



November 2023
SFR-45/23

Annual Financial Report

Fiscal Year Ended August 31, 2023

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Fiscal Year Ended August 31, 2023

Prepared by
Financial Administration Division

SFR-45/23
November 2023



Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*

Kelly Keel, *Interim Executive Director*

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Published and distributed
by the
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 20, 2023

Honorable Greg Abbott, Governor
Honorable Glenn Hegar, Texas Comptroller
Jerry McGinty, Director, Legislative Budget Board
Lisa Collier, State Auditor

Ladies and Gentlemen:

We are pleased to submit the *Annual Financial Report* of the Texas Commission on Environmental Quality for the year ended August 31, 2023, in compliance with Texas Government Code Annotated, Section 2101.011, and in accordance with the requirements established by the Texas 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 *Annual Comprehensive Financial Report* (ACFR); therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

For any inquiries, please reach out to Yolanda Davis, Deputy Director of the Financial Administration Division, via email at yolanda.davis@tceq.texas.gov or by phone at 512-239-6888.

Sincerely,

A handwritten signature in black ink that reads "K Keel". The signature is written in a cursive style with a large, stylized "K" and "Keel" written in a more fluid, connected script.

Kelly Keel
Interim Executive Director
Texas Commission on Environmental Quality

C O M B I N E D

F I N A N C I A L

S T A T E M E N T S

-UNAUDITED-

**EXHIBIT I
COMBINED BALANCE SHEET / STATEMENT OF
NET POSITION - Governmental Funds
August 31, 2023**

| | Governmental Fund Type General Funds (Exh. A-1) | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Other Adjustments | Statement of Net Position |
|---|--|----------------------------------|---|----------------------|------------------------------|
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash in Bank | \$ 50.00 | | | | \$ 50.00 |
| Cash in State Treasury | 3,053,699,344.15 | | | | 3,053,699,344.15 |
| Cash Equivalents | 87,882,096.45 | | | | 87,882,096.45 |
| Legislative Appropriations | 14,104,197.16 | | | | 14,104,197.16 |
| Receivables From: | | | | | |
| Federal | 10,824,299.33 | | | | 10,824,299.33 |
| A/R - Licenses, Fees, & Permits | 991,509.57 | | | | 991,509.57 |
| Due From Other Agencies | 3,134,753.92 | | | | 3,134,753.92 |
| Consumable Inventories | 248,433.71 | | | | 248,433.71 |
| Total Current Assets | \$ 3,170,884,684.29 | | | | \$ 3,170,884,684.29 |
| Non - Current Assets: | | | | | |
| Capital Assets: | | | | | |
| Non-Depreciable or Non-Amortizable | | | | | |
| Land and Land Improvements | \$ 20.00 | | | | \$ 20.00 |
| Construction in Progress | | 10,335,869.50 | | | 10,335,869.50 |
| Depreciable | | | | | |
| Buildings and Building Improvements | | 7,037,413.21 | | | 7,037,413.21 |
| Less - Accumulated Depreciation | | (4,640,563.91) | | | (4,640,563.91) |
| Furniture and Equipment | | 64,354,494.29 | | | 64,354,494.29 |
| Less - Accumulated Depreciation | | (54,575,204.05) | | | (54,575,204.05) |
| Vehicles, Boats, & Aircraft | | 12,191,830.52 | | | 12,191,830.52 |
| Less - Accumulated Depreciation | | (8,936,124.67) | | | (8,936,124.67) |
| Computer Software - Intangible | | 28,612,754.64 | | | 28,612,754.64 |
| Less Accumulated Amortization | | (14,342,437.72) | | | (14,342,437.72) |
| Right to Use Assets: | | | | | |
| Right to Use Asset - Buildings | | 50,439,341.32 | | | 50,439,341.32 |
| Less Right to Use Asset-Building | | (13,539,670.53) | | | (13,539,670.53) |
| Right to Use Asset- Equipment | | 265,361.43 | | | 265,361.43 |
| Less Right to Use Asset- Equipment | | (132,680.64) | | | (132,680.64) |
| Total Non Current Assets | | \$ 77,070,403.39 | | | \$ 77,070,403.39 |
| Total Assets | \$ 3,170,884,684.29 | \$ 77,070,403.39 | | | \$ 3,247,955,087.68 |

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

-UNAUDITED-

| | Governmental Fund Type General Funds (Exh. A-1) | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Other Adjustments | Statement of Net Position |
|--|--|----------------------------------|---|----------------------|------------------------------|
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Payables from: | | | | | |
| Accounts Payable | \$ 22,413,543.01 | \$ | \$ | \$ | \$ 22,413,543.01 |
| Payroll Payable | 23,706,293.71 | | | | 23,706,293.71 |
| Contracts Retainage Payable | 1,037,471.66 | | | | 1,037,471.66 |
| Due to Other Agencies | 13,343,671.67 | | | | 13,343,671.67 |
| Unearned Revenues | 228,111.11 | | | | 228,111.11 |
| Employees Compensable Leave (Note 5) | | | 13,264,502.41 | | 13,264,502.41 |
| Pollution Remediation Obligations (Note 5) | | | 30,637,480.83 | | 30,637,480.83 |
| CL Interest Payable | | | 31,531.40 | | 31,531.40 |
| CL Right to Use Lease Obligations (Note 5, 8) | | | 6,899,887.15 | | 6,899,887.15 |
| Total Current Liabilities | <u>\$ 60,729,091.16</u> | <u>\$</u> | <u>\$ 50,833,401.79</u> | <u>\$</u> | <u>\$ 111,562,492.95</u> |
| Non-Current Liabilities: | | | | | |
| Other Non-Current Liabilities | \$ 1,047,217.62 | \$ | \$ | \$ | \$ 1,047,217.62 |
| Employees' Compensable Leave (Note 5) | | | 13,122,906.87 | | 13,122,906.87 |
| Pollution Remediation Obligations (Note 5) | | | 200,232,286.82 | | 200,232,286.82 |
| NC Right to Use Lease Obligations (Note 5, 8) | | | 30,508,081.08 | | 30,508,081.08 |
| Total Non-Current Liabilities | <u>\$ 1,047,217.62</u> | <u>\$</u> | <u>\$ 243,863,274.77</u> | <u>\$</u> | <u>\$ 244,910,492.39</u> |
| Total Liabilities | <u>\$ 61,776,308.78</u> | <u>\$</u> | <u>\$ 294,696,676.56</u> | <u>\$</u> | <u>\$ 356,472,985.34</u> |
| Fund Financial Statement | | | | | |
| Fund Balances: | | | | | |
| Nonspendable | \$ 248,433.71 | \$ | \$ | \$ | \$ 248,433.71 |
| Restricted | 86,771,225.40 | | | | 86,771,225.40 |
| Committed | 3,009,597,879.18 | | | | 3,009,597,879.18 |
| Assigned | 2,649,716.02 | | | | 2,649,716.02 |
| Unassigned | 9,841,121.20 | | | | 9,841,121.20 |
| Total Fund Balances | <u>\$ 3,109,108,375.51</u> | <u>\$</u> | <u>\$</u> | <u>\$</u> | <u>\$ 3,109,108,375.51</u> |
| Total Liabilities and Fund Balances | <u>\$ 3,170,884,684.29</u> | <u>\$</u> | <u>\$ 294,696,676.56</u> | <u>\$</u> | <u>\$ 3,465,581,360.85</u> |
| Government-Wide Statement of Net Position | | | | | |
| Net Position: | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 77,070,403.39 | \$ | \$ | \$ | \$ 77,070,403.39 |
| Unrestricted | | | (294,696,676.56) | | (294,696,676.56) |
| Total Net Position | <u>\$ 77,070,403.39</u> | <u>\$</u> | <u>\$ (294,696,676.56)</u> | <u>\$</u> | <u>\$ (217,626,273.17)</u> |

-UNAUDITED-

EXHIBIT II
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Statement of Activities - Governmental Funds
For the Year Ended August 31, 2023

| | General Funds (Exh. A-2) | Capital Assets Adjustments | Long-Term Liabilities Adjustments | Other Adjustments | Statement of Activities |
|---|--------------------------------|----------------------------------|---|----------------------|----------------------------|
| Revenues | | | | | |
| Legislative Appropriations: | | | | | |
| Original Appropriations | \$ 15,523,212.00 | \$ | \$ | \$ | \$ 15,523,212.00 |
| Additional Appropriations | (4,547,182.11) | | | | (4,547,182.11) |
| Taxes | 119,434,792.62 | | | | 119,434,792.62 |
| Federal Revenues | 61,014,027.31 | | | | 61,014,027.31 |
| Federal Pass-Through Revenues | 13,307,508.40 | | | | 13,307,508.40 |
| State Grant Pass-Through Revenues | - | | | | - |
| Licenses, Fees and Permits | 478,769,660.87 | | | | 478,769,660.87 |
| Interest & Investment Income | 10,939,124.48 | | | | 10,939,124.48 |
| Settlement of Claims | 5,565,743.66 | | | | 5,565,743.66 |
| Sales of Goods and Services | 61,122.74 | | | | 61,122.74 |
| Other | 1,151,130.62 | | | | 1,151,130.62 |
| Total Revenues | \$ 701,219,140.59 | \$ | \$ | \$ | \$ 701,219,140.59 |
| Expenditures | | | | | |
| Salaries and Wages | \$ 183,122,343.51 | \$ | \$ (5,152,704.96) | \$ | \$ 177,969,638.55 |
| Payroll Related Costs | 73,390,616.82 | | | | 73,390,616.82 |
| Professional Fees and Services | 73,668,405.12 | | | | 73,668,405.12 |
| Travel | 1,549,278.71 | | | | 1,549,278.71 |
| Materials and Supplies | 6,813,727.86 | | | | 6,813,727.86 |
| Communications and Utilities | 2,774,437.48 | | | | 2,774,437.48 |
| Repairs and Maintenance | 3,066,116.18 | | | | 3,066,116.18 |
| Rentals and Leases | 1,096,726.83 | | | | 1,096,726.83 |
| Printing and Reproduction | 375,569.80 | | | | 375,569.80 |
| Claims and Judgements | 112,102.71 | | | | 112,102.71 |
| Federal Pass-Through Expenditures | 14,120,387.04 | | | | 14,120,387.04 |
| State Grant Pass-Through Expenditures | 6,939,199.01 | | | | 6,939,199.01 |
| Intergovernmental Payments | 30,371,174.25 | | | | 30,371,174.25 |
| Public Assistance Programs | 148,526.31 | | | | 148,526.31 |
| Other Expenditures | 94,594,869.90 | | 5,068.09 | | 94,599,937.99 |
| Debt Service-Principal-Leases | 6,766,380.90 | | 6,766,380.90 | | 13,532,761.80 |
| Capital Outlay | 16,397,861.16 | | | | - |
| Depreciation Expense | | 14,987,398.16 | | | 14,987,398.16 |
| Total Expenditures | \$ 515,307,723.59 | \$ (1,410,463.00) | \$ 1,618,744.03 | \$ | \$ 515,516,004.62 |
| Excess (Deficiency) of Revenues over Expenditures | \$ 185,911,417.00 | \$ 1,410,463.00 | \$ (1,618,744.03) | \$ | \$ 185,703,135.97 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | \$ 4,564,091.22 | \$ | \$ | \$ | \$ 4,564,091.22 |
| Transfers Out | (128,162,362.84) | (6,543.20) | | | (128,168,906.04) |
| Net Change in Pollution Remediation Obligation | | | 3,276,596.74 | | 3,276,596.74 |
| Increase In Obligations-Leases | 6,935,020.65 | | 6,935,020.65 | | 13,870,041.30 |
| Sale of Capital Assets | 96,350.86 | (96,350.86) | | | - |
| Gain on Capital Assets | | 92,489.62 | | | 92,489.62 |
| Insurance Recoveries | 20,970.74 | | | | 20,970.74 |
| Legislative Transfers In | (1,026.86) | | | | (1,026.86) |
| Total Other Financing Sources (Uses) | \$ (116,546,956.23) | \$ (10,404.44) | \$ 10,211,617.39 | \$ | \$ (106,345,743.28) |
| Net Change in Fund Balances/Net Position | \$ 69,364,460.77 | \$ 1,400,058.56 | \$ 8,592,873.36 | \$ | \$ 79,357,392.69 |
| Fund Financial Statement - Fund Balances | | | | | |
| Fund Balances - Beginning | \$ 3,040,149,790.61 | \$ | \$ | \$ | \$ 3,040,149,790.61 |
| Restatements - (Note 14) | - | | | | - |
| Fund Balances, as Restated | 3,040,149,790.61 | - | - | - | 3,040,149,790.61 |
| Appropriations Lapsed | (405,875.87) | | | | (405,875.87) |
| Fund Balances - August 31, 2023 | \$ 3,109,108,375.51 | \$ | \$ | \$ | \$ 3,109,108,375.51 |
| Government-Wide Statement of Net Position | | | | | |
| Net Change in Net Position | \$ 1,400,058.56 | \$ 8,592,873.36 | \$ | \$ | \$ 9,992,931.92 |
| Net Position, September 1, 2022 | \$ 76,333,751.12 | \$ 286,790,145.77 | \$ | \$ | \$ 363,123,896.89 |
| Restatement (Note 14) | (663,406.29) | (686,342.57) | | | (1,349,748.86) |
| Net Position, September 1, 2022, as Restated | \$ 75,670,344.83 | \$ 286,103,803.20 | \$ | \$ | \$ 361,774,148.03 |
| Net Position, August 31, 2023 | \$ 77,070,403.39 | \$ 294,696,676.56 | \$ | \$ | \$ 371,767,079.95 |

**NOTES TO THE
FINANCIAL
STATEMENTS**

[NOTES TO THE FINANCIAL STATEMENTS]

Note 1: Summary of Significant Accounting Policies

Entity

The Texas Commission on Environmental Quality (TCEQ) 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 Annual Financial Reports of State Agencies and Universities.

