscal year 2024 were primarily the result of a decrease in professional and contracted services expenses and the new office space lease, which is considerably less than the previous lease.
- As of the year ended August 31, 2024, the Commission had excess cash from the allocation provided by the 88th Texas State Legislature Appropriations Bill in the amount of \$113,451. We note that the Appropriations Bill explicitly states that all unexpended balances in appropriations as of August 31, 2024, shall be appropriated for the same purpose for the fiscal year beginning September 1, 2024. This amount has been recorded as a transfer into the Texas Low-Level Radioactive Waste Disposal Compact Commission as of August 31, 2024, and is reflected in net assets.

Using this Annual Report

This annual report consists of three parts: Management’s Discussion and Analysis (MD&A) (this section), the Basic Financial Statements, and the Notes to the Financial Statements.

The purpose of the MD&A is to provide an objective and easily readable analysis of the financial activities of the Commission for the year. It is based on currently known facts and conditions and also provides comparisons to prior year financial information.

For purposes of external financial reporting, the Commission is considered to be a special-purpose government engaged only in business-type activities. For organizations such as these, the Governmental Accounting Standards Board (GASB) specifies the Basic Financial Statements should consist of the following:

- Statement of Net Position
- Statement of Revenue, Expenses, and Changes in Net Position
- Statement of Cash Flows

These financial statements report the Commission's financial activities and show how revenues for the period compared to expenses as well as provide information on cash flows. They are prepared using the full-accrual basis of accounting and reflect the flow of total economic resources in a manner similar to the financial reports of a private business enterprise.

The notes to the financial statements communicate information essential for the fair presentation of the financial information that is not displayed on the face of the financial statements. As such, the notes are an integral part of the Basic Financial Statements.

About the Texas Low-Level Radioactive Waste Disposal Compact Commission

The Commission is an Interstate Compact enacted into law in Texas and Vermont in 1993 and was authorized by the Texas Low-Level Radioactive Waste Disposal Policy Consent Act approved by Congress as Public Law 105-236 on September 20, 1998. While closely monitored by the State of Texas, the Commission is not considered to be a State agency. However, the Commission is considered to be a discretely presented component unit by the Texas Comptroller of Public Accounts for the purpose of financial reporting by the State of Texas.

The Commission is managed by contracted professionals who perform duties such as preparation and proposal of the annual budget, development of the strategic plan, coordination of inter-agency relationships, and other daily functions.

Financial Analysis of the Commission

The primary purpose of the financial statements of the Commission is to report assets and liabilities of the Commission and to show whether the Commission is better off or worse off as a result of current year financial activities. The Statement of Net Position includes all the Commission's assets and liabilities at the end of the year, while the Statement of Revenues, Expenses, and Changes in Net Position includes all the revenues and expenses generated or incurred by the Commission's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. For the current year, the Commission reported a single revenue source, Disposal Fees, which reflects an allocation from the State of Texas to carry out the

Commission's activities. All the Commission's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report the Commission's net position and changes in net position. The Commission's net position (the difference between assets and liabilities) provides one measure of the Commission's financial health. Over time, increases or decreases in the Commission's net position are one indicator of whether its financial health is improving or deteriorating.

To fully assess the overall health of the Commission however, you should also consider nonfinancial factors as well, such as the current political environment related to the activities of the Commission and possible future changes to the support levels provided by the states of Texas and Vermont.

Explanation of the Financial Statements

The Commission's financial statements consist entirely of one enterprise fund because the Commission is considered to be a special-purpose government engaged only in business-type activities. The major features of this enterprise fund reporting are:

- **Scope** – All The Commission activities are included in the enterprise fund, the reporting format of which is similar to private businesses.
- **Required Financial Statements** – The financial statements prepared for the enterprise fund include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position; and Statement of Cash Flows.
- **Accounting Basis and Measurement Focus** – Accrual accounting and economic resources focus are utilized.
- **Type of Asset/Liability Information** – The enterprise fund reports all current and long-term assets and liabilities, both financial and capital.
- **Type of Inflow/Outflow Information** – The enterprise fund records all revenues and expenses during the year, regardless of when the cash is received from the revenue or when the cash is paid for the expense.

