

# Annual Financial Report

FISCAL YEAR 2024



Railroad Commission of Texas

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Wayne Christian  
Commissioner

Christi Craddick  
Chairman

Jim Wright  
Commissioner

# **ANNUAL FINANCIAL REPORT**

**UNAUDITED**

**RAILROAD COMMISSION OF TEXAS**  
**Austin, Texas**

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**Year Ended August 31, 2024**



UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

TABLE OF CONTENTS

Page Number

COMBINED FINANCIAL STATEMENTS:

Exhibit I	Combined Balance Sheet/Statement of Net Assets - Governmental Funds .....	2
Exhibit II	Combined Statement of Revenues, Expenditures and Changes In Fund Balances/Statement of Activities - Governmental Funds.....	3

NOTES TO THE FINANCIAL STATEMENTS .....	4
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COMBINING STATEMENTS - EXHIBITS:

Exhibit A-1	Combining Balance Sheet - All General and Consolidated Funds .....	20
Exhibit A-2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances – All General and Consolidated Funds .....	21

STATE AND FEDERAL PASS-THROUGH SCHEDULES:

Schedule of Expenditures of Federal Awards (SEFA) .....	23
Schedule 1A Schedule of Expenditures of Federal Awards - Notes .....	24
Schedule 1B Schedule of State Grant Pass Through From/To State Agencies.....	25

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RAILROAD COMMISSION OF TEXAS (455)

## **Combined Financial Statements**

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RAILROAD COMMISSION OF TEXAS (455)

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

For the Fiscal Year Ended August 31, 2024

	Governmental Fund Types				
	General Funds	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liabilities Adjustments	Statement of Net Assets
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents					
Cash in State Treasury	\$ 186,519,963.00	\$ 186,519,963.00			\$ 186,519,963.00
Legislative Appropriations	32,810,110.02	32,810,110.02			32,810,110.02
Federal Receivables	6,085,193.20	6,085,193.20			6,085,193.20
Total Current Assets	<u>\$ 225,415,266.22</u>	<u>\$ 225,415,266.22</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,415,266.22</u>
Capital Outlay (Note 2)					
Depreciable Assets:					
Buildings and Building Improvements	\$ -	\$ -	\$ 313,458.40		\$ 313,458.40
Less Accumulated Depreciation	-	-	(199,651.83)		(199,651.83)
Furniture and Equipment	-	-	2,663,281.42		2,663,281.42
Less Accumulated Depreciation	-	-	(1,887,355.51)		(1,887,355.51)
Vehicle, Boats & Aircraft	-	-	22,639,607.02		22,639,607.02
Less Accumulated Depreciation	-	-	(8,372,747.00)		(8,372,747.00)
Amortizable Assets - Intangible:					
Computer Software - Intangible	-	-	12,748,560.18		12,748,560.18
Less Accumulated Amortization	-	-	(12,748,560.18)		(12,748,560.18)
Amortizable Assets - IRTU					
Building and Building Improvements	-	-	7,944,234.34		7,944,234.34
Less Accumulated Amortization	-	-	(2,356,718.59)		(2,356,718.59)
Total Non-Current Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,744,108.25</u>	<u>\$ -</u>	<u>\$ 20,744,108.25</u>
<b>Total Assets</b>	<u><u>\$ 225,415,266.22</u></u>	<u><u>\$ 225,415,266.22</u></u>	<u><u>\$ 20,744,108.25</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 246,159,374.47</u></u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities					
Current Liabilities:					
Payables from:					
Accounts	\$ 27,974,108.13	\$ 27,974,108.13			\$ 27,974,108.13
Payroll	8,759,855.09	8,759,855.09			8,759,855.09
Interest	-	-		(4,620.68)	(4,620.68)
Unearned Revenues	38,864.00	38,864.00			38,864.00
Claims and Judgments (Note 5)	-	-		-	-
Right to Use Lease Obligations (Note 5)	-	-		973,603.46	973,603.46
Employees' Compensable Leave (Note 5)	-	-		5,406,947.65	5,406,947.65
Pollution Remediation Obligation (Note 5)	-	-		3,289,834.88	3,289,834.88
Funds Held For Others	-	-			-
Total Current Liabilities	<u>\$ 36,772,827.22</u>	<u>\$ 36,772,827.22</u>	<u>\$ -</u>	<u>\$ 9,665,765.31</u>	<u>\$ 46,438,592.53</u>
Non-Current Liabilities:					
Other Non-Current Liabilities	\$ 113,718,582.51	\$ 113,718,582.51			\$ 113,718,582.51
Right to Use Lease Obligations (Note 5)	-	-		4,755,772.62	4,755,772.62
Employees' Compensable Leave (Note 5)	-	-		4,068,940.45	4,068,940.45
Total Non-Current Liabilities	<u>\$ 113,718,582.51</u>	<u>\$ 113,718,582.51</u>	<u>\$ -</u>	<u>\$ 8,824,713.07</u>	<u>\$ 122,543,295.58</u>
<b>Total Liabilities</b>	<u><u>\$ 150,491,409.73</u></u>	<u><u>\$ 150,491,409.73</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 18,490,478.38</u></u>	<u><u>\$ 168,981,888.11</u></u>
<b>Fund Financial Statement</b>					
Fund Balances (Deficits):					
Restricted	\$ 12,013,757.93	\$ 12,013,757.93			\$ 12,013,757.93
Committed	63,810,557.44	63,810,557.44			63,810,557.44
Assigned	-	-			-
Unassigned	(900,458.88)	(900,458.88)			(900,458.88)
<b>Total Fund Balances</b>	<u><u>\$ 74,923,856.49</u></u>	<u><u>\$ 74,923,856.49</u></u>			<u><u>\$ 74,923,856.49</u></u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 225,415,266.22</u></u>	<u><u>\$ 225,415,266.22</u></u>			
<b>Government-Wide Statement - Net Position</b>					
Net Position:					
Net Investment in Capital Asset, Related Debt			\$ 20,744,108.25	\$ (5,729,376.08)	\$ 15,014,732.17
Unrestricted for:					
Interest Payable				4,620.68	4,620.68
Claims and Judgments				-	-
Employee Compensable Leave				(9,475,888.10)	(9,475,888.10)
Pollution Remediation Obligation				(3,289,834.88)	(3,289,834.88)
<b>Total Net Position</b>			<u><u>\$ 20,744,108.25</u></u>	<u><u>\$ (18,490,478.38)</u></u>	<u><u>\$ 77,177,486.36</u></u>