In accordance with Senate Bill 2, Acts of the 72nd Legislature First Called Session, Subchapter B, the state's environmental protection functions were consolidated within the TCEQ. The TCEQ operates as a regulatory agency to implement the provisions of the constitution and laws of the state and strives to protect our state's human and natural resources consistent with sustainable economic development.

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 is 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.

Component Units

The TCEQ does not have any component units.

Fund Structure

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

Governmental Fund Types and Government-Wide Adjustment Fund Types

General Revenue Funds

General Revenue Fund (0001) - The general revenue fund is used to account for all financial resources of the state except those required to be accounted for in another fund. This fund accounts for legislative appropriations from the State's General Revenue Fund, and miscellaneous appropriated and unappropriated receipts. The Pollution Control Equipment Review Fee is also deposited to this fund.

Texas Emissions Reduction Plan Trust (1201) - This account is a Trust fund outside of the state treasury held by the Comptroller consisting of surcharges on motor vehicle sales taxes, registrations, inspections and a portion of title fees. Also includes sales taxes on sales or rental of heavy equipment. Thirty-five percent of the amount deposited to the fund is remitted to the State Highway Fund 0006 for use in congestion mitigation and air quality projects by the Texas Department of Transportation.

Funds Held Outside Treasury (9999) - The TCEQ currently has two funds held outside the Treasury.

Natural Resource Trustee Account (7998) - This account was created by an agreement effective July 24, 1995, between the Texas General Land Office, the Texas Parks and Wildlife Department, the TCEQ and the State Treasurer (Comptroller) specifically as a joint repository

for Natural Resource Damages (NRD) settlement funds. By federal statute (42 USC 9607 Comprehensive Environmental Response Compensation and Liability Act and 33 USC 2706 Oil Pollution Act) the NRD settlement funds can be used only for restoration of natural resources affected by releases of oil or hazardous substances. Pursuant to these statutes, NRD settlement funds must be placed in a revolving, interest-bearing account and must be available without further appropriation. Under the agreement, all transactions must be jointly authorized by all three agencies. For these reasons, these funds are kept separate from the agency's operating budget. TCEQ is given the primary responsibility for implementing the constitution and laws of the state relating to the conservation of natural resources and the protection of the environment. For this reason, it was determined that the TCEQ would report the Natural Resource Trustee Account.

Securities Held In Trust (0998) - The TCEQ arranges deposits into the Comptroller's Texas Treasury Safekeeping Trust Company to provide assurance for environmental cleanups. These deposits are made because waste site owner's financial assurance instrument provider (e.g. banks, surety companies) indicate the instrument is to be terminated. The TCEQ draws the funds promised via the instrument prior to cancellation in order to protect its financial position. These funds are held outside the Treasury since funds will be used either for cleanup as authorized by statute or returned to the site owner if a replacement financial assurance instrument is provided. Funds are expended for environmental clean-up of facilities as per Texas Health and Safety Code 361.085.

Low Level Radioactive Waste Fund (0088) - The passage of H.B. 1567 by the 78th Legislature provided for the licensing of a low-level radioactive waste disposal site in Texas and established procedures to accept and evaluate license applications. The bill allows a proposed disposal facility to accept compact waste (waste from Texas and Vermont or waste that has been approved for importation to this state by the Compact Commission) and to accept federal facility waste at a separate and adjacent facility under one TCEQ license.

Clean Air Account (0151) - The Clean Air Account is established in the State Treasury to receive Clean Air Act fees. Fees in the account are used to safeguard the air resources of the state. Fees deposited to this fund include the Motor Vehicle Safety Fee, the Air Inspection Fee, and the Air Permit Fee.

Water Resource Management Account (0153) - This account receives waste treatment inspection fees, recovery of costs to protect water resources, administer water quality programs, water supply system owner fees, assessments on public utilities, certification of boat sewage disposal devices, and other application and permit fees and penalties. Also receives fees collected for used oil registration and sale of automotive oil, gifts, grants donations and penalties and interest. This account is used to support and administer the TCEQ water quality programs and the used oil recycling programs.

Watermaster Administration Account (0158) This account derives revenue from assessments paid by the holders of water rights in the Lower Rio Grande River basin, the Concho River basin, the Lower Brazos River Basin, and river basins in South Texas. Water rights assessments are based on the amount of budgeted operating expenditures of the Lower Rio Grande, Concho, Lower Brazos, and South Texas Watermaster Offices. The account pays the compensation and necessary expenses of the Watermaster Offices.

TCEQ Occupational Licensing Account (0468) - This account is authorized to administer the State's regulatory and licensing programs for waterworks and wastewater system operators, landscape irrigators, petroleum storage tank professionals and others.

Waste Management Account (0549) - This account receives two thirds of the fees assessed on municipal solid waste disposal in the state. In addition, it receives fees imposed on industrial solid waste disposal, hazardous waste generation, radioactive substances licensing, the Voluntary Clean-Up Program Fee, and numerous other fees. This account pays for regulation

of industrial solid and hazardous waste and for related administrative costs incurred by the TCEQ.

Hazardous & Solid Waste Remediation Fee Account (0550) - This account receives revenue from fees imposed on the sale of batteries and disposal of industrial solid or hazardous waste. This account is used for the necessary removal and remedial action at sites which hazardous waste or hazardous substances have been disposed if funds from a liable party, third party or the federal government are insufficient.

Petroleum Storage Tank Remediation Account (0655) - This account receives fees assessed on the bulk delivery of petroleum products. The account may be used to pay expenses associated with the program.

License Plate Trust Fund (0802) - This account is created in the treasury for deposit of specialty license plate fees and related revenue. Dedicated balances and revenues are to be deposited into accounts within the fund to be used in accordance with their specific statutory purpose.

Restore Act Trust Fund (0930) - This account is held outside the treasury with the Comptroller. Its purpose is to receive federal money related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) of the Gulf Coast States Act. It will be used for cleanup associated with the April 20, 2010, explosion and spill of the Deepwater Horizon oil rig in the Gulf of Mexico. Amounts are receipts from the Gulf Coast Restoration Trust Fund in the U.S. Treasury.

Solid Waste Disposal Fees Account (5000) - This account receives one third of the fees assessed on municipal solid waste disposal in the state, as well as fees on the transport and use of sludge. Revenues deposited to this account are allocated to local and regional solid waste projects.

Workplace Chemicals List (5020) - This account receives fees from facility operators for filing tier two forms relating to hazardous chemicals. Up to 20% may be used for grants to local emergency planning committees, and up to 15% to administer Ch. 502, Hazardous Communications Act. The remainder may be used for administering Manufacturing Facility (Ch. 505) and Public Employer Community (Ch. 506) Right-to-Know Acts.

Environmental Testing Laboratory Accreditation Account (5065) - This account was created by H.B. 2912, 77th Leg., R.S., to fund the creation of an Environmental Testing Laboratory accreditation program. Revenue deposited to this account is generated by lab accreditation fees.

Texas Emission Reduction Plan Account (5071) - This account previously received revenue from surcharges on motor vehicle titles, sales of on- and off-road diesel vehicles, and commercial vehicle registration and inspection. The revenue is now deposited to the new TERP Trust Fund. Remaining funds in the account can only be spent if appropriated by the Legislature.

Dry Cleaning Facility Release Account (5093) - This account was created by H.B. 1366, 78th Leg., R.S., to receive revenues from fees on dry cleaning establishments and on the purchase of dry-cleaning solvents. The revenues are used to fund the cleanup of releases of dry-cleaning solvents into the soil or water of the state.

Operating Permit Fees Account (5094) - This account was created by H.B. 1481, 78th Leg., R.S., to receive revenue generated by the Air Emissions Fee to cover the costs of developing and administering the federal permit programs under Title IV or V of the federal Clean Air Act.

Perpetual Care Account (5096) - This account in General Revenue was created by H.B. 1567, H.B. 1678 and H.B. 3318, 78th Leg., R.S., to receive most fees and administrative penalties relating to radioactive waste under Health and Safety Ch. 401.

Environmental Radiation and Perpetual Care (5158) - This account is used for the decontamination, decommissioning, stabilization, reclamation, maintenance, surveillance, control, storage, and disposal of radioactive substances. Money in the account may not be used for normal operating expenses of the commission. It is for deposit of certain radioactive materials and devices regulation fees and low-level radiation waste disposal fees.

Capital Assets Adjustment Fund Type

The Capital Assets Adjustment fund converts governmental fund types' capital assets from modified accrual to full accrual.

Long-Term Liabilities Adjustment Fund Type

The Long-Term Liabilities Adjustment fund converts governmental fund types' debt from modified accrual to full accrual.

Other Adjustments Fund Type

The Other Adjustments fund converts all other governmental fund type activity from modified accrual to full accrual.

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.

Agency Funds

Agency Funds are used to account for assets held in a custodial capacity for the benefit of other agencies or individuals.

Basis of Accounting

The basis of accounting determines when revenues and expenditures 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 fiscal 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. The following activities are recognized in these fund types:

- Capital assets
- Capital assets, accumulated depreciation
- Right to Use Assets
- Right to Use Assets, accumulated amortization
- Right to Use Lease Obligations
- Employees' compensable leave
- Pollution remediation obligations

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). The Commissioners adopt an annual operating budget and policies consistent with these appropriations. Encumbrance accounting is utilized for budgetary control purposes. 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.

Receivables

Receivables represent revenue from licenses, fees, permits and federal funds that has been earned but not received. This account is presented net of Allowance for Bad Debts.

Inventories and Prepaid Items

Consumable Inventories includes supplies and postage on hand. The consumption method of accounting is used to account for inventories and prepaid items that appear in the governmental fund types. The cost of these items is expensed when the items are used or consumed.

Capital Assets

Assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year are capitalized. These assets are capitalized at cost or, if 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. Assets are depreciated over the estimated useful life of the asset using the straight-line method.

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.

Payroll Payable

Payroll Payable represents the liability for August salaries at the balance sheet date for which payment is pending.

Contracts Retainage Payable

Contract Retainage Payable represents the liability for amounts retained pursuant to contract agreements at the balance sheet date for which payment is pending.

Pollution Remediation Obligations

Pollution Remediation Obligations represent obligations to address the detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Pollution Remediation Obligations are accounted for in the long-term liability adjustment column, as current (for amounts due within one year) and non-current (for amounts due thereafter). Pollution Remediation Obligations are recognized in the financial statements

when an obligating event has occurred, and the outlays expected to be incurred to settle those liabilities are reasonably estimable.

Fund Balance/Net Position

“Fund balance” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the governmental fund statements. “Net position” is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources on the government-wide and fiduciary fund statements.

Fund Balance Components

Fund balances for governmental funds are classified as nonspendable, restricted, committed, assigned or unassigned in the fund financial statements.