The remaining information that is included within the Commissions' basic financial statements is the Notes to the Financial Statements. These Notes are included to provide additional information to assist the readers to attain a more complete understanding of Commissions' financial position.

Financial Information

The financial statements are designed to provide readers with a broad overview of the Commission's financial position. The Statement of Net Position presents information on all of the Commissions' assets and liabilities, with the difference between the two reported as Net Position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Commissions is improving or deteriorating. In fiscal years, 2024 and 2023, respectively, assets exceeded liabilities by \$115,338 and \$1,887. During this one-year period, Net Position changed by \$113,451.

The following represents the Statement of Net Position for two year period ended August 31, 2024 and 2023.

| | <u>Statements of Net Position</u> | | |
|---------------------------|-----------------------------------|------------------------------|-------------------|
| | <u>As of August 31, 2024</u> | <u>As of August 31, 2023</u> | <u>Change</u> |
| Assets | | | |
| Cash and Cash Equivalents | | | |
| Cash in State Treasury | \$ 147,372 | \$ 47,324 | \$ 100,048 |
| Deposits | 1,650 | 1,650 | - |
| Total Assets | <u>\$ 149,022</u> | <u>\$ 48,974</u> | <u>\$ 100,048</u> |
| Liabilities | | | |
| Accounts Payable | \$ 33,684 | \$ 28,047 | \$ 5,637 |
| Due to TCEQ | - | 19,040 | (19,040) |
| Total Liabilities | <u>33,684</u> | <u>47,087</u> | <u>(13,403)</u> |
| Net Position | | | |
| Unrestricted | 115,338 | 1,887 | 113,451 |
| Total Net Position | <u>\$ 115,338</u> | <u>\$ 1,887</u> | <u>\$ 113,451</u> |

The following table presents a Statement of Revenues, Expenses, and Changes in Net Position for the two-year period ended August 31, 2024 and 2023.

Statements of Revenues, Expenses and Changes in Net Position

| | <u>Year Ended</u> <u>August 31, 2024</u> | <u>Year Ended</u> <u>August 31, 2023</u> | <u>Change</u> |
|---|---|---|-------------------|
| Operating Revenues | | | |
| Disposal Fees | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - |
| Operating Expenses | | | |
| Professional and Contracted Services | 324,667 | 337,400 | (12,733) |
| Travel | 21,575 | 29,980 | (8,405) |
| Dues and Fees | 9,500 | 9,500 | - |
| Materials and Supplies | 1,523 | 952 | 571 |
| Communications and Utilities | 3,813 | 3,713 | 100 |
| Rentals and Leases | 23,698 | 44,153 | (20,455) |
| Other Operating Costs | - | 799 | (799) |
| Total Expenses | <u>384,776</u> | <u>426,497</u> | <u>(41,721)</u> |
| Operating Income (Loss) | <u>(384,776)</u> | <u>(426,497)</u> | <u>41,721</u> |
| Transfers | | | |
| Transfers In from TCEQ, net | \$ <u>498,227</u> | \$ <u>423,703</u> | \$ <u>74,524</u> |
| Total Transfers | <u>498,227</u> | <u>423,703</u> | <u>74,524</u> |
| Change in Net Position | 113,451 | (2,794) | 116,245 |
| Total Net Position - Beginning of Year | <u>1,887</u> | <u>4,681</u> | <u>(2,794)</u> |
| Total Net Position - End of Year | <u>\$ 115,338</u> | <u>\$ 1,887</u> | <u>\$ 113,451</u> |

Financial Analysis

Transfers In from TCEQ, net for the year ended August 31, 2024 was \$498,227, an increase of \$74,524 from the year ended August 31, 2023. Expenses for the year ended August 31, 2024, were \$384,776, a decrease of \$41,721 from the year ended August 31, 2023.

The total net position as of August 31, 2024 was \$115,338. This represents an increase of \$113,451 from the amount as of August 31, 2023.

Capital Assets and Long- Term Debt

As of August 31, 2024, the Commission had no capital assets to record related to its operations. In addition, there was no short or long-term debt outstanding in the name of the Commission.