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

# UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

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

For the Fiscal Year Ended August 31, 2024

	General Fund	Governmental Funds Total	Capital Asset Adjustments	Long-Term Liabilities Adjustments	Statement of Activities
<b>REVENUES</b>					
Legislative Appropriations:					
Original Appropriations	\$ 94,743,449.00	\$ 94,743,449.00			\$ 94,743,449.00
Additional Appropriations	15,832,005.92	15,832,005.92			15,832,005.92
Federal Revenue (Fed Sch 1A)	25,129,929.99	25,129,929.99			25,129,929.99
Federal Pass Through Revenue (Fed Sch 1A)	-	-			-
State Grant Pass Through Revenue (Sch 1B)	-	-			-
Licenses, Fees and Permits	83,801,558.45	83,801,558.45			83,801,558.45
Interest, Dividend & Other Income	16,396.79	16,396.79			16,396.79
Settlement of Claims	-	-			-
Sales of Goods and Services	5,294,447.93	5,294,447.93			5,294,447.93
Total Revenues	<u>\$ 225,052,880.74</u>	<u>\$ 225,052,880.74</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,052,880.74</u>
<b>EXPENDITURES</b>					
Salaries and Wages	\$ 78,451,325.69	\$ 78,451,325.69		\$ 924,625.69	\$ 79,375,951.38
Payroll Related Costs	23,693,324.91	23,693,324.91			23,693,324.91
Professional Fees and Services	35,000,010.04	35,000,010.04			35,000,010.04
Travel	1,685,094.39	1,685,094.39			1,685,094.39
Materials and Supplies	4,205,510.48	4,205,510.48			4,205,510.48
Communication and Utilities	1,374,653.50	1,374,653.50			1,374,653.50
Repairs and Maintenance	1,005,890.74	1,005,890.74			1,005,890.74
Rentals and Leases	770,615.88	770,615.88			770,615.88
Printing and Reproduction	819,691.60	819,691.60			819,691.60
Claims and Judgements	53,565.00	53,565.00		(773.99)	52,791.01
Other Expenditures	78,926,258.76	78,926,258.76			78,926,258.76
Debt Service-Principal -Leases / SBITA	953,054.70	953,054.70			953,054.70
Principal-Leases (Note 5)	-	-		2,180,935.41	2,180,935.41
Interest (Note 5, 8)	-	-		(8,408.91)	(8,408.91)
Capital Outlay (Note 2)	10,787,222.20	10,787,222.20	(10,787,222.20)		-
Amortization Expense (Note 2)	-	-	1,005,644.34		1,005,644.34
Depreciation Expense (Note 2)	-	-	2,548,084.40		2,548,084.40
Deletions Expense (Note 2)	-	-	54,091.97		54,091.97
Adjustments (Note 2)	-	-	37,502.23		37,502.23
Pollution Remediation Obligation (Note 5)	-	-		1,800,406.34	1,800,406.34
Total Expenditures	<u>\$ 237,726,217.89</u>	<u>\$ 237,726,217.89</u>	<u>\$ (7,141,899.26)</u>	<u>\$ 4,896,784.54</u>	<u>\$ 235,481,103.17</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (12,673,337.15)</u>	<u>\$ (12,673,337.15)</u>	<u>\$ 7,141,899.26</u>	<u>\$ (4,896,784.54)</u>	<u>\$ (10,428,222.43)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Cash Transfer In	\$ 9,255,041.92	\$ 9,255,041.92			\$ 9,255,041.92
Cash Transfer Out	(12,288,968.36)	(12,288,968.36)			(12,288,968.36)
Increase in Obligations - Leases	3,133,990.11	3,133,990.11			3,133,990.11
Sale of Capital Assets	221,251.51	221,251.51			221,251.51
Gain (Loss) on Sale of Capital Assets	-	-			-
Legislative Financing Sources	-	-			-
Legislative Financing Uses	-	-			-
Total Other Financing Sources (Uses)	<u>\$ 321,315.18</u>	<u>\$ 321,315.18</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,315.18</u>
Net Change in Fund Balances/Net Position	<u>\$ (12,352,021.97)</u>	<u>\$ (12,352,021.97)</u>	<u>\$ 7,141,899.26</u>	<u>\$ (4,896,784.54)</u>	<u>\$ (10,106,907.25)</u>
<b>Fund Financial Statement - Fund Balances</b>					
Fund Balances - September 1, 2023	\$ 91,466,138.76	\$ 91,466,138.76			\$ 91,466,138.76
Restatements	4,120.00	4,120.00			4,120.00
Fund Balances - September 1, 2023, as Restated	<u>91,470,258.76</u>	<u>91,470,258.76</u>			<u>91,470,258.76</u>
Appropriations Lapsed	(4,194,380.30)	(4,194,380.30)			(4,194,380.30)
Fund Balances - August 31, 2024	<u>\$ 74,923,856.49</u>	<u>\$ 74,923,856.49</u>	<u>\$ 7,141,899.26</u>	<u>\$ (4,896,784.54)</u>	<u>\$ 77,168,971.21</u>
<b>Government-wide Statement - Net Assets</b>					
Net Position/Net Change in Net Position		<u>\$ 74,923,856.49</u>	<u>\$ 7,141,899.26</u>	<u>\$ (4,896,784.54)</u>	<u>\$ 77,168,971.21</u>
Net Position, September 1, 2023					
Restatements			<u>13,602,208.99</u>	<u>(13,593,693.84)</u>	<u>8,515.15</u>
Net Position, September 1, 2023, as Restated					
Net Position, August 31, 2024		<u>\$ 74,923,856.49</u>	<u>\$ 20,744,108.25</u>	<u>\$ (18,490,478.38)</u>	<u>\$ 77,177,486.36</u>