- Nonspendable fund balance includes amounts not available to be spent because they are either:
 - Not in spendable form, or
 - Legally or contractually required to be maintained intact.
- Restricted fund balance includes those resources that have constraints placed on their use through external parties — such as creditors, grantors, contributors, laws or regulations of other governments —or by law through constitutional provisions or enabling legislation.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed through legislation passed into law 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 the constraints do not meet the requirements to be reported as either restricted or committed. Intent is expressed by:
 - The Texas Legislature, or
 - 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.

Net Investment in Capital Assets

Net Investment in Capital Assets 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 Position

Restricted net position results when constraints placed on net resources are either externally imposed by creditors, grantors, contributors and the like or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position

Unrestricted net position consists of net resources that do not meet the definition of the two preceding categories. Unrestricted net position often has constraints on resources that 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 the financial statements.

Note 2: Capital Assets

A summary of changes in Capital Assets for the year ended August 31, 2023, is presented below:

| | | PRIMARY GOVERNMENT | | | | | | | |
|---|---|--------------------|-------------------|-----------------|-------------------------|-------------------------|----------------|----------------|-----------------|
| | | Balance | Reclassifications | | | | Balance | | |
| | | | | Increase | Decrease | | | | |
| | | 9/1/2022 | Adjustments | Completed CIP | Interagency Transaction | Interagency Transaction | Additions | Deletions | 8/31/2023 |
| GOVERNMENTAL ACTIVITIES | | | | | | | | | |
| Non-depreciable or | | | | | | | | | |
| Non-amortizable Assets | | | | | | | | | |
| | Land and Land Improvements Infrastructure | \$ 20.00 | | | | | | | 20.00 |
| | Construction in Progress | 21,560,972.53 | | (17,791,991.79) | | | 6,566,888.76 | | 10,335,869.50 |
| | Other Tangible Capital Assets | | | | | | | | - |
| | Land Use Rights | | | | | | | | - |
| | Other Intangible Capital Assets | | | | | | | | - |
| Total Non-depreciable or | | | | | | | | | |
| | Non-amortizable Assets | \$ 21,560,992.53 | | (17,791,991.79) | - | - | 6,566,888.76 | - | 10,335,889.50 |
| Depreciable Assets | | | | | | | | | |
| | Buildings and Building Improvements Infrastructure | \$ 7,037,413.21 | | | | | | | 7,037,413.21 |
| | Facilities and Other Improvements | | | | | | | | - |
| | Furniture and Equipment | 61,943,614.11 | | | | | 2,509,924.75 | (99,044.57) | 64,354,494.29 |
| | Vehicle, Boats and Aircraft | 11,999,809.26 | | | | | 386,027.00 | (194,005.74) | 12,191,830.52 |
| | Other Capital Assets | | | | | | | | - |
| | Total Depreciable Assets | \$ 80,980,836.58 | - | - | - | - | 2,895,951.75 | (293,050.31) | 83,583,738.02 |
| Less Accumulated Depreciation for: | | | | | | | | | |
| | Buildings and Building Improvements Infrastructure | \$ (4,398,328.37) | | | | | (242,235.54) | | (4,640,563.91) |
| | Facilities and Other Improvements | | | | | | | | - |
| | Furniture and Equipment | (51,534,769.68) | | | | | (3,131,665.70) | 91,231.33 | (54,575,204.05) |
| | Vehicles, Boats and Aircraft | (7,969,488.30) | | | | | (1,158,050.91) | 191,414.54 | (8,936,124.67) |
| | Other Capital Assets | | | | | | | | - |
| | Total Accumulated Depreciation | \$ (63,902,586.35) | - | - | - | - | (4,531,952.15) | 282,645.87 | (68,151,892.63) |
| | Depreciable Assets, Net | \$ 17,078,250.23 | - | - | - | - | (1,636,000.40) | (10,404.44) | 15,431,845.39 |
| Amortizable Assets - Intangible | | | | | | | | | |
| | Land Use Rights | | | | | | | | - |
| | Computer Software | \$ 12,650,598.24 | | 17,791,991.79 | | | | (1,829,835.39) | 28,612,754.64 |
| | Other Capital Intangible Assets | | | | | | | | - |
| | Total Amortizable Assets - Intangible | \$ 12,650,598.24 | - | 17,791,991.79 | - | - | - | (1,829,835.39) | 28,612,754.64 |
| Less Accumulated Amortization for: | | | | | | | | | |
| | Land Use Rights | \$ | | | | | | | - |
| | Computer Software | (12,650,598.24) | | | | | (3,521,674.87) | 1,829,835.39 | (14,342,437.72) |
| | Other Intangible Capital Assets | | | | | | | | - |
| | Total Accumulated Amortization | \$ (12,650,598.24) | - | - | - | - | (3,521,674.87) | 1,829,835.39 | (14,342,437.72) |
| | Amortizable Assets - Intangible, Net | \$ | - | 17,791,991.79 | - | - | (3,521,674.87) | - | 14,270,316.92 |
| Governmental Activities | | | | | | | | | |
| | Capital Assets, Net | \$ 38,639,242.76 | - | - | - | - | 1,409,213.49 | (10,404.44) | 40,038,051.81 |
| GOVERNMENTAL ACTIVITIES | | | | | | | | | |
| Right to Use Assets - Amortizable | | | | | | | | | |
| | Buildings and Building Improvements | \$ 44,177,329.57 | (673,008.90) | | | | 6,935,020.65 | | 50,439,341.32 |
| | Furniture and Equipment | 265,361.43 | | | | | | | 265,361.43 |
| | Total Right to Use Assets at Historical Cost | \$ 44,442,691.00 | (673,008.90) | - | - | - | 6,935,020.65 | - | 50,704,702.75 |
| Less Accumulated Amortization for: | | | | | | | | | |
| | Buildings and Building Improvement | \$ (6,681,842.32) | 9,602.61 | | | | (6,867,430.82) | | (13,539,670.53) |
| | Furniture and Equipment | (66,340.32) | | | | | (66,340.32) | | (132,680.64) |
| | Total Accumulated Amortization | \$ (6,748,182.64) | 9,602.61 | - | - | - | (6,933,771.14) | - | (13,672,351.17) |
| | Amortizable Right to Use Assets, Net | \$ 37,694,508.36 | (663,406.29) | - | - | - | 1,249.51 | - | 37,032,351.58 |
| Governmental Activities | | | | | | | | | |
| | Right to Use Assets, Net | \$ 37,694,508.36 | (663,406.29) | - | - | - | 1,249.51 | - | 37,032,351.58 |

Note 3: Deposits, Investments and Repurchase Agreements

Deposits of Cash in Bank

The Texas Commission on Environmental Quality reports investments held in the Texas Treasury Safekeeping Trust Company. The Texas Treasury Safekeeping Trust Company is authorized by statute to make investments following the “prudent person rule”. There were no significant violations of legal provisions during the period.

As of August 31, 2023, the carrying amount of deposits was \$50.00 as presented below.

Government and Business-Type Activities

| | |
|--------------------------------|----------------|
| Cash in Bank - Carrying Amount | \$50.00 |
| Cash in Bank (Exh. I) | <u>\$50.00</u> |

Investments

As of August 31, 2023, the fair value of investments were:

| | | |
|--|--|------------------------|
| Governmental and Business-Type Activities | | Fair Value |
| Repurchase Agreements - Texas Treasury Safekeeping Trust Co - Natural Resource Trustee Account. ¹ | | \$66,188,671.71 |
| Total | | <u>\$66,188,671.71</u> |

| | | |
|--|--|------------------------|
| Governmental and Business-Type Activities | | Fair Value |
| Repurchase Agreements - Texas Treasury Safekeeping Trust Co - Securities Held In Trust. ¹ | | \$21,693,424.74 |
| Total | | <u>\$21,693,424.74</u> |

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As of August 31, 2023, the agency’s credit quality distribution for securities with credit risk exposure was:

| Fund Type | GAAP Fund | Investment Type | AAA | AA | A | BB |
|-----------|-----------|---|-----------------|----|---|----|
| 01 | 9999 | Repurchase Agreements Texas Treasury Safekeeping Trust Co. - Natural Resource Trustee Account | \$66,188,671.71 | | | |
| 01 | 9999 | Repurchase Agreements Texas Treasury Safekeeping Trust Co - Securities Held In Trust. | \$21,693,424.74 | | | |

¹ - Repurchase Agreements with the Texas Treasury Safekeeping Trust Company are recorded as Cash Equivalents and as Repurchase Agreements in the Notes, based on Reporting Requirements for Annual Financial Reports of State Agencies and Universities.

Note 4: Short-Term Debt

Not applicable

Note 5: Long-Term Liabilities

Changes in Long-Term Liabilities

The following changes occurred in liabilities during the fiscal year ended August 31, 2023.

| Governmental Activities | Balance 9/01/22 | Additions | Reductions | Restatement/ Adjustment | Balance 8/31/23 | Amounts Due Within One Year | Amounts Due Thereafter |
|-----------------------------------|-------------------|------------------|------------------|-------------------------|-------------------|-----------------------------|------------------------|
| Right to Use Lease Obligations | \$ 37,925,671.05 | \$ 6,935,020.65 | \$ 6,766,380.90 | \$ (686,342,57) | \$ 37,407,968.23 | \$ 6,899,887.15 | \$ 30,508,081.08 |
| Employees' Compensable Leave | 21,234,704.32 | 18,474,314.10 | 15,220,421.63 | 1,898,812.49 | 26,387,409.28 | 13,264,502.41 | 13,122,906.87 |
| Pollution Remediation Obligations | 227,593,170.91 | 23,462,670.57 | 20,186,073.83 | | 230,869,767.65 | 30,637,480.83 | 200,232,286.82 |
| Total Governmental Activities | \$ 286,753,546.28 | \$ 48,872,005.32 | \$ 42,172,876.36 | \$ 1,212,469.92 | \$ 294,665,145.16 | \$ 50,801,870.39 | \$ 243,863,274.77 |

Employees' Compensable Leave

If a state employee had continuous employment with the state for at least six months, the 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.

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 position. No liability is recorded for non-vesting employees accumulating rights to receive sick pay benefits. This obligation is usually paid from the same funding source(s) from which the employee's salary or wage compensation was paid.

Pollution Remediation Obligations

Dry Cleaners

The TCEQ is responsible for collecting fees for a remediation fund designed to help pay for the cleanup of contaminated dry cleaner sites. The fees are generated from the annual registration of facilities and drop stations, as well as from the sale of perchloroethylene and other dry-cleaning solvents. The TCEQ receives applications for remediation, and then ranks and prioritizes them for corrective action. Legislation in 2007 established requirements for property owners and preceding property owners who wish to claim benefits from the remediation fund and authorized a lien against property owners and preceding property owners who fail to pay registration fees due during corrective action. No additional cost recovery is allowed by statute.

The pollution remediation obligation is measured by using the national average cleanup cost, as calculated by the State Coalition for Remediation of Drycleaners. Direct salary and benefit costs are added to the national average, and the total cost is multiplied by the number of active sites. The amount of the estimated pollution remediation assumes that there will be no major increases in the cost of providing these cleanup services. The TCEQ has 238 active sites at fiscal yearend, with a total estimated pollution remediation obligation of \$53,959,967.96.

Leaking Petroleum Storage Tanks

The TCEQ oversees cleanups of leaking petroleum storage tanks (LPST). Cleanup costs are paid by the owners' environmental liability insurance or other financial assurance mechanisms or from their own funds. If the responsible party is unknown or is unwilling or financially unable to do the work, state and federal funds are used to pay for the corrective actions. Revenue is generated from a fee on the delivery of petroleum products removed from bulk storage facilities. State statutes allow cost recovery from the current owner or any previous responsible owner; however, to date this has not been necessary.

The TCEQ calculates expected outlays related to this pollution remediation by establishing the average cost of cleanup and multiplying that cost by the number of active sites, plus direct salaries, and benefits for the duration of the cleanup. This methodology is based upon historical experience in estimating these cleanups.

At fiscal yearend there were 246 active State Lead sites, with a total estimated pollution remediation obligation of \$59,957,763.57.