Economic Factors and Next Year's Budget

The Commission's valuable mission of responsibly overseeing the disposition of low-level radioactive waste generated within the boundaries of the party states is expected to continue to be fully supported and funded by the partner states of Texas and Vermont in the upcoming and future years.

The Commission's budget each year is set based on expected funding from the State of Texas, along with estimates of anticipated expenses that will be required to fund operations within the constraints of the revenue budget.

Contracting the Commission's Financial Management

This financial report is designed to provide the Commissioners of the Texas Low-Level Radioactive Waste Disposal Compact Commission and the citizens of the states of Texas and Vermont with a general overview of the Commission's finances and to show accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the Commission's administration office at (512) 217-8045. General information about the Commission can be found at the Texas Low-Level Radioactive Waste Disposal Compact Commission's website at www.tllrwdcc.org.

Texas Low - Level Radioactive Waste Disposal Compact Commission
Attention: Diane Fulmer, CPA
112 Twirling Pecan Cv
San Marcos, TX 78666

BASIC FINANCIAL STATEMENTS

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
STATEMENT OF NET POSITION
As of August 31, 2024

ASSETS

| | |
|---------------------------|-------------------|
| Cash and Cash Equivalents | |
| Cash in State Treasury | \$ 147,372 |
| Security Deposits | 1,650 |
| TOTAL ASSETS | \$ 149,022 |

LIABILITIES

| | |
|-----------------------------|---------------|
| Current Liabilities: | |
| Accounts Payable | \$ 33,684 |
| TOTAL LIABILITIES | 33,684 |

NET POSITION

| | |
|---------------------------|-------------------|
| Unrestricted Net Position | 115,338 |
| TOTAL NET POSITION | \$ 115,338 |

The notes to financial statements are an integral part of these financial statements.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
For the Year Ended August 31, 2024

| | |
|---|---------------------------------|
| OPERATING REVENUES: | |
| Disposal Fees | \$ <u> -</u> |
| TOTAL OPERATING REVENUES | - |
| OPERATING EXPENSES: | |
| Professional and Contracted Services | 324,667 |
| Travel | 21,575 |
| Dues and Fees | 9,500 |
| Materials and Supplies | 1,523 |
| Communications and Utilities | 3,813 |
| Rentals and Leases | <u>23,698</u> |
| TOTAL OPERATING EXPENSES | <u>384,776</u> |
| OPERATING INCOME (LOSS) | (384,776) |
| TRANSFERS | |
| Transfers In from TCEQ | <u>498,227</u> |
| TOTAL TRANSFERS | <u>498,227</u> |
| CHANGE IN NET POSITION | 113,451 |
| TOTAL NET POSITION - SEPTEMBER 1 (BEGINNING) | <u>1,887</u> |
| TOTAL NET POSITION - AUGUST 31 (ENDING) | \$ <u><u>115,338</u></u> |

The notes to financial statements are an integral part of these financial statements.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
STATEMENT OF CASH FLOWS
For the Year Ended August 31, 2024

| | |
|---|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Payments to Suppliers and Contractors | \$ <u>(379,139)</u> |
| NET CASH USED FOR OPERATING ACTIVITIES | (379,139) |
| CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES: | |
| Transfers In from TCEQ | 498,227 |
| Transfers Out to TCEQ | <u>(19,040)</u> |
| NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES | <u>479,187</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 100,048 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | <u>47,324</u> |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ <u><u>147,372</u></u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES: | |
| Operating Income (Loss) | \$ (384,776) |
| To Net Cash Used for Activities: | |
| Increase (Decrease) in Accounts Payable | <u>5,637</u> |
| NET CASH USED FOR OPERATING ACTIVITIES | \$ <u><u>(379,139)</u></u> |

The notes to financial statements are an integral part of these financial statements.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS
August 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Texas Low - Level Radioactive Waste Disposal Compact Commission (“the Commission”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Commissions’ accounting policies are described below.

Reporting Entity

The Texas Low Level Radioactive Waste Disposal Compact Commission (the "Commission") is an Interstate Compact enacted into law in Texas and Vermont in 1993 and authorized by the Texas Low Level Radioactive Waste Disposal Policy Consent Act approved by Congress as Public Law 105-236 on September 20, 1998. The State of Texas provides oversight of the Commission and its financial records and practices generally comply with Texas statutes and regulations. This includes compliance with the Texas Comptroller of Public Accounts Reporting Requirements for State Agencies. However, the Commission is not considered an agency of the State of Texas. The Commission is considered a discretely presented component unit of a proprietary fund nature for purposes of external financial reporting by the State of Texas.