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

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

## **Notes to the Financial Statements**



RAILROAD COMMISSION OF TEXAS (455)

**Notes to the Financial Statements**

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

**Entity**

The Railroad Commission of Texas is an agency of the state of Texas and its financial records complies 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*.

The Commission was established in 1891 and operates under the state constitution and other enabling statutes. The operations of the Commission are conducted under the direction of three Commissioners who are elected by popular vote to serve overlapping six-year terms. The Commission is a regulatory agency with enforcement powers in areas dealing primarily with oil and natural gas, alternative fuels, gas utilities, pipeline safety, coal and uranium surface mining, critical infrastructure weather preparedness, and environmental protection. In addition to its headquarters located in the William B. Travis State Office Building in Austin, the Commission maintains offices throughout the State.

The Commission is a component unit of the statewide reporting entity, which will be audited.

**GASB 34**

The Comptroller of Public Accounts does not require agencies to comply with all the requirements of the Governmental Accounting Standards Board Statement No. 34, ('GASB 34', *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*) in the preparation of their annual financial report. However, the financial report can be considered for audit by the state auditor as part of the audit of the State of Texas Comprehensive Annual Financial Report; therefore, an opinion has not been expressed on the financial statements and related information contained in this report.

There are no component units within the Commission.

**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**

The General Revenue Fund (Fund 0001) is used to account for all financial resources of the state except those required to be accounted for in another fund. This fund is also used to account for cash deposits from oil and gas operators in compliance with financial security requirements under the Natural Resources Code.

Oil and Gas Regulation and Cleanup Fund (Fund 5155) – This General Revenue Dedicated fund was established by Chapter 81 of the Natural Resources Code.

**Capital Assets Adjustment Fund Type**

The Capital Assets Adjustment Fund (Fund 9998) will be used to convert governmental fund types' capital assets from modified accrual to full accrual.

## UNAUDITED

### RAILROAD COMMISSION OF TEXAS (455)

#### Long-Term Liabilities Adjustment Fund Type

The Long-Term Liabilities Adjustment Fund (Fund 9997) will be used to convert governmental fund types' debt from modified accrual to full accrual.

#### **Basis of Accounting**

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The basis of accounting determines when revenues and expenditures or expenses are recognized in the accounts reported in the financial statements. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

Governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized in the period that 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 60 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.

Basis conversion adjustment fund types convert modified accrued basis to full accrued basis of accounting. The following activities are recognized in these fund types:

- Capital assets
- Accumulated depreciation
- Unpaid employee compensable leave
- The outstanding debt service principal on long-term liabilities
- Leases
- Long-term claims and judgments
- Full accrual revenues and expenses
- Pension amounts in governmental activities

#### **BUDGET AND BUDGETARY ACCOUNTING**

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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 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 biennium for which they were appropriated.

#### **ASSETS, LIABILITIES, AND FUND BALANCES / NET ASSETS**

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##### **ASSETS**

##### Cash and Cash Equivalents

Short-term highly liquid investments with an original maturity of three months or less are considered cash equivalents.

## UNAUDITED

### RAILROAD COMMISSION OF TEXAS (455)

#### Inventories and Prepaid Items

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

#### Capital Assets

Assets that meet the reporting threshold and useful life are capitalized. The capitalization threshold and the estimated useful life vary depending on the asset type. 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. "Inexhaustible" assets (such as works of art and historical treasures) are not depreciated. Road and highway infrastructure are depreciated over the estimate of average useful life of a grouping of assets using composite method. Other depreciable assets are depreciated over the estimated useful life of the asset using the straight-line method.

All capital assets acquired by proprietary funds or trust funds are reported at cost or estimated historical cost if actual historical cost is not available. Donated capital assets are reported at acquisition value. Depreciation is charged to operations over the estimated useful life of each asset using the straight-line method.

For leased assets, the agency capitalizes in accordance with GASB Statement No. 87, *Leases*, for all lease agreements with a net present value of future lease payment per unit exceeding \$100,000.