Superfund

The TCEQ Superfund Section includes the State Superfund, Federal Superfund, Superfund Site Discovery, and Assessment (SSDAP) and the Preliminary Assessment/Site Inspection (PA/SI) Programs. On behalf of the TCEQ, the Section identifies, ranks, and addresses sites contaminated with hazardous substances, which no parties are willing to address through a permit, corrective action, voluntary cleanup, or enforcement program. These sites are identified through referral from internal and external groups such as TCEQ Enforcement, TCEQ Regional Offices, TCEQ Water Supply Division, public complaints, and the United States Environmental Protection Agency (EPA).

When a site is referred to the TCEQ Superfund Section one of two events occurs: either the SSDAP performs the initial assessment and ranking of the site, or the PA/SI Program evaluates the site for the Federal Superfund Program. Sites evaluated by the PA/SI program are later referred to the SSDAP if they do not meet the criteria for the Federal Superfund Program or if EPA does not include them in the Federal Superfund Program. Sites referred to SSDAP are assessed and ranked for potential referral to the State Superfund Program.

The objective of the State and Federal Superfund Programs is to address environmental problems associated with the imminent and substantial endangerment to public health and safety or the environment due to a release or threatened release of hazardous substances. The State and Federal Superfund Programs meet this objective by investigating and evaluating the release or threatened release of hazardous substances, identifying responsible parties, and remediating State and Federal Superfund sites.

The Pollution Remediation Obligation for Superfund sites was calculated by estimating the remediation obligations for active Superfund Section sites in Texas. The following sites or site phases were excluded from the estimation:

- Potentially Responsible Party (PRP) funded investigations and cleanups, because these sites are funded by PRPs;
- Federal sites' costs associated with the Remedial Investigation (RI), Feasibility Study (FS), and Remedial Design (RD), because these phases are funded through the 100% federal match grant coverage; and
- SSDAP and PA/SI sites in the queue for evaluation under the State or Federal Superfund Program, because it is not known if these sites will require cleanup under the Superfund Programs.

Site estimates were based on budget projections to cover necessary activities for the upcoming fiscal year, along with estimated costs for future years and phases, plus direct salaries and

benefits. For sites without available budget projections, estimated costs were provided for the Superfund phases of investigation and cleanup, based on staff experience with similar sites. Site estimates may change drastically from one year to another as the investigations progress and better understanding of site conditions are obtained. The estimate of liabilities is limited to sites that have been, or are, being assessed and ranked for the Superfund program. Cost recovery activities during FY23 resulted in collections of \$542,565.94.

At the end of FY23, Texas had 72 sites with Pollution Remediation Obligations in the State and Federal Superfund programs and zero sites that required an immediate response or removal action. The current total Superfund liability, as of 8/31/23, is \$116,952,036.12.

Note 6: Bonded Indebtedness

Not Applicable

Note 7: Derivative Instruments

Not Applicable

Note 8: Leases

Included in the expenditures reported in the financial statements is the following amount of rent paid: \$7,170,161.32

Future Lease Payments

Year Ended August 31, 2023

| Primary Government | | | |
|-------------------------|-----------------|----------------|-------------------------------------|
| Governmental Activities | | | |
| Year | Principal | Interest | Total Future Minimum Lease Payments |
| 2024 | \$6,899,887.15 | \$342,843.40 | \$7,242,730.55 |
| 2025 | 6,539,332.38 | 279,817.77 | 6,819,150.15 |
| 2026 | 6,376,530.54 | 217,734.51 | 6,594,265.05 |
| 2027 | 6,390,808.26 | 155,810.96 | 6,546,619.22 |
| 2028 | 3,190,651.17 | 103,408.23 | 3,294,059.40 |
| 2029-2033 | 8,010,758.73 | 141,164.61 | 8,151,923.34 |
| Totals | \$37,407,968.23 | \$1,240,779.48 | \$38,648,747.71 |

Note 9: Defined Benefit Pension Plans and Defined Contribution Plan

Not Applicable

Note 10: Deferred Compensation

Not Applicable

Note 11: Postemployment Benefits Other Than Pensions

Not Applicable

Note 12: Interfund Activity and Transactions

Not Applicable

Note 13: Continuance Subject to Review

Under the Texas Sunset Act, the Texas Commission on Environmental Quality will be abolished effective September 1, 2035, unless continued in existence by the 93rd Legislature as provided by the Act. If abolished, the agency may continue until September 1, 2036, to conclude its business.

Note 14: Adjustments to Fund Balances and Net Position

In Fiscal Year 2023, the updates for two leases which were originally entered with incorrect rent amounts were done in the LeaseQuery system resulting in a restatement of TCEQ's September 1, 2022, Fund Balance/Net Position in Fund Type 11 - Capital Asset Basis Conversion Adjustments and Fund Type 12 - Long-Term Liability Basis Conversion Adjustments as follows:

| | Capital Asset Basis Conversion Adjustments |
|--|--|
| Fund Balance/Net Position September 1, 2022 | \$76,333,751.12 |
| Restatements: | \$(663,406.29) |
| Fund Balance/Net Position September 1, 2022 as restated | \$75,670,344.83 |

| | Long-Term Liability Basis Conversion Adjustments |
|--|--|
| Fund Balance/Net Position September 1, 2022 | \$286,790,145.77 |
| Restatements: | \$(686,342.57) |
| Fund Balance/Net Position September 1, 2022 as restated | \$286,103,803.20 |

Note 15: Contingencies and Commitments

Regarding legal liabilities, as a grantee receiving funds from various federal granting agencies, Texas Commission on Environmental Quality may be liable for refunding any disallowed costs to those agencies. Based on prior experience, management believes such disallowances, if any, would be immaterial. It should be noted that TCEQ is currently the subject of multiple complaints regarding Title VI of the Civil Rights Act of 1964, some of which EPA has accepted and begun the investigation process. In the instance of an adverse finding in a Title VI investigation, the most extreme remedy is rescission of federal funding. Since the agency does not allow discrimination on the basis of race, color, national origin, sex, disability, age, sexual orientation, veteran status, or retaliation in the administration of its programs or activities, as required by federal and state laws and regulations, management believes it is unlikely that EPA would resort to this excessive remedy. Additionally, TCEQ is involved in several administrative claims proceedings and civil lawsuits that could result in liabilities in the event of an adverse ruling. However, while adverse rulings regarding any of these claims are possible, it is management's opinion that the possibility of adverse rulings resulting in liabilities is unlikely.

As of August 31, 2023, the TCEQ encumbered expenditures in governmental funds for signed contracts and purchase orders as presented in the table below:

| Appropriated Fund Number | Appropriated Account Name | Encumbrance | Available Fund Balance | Total Fund Balance |
|--------------------------|---|-----------------|------------------------|--------------------|
| 0001 | General Revenue | \$ 2,649,716.02 | \$ 10,089,554.91 | \$ 12,739,270.93 |
| 1201 | Texas Emissions Reduction Plan Trust | 264,007,314.28 | (1,522,651.07) | 262,484,663.21 |
| 0088 | Low Level Radioactive | 37,057.83 | 19,278,516.70 | 19,315,574.53 |
| 0151 | Clean Air | 12,612,671.68 | 297,981,788.53 | 310,594,460.21 |
| 0153 | Water Resource Management | 19,773,145.57 | 64,326,285.51 | 84,099,431.08 |
| 0158 | Watermaster Administration Account | 175,994.24 | 2,316,990.23 | 2,492,984.47 |
| 0468 | Occupational Licensing | 70,428.57 | 11,583,631.86 | 11,654,060.43 |
| 0549 | Waste Management | 6,237,677.15 | 8,638,905.48 | 14,876,582.63 |
| 0550 | Hazardous & Solid Waste Remediation Fee | 7,127,074.67 | 23,418,129.56 | 30,545,204.23 |
| 0655 | Petroleum Storage Tank Remediation | 6,672,499.10 | 64,420,528.46 | 71,093,027.56 |
| 5000 | Solid Waste Disposal Fee | - | 145,215,681.30 | 145,215,681.30 |
| 5020 | Workplace Chemicals List | 56,752.06 | 2,921,225.87 | 2,977,977.93 |
| 5065 | Environmental Trust Lab Accreditation | 32,258.00 | 644,653.79 | 676,911.79 |
| 5071 | Texas Emissions Reduction Plan | 2,011,101.00 | 1,992,112,507.01 | 1,994,123,608.01 |
| 5093 | Dry Cleaning Facility Release | 1,337,444.97 | 17,535,760.28 | 18,873,205.25 |
| 5094 | Operating Permit Fees | 2,653,864.55 | 13,733,046.66 | 16,386,911.21 |
| 5158 | Environmental Radiation Perpetual Care | - | 13,361,124.91 | 13,361,124.91 |

Note 16: Subsequent Events

Not Applicable

Note 17: Risk Management

TCEQ is subject to a range of claims that arise because of its official responsibilities. The agency has implemented a policy to regularly evaluate potential risks that it may encounter. The agency assumes full responsibility for all risks and liability claims arising from the execution of its duties. At present, our agency does not engage in the procurement of commercial insurance or participate in any risk pools with other government entities.

Liabilities are recognized in financial reporting when there is a high likelihood that a loss has been incurred, and when the monetary value of that loss can be reasonably determined.

The claim and judgement liability activity of the agency as of August 31, 2023, is presented below:

| Claims and Judgements | | | | |
|------------------------------|-------------------|--------------|----------------|----------------|
| | Beginning balance | Increases | Decreases | Ending Balance |
| FY 2023 | - | \$112,102.71 | \$(112,102.71) | - |
| FY 2022 | - | \$19,605.25 | \$(19,605.25) | - |

Note 18: Management’s Discussion and Analysis

The Texas Commission on Environmental Quality (TCEQ) wishes to draw attention to a discrepancy in the ending fund balance and beginning fund balance for accounts 1201 and 0655. The Texas Comptroller of Public Accounts (CPA) has recently completed the processing of additional entries following the publication of the Annual Financial Report (AFR) for 2022. As a result, there is now a discrepancy between the ending balance recorded for FY 2022 and the beginning balance recorded for FY 2023, as listed below:

| ACCOUNT | ENDING FUND BALANCE IN AFR 22 | BEGINNING FUND BALANCE IN CURRENT FY 23 SIRS RPT |
|---------|-------------------------------|--|
| 1201 | \$ 152,165,795.18 | \$ 151,754,129.19 |
| 0655 | \$ 82,085,199.49 | \$ 82,243,552.72 |

Additionally, during the fiscal year 2023, the financial status of the funds at the Texas Commission on Environmental Quality (TCEQ) encountered various impacts as listed below:

The overall fund balance of the TCEQ increased by 2.73% from the adjusted ending balance of \$2.95 billion in FY 2022 to \$3.03 billion in FY 2023. The change is influenced by the following major contributors.

The fund balance of the **General Revenue Account (0001)** increased by 1.62%. The annual revenue deposited into the fund exceeds the annual expenditures for this account, which accounts for the increase.

The balance of the **Low-Level Radioactive Waste Account (0088)** decreased by 7.81%. The account expenditures and obligations exceeded the annual revenues. The fund balance will continue to decline because the agency can only recover costs for direct licensing and shipment

inspection expenses. The agency is unable to recoup the costs of additional compliance expenses related to the facility.

The fund balance of the **Clean Air Account (0151)** experienced a 3.58% increase. The reason for the increase is that the annual revenue deposited into the fund is higher than the annual level of expenditures for this account.

The **Water Resource Management Account (0153)** fund balance increased by 14.53%. The increase is due to the annual revenue deposited into the fund exceeding the annual level of expenditures for this account.

The **Watermaster Administration Account (0158)** increased by 40.99% in FY 2023. The increase is due to the annual revenue deposited into the fund exceeding the annual level of expenditures for this account.

The **Waste Management Account (0549)** fund balance decreased by 19.61%. The decrease is due to expenditures exceeding revenue collections.

The fund balance of the **Petroleum Storage Tank Remediation Account (0655)** decreased by 13.3% primarily due to the impact of HB 7, passed during the 84th Legislature. This legislation required the agency to decrease its revenue by the exact amount of appropriations allocated for pre-1998 PST sites. The agency anticipates a comparable decrease in the coming years.

The **TERP Trust Fund Account (1201)** fund balance increased 72.50%. The increase is due to a significantly higher number of outstanding encumbrances on 08/31 than in prior years. The fund balance will decrease in FY 2024 as the outstanding encumbrances are paid.