According to the guidelines of the Interstate Compact, it is the policy of the party states (Texas and Vermont) to cooperate in the protection of the health, safety, welfare, and environment of the citizens of the respective states by providing for and encouraging the safe and economical management and disposal of low-level radioactive waste. Generally, the Commission fulfills its mission through the regulation of the importation of low-level radioactive waste to a host-state licensed low-level radioactive waste disposal site in Andrews County, Texas and the regulation of the exportation of low-level radioactive waste from the Compact party states.

The Commission is governed by an eight-member Board of Commissioners with six members appointed by the Governor of Texas and two members appointed by the Governor of Vermont.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Fiscal Agent

The Commission has entered into an agreement with the Comptroller of Public Accounts (Comptroller) to obtain fiscal management assistance. As part of the agreement the Comptroller is required to maintain one or more trust accounts under the supervision of the Comptroller for use by the Commission. All warrants issued to the Comptroller on behalf of the Commission are deposited in a Commission account and all Commission expenses are paid by the Comptroller from this account.

Fund Financial Statements

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, requires that special purpose governments engaged only in business-type activities should present only financial statements required for Enterprise Funds. For these types of governments, basic financial statements and required supplementary information consist of Management's Discussion and Analysis (MD&A), Enterprise Fund financial statements, notes to financial statements, and required supplementary information other than MD&A, if applicable.

The Commission utilizes fund accounting and currently reports only one proprietary fund for external financial reporting purposes. All activities of the Commission are accounted for in this fund.

Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the Commission's financial activities.

Required fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- Continued

Basis of Accounting

The basic financial statements (The Statement of Net Position and the Statement of Revenues, Expenses, Changes in Net Position, and the statement of Cash Flows) are presented as a single Enterprise Fund. This Enterprise Fund accounts for the acquisition, operation and maintenance of the Commission's services and is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The Enterprise Fund is accounted for using the accrual basis of accounting. Its revenue is recognized when it is earned, and its expenses are recognized when they are incurred.

The Commission distinguishes between operating and non-operating revenues and expenses consistently with the criteria used to identify cash flows from operating activities in the Statement of Cash Flows. The Commission had no operating revenue for the fiscal year ended August 31, 2024. General administrative and other costs are classified as operating expenses. All other income and expenses, including investment income and interest expense, are considered non-operating activity. The Commission classifies transfers in received from the Texas Commission on Environmental Quality (TCEQ) and transfers paid out to TCEQ as non-operating items or transfers.

Proprietary Funds

The financial statements of the Commission are presented as a proprietary fund under the governmental financial reporting framework. Proprietary funds distinguish operating revenues and expenses from nonoperating items.

Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations; they usually come from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be tied specifically to the production of the goods and services, such as management of the Commission's operations. Other expenses are nonoperating.

Proprietary funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the fund's Statement of Net Position. The fund equity is segregated into invested capital assets net of related debt, restricted net position, and unrestricted net position.

Assets, Liabilities and Net Position

Assets

Cash and Cash Equivalents

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and so near maturity that there is no significant risk of changes in value due to changes in interest rates. Cash equivalents include investments with original maturities of three months or less. Cash equivalents are stated at cost, which approximates fair value.

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.

Other Payables

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

**TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Net Position

The difference between assets and liabilities is “Net Position”.

Unrestricted Net Position – Unrestricted net position consists of net position which is available for use by management in the fulfillment of program objectives. Per the General Appropriations Bill of the 88th Legislature of the State of Texas, all transfers of cash, including those that are yet to be expended, are to be appropriated for the same purpose for the fiscal year beginning September 1, 2024. As such, all cash transfers to the Commission that remain unexpended are included in the balance of unrestricted net position. Unrestricted net position often has constraints on resources, which are imposed by management, but can be removed or modified.