### **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.

#### Employees' Compensable Leave Balances

Employees' compensable leave balances represent the liability that becomes "due" upon the occurrence of relevant events such as resignations, retirements and uses of leave balances by covered employees. Liabilities are reported separately as either current or noncurrent in the statement of net position. These obligations are normally paid from the same funding source from which each employee's salary or wage compensation was paid.

#### Lease Liabilities

Lease liability represents the amount recognized by a lessee on its financial statements regarding its leases. It is initially measured at the present value of lease payments and is remeasured whenever there is a change in lease payments or lease modification. Liabilities are reported separately as either current or noncurrent.

#### Pollution Remediation Obligation

A pollution remediation obligation refers to a government's responsibility to address the current or potential detrimental effects of existing pollution through such activities as environmental assessments or cleanups. The Commission recognizes this liability when it begins to clean up pollution or conducts related remediation activities to the extent that the government is legally obligated to complete those activities.

## UNAUDITED

### RAILROAD COMMISSION OF TEXAS (455)

#### **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.

Railroad Commission of Texas uses resources in the following order:

- When both restricted and unrestricted resources are available, use:
  1. Restricted resources
  2. Unrestricted resources (as they are needed)
- When only unrestricted resources are available for use in governmental funds, use:
  1. Committed resources
  2. Assigned resources
  3. Unassigned resources

#### **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
  - Legally or contractually required to be maintained intact.
- Restricted fund balance includes those resources that have constraints placed on their use through external parties or by law through constitutional provisions.
- Committed fund balance can be used only for specific purposes pursuant to constraints imposed 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 restricted or committed. Intent is expressed by either:
  - The Texas Legislature
  - 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 restricted, committed, or assigned to specific purposes within the general fund.

#### **Restricted Net Assets**

Restricted net assets result when constraints placed on net asset use are imposed by law through constitutional provisions or enabling legislation. This represents approved and authorized orders to expend funds for plugging abandoned wells and cleanup of sites, pursuant to Chapter 89, Texas Natural Resource Code, and for site remediation pursuant to Chapter 91, Texas Natural Resource Code.

## UNAUDITED

### RAILROAD COMMISSION OF TEXAS (455)

#### Unrestricted Net Assets

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

#### **INTERFUND ACTIVITIES AND TRANSACTIONS**

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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.

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**NOTE 2: Capital Assets**

	PRIMARY GOVERNMENT				
	Balance 9/1/23	Adjustments	Additions	Deletions	Balance 8/31/24
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>Depreciable Assets</b>					
Buildings and Building Improvements	313,458.40	-	-	-	313,458.40
Furniture and Equipment	2,144,012.04	-	547,687.38	(28,418.00)	2,663,281.42
Vehicles, Boats and Aircraft	16,400,194.03	15,726.70	7,105,544.71	(881,858.42)	22,639,607.02
<b>Total Depreciable Assets at Historical Cost</b>	<b>18,857,664.47</b>	<b>15,726.70</b>	<b>7,653,232.09</b>	<b>(910,276.42)</b>	<b>25,616,346.84</b>
<b>Less Accumulated Depreciation for:</b>					
Buildings and Building Improvements	(191,179.95)	-	(8,471.88)	-	(199,651.83)
Furniture and Equipment	(1,738,904.44)	-	(176,869.07)	28,418.00	(1,887,355.51)
Vehicles, Boats and Aircraft	(6,784,541.07)	(53,228.93)	(2,362,743.45)	827,766.45	(8,372,747.00)
<b>Total Accumulated Depreciation</b>	<b>(8,714,625.46)</b>	<b>(53,228.93)</b>	<b>(2,548,084.40)</b>	<b>856,184.45</b>	<b>(10,459,754.34)</b>
<b>Depreciable Assets, Net</b>	<b>10,143,039.01</b>	<b>(37,502.23)</b>	<b>5,105,147.69</b>	<b>(54,091.97)</b>	<b>15,156,592.50</b>
<b>Intangible Capital Assets - Amortizable</b>					
Computer Software	12,748,560.18	-	-	-	12,748,560.18
Right to Use Building Leases	4,961,731.71	-	3,133,990.11	(151,487.48)	7,944,234.34
<b>Total Intangible Assets at Historical Cost</b>	<b>17,710,291.89</b>	<b>-</b>	<b>3,133,990.11</b>	<b>(151,487.48)</b>	<b>20,692,794.52</b>
<b>Less Accumulated Amortization for:</b>					
Computer Software	(12,748,560.18)	-	-	-	(12,748,560.18)
Right to Use Building Leases	(1,502,561.73)	-	(1,005,644.34)	151,487.48	(2,356,718.59)
<b>Total Accumulated Amortization</b>	<b>(14,251,121.91)</b>	<b>-</b>	<b>(1,005,644.34)</b>	<b>151,487.48</b>	<b>(15,105,278.77)</b>
<b>Amortizable Assets, Net</b>	<b>3,459,169.98</b>	<b>-</b>	<b>2,128,345.77</b>	<b>-</b>	<b>5,587,515.75</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>13,602,208.99</b>	<b>(37,502.23)</b>	<b>7,233,493.46</b>	<b>(54,091.97)</b>	<b>20,744,108.25</b>

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**NOTE 3: Deposits, Investments & Repurchase Agreements**

Not applicable.

**NOTE 4: Short-Term Debts**

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, 2024.