The fund balance of the **Solid Waste Disposal Fee Account (5000)** increased by 4.73%. The increase is a result of the annual revenue deposited into the fund surpassing the annual level of expenditures for this account. Starting from September 1, 2023, all revenue that was previously deposited into the account will now be deposited into the **Waste Management Account (0549)**.

The **Environmental Testing Laboratory Accreditation account (5065)** experienced a decrease of 16.31%. The decrease is a result of expenditures surpassing revenue collections.

The **Dry-Cleaning Facility Release Account (5093)** fund balance decreased by 6.82%. The decrease is due to expenditures exceeding revenue collections.

The **Operating Permit Fees Account (5094)** fund balance increased by 11.9%. The increase is due to annual revenue deposited into the fund exceeding the annual level of expenditures for this account.

Note 19: The Financial Reporting Entity

As required by Generally Accepted Accounting Principles, the financial statements present the Texas Commission on Environmental Quality. The TCEQ has no component units.

Note 20: Stewardship, Compliance and Accountability

Not Applicable

Note 21: N/A

Not Applicable

Note 22: Donor Restricted Endowments

Not Applicable

Note 23: Extraordinary and 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

Note 27: Public-Private and Public-Public Partnerships

Not Applicable

Note 28: Deferred Outflows of Resources and Deferred Inflows of Resources

Not Applicable

Note 29: Trouble Debt Restructuring

Not Applicable

Note 30: Nonexchange Financial Guarantees

Not Applicable

Note 31: Tax Abatements

Not Applicable

Note 32: Governmental Fund Balances

| GAAP Fund | Appr. Fund | AFR 54 Class | Amount | Citation | Comments |
|-----------|------------|--------------|---------------|---|---|
| 0930 | 0930 | Restricted | \$(63,653.43) | <p>TEX. GOV'T CODE ANN. Sec. 403.011, sec. 404.094(b)</p> <p>H.B. 1, 84th Leg., R.S., (General Appropriations Act), Article IX, Sec. 6.24, Op. Tex. Atty Gen. No. KP-0078.</p> <p>The Federal statute authorizing the Gulf Coast Restoration Trust Fund is 33 U.S. Code § 1321(a)(35) pursuant to section 1602(a)-(b) of the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States Act of 2012.</p> | <p>This account is held outside the treasury with the Comptroller. Its purpose is to receive federal money related to the Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies (RESTORE) of the Gulf Coast States Act. It will be used for cleanup associated with the April 20, 2010, explosion and spill of the Deepwater Horizon oil rig in the Gulf of Mexico. Amounts are receipts from the Gulf Coast Restoration Trust Fund in the U.S. Treasury.</p> |

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)
 UNAUDITED

| GAAP Fund | Appr. Fund | AFR 54 Class | Amount | Citation | Comments |
|-----------|------------|--------------|-----------------|---|--|
| 9999 | 9993 | Restricted | \$66,188,671.71 | This account was created by an agreement effective July 24, 1995, between the Texas General Land Office, the Texas Parks and Wildlife Department, the TCEQ and the State Treasurer (Comptroller) specifically as a joint repository for Natural Resource Damages (NRD) settlement funds. By federal statute (42 USC 9607 Comprehensive Environmental Response Compensation and Liability Act and 33 USC 2706 Oil Pollution Act) | The NRD settlement funds can be used only for restoration of natural resources affected by releases of oil or hazardous substances. |
| 9999 | 9993 | Restricted | \$20,646,207.12 | Texas Health and Safety Code 361.085 | The TCEQ arranges deposits into the Comptroller's Texas Treasury Safekeeping Trust Company to provide assurance for environmental cleanups. These deposits are made because waste site owner's financial assurance instrument provider (e.g. banks, surety companies) indicate the instrument is to be terminated. The TCEQ draws the funds promised via the instrument prior to cancellation in order to protect its financial position. These funds are held outside the Treasury since funds will be used either for cleanup as authorized by statute or returned to the site owner if a replacement financial assurance instrument is provided. Funds are expended for environmental clean-up of facilities as per Texas Health and Safety Code 361.085. |

C O M B I N I N G

F I N A N C I A L

S T A T E M E N T S

-UNAUDITED-

**EXHIBIT A-1
COMBINING BALANCE SHEET
All General and Consolidated Funds
August 31, 2023**

| | General Revenue Account (0001) | Texas Emissions Reduction Plan Trust (1201) | Texas Natural Resource Trustees Account (9999) | Low Level Radioactive Waste Account (0088) | Clean Air Account (0151) | Water Resource Management Account (0153) | Watermaster Administration Account (0158) | TCEQ Occupational Licensing Account (0468) |
|--|--------------------------------|---|--|--|--------------------------|--|---|--|
| Assets | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash in Bank | \$ 50.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash in State Treasury | 31,147.37 | 285,444,288.12 | - | 19,484,344.63 | 315,519,343.73 | 87,151,930.64 | 2,065,357.77 | 11,871,302.03 |
| Cash Equivalents | - | - | 87,882,096.45 | - | - | - | - | - |
| Legislative Appropriations | 14,104,197.16 | - | - | - | - | - | - | - |
| Receivables: | | | | | | | | |
| Federal | 20,303.00 | - | - | - | 1,166,383.08 | 5,645,311.02 | - | - |
| Accounts Receivable | - | - | - | - | - | - | 640,911.71 | - |
| Due From Other Agencies | - | - | - | - | - | 3,096,664.66 | - | - |
| Consumable Inventories | 248,433.71 | - | - | - | - | - | - | - |
| Total Current Assets | \$ 14,404,131.24 | \$ 285,444,288.12 | \$ 87,882,096.45 | \$ 19,484,344.63 | \$ 316,685,726.81 | \$ 95,893,906.32 | \$ 2,706,269.48 | \$ 11,871,302.03 |
| Liabilities | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Payables: | | | | | | | | |
| Accounts Payable | \$ 959,385.97 | \$ 13,062,993.60 | \$ - | \$ 2,496.48 | \$ 988,578.50 | \$ 1,363,868.78 | \$ 30,864.68 | \$ 12,104.33 |
| Payroll Payable | 155,622.70 | 1,547,947.42 | - | 146,506.17 | 4,815,157.68 | 7,355,183.23 | 182,420.33 | 194,946.05 |
| Contracts Retainage Payable | 168,309.96 | - | - | - | 30.91 | 186,467.65 | - | 10,191.22 |
| Due to Other Agencies | 153,430.57 | 8,348,683.89 | - | 19,767.45 | 287,499.51 | 2,888,955.58 | - | - |
| Unearned Revenues | 228,111.11 | - | - | - | - | - | - | - |
| Total Current Liabilities | \$ 1,664,860.31 | \$ 22,959,624.91 | \$ - | \$ 168,770.10 | \$ 6,091,266.60 | \$ 11,794,475.24 | \$ 213,285.01 | \$ 217,241.60 |
| Non-Current Liabilities | | | | | | | | |
| Other Non-Current Liabilities | \$ - | \$ - | \$ 1,047,217.62 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Non-Current Liabilities | \$ - | \$ - | \$ 1,047,217.62 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Liabilities | \$ 1,664,860.31 | \$ 22,959,624.91 | \$ 1,047,217.62 | \$ 168,770.10 | \$ 6,091,266.60 | \$ 11,794,475.24 | \$ 213,285.01 | \$ 217,241.60 |
| Fund Balances | | | | | | | | |
| Nonspendable | \$ 248,433.71 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | 86,834,878.83 | - | - | - | - | - |
| Committed | - | 262,484,663.21 | - | 19,315,574.53 | 310,594,460.21 | 84,099,431.08 | 2,492,984.47 | 11,654,060.43 |
| Assigned | 2,649,716.02 | - | - | - | - | - | - | - |
| Unassigned | 9,841,121.20 | - | - | - | - | - | - | - |
| Total Fund Balances | \$ 12,739,270.93 | \$ 262,484,663.21 | \$ 86,834,878.83 | \$ 19,315,574.53 | \$ 310,594,460.21 | \$ 84,099,431.08 | \$ 2,492,984.47 | \$ 11,654,060.43 |
| Total Liabilities and Fund Balances | \$ 14,404,131.24 | \$ 285,444,288.12 | \$ 87,882,096.45 | \$ 19,484,344.63 | \$ 316,685,726.81 | \$ 95,893,906.32 | \$ 2,706,269.48 | \$ 11,871,302.03 |

-UNAUDITED-

| Waste Management Account (0549) | Hazardous & Solid Waste Remediation Fee Account (0550) | Petroleum Storage Tank Remediation Account (0655) | License Plate Trust Fund (0802) | Restore Act Trust Fund (0930) | Solid Waste Disposal Fee Account (5000) | Workplace Chemicals List (5020) | Environmental Testing Lab Accreditation Account (5065) | Texas Emissions Reduction Plan Account (5071) | Dry Cleaning Facility Release Account (5093) | Operating Permit Fees Account (5094) | Perpetual Care Account (5096) | Environmental Radiation & Perpetual Care (5158) | Total |
|---------------------------------|--|---|---------------------------------|-------------------------------|---|---------------------------------|--|---|--|--------------------------------------|-------------------------------|---|----------------------------|
| \$ 18,816,884.00 | \$ 33,320,094.46 | \$ 72,873,719.82 | \$ - | \$ 10,977.54 | \$ 145,215,681.30 | \$ 3,067,421.97 | \$ 800,720.25 | \$ 1,994,177,991.08 | \$ 19,407,827.31 | \$ 20,252,716.79 | \$ 10,826,470.43 | \$ 13,361,124.91 | \$ 3,053,699,344.15 |
| | | | | | | | | | | | | | \$ 87,882,096.45 |
| | | | | | | | | | | | | | \$ 14,104,197.16 |
| | | | | | | | | | | | | | \$ 10,824,299.33 |
| 531,662.00 | 532,149.00 | 2,217,487.37 | | 711,003.86 | | | | | | | | | 991,509.57 |
| 219,572.38 | 3,829.36 | | | | | 43,054.90 | | | 84,141.22 | | | | 3,134,753.92 |
| 38,089.26 | | | | | | | | | | | | | 248,433.71 |
| <u>\$ 19,606,207.64</u> | <u>\$ 33,856,072.82</u> | <u>\$ 75,091,207.19</u> | <u>\$ -</u> | <u>\$ 721,981.40</u> | <u>\$ 145,215,681.30</u> | <u>\$ 3,110,476.87</u> | <u>\$ 800,720.25</u> | <u>\$ 1,994,177,991.08</u> | <u>\$ 19,491,968.53</u> | <u>\$ 20,252,716.79</u> | <u>\$ 10,826,470.43</u> | <u>\$ 13,361,124.91</u> | <u>\$ 3,170,884,684.29</u> |
| \$ 930,234.67 | \$ 2,163,737.84 | \$ 1,672,028.39 | \$ - | \$ - | \$ - | \$ 2,256.23 | \$ 80,348.36 | \$ - | \$ 508,243.15 | \$ 636,402.03 | \$ - | \$ - | \$ 22,413,543.01 |
| 3,795,955.59 | 841,465.95 | 1,256,306.88 | | 74,630.97 | | 130,242.71 | 43,460.10 | | 45,197.82 | 3,121,250.11 | | | 23,706,293.71 |
| 1,594.82 | 305,664.80 | 299,889.99 | | | | | | | 65,322.31 | | | | 1,037,471.66 |
| 1,839.93 | | 769,954.37 | | 711,003.86 | | | | 54,383.07 | | 108,153.44 | | | 13,343,671.67 |
| | | | | | | | | | | | | | 228,111.11 |
| <u>\$ 4,729,625.01</u> | <u>\$ 3,310,868.59</u> | <u>\$ 3,998,179.63</u> | <u>\$ -</u> | <u>\$ 785,634.83</u> | <u>\$ -</u> | <u>\$ 132,498.94</u> | <u>\$ 123,808.46</u> | <u>\$ 54,383.07</u> | <u>\$ 618,763.28</u> | <u>\$ 3,865,805.58</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 60,729,091.16</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,047,217.62 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,047,217.62 |
| \$ 4,729,625.01 | \$ 3,310,868.59 | \$ 3,998,179.63 | \$ - | \$ 785,634.83 | \$ - | \$ 132,498.94 | \$ 123,808.46 | \$ 54,383.07 | \$ 618,763.28 | \$ 3,865,805.58 | \$ - | \$ - | \$ 61,776,308.78 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 248,433.71 |
| | | | | | | | | | | | | | \$ 86,771,225.40 |
| 14,876,582.63 | 30,545,204.23 | 71,093,027.56 | | (63,653.43) | 145,215,681.30 | 2,977,977.93 | 676,911.79 | 1,994,123,608.01 | 18,873,205.25 | 16,386,911.21 | 10,826,470.43 | 13,361,124.91 | 3,009,597,879.18 |
| | | | | | | | | | | | | | 2,649,716.02 |
| | | | | | | | | | | | | | 9,841,121.20 |
| <u>\$ 14,876,582.63</u> | <u>\$ 30,545,204.23</u> | <u>\$ 71,093,027.56</u> | <u>\$ -</u> | <u>\$ (63,653.43)</u> | <u>\$ 145,215,681.30</u> | <u>\$ 2,977,977.93</u> | <u>\$ 676,911.79</u> | <u>\$ 1,994,123,608.01</u> | <u>\$ 18,873,205.25</u> | <u>\$ 16,386,911.21</u> | <u>\$ 10,826,470.43</u> | <u>\$ 13,361,124.91</u> | <u>\$ 3,109,108,375.51</u> |
| <u>\$ 19,606,207.64</u> | <u>\$ 33,856,072.82</u> | <u>\$ 75,091,207.19</u> | <u>\$ -</u> | <u>\$ 721,981.40</u> | <u>\$ 145,215,681.30</u> | <u>\$ 3,110,476.87</u> | <u>\$ 800,720.25</u> | <u>\$ 1,994,177,991.08</u> | <u>\$ 19,491,968.53</u> | <u>\$ 20,252,716.79</u> | <u>\$ 10,826,470.43</u> | <u>\$ 13,361,124.91</u> | <u>\$ 3,170,884,684.29</u> |