Interfund Transactions and Fund Balances

The Commission has the following types of transactions:

- Transfers: legally required transfers that are reported when received as “Transfers In” by the Commission and “Transfers Out” when disbursed by the Commission.

Inventories

The Commission does not report inventories of consumable maintenance and office supplies due to the unused amount of these items being on hand at any given time being deemed immaterial.

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 any purchased, at appraised value as of the date of acquisition. Purchases of assets by governmental funds are reported as expenditures. Depreciation is reported on all “exhaustible” assets. Currently the Commission has no Capital Assets.

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position when applicable. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method unless the straight-line method is not materially different, in which case the straight-line method is used. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the year of issuance of the debt. As of year-end, the Commission had no short or long-term debt.

Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the balance sheet, and the reported revenues and expenses for the period. Actual results could differ significantly from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

At August 31, 2024, the carrying amount of the Commission's deposits (cash, certificates of deposit, and interest-bearing savings accounts) was \$147,372. These funds are held on behalf of the Commission in the State Treasury.

As of year-end, these funds were deposited as follows:

| | <u>Amount</u> |
|---------------------------|-----------------------|
| Held in State Treasury \$ | <u>147,372</u> |
| Total \$ | <u><u>147,372</u></u> |

TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
NOTES TO FINANCIAL STATEMENTS - Continued
August 31, 2024

NOTE 3: OPERATING LEASE

Rental expenses under the current operating agreement for the year ended August 31, 2024, were \$23,698.

NOTE 4: CONTINUANCE SUBJECT TO REVIEW

Under the Texas Sunset Act, the Commission, completed the review last November and recommended no change. The Texas Legislature has not filed a bill with respect to the Sunset Advisory Commission report. It cannot be abolished by the State of Texas Legislature.

NOTE 5: BUDGETARY DATA

Budgets are adopted on a basis consistent with generally accepted accounting principles in the United States of America (GAAP). An annual appropriated budget is adopted by the Commission and must conform to the fiscal year of the host state of Texas.

The budget is initially prepared by the Executive Director based on anticipated state funding and expected organization operating costs. The budget is later formally presented to and considered for approval by the Board of Commissioners. Budget amendments may be brought to the Board for consideration and approval as needed throughout the year.

NOTE 6: SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through March 7, 2025, which is the date the financial statements were available to be issued. Material subsequent events, if any, are disclosed in a separate footnote to these financial statements.

NOTE 7: RISK MANAGEMENT

The Commission is exposed to various risks of losses related to torts, theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. The Commission has contracted with insurance companies for certain coverage in order to minimize risk.

OTHER INFORMATION

**TEXAS LOW LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT COMMISSION
BUDGETARY COMPARISON INFORMATION
FOR THE YEAR ENDED AUGUST 31, 2024**

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|----------|-----------------|------------------------------------|
| | Original | Final | Budgetary Basis | Final Budget - Positive (Negative) |
| OPERATING REVENUES: | | | | |
| Disposal Fees | \$ - | \$ - | \$ - | \$ - |
| Total Revenues | - | - | - | - |
| OPERATING EXPENSES: | | | | |
| Professional and Contracted Services | 328,500 | 349,000 | 324,667 | 24,333 |
| Travel | 49,000 | 51,000 | 21,575 | 29,425 |
| Dues and Fees | - | 4,500 | 9,500 | (5,000) |
| Materials and Supplies | 4,300 | 1,300 | 1,523 | (223) |
| Communications and Utilities | 3,750 | 6,000 | 3,813 | 2,187 |
| Rentals and Leases | 65,000 | 30,000 | 23,698 | 6,302 |
| Other Operating Costs | 47,677 | 56,427 | - | 56,427 |
| Total Expenses | 498,227 | 498,227 | 384,776 | 113,451 |
| TRANSFERS | | | | |
| Transfers In from TCEQ | 498,227 | 498,227 | 498,227 | - |
| Total Transfers In from TCEQ | 498,227 | 498,227 | 498,227 | - |
| Change in Net Position | - | - | 113,451 | 113,451 |
| Net Position - September 1 (Beginning) | 1,887 | 1,887 | 1,887 | - |
| Net Position - August 31 (Ending) | \$ 1,887 | \$ 1,887 | \$ 115,338 | \$ 113,451 |