Governmental Activities	Balance 09/01/23	Additions	Reductions	Balance 08/31/24	Amounts Due Within One Year	Amounts Due Thereafter
Claims and Judgments	\$ 773.99	\$ -	\$ 773.99	\$ -	\$ -	\$ -
Right to Use Lease Obligations	3,548,440.67	3,133,990.11	953,054.70	5,729,376.08	973,603.46	4,755,772.62
Employees' Compensable Leave	8,551,262.41	7,469,750.26	6,545,124.57	9,475,888.10	5,406,947.65	4,068,940.45
Pollution Remediation Obligation	1,489,428.54	39,891,085.55	38,090,679.21	3,289,834.88	3,289,834.88	-
<b>Total Governmental Activities</b>	<b>\$ 13,589,905.61</b>	<b>\$ 50,494,825.92</b>	<b>\$ 45,589,632.47</b>	<b>\$ 18,495,099.06</b>	<b>\$9,670,385.99</b>	<b>\$8,824,713.07</b>

**Claims & Judgments**

The Attorney General's Claims Section assisted in settling three claims on Railroad Commission of Texas's behalf during FY 2024, without resort to litigation, arising from motor vehicle accidents involving Commission employees acting within the course and scope of their employment. As of FY 2024, there were a total of three claims from vehicle accidents.

- Claimant Farmers Texas County Mutual Insurance Co. a/s/o John Harrell received \$773.99.
- Claimant State Farm Mut Auto Ins Co. a/s/o Alejandro Guerra Jr. received \$2,891.01.
- Claimant Roanld Ramos c/o Gary Gibson, Carabin & Shaw, P.C. received \$49,900.

## UNAUDITED

### RAILROAD COMMISSION OF TEXAS (455)

#### **Right to Use Lease Obligations**

Railroad Commission is a lessee and is required to report lease liabilities that were not reported before the implementation of GASB 87. A lessee must recognize a lease liability and a lease asset at the start of the lease term. The notes to financial statements must include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

#### **Employees' Compensable Leave**

A state employee is entitled to be paid for all unused vacation time accrued, in the event of the employee's resignation, dismissal, or separation from state employment, provided the employee has had continuous employment with the State for six months.

Expenditures for accumulated annual leave balances are recognized in the period paid or taken in governmental fund types. For these fund types, the liability for unpaid benefits is recorded in the statement of net 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**

Railroad Commission of Texas recognizes a pollution remediation obligation when it commences, or legally obligates itself to commence, cleanup activities. The Commission enters into contracts with third parties for abandoned site remediation and abandoned well plugging. These contracts are used to estimate the amount of the plugging and pollution remediation obligation at year end.

Under Texas Natural Resource Code §89.043, the Railroad Commission may plug abandoned wells if the wells will cause or are likely to cause a serious threat of pollution or injury to the public health. The Commission has 15 active well plugging projects as of August 31, 2024, with an estimated cost of \$2,209,678.82.

Under Texas Natural Resource Code §91.113, the Commission may clean up abandoned oil and gas sites that are causing or are likely to cause the pollution of surface or subsurface water. The Commission has 13 active site remediation projects as of August 31, 2024, with an estimated cost of \$595,980.77. Funding for these programs comes from regulatory and permit fees paid by the oil and gas industry.

Under the Texas Surface Coal Mining and Reclamation Act, the Railroad Commission administers funds from the U.S. Department of the Interior for the Abandoned Mine Land Reclamation Program. The Commission has three projects on-going as of August 31, 2024, with an estimated cost of \$484,175.29.

#### **NOTE 6: Bonded Indebtedness**

Not applicable.

#### **NOTE 7: Derivative Instruments**

Not applicable.



UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**NOTE 8: Leases**

**Lease Liability**

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

**Fiscal 2024**

<b>Fund Type</b>	<b>Amount</b>
General Fund	\$1,005,644.38

Railroad Commission of Texas entered various leases for buildings. These agreements range in terms up to 2033. In fiscal 2024, the total lease payments were \$1,005,644.38.

**Future Lease Payments**

**Year Ended August 31, 2034**

<b>Primary Government</b>				
<b>Governmental Activities</b>				
<b>Year</b>	<b>Principal</b>		<b>Interest</b>	<b>Total Future Min. Lease Payments</b>
2025	\$	973,603.46	\$ 136,212.63	\$ 1,109,816.09
2026		980,734.84	113,947.42	1,094,682.26
2027		996,360.99	90,987.28	1,087,348.27
2028		817,915.44	67,798.56	885,714.00
2029		468,252.07	48,262.77	516,514.84
2030 - 2034		1,492,509.28	84,076.98	1,576,586.26
<b>Totals:</b>	\$	5,729,376.08	\$ 541,285.64	\$ 6,270,661.72

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**NOTE 9: Defined Benefit Pension Plans and Defined Contribution Plan**

Not applicable.

**NOTE 10: Deferred Compensation (administering agencies only)**

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**

The Commission is subject to Chapter 325, Texas Government Code. Unless continued in existence by the 91<sup>st</sup> Legislature, the Commission is abolished September 1, 2029.

**NOTE 14: Adjustments to Beginning Net Position, Fund Balances or Fund Net Position**

**Correction of an Error in Previously Issued Financial Statements (C)**

During fiscal year 2024, the Railroad Commission of Texas determined that SPA capital assets related to a new vehicle purchase in the prior year were not reported. Therefore, capital assets were understated by \$37,502.23. In addition, general revenue funds unappropriated related to fund 1000 wasn't swept by CPA in the prior year were not reported. Therefore, the fund was understated by \$4,120 for the fiscal year ended August 31, 2023.