-UNAUDITED-

EXHIBIT A-2
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
All General and Consolidated Funds
For the Year Ended August 31, 2023

| | General Revenue Account (0001) | Texas Emissions Reduction Plan Trust (1201) | Texas Natural Resource Trustees Account (9999) | Low Level Radioactive Waste Account (0088) | Clean Air Account (0151) | Water Resource Management Account (0153) | Watermaster Administration Account (0158) | TCEQ Occupational Licensing Account (0468) | Waste Management Account (0549) | Hazardous & Solid Waste Remediation Fee Account (0550) |
|---|--------------------------------|---|--|--|--------------------------|--|---|--|---------------------------------|--|
| Revenues | | | | | | | | | | |
| Legislative Appropriations : | | | | | | | | | | |
| Original Appropriations | \$ 15,523,212.00 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additional Appropriations | (4,547,182.11) | - | - | - | - | - | - | - | - | - |
| Taxes | - | 119,434,792.62 | - | - | - | - | - | - | - | - |
| Federal Revenues | 5,210,493.92 | - | - | - | 9,609,912.70 | 23,195,869.87 | - | - | 6,690,804.00 | 659,301.00 |
| Federal Pass-Through | 1,226,656.18 | - | - | - | 33.04 | 11,911,746.49 | - | - | 169,072.69 | - |
| State Grant Pass-Through | - | - | - | - | - | - | - | - | - | - |
| Licenses, Fees and Permits | 1,392,451.82 | 145,452,995.57 | - | 759,304.69 | 74,403,040.63 | 94,320,409.23 | 3,554,522.63 | 2,919,800.89 | 38,843,653.55 | 33,466,401.37 |
| Interest & Investment Income | - | 8,031,911.82 | 2,901,402.32 | - | - | - | - | - | - | - |
| Settlement of Claims | - | - | 5,565,743.66 | - | - | - | - | - | - | - |
| Sales of Goods and Services | 22.74 | - | - | - | - | 61,100.00 | - | - | - | - |
| Other Revenues | (209,974.75) | - | - | - | 637,849.92 | - | - | - | - | 708,255.45 |
| Total Revenues | \$ 18,595,679.80 | \$ 272,919,700.01 | \$ 8,467,145.98 | \$ 759,304.69 | \$ 84,650,836.29 | \$ 129,489,125.59 | \$ 3,554,522.63 | \$ 2,919,800.89 | \$ 45,703,530.24 | \$ 34,833,957.82 |
| Expenditures | | | | | | | | | | |
| Salaries and Wages | \$ 4,467,925.44 | \$ 8,312,472.93 | \$ - | \$ 1,222,576.48 | \$ 35,996,727.79 | \$ 55,380,717.96 | \$ 1,607,826.16 | \$ 1,603,093.64 | \$ 29,579,475.78 | \$ 9,218,127.47 |
| Payroll Related Costs | (4,946,442.90) | 3,153,317.61 | - | 544,457.72 | 13,709,176.79 | 19,159,563.75 | 524,209.22 | 471,658.14 | 9,991,556.67 | 7,926,215.74 |
| Professional Fees and Services | 10,813,117.28 | 1,762,805.77 | 2,710,497.25 | 3,643.50 | 8,912,686.70 | 8,987,831.59 | 208,773.29 | 4,498.49 | 4,055,188.76 | 15,863,570.55 |
| Travel | 107,039.70 | 15,730.54 | - | 27,406.83 | 350,668.25 | 481,461.78 | 43,083.26 | 4,533.71 | 271,719.25 | 65,100.92 |
| Materials and Supplies | 468,147.05 | 95,502.61 | - | 14,544.04 | 1,477,761.92 | 1,842,597.85 | 165,310.04 | 8,845.04 | 838,256.74 | 156,457.25 |
| Communications and Utilities | 209,650.41 | 140,545.25 | - | 14,979.86 | 829,097.93 | 690,826.05 | 51,124.84 | 1,196.31 | 336,825.89 | 39,769.42 |
| Repairs and Maintenance | 130,011.07 | 42,636.48 | - | 2,817.09 | 696,438.31 | 1,160,233.60 | 52,589.39 | (4,613.44) | 495,569.15 | 117,214.37 |
| Rentals and Leases | 316,518.39 | 44,719.12 | - | 7,600.81 | 260,374.53 | 231,514.12 | 8,354.12 | - | 65,000.29 | 5,597.15 |
| Printing and Reproduction | 101,407.66 | 526.25 | - | 298.50 | 28,582.75 | 128,632.17 | 725.25 | - | 78,201.14 | 7,790.12 |
| Claims and Judgements | - | - | - | - | 2,820.44 | - | 108,236.27 | - | 1,046.00 | - |
| Federal Pass-Through Expenditures | - | - | - | - | 444,951.16 | 9,351,437.19 | - | - | - | - |
| State Grant Pass-Through Expenditures | 539,455.18 | 2,715,301.33 | - | 38,728.95 | 1,879,728.88 | 997,609.94 | - | - | 2,371.67 | - |
| Intergovernmental Payments | 569,167.15 | 2,577,838.53 | - | - | 3,631,553.19 | 7,075,902.31 | - | - | - | 2,247,205.77 |
| Public Assistance Programs | - | - | - | - | - | 148,526.31 | - | - | - | - |
| Other Operating Expenditures | 764,526.57 | 39,243,526.49 | 220,100.01 | 75,182.34 | 1,571,315.74 | 2,185,738.51 | 30,940.61 | 148,736.55 | 2,071,116.26 | 663,135.94 |
| Debt Service-Principal-Leases | 253,393.88 | 615,385.14 | - | 36,199.13 | 827,518.17 | 2,387,356.37 | 28,528.32 | - | 1,216,381.68 | 472,729.87 |
| Capital Outlay | 69,189.22 | 53,390.00 | - | 8,905.00 | 3,357,475.93 | 6,539,472.79 | - | 15,210.00 | 1,794,308.84 | 5,262.00 |
| Total Expenditures | \$ 13,863,106.10 | \$ 58,773,698.05 | \$ 2,930,597.26 | \$ 1,997,340.25 | \$ 73,976,878.48 | \$ 116,749,422.29 | \$ 2,829,700.77 | \$ 2,253,158.44 | \$ 50,797,018.12 | \$ 36,788,176.57 |
| Excess (Deficiency) of Revenues over Expenditures | \$ 4,732,573.70 | \$ 214,146,001.96 | \$ 5,536,548.72 | \$ (1,238,035.56) | \$ 10,673,957.81 | \$ 12,739,703.30 | \$ 724,821.86 | \$ 666,642.45 | \$ (5,093,487.88) | \$ (1,954,218.75) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Operating Transfers In | \$ 2,567,674.82 | \$ - | \$ - | \$ 45,099.78 | \$ 525,899.42 | \$ - | \$ - | \$ - | \$ - | \$ 313,028.02 |
| Operating Transfers Out | (6,756,224.45) | (103,415,467.94) | (9,367,243.03) | (443,227.00) | (2,009,191.43) | (4,527,293.09) | - | - | - | - |
| Insurance Recoveries | - | - | - | - | 20,970.74 | - | - | - | - | - |
| Increase In Obligations-Leases | - | - | - | - | 1,513,893.01 | 2,456,747.91 | - | - | 1,464,651.63 | - |
| Sale of Capital Assets | 96,350.86 | - | - | - | - | - | - | - | - | - |
| Legislative Transfers In | (1,026.86) | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | \$ (4,093,225.63) | \$ (103,415,467.94) | \$ (9,367,243.03) | \$ (398,127.22) | \$ 51,571.74 | \$ (2,070,545.18) | \$ - | \$ - | \$ 1,464,651.63 | \$ 313,028.02 |
| Net Change in Fund Balances | \$ 639,348.07 | \$ 110,730,534.02 | \$ (3,830,694.31) | \$ (1,636,162.78) | \$ 10,725,529.55 | \$ 10,669,158.12 | \$ 724,821.86 | \$ 666,642.45 | \$ (3,628,836.25) | \$ (1,641,190.73) |
| Fund Financial Statements/Fund Balances | | | | | | | | | | |
| Fund Balances, September 1, 2022 | \$ 12,505,798.73 | \$ 151,754,129.19 | \$ 90,665,573.14 | \$ 20,951,737.31 | \$ 299,868,930.66 | \$ 73,430,272.96 | \$ 1,768,162.61 | \$ 10,987,417.98 | \$ 18,505,418.88 | \$ 32,186,394.96 |
| Restatements (if any) | - | - | - | - | - | - | - | - | - | - |
| Fund Balances, As Restated | \$ 12,505,798.73 | \$ 151,754,129.19 | \$ 90,665,573.14 | \$ 20,951,737.31 | \$ 299,868,930.66 | \$ 73,430,272.96 | \$ 1,768,162.61 | \$ 10,987,417.98 | \$ 18,505,418.88 | \$ 32,186,394.96 |
| Appropriations Lapsed | (405,875.87) | - | - | - | - | - | - | - | - | - |
| Fund Balances, August 31, 2023 | \$ 12,739,270.93 | \$ 262,484,663.21 | \$ 86,834,878.83 | \$ 19,315,574.53 | \$ 310,594,460.21 | \$ 84,099,431.08 | \$ 2,492,984.47 | \$ 11,654,060.43 | \$ 14,876,582.63 | \$ 30,545,204.23 |

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)

-UNAUDITED-

| Petroleum Storage Tank Remediation Account (0655) | License Plate Trust Fund (0802) | Restore Act Trust Fund (0930) | Solid Waste Disposal Fee Account (5000) | Workplace Chemicals List (5020) | Environmental Testing Lab Accreditation Account (5065) | Texas Emissions Reduction Plan Account (5071) | Dry Cleaning Facility Release Account (5093) | Operating Permit Fees Account (5094) | Perpetual Care Account (5096) | Environmental Radiation & Perpetual care Account (5158) | Totals |
|---|---------------------------------|-------------------------------|---|---------------------------------|--|---|--|--------------------------------------|-------------------------------|---|----------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 15,523,212.00 |
| - | - | - | - | - | - | - | - | - | - | - | (4,547,182.11) |
| - | - | - | - | - | - | - | - | - | - | - | 119,434,792.62 |
| 4,313,776.26 | - | 11,333,869.56 | - | - | - | - | - | - | - | - | 61,014,027.31 |
| - | - | - | - | - | - | - | - | - | - | - | 13,307,508.40 |
| - | - | - | - | - | - | - | - | - | - | - | - |
| 17,767,321.90 | 1,002.83 | - | 12,110,134.91 | 1,943,097.31 | 754,187.00 | - | 2,657,312.04 | 43,787,804.54 | - | 4,636,219.96 | 478,769,660.87 |
| - | 139.68 | 5,670.66 | - | - | - | - | - | - | - | - | 10,939,124.48 |
| - | - | - | - | - | - | - | - | - | - | - | 5,565,743.66 |
| - | - | - | - | - | - | - | - | - | - | - | 61,122.74 |
| - | - | - | - | - | - | - | 15,000.00 | - | - | - | 1,151,130.62 |
| <u>\$ 22,081,098.16</u> | <u>\$ 1,142.51</u> | <u>\$ 11,339,540.22</u> | <u>\$ 12,110,134.91</u> | <u>\$ 1,943,097.31</u> | <u>\$ 754,187.00</u> | <u>\$ -</u> | <u>\$ 2,672,312.04</u> | <u>\$ 43,787,804.54</u> | <u>\$ -</u> | <u>\$ 4,636,219.96</u> | <u>\$ 701,219,140.59</u> |
| \$ 9,623,015.46 | \$ - | \$ 365,718.54 | \$ - | \$ 772,173.64 | \$ 338,208.90 | \$ 387.00 | \$ 423,377.56 | \$ 24,210,518.76 | \$ - | \$ - | \$ 183,122,343.51 |
| 5,994,125.45 | - | 102,412.81 | - | 307,466.18 | 186,010.82 | 7,542,973.09 | 200,248.36 | 8,523,667.37 | - | - | 73,390,616.82 |
| 13,215,742.75 | - | 14,092.64 | - | 1,695.00 | 210,858.40 | 21,784.50 | 3,474,220.83 | 2,436,744.04 | - | 970,653.78 | 73,668,405.12 |
| 41,103.82 | - | 4,403.67 | - | 7,031.30 | 13,126.71 | - | 342.31 | 116,526.66 | - | - | 1,549,278.71 |
| 444,871.89 | - | - | - | 7,856.86 | 62,500.00 | - | - | 1,231,076.57 | - | - | 6,813,727.86 |
| 279,879.92 | - | - | - | 3,868.49 | 2,835.00 | - | - | 173,838.11 | - | - | 2,774,437.48 |
| 148,454.44 | - | - | - | - | - | - | - | 224,765.72 | - | - | 3,066,116.18 |
| 27,553.13 | - | - | - | - | - | - | - | 129,495.17 | - | - | 1,096,726.83 |
| 1,834.12 | 4,200.16 | - | - | 89.00 | - | - | - | 23,282.68 | - | - | 375,569.80 |
| - | - | - | - | - | - | - | - | - | - | - | 112,102.71 |
| 1,742,006.08 | - | 2,581,992.61 | - | - | - | 465,000.00 | - | 301,003.06 | - | - | 14,120,387.04 |
| - | - | - | - | - | - | - | - | 34,442.00 | - | - | 6,939,199.01 |
| - | 8,375,905.58 | - | 5,493,162.00 | 365,997.72 | - | - | - | - | - | - | 30,371,174.25 |
| - | - | - | - | - | - | - | - | - | - | - | 148,526.31 |
| 233,749.08 | - | - | 54,225.82 | 60,024.80 | 72,542.20 | 47,136,274.24 | (45,396.28) | 975,211.15 | - | (866,080.13) | 94,594,869.90 |
| 221,829.63 | - | - | - | - | - | - | - | 707,058.71 | - | - | 6,766,380.90 |
| 768,004.10 | - | - | - | - | - | - | - | 3,786,643.28 | - | - | 16,397,861.16 |
| <u>\$ 32,742,169.87</u> | <u>\$ 4,200.16</u> | <u>\$ 11,444,525.85</u> | <u>\$ 5,547,387.82</u> | <u>\$ 1,526,202.99</u> | <u>\$ 886,082.03</u> | <u>\$ 55,166,418.83</u> | <u>\$ 4,052,792.78</u> | <u>\$ 42,874,273.28</u> | <u>\$ -</u> | <u>\$ 104,573.65</u> | <u>\$ 515,307,723.59</u> |
| <u>\$ (10,661,071.71)</u> | <u>\$ (3,057.65)</u> | <u>\$ (104,985.63)</u> | <u>\$ 6,562,747.09</u> | <u>\$ 416,894.32</u> | <u>\$ (131,895.03)</u> | <u>\$ (55,166,418.83)</u> | <u>\$ (1,380,480.74)</u> | <u>\$ 913,531.26</u> | <u>\$ -</u> | <u>\$ 4,531,646.31</u> | <u>\$ 185,911,417.00</u> |
| \$ - | \$ 723.03 | \$ - | \$ - | \$ 58,676.15 | \$ - | \$ - | \$ - | \$ - | \$ 1,052,990.00 | \$ - | \$ 4,564,091.22 |
| (1,159,690.64) | 2,529.62 | - | - | (62,419.31) | - | (424,135.57) | - | - | - | - | (128,162,362.84) |
| - | - | - | - | - | - | - | - | - | - | - | 20,970.74 |
| 670,237.19 | - | - | - | - | - | - | - | 829,490.91 | - | - | 6,935,020.65 |
| - | - | - | - | - | - | - | - | - | - | - | 96,350.86 |
| - | - | - | - | - | - | - | - | - | - | - | (1,026.86) |
| <u>\$ (489,453.45)</u> | <u>\$ 3,252.65</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (3,743.16)</u> | <u>\$ -</u> | <u>\$ (424,135.57)</u> | <u>\$ -</u> | <u>\$ 829,490.91</u> | <u>\$ 1,052,990.00</u> | <u>\$ -</u> | <u>\$ (116,546,956.23)</u> |
| <u>\$ (11,150,525.16)</u> | <u>\$ 195.00</u> | <u>\$ (104,985.63)</u> | <u>\$ 6,562,747.09</u> | <u>\$ 413,151.16</u> | <u>\$ (131,895.03)</u> | <u>\$ (55,590,554.40)</u> | <u>\$ (1,380,480.74)</u> | <u>\$ 1,743,022.17</u> | <u>\$ 1,052,990.00</u> | <u>\$ 4,531,646.31</u> | <u>\$ 69,364,460.77</u> |
| \$ 82,243,552.72 | (195.00) | 41,332.20 | 138,652,934.21 | 2,564,826.77 | 808,806.82 | 2,049,714,162.41 | 20,253,685.99 | 14,643,889.04 | 9,773,480.43 | 8,829,478.60 | 3,040,149,790.61 |
| 82,243,552.72 | (195.00) | 41,332.20 | 138,652,934.21 | 2,564,826.77 | 808,806.82 | 2,049,714,162.41 | 20,253,685.99 | 14,643,889.04 | 9,773,480.43 | 8,829,478.60 | 3,040,149,790.61 |
| - | - | - | - | - | - | - | - | - | - | - | (405,875.87) |
| <u>\$ 71,093,027.56</u> | <u>\$ -</u> | <u>\$ (63,653.43)</u> | <u>\$ 145,215,681.30</u> | <u>\$ 2,977,977.93</u> | <u>\$ 676,911.79</u> | <u>\$ 1,994,123,608.01</u> | <u>\$ 18,873,205.25</u> | <u>\$ 16,386,911.21</u> | <u>\$ 10,826,470.43</u> | <u>\$ 13,361,124.91</u> | <u>\$ 3,109,108,375.51</u> |

SCHEDULES

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2023

| Federal Grantor / Pass-Through Grantor/ Program Title | CFDA Number | Pass-Through From | | | |
|---|-------------|---------------------------|--------------------|-----------------------------------|---------------------------|
| | | Agency/ University Number | Identifying Number | State Agency or University Amount | Non-State Entities Amount |
| U.S. Department of Defense | | | | | |
| <i>Direct Programs:</i> | | | | | |
| State Memorandum of Agreement Program for the Reimbursement of Technical Services | 12.113 | | | \$ | \$ |
| Total U.S. Department of Defense | | | | \$ 0.00 | \$ 0.00 |
| Resources and Ecosystems Sustainability, Tourist Opportunities, and Revived Economies of the Gulf Coast States | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| University of Houston | 21.015 | | | \$ | \$ |
| Texas A&M University - Corpus Christi | 21.015 | | | | |
| Total U.S. Department of the Treasury | | | | \$ 0.00 | \$ 0.00 |
| Environmental Protection Agency | | | | | |
| <i>Direct Programs:</i> | | | | | |
| Surveys, Studies, Research, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act | 66.034 | | | \$ | \$ |
| <i>Pass-Through To:</i> | | | | | |
| Texas A&M Agrilife Research | 66.034 | | | | |
| Texas Tech University | 66.034 | | | | |
| University of Texas Rio Grande Valley | 66.034 | | | | |
| Climate Pollution Reduction Grants | 66.046 | | | | |
| Multipurpose Grants to States and Tribes | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| University of Texas at Arlington | 66.204 | | | | |
| Water Pollution Control - State, Interstate and Tribal Program Support | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| Department of State Health Services | 66.419 | | | | |
| Texas A&M Agrilife Extension Service | 66.419 | | | | |
| Tarleton State University | 66.419 | | | | |
| University of Texas at Arlington | 66.419 | | | | |
| Texas A&M University - Galveston | 66.419 | | | | |
| University of Texas at Austin | 66.419 | | | | |
| University of Houston - Clear Lake | 66.419 | | | | |
| Texas A&M University - Corpus Christi | 66.419 | | | | |
| Lead Testing in School and Child Care Program Drinking Water (SDWA 1464(D)) | 66.444 | | | | |
| Water Quality Management Planning | 66.454 | | | | |
| National Estuary Program | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| Texas A&M University | 66.456 | | | | |
| Texas A&M University at Galveston | 66.456 | | | | |
| University of Houston - Clear Lake | 66.456 | | | | |
| Nonpoint Source Implementation Grants | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| Texas A&M AgriLife Extension Service | 66.460 | | | | |
| Texas A&M AgriLife Research | 66.460 | | | | |
| Texas A&M University - Kingsville | 66.460 | | | | |
| University of Texas Rio Grande | 66.460 | | | | |
| Texas State University | 66.460 | | | | |
| Performance Partnership Grants | | | | | |
| <i>Pass-Through To:</i> | | | | | |
| Texas AgriLife Extension | 66.605 | | | | |
| University of Texas at Arlington | 66.605 | | | | |
| University of Texas at Austin | 66.605 | | | | |
| University of Texas at El Paso | 66.605 | | | | |
| Environmental Information Exchange Network Grant Program and Related Assistance | 66.608 | | | | |