The effect of correcting that error is shown in column C of the following table

**Adjustments to and Restatements of Beginning Balance**

During fiscal year 2024, changes to or within the financial reporting agency and an error correction resulted in adjustments to and restatements of beginning net position and fund net position, as follows: (amounts in thousands):

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

Fiscal Year	2024 September 1, 2024 as Previously Reported	Error Correction (C)	September 1, 2024 as Restated
<b>Governmental Activities</b>			
<b>Governmental Funds</b>			
General Fund	91,466,138.76	4,120.00	91,470,258.76
<b>Total for Governmental Funds</b>	91,466,138.76	4,120.00	91,470,258.76
<b>Governmental Activities Adjustments</b>			
Capital Assets	13,602,208.99	(37,502.23)	13,564,706.76
Long-Term Liabilities	(13,593,693.84)	-	(13,593,693.84)
<b>Total for Governmental Activities Adjustments</b>	8,515.15	(37,502.23)	(28,987.08)
<b>Totals for Governmental Activities</b>	<b>\$ 91,474,653.91</b>	<b>\$(33,382.23)</b>	<b>\$ 91,441,271.68</b>

**NOTE 15: Contingencies and Commitments**

The Commission is a party to various lawsuits that have generally arisen out of the regulation of various segments of the energy industry, claims made by former employees, and other miscellaneous matters. Some of these proceedings involve enforcement actions initiated by the Commission to collect penalties for violations of the Commission's rules. Other cases are appeals of administrative orders issued by the Commission and represent little or no potential for monetary recovery against the Commission.

As of August 31, 2024, there were no lawsuits pending against the Commission creating contingent liabilities in the form of monetary damages.

There are no other litigation risk metrics for monetary liability that are subject to reasonable estimation at this time.

**NOTE 16: Subsequent Events**

There are no subsequent events to report.

**NOTE 17: Risk Management**

The Commission is exposed to a variety of civil claims resulting from the performance of its duties. It is agency policy to periodically assess the proper combination of insurance and retention of risk to cover losses to which it may be exposed.

# UNAUDITED

## RAILROAD COMMISSION OF TEXAS (455)

The Commission assumes substantially all risks with tort and liability claims due to the performance of its duties. Currently, there are five purchases of commercial insurance. The agency is not involved in any risk pools with other government entities. The Commission participates in the State Office of Risk Management's (SORM) Risk Management and Worker's Compensation Coverage Program.

Five insurance policies have been purchased through SORM:

- Automobile Insurance (11/1/23 - 11/1/24; October 23 extension).
  - Premium: \$29,452.06
- Public Officials Employment Insurance (12/18/23 - 12/17/24).
  - Premium: \$58,088.00
- Drone Insurance – Unmanned Aircraft Systems Policy (12/20/23 - 12/20/24).
  - Premium: \$30,654.00
- Drone Insurance Policy for Add Parrot drone (Effective 1/11/24 - 12/20/24).
  - Premium: \$3,030.00
- Cyber Liability Insurance Policy (Effective 1/29/24 - 1/29/25; Extension 1/15 - 1/29/24).
  - Premium: \$62,462.89
- Volunteer Insurance Policy (Effective 7/1/24 - 7/1/25).
  - Premium: \$274.72

The agency's liabilities are reported when it is both probable that a loss has occurred, and the amount of that loss can be reasonably estimated. Liabilities are reevaluated periodically to consider current settlements, frequency of claims, experience and economic factors. There were no significant reductions in insurance coverage in the past year and losses did not exceed funding arrangements during the past three years. Changes in the balances of the Commission's claims liabilities during fiscal years 2023 and 2024 were:

	Beginning Balance	Increases	Decreases	Ending Balance
2023	\$12,502.46	\$162,620.04	\$175,122.50	\$773.99
2024	\$ 773.99	\$ 53,565.00	\$ 54,338.99	\$ 0.00

### **NOTE 18: Management's Discussion and Analysis (MD&A)**

The revenue in the Oil and Gas Regulation Cleanup (OGRC) fund is generated from the Texas oil and gas industry. The Texas oil and gas industry experienced significant volatility in oil prices during FY 2024. The price of West Texas Intermediate (WTI) crude oil averaged at \$80.08 per barrel during the year. The Commission continues to monitor the prices of oil and gas as they have a significant impact on the permitting revenue.

The Commission's licensing and permitting revenue increased by \$3.2 million from the prior fiscal year primarily due to the increase in oil and gas well drilling permits, and related surcharges, violations and oil and gas production regulatory fees. Sales of goods and services revenue increased by \$1.1 million due to the increase in reimbursements for well plug costs, supplies, equipment, services-federal / other for National Forest Services.

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

Agency-wide salaries and wages grew by 5% as the agency filled 43 FTEs authorized by the 88<sup>th</sup> Legislature for federal infrastructure grant. Capital expenditure was increased by \$8.1 million for 170 vehicles.

Other Expenditures were increased by \$13.4 million due to the Big Thicket grant, DOI formula grant and Infrastructure Investment and Jobs Act of 2021 (IIJA) for the purpose of plugging orphaned oil and gas wells. Federal Infrastructure Grant – DOI Initial Grant Well Plugging which was authorized by the 88<sup>th</sup> legislature, Rider 16.