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)
-UNAUDITED-

| Direct Program Amount | Total Pass Through From & Direct Program | CFDA Number | Pass-Through To | | | Expenditures Amount | Total Pass Through To & Expenditures |
|-----------------------|--|-------------|---------------------------|---------------------------------|---------------------------|---------------------|--------------------------------------|
| | | | Agency/ University Number | State Agency/ University Amount | Non-State Entities Amount | | |
| \$ 312,501.00 | \$ 312,501.00 | 12.113 | | \$ 0.00 | \$ 0.00 | \$ 312,501.00 | \$ 312,501.00 |
| \$ 8,651,787.59 | \$ 8,651,787.59 | 21.015 | | | \$ 8,358,430.58 | \$ 293,357.01 | \$ 8,651,787.59 |
| \$ 1,133,954.06 | \$ 1,133,954.06 | 21.015 | 730 | \$ 1,133,954.06 | | | \$ 1,133,954.06 |
| \$ 1,073,805.35 | \$ 1,073,805.35 | 21.015 | 760 | \$ 1,073,805.35 | | | \$ 1,073,805.35 |
| \$ 10,859,547.00 | \$ 10,859,547.00 | | | \$ 2,207,759.41 | \$ 8,358,430.58 | \$ 293,357.01 | \$ 10,859,547.00 |
| \$ 1,524,761.11 | \$ 1,524,761.11 | 66.034 | | \$ | \$ | \$ 1,524,761.11 | \$ 1,524,761.11 |
| 28,161.68 | 28,161.68 | 66.034 | 556 | 28,161.68 | | | 28,161.68 |
| 0.08 | 0.08 | 66.034 | 733 | 0.08 | | | 0.08 |
| 1,401.11 | 1,401.11 | 66.034 | 746 | 1,401.11 | | | 1,401.11 |
| 12,219.00 | 12,219.00 | 66.040 | | | | 12,219.00 | 12,219.00 |
| 155,526.29 | 155,526.29 | 66.204 | | | | 155,526.29 | 155,526.29 |
| 9,366.10 | 9,366.10 | 66.204 | 714 | 9,366.10 | | | 9,366.10 |
| 1,202,766.95 | 1,202,766.95 | 66.419 | | | 150,833.21 | 1,051,933.74 | 1,202,766.95 |
| 57,645.74 | 57,645.74 | 66.419 | 537 | 57,645.74 | | | 57,645.74 |
| 402,907.81 | 402,907.81 | 66.419 | 555 | 402,907.81 | | | 402,907.81 |
| 614,841.89 | 614,841.89 | 66.419 | 713 | 614,841.89 | | | 614,841.89 |
| 435,088.62 | 435,088.62 | 66.419 | 714 | 435,088.62 | | | 435,088.62 |
| 533.91 | 533.91 | 66.419 | 718 | 533.91 | | | 533.91 |
| 85,394.52 | 85,394.52 | 66.419 | 721 | 85,394.52 | | | 85,394.52 |
| 300,041.15 | 300,041.15 | 66.419 | 759 | 300,041.15 | | | 300,041.15 |
| 99,985.29 | 99,985.29 | 66.419 | 760 | 99,985.29 | | | 99,985.29 |
| 612,428.00 | 612,428.00 | 66.444 | | | | 612,428.00 | 612,428.00 |
| 657,966.00 | 657,966.00 | 66.454 | | | 444,981.55 | 212,984.45 | 657,966.00 |
| 487,008.15 | 487,008.15 | 66.456 | | | 574,238.33 | (87,230.18) | 487,008.15 |
| 49,129.58 | 49,129.58 | 66.456 | 711 | 49,129.58 | | | 49,129.58 |
| 152,089.35 | 152,089.35 | 66.456 | 718 | 152,089.35 | | | 152,089.35 |
| 102,481.07 | 102,481.07 | 66.456 | 759 | 102,481.07 | | | 102,481.07 |
| 985,469.11 | 985,469.11 | 66.460 | | | 979,646.98 | 5,822.13 | 985,469.11 |
| 855,425.03 | 855,425.03 | 66.460 | 555 | 855,425.03 | | | 855,425.03 |
| 235,391.77 | 235,391.77 | 66.460 | 556 | 235,391.77 | | | 235,391.77 |
| 11,538.44 | 11,538.44 | 66.460 | 732 | 11,538.44 | | | 11,538.44 |
| (249,386.69) | (249,386.69) | 66.460 | 746 | (249,386.69) | | | (249,386.69) |
| 540,600.17 | 540,600.17 | 66.460 | 754 | 540,600.17 | | | 540,600.17 |
| 29,962,001.86 | 29,962,001.86 | 66.605 | | | 563,165.32 | 29,398,836.54 | 29,962,001.86 |
| 12,333.13 | 12,333.13 | 66.605 | 555 | 12,333.13 | | | 12,333.13 |
| 923,970.85 | 923,970.85 | 66.605 | 714 | 923,970.85 | | | 923,970.85 |
| 435,079.06 | 435,079.06 | 66.605 | 721 | 435,079.06 | | | 435,079.06 |
| 8,479.44 | 8,479.44 | 66.605 | 724 | 8,479.44 | | | 8,479.44 |
| 223,643.00 | 223,643.00 | 66.608 | | | | 223,643.00 | 223,643.00 |

SCHEDULE 1A
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended August 31, 2023

| Federal Grantor / Pass-Through Grantor/ Program Title | CFDA Number | Pass-Through From | | | |
|---|-------------|---------------------------|--------------------|-----------------------------------|---------------------------|
| | | Agency/ University Number | Identifying Number | State Agency or University Amount | Non-State Entities Amount |
| Superfund State, Political Subdivision, and Indian Tribe Site-Specific Cooperative Agreements | 66.802 | | | | |
| Underground Storage Tank Prevention, Detection and Compliance Program | 66.804 | | | | |
| <u>Pass-Through To:</u> University of Texas at Arlington | 66.804 | | | | |
| Leaking Underground Storage Tank Trust Fund Corrective Action Program | 66.805 | | | | |
| Superfund State and Indian Tribe Core Program Cooperative Agreements | 66.809 | | | | |
| State and Tribal Response Program Grants | 66.817 | | | | |
| <u>Pass-Through From</u> Texas Water Development Board | | | | | |
| <u>Capitalization Grants for Drinking Water State Revolving Funds</u> | 66.468 | 580 | | 8,423,384.51 | |
| <u>Pass-Through To:</u> University of Texas at Arlington | 66.468 | 580 | | 4,615,135.40 | |
| University of Texas at Austin | 66.468 | 580 | | 68,753.85 | |
| Total Environmental Protection Agency | | | | <u>\$ 13,107,273.76</u> | <u>\$ 0.00</u> |
| U.S. Department of Energy | | | | | |
| <u>Pass-Through From:</u> Comptroller - State Energy Conservation Office | | | | | |
| <u>Environmental Monitoring/Cleanup, Cultural and Resource Mgmt., Emerg Resp Res</u> | 81.214 | 907 | | \$ 200,234.63 | \$ |
| Total U.S. Department of Energy | | | | <u>\$ 200,234.63</u> | <u>\$ 0.00</u> |
| Gulf Coast Ecosystem Restoration Council | | | | | |
| <u>Direct Programs:</u> Gulf Coast Ecosystem Restoration Council Comprehensive | 87.051 | | | \$ | \$ |
| Plan Component Program | | | | | |
| <u>Pass-Through To:</u> General Land Office | 87.051 | | | | |
| Texas A&M University - Corpus Christi | 87.051 | | | | |
| Gulf Coast Ecosystem Restoration Council | 87.052 | | | | |
| Total Gulf Coast Ecosystem Restoration Council | | | | <u>\$ 0.00</u> | <u>\$ 0.00</u> |
| U.S. Department of Homeland Security | | | | | |
| <u>Direct Programs:</u> National Dam Safety Program | 97.041 | | | \$ | \$ |
| <u>Pass-Through To:</u> Biowatch Program | 97.091 | | | | |
| <u>Pass-Through From:</u> Department of Public Safety | | | | | |
| Disaster Grants - Public Assistance (Presidentially Declared Disasters) | 97.036 | 575 | | 0.01 | |
| Total U.S. Department of Homeland Security | | | | <u>\$ 0.01</u> | <u>\$ 0.00</u> |
| TOTAL FEDERAL FINANCIAL ASSISTANCE | | | | <u>\$ 13,307,508.40</u> | <u>\$ 0.00</u> |
| Note 1 - Reconciliation | | | | | |
| Per Combined Statement of Revenues, Expenditures and Changes in Fund Balance (Governmental Fund Types (Exh II): | | | | | |
| Federal Revenues (Exh II) | | | | \$ 61,014,027.31 | |
| Federal Pass-Through Revenues (Exh II) | | | | <u>13,307,508.40</u> | |
| Total | | | | <u>\$ 74,321,535.71</u> | |

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (582)
-UNAUDITED-

| Direct Program Amount | Total Pass Through From & Direct Program | CFDA Number | Pass-Through To | | | Expenditures Amount | Total Pass Through To & Expenditures |
|-------------------------|--|-------------|---------------------------|---------------------------------|---------------------------|-------------------------|--------------------------------------|
| | | | Agency/ University Number | State Agency/ University Amount | Non-State Entities Amount | | |
| 422,774.00 | 422,774.00 | 66.802 | | | | 422,774.00 | 422,774.00 |
| 0.18 | 0.18 | 66.804 | | | | 0.18 | 0.18 |
| 1,742,006.08 | 1,742,006.08 | 66.804 | 714 | 1,742,006.08 | | | 1,742,006.08 |
| 2,657,872.00 | 2,657,872.00 | 66.805 | | | | 2,657,872.00 | 2,657,872.00 |
| 280,156.00 | 280,156.00 | 66.809 | | | | 280,156.00 | 280,156.00 |
| 646,843.00 | 646,843.00 | 66.817 | | | | 646,843.00 | 646,843.00 |
| | 8,423,384.51 | 66.468 | 580 | | | 8,423,384.51 | 8,423,384.51 |
| | 4,615,135.40 | 66.468 | 714 | 4,615,135.40 | | | 4,615,135.40 |
| | 68,753.85 | 66.468 | 721 | 68,753.85 | | | 68,753.85 |
| <u>\$ 46,685,939.83</u> | <u>\$ 59,793,213.59</u> | | | <u>\$ 11,538,394.43</u> | <u>\$ 2,712,865.39</u> | <u>\$ 45,541,953.77</u> | <u>\$ 59,793,213.59</u> |
| <u>\$ 0.00</u> | <u>\$ 200,234.63</u> | 81.214 | 907 | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 200,234.63</u> | <u>\$ 200,234.63</u> |
| <u>\$ 0.00</u> | <u>\$ 200,234.63</u> | | | <u>\$ 0.00</u> | <u>\$ 0.00</u> | <u>\$ 200,234.63</u> | <u>\$ 200,234.63</u> |
| \$ 79,895.48 | \$ 79,895.48 | 87.051 | | | | \$ 79,895.48 | \$ 79,895.48 |
| 166,409.79 | 166,409.79 | 87.051 | 305 | 166,409.79 | | | 166,409.79 |
| 207,823.41 | 207,823.41 | 87.051 | 760 | 207,823.41 | | | 207,823.41 |
| 115,043.80 | 115,043.80 | 87.052 | | | 17,475.00 | 97,568.80 | 115,043.80 |
| <u>\$ 569,172.48</u> | <u>\$ 569,172.48</u> | | | <u>\$ 374,233.20</u> | <u>\$ 17,475.00</u> | <u>\$ 177,464.28</u> | <u>\$ 569,172.48</u> |
| \$ 369,466.00 | \$ 369,466.00 | 97.041 | | | \$ 17,043.65 | \$ 352,422.35 | \$ 369,466.00 |
| 2,217,401.00 | 2,217,401.00 | 97.091 | | | | 2,217,401.00 | 2,217,401.00 |
| | 0.01 | 97.036 | 575 | | | 0.01 | 0.01 |
| <u>\$ 2,586,867.00</u> | <u>\$ 2,586,867.01</u> | | | <u>\$ 0.00</u> | <u>\$ 17,043.65</u> | <u>\$ 2,569,823.36</u> | <u>\$ 2,586,867.01</u> |
| <u>\$ 61,014,027.31</u> | <u>\$ 74,321,535.71</u> | | | <u>\$ 14,120,387.04</u> | <u>\$ 11,105,814.62</u> | <u>\$ 49,095,334.05</u> | <u>\$ 74,321,535.71</u> |

**SCHEDULE 1B - SCHEDULE OF STATE GRANT PASS THROUGH FROM/TO STATE AGENCIES
For the Fiscal Year Ended August 31, 2023**

Pass Through From:

| | |
|--|-----------------------------------|
| Total Pass Through from Other Agencies (Exh II) : | \$ <u><u>0.00</u></u> (Exh II) |
|--|-----------------------------------|

Pass Through To:

| | |
|---|---|
| Texas AgriLife Extension (Agency #555) | \$ 203,787.51 |
| Texas AgriLife Research (Agency #556) | 164,399.41 |
| Texas Engineering Experiment Station (Agency #712) | 408,619.47 |
| Tarleton State University (Agency #713) | 81,109.52 |
| University of Texas at Arlington (Agency #714) | 968,531.96 |
| Texas Southern University (Agency #717) | 109,229.30 |
| Texas A&M University - Galveston (Agency #718) | 24,527.17 |
| University of Texas at Austin (Agency #721) | 2,067,433.98 |
| University of Texas at El Paso (Agency #724) | 110,944.76 |
| Texas Transportation Institute (Agency #727) | 395,000.00 |
| University of Houston (Agency #730) | 2,249,688.50 |
| University of Texas Rio Grande Valley (Agency #746) | (1,401.15) |
| Texas A&M University - Corpus Christi (Agency #760) | 32,328.58 |
| Parks & Wildlife Department (Agency #802) | 125,000.00 |
| Total Pass-Through to Other Agencies (Exh II): | \$ <u><u>6,939,199.01</u></u> (Exh II) |