**NOTE 19: The Financial Reporting Entity**

Not applicable.

**NOTE 20: Stewardship, Compliance and Accountability**

As of October 1, 2024, management is unaware of any issues that affected stewardship, compliance, or accountability.

**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**

Railroad Commission of Texas had voluntary and involuntary terminations in fiscal year 2024. The Commission did not provide any termination benefits to employees beyond the COBRA program which is administered by ERS.

**NOTE 26: Segment Information**

Not applicable.

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**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: Troubled Debt Restructuring**

Not applicable.

**NOTE 30: Financial Guarantees**

Not applicable.

**NOTE 31: Tax Abatements**

Not applicable.

**NOTE 32: Governmental Fund Balances**

GAAP Fund	Fund	AFR 54 Class	Citation	Comments
0001	0001	Nonspendable	GASB 54 (6)	This fund includes consumable inventories and prepaid items that were not expended in FY 2024.
0454	0454	Restricted	Natural Resources Code Sec. 131.231	Federal funds, restrictions are externally imposed by federal government agencies.
0827	0827	Committed	Natural Resources Code Sec. 121.003	State funds, restrictions are established in the Texas Natural Resources Code.
5041	5041	Restricted	Natural Resources Code Sec. 81.01012	Federal funds, restrictions are externally imposed by federal government agencies.
5155	5155	Committed	Natural Resources Code Sec. 81.067 and 81.068	State funds, restrictions are established in the Texas Natural Resources Code.

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

## **Combining Financial Statements – Exhibits**

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

**Exhibit A-1 - Combining Balance Sheet - All General and Consolidated Funds**

For the Fiscal Year Ended August 31, 2024

	General Revenue	Consolidated Accounts					
	General Revenue	Land Reclamation	Anthropogenic Carbon Dioxide	Unappropriated General Revenue	Federal	Oil and Gas Regulation and Cleanup	
	Fund (0001)	Fund (0454)	Fund (0827)	EFF (1000)	Fund (5041)	Fund (5155)	
	U/F (0001)	U/F (0454)	U/F (0827)	U/F (1000)	U/F (5041)	U/F (5155)	Total
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents							
Cash in State Treasury	\$ 103,821,381.92	\$ 412,815.02	\$ 525,390.10	\$ -	\$ 8,822,801.91	\$ 72,937,574.05	\$ 186,519,963.00
Legislative Appropriations	32,810,110.02	-	-	-	-	-	32,810,110.02
Federal Receivables	-	-	-	798,519.09	5,167,687.27	118,986.84	6,085,193.20
Total Current Assets	<u>\$ 136,631,491.94</u>	<u>\$ 412,815.02</u>	<u>\$ 525,390.10</u>	<u>\$ 798,519.09</u>	<u>\$ 13,990,489.18</u>	<u>\$ 73,056,560.89</u>	<u>\$ 225,415,266.22</u>
Total Assets	<u>\$ 136,631,491.94</u>	<u>\$ 412,815.02</u>	<u>\$ 525,390.10</u>	<u>\$ 798,519.09</u>	<u>\$ 13,990,489.18</u>	<u>\$ 73,056,560.89</u>	<u>\$ 225,415,266.22</u>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities							
Current Liabilities:							
Payables from:							
Accounts	\$ 4,215,251.16	\$ -	\$ -	\$ -	\$ 16,357,617.55	\$ 7,401,239.42	\$ 27,974,108.13
Payroll	6,645,590.52	-	-	-	245,500.54	1,868,764.03	8,759,855.09
Unearned Revenues	38,864.00	-	-	-	-	-	38,864.00
Claims and Judgments	-	-	-	-	-	-	-
Funds Held For Others	-	-	-	-	-	-	-
Total Current Liabilities	<u>\$ 10,899,705.68</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,603,118.09</u>	<u>\$ 9,270,003.45</u>	<u>\$ 36,772,827.22</u>
Non-Current Liabilities:							
Other Non-Current Liabilities	113,718,582.51	-	-	-	-	-	113,718,582.51
Total Non-Current Liabilities	<u>\$ 113,718,582.51</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,718,582.51</u>
Total Liabilities	<u>\$ 124,618,288.19</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,603,118.09</u>	<u>\$ 9,270,003.45</u>	<u>\$ 150,491,409.73</u>
Fund Balances (Deficits):							
Restricted	\$ -	\$ 412,815.02	\$ 525,390.10	\$ 798,519.09	\$ 10,277,033.72	\$ -	\$ 12,013,757.93
Committed	-	-	-	-	-	63,810,557.44	63,810,557.44
Assigned	-	-	-	-	-	-	-
Unassigned	12,013,203.75	-	-	-	(12,889,662.63)	(24,000.00)	(900,458.88)
Total Fund Balances	<u>\$ 12,013,203.75</u>	<u>\$ 412,815.02</u>	<u>\$ 525,390.10</u>	<u>\$ 798,519.09</u>	<u>\$ (2,612,628.91)</u>	<u>\$ 63,786,557.44</u>	<u>\$ 74,923,856.49</u>
Total Liabilities and Fund Balances	<u>\$ 136,631,491.94</u>	<u>\$ 412,815.02</u>	<u>\$ 525,390.10</u>	<u>\$ 798,519.09</u>	<u>\$ 13,990,489.18</u>	<u>\$ 73,056,560.89</u>	<u>\$ 225,415,266.22</u>

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



# UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

## Exhibit A-2 - Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

### All General and Consolidated Funds

For the Fiscal Year Ended August 31, 2024

	General Revenue	Consolidated Accounts					
	General Revenue	Land Reclamation	Anthropogenic Carbon Dioxide	Unappropriated General Revenue	Federal	Oil and Gas Regulation and Cleanup	
	Fund (0001)	Fund (0454)	Fund (0827)	EFF (1000)	Fund (5041)	Fund (5155)	
	U/F (0001)	U/F (0454)	U/F (0827)	U/F (1000)	U/F (5041)	U/F (5155)	Total
<b>REVENUES</b>							
Legislative Appropriations:							
Original Appropriations	\$ 94,743,449.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 94,743,449.00
Additional Appropriations	15,832,005.92	-	-	-	-	-	15,832,005.92
Federal Revenue (Fed Sch 1A)	-	-	-	3,199,453.34	15,688,458.25	6,242,018.40	25,129,929.99
Federal Pass Through Revenue (Fed Sch 1A)	-	-	-	-	-	-	-
State Grant Pass Through Revenue (Sch 1B)	-	-	-	-	-	-	-
Licenses, Fees and Permits	1,734,949.67	-	300,000.00	-	-	81,766,608.78	83,801,558.45
Interest, Dividend & Other Income	-	-	16,396.79	-	-	-	16,396.79
Settlement of Claims	-	-	-	-	-	-	-
Sales of Goods and Services	5,322.02	-	-	-	-	5,289,125.91	5,294,447.93
Other	235,092.66	-	-	-	-	-	235,092.66
<b>Total Revenues</b>	<b>\$ 112,550,819.27</b>	<b>\$ -</b>	<b>\$ 316,396.79</b>	<b>\$ 3,199,453.34</b>	<b>\$ 15,688,458.25</b>	<b>\$ 93,297,753.09</b>	<b>\$ 225,052,880.74</b>
<b>EXPENDITURES</b>							
Salaries and Wages	\$ 60,817,854.52	\$ -	\$ -	\$ -	\$ 1,950,867.03	\$ 15,682,604.14	\$ 78,451,325.69
Payroll Related Costs	16,862,059.75	-	-	-	534,668.73	6,296,596.43	23,693,324.91
Professional Fees and Services	14,959,429.99	-	-	-	(417,304.46)	20,457,884.51	35,000,010.04
Travel	664,418.99	-	-	-	50,459.24	970,216.16	1,685,094.39
Materials and Supplies	1,838,226.82	-	-	-	56,385.90	2,310,897.76	4,205,510.48
Communication and Utilities	788,865.83	-	-	-	13,194.02	572,593.65	1,374,653.50
Repairs and Maintenance	837,257.16	-	-	-	14,207.28	154,426.30	1,005,890.74
Rentals and Leases	707,646.36	-	-	-	3,972.50	58,997.02	770,615.88
Printing and Reproduction	1,040,632.70	-	-	-	156.75	(221,097.85)	819,691.60
Claims and Judgments	49,900.00	-	-	-	-	3,665.00	53,565.00
Other Expenditures	8,201,583.76	-	-	-	25,545,076.52	45,179,598.48	78,926,258.76
Debt Service-Principal -Leases / SBITA	87,924.97	-	-	-	-	865,129.73	953,054.70
Capital Outlay	6,736,340.57	-	-	-	-	4,050,881.63	10,787,222.20
<b>Total Expenditures</b>	<b>\$ 113,592,141.42</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 27,751,683.51</b>	<b>\$ 96,382,392.96</b>	<b>\$ 237,726,217.89</b>
Excess (Deficiency) of Revenues over Expenditures	\$ (1,041,322.15)	\$ -	\$ 316,396.79	\$ 3,199,453.34	\$ (12,063,225.26)	\$ (3,084,639.87)	\$ (12,673,337.15)
<b>OTHER FINANCING SOURCES (USES)</b>							
Cash Transfer In	\$ 8,688,731.15	\$ 96,670.30	\$ -	\$ -	\$ 463,250.15	\$ 6,390.32	\$ 9,255,041.92
Cash Transfer Out	(8,854,706.94)	(96,670.30)	-	(2,867,950.65)	(463,250.15)	(6,390.32)	(12,288,968.36)
Increase in Obligations - Leases	575,981.43	-	-	-	-	2,558,008.68	3,133,990.11
Sale of Capital Assets	221,251.51	-	-	-	-	-	221,251.51
Legislative Financing Sources	-	-	-	-	-	-	-
Legislative Financing Uses	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 631,257.15</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,867,950.65)</b>	<b>\$ -</b>	<b>\$ 2,558,008.68</b>	<b>\$ 321,315.18</b>
Net Change in Fund Balances	\$ (410,065.00)	\$ -	\$ 316,396.79	\$ 331,502.69	\$ (12,063,225.26)	\$ (526,631.19)	\$ (12,352,021.97)
<b>Fund Financial Statement - Fund Balances</b>							
Fund Balances, September 1, 2023	\$ 16,613,529.05	\$ 412,815.02	\$ 208,993.31	\$ 467,016.40	\$ 9,450,596.35	\$ 64,313,188.63	\$ 91,466,138.76
Restatements	4,120.00	-	-	-	-	-	4,120.00
Fund Balances, September 1, 2023, as Restated	\$ 16,617,649.05	\$ 412,815.02	\$ 208,993.31	\$ 467,016.40	\$ 9,450,596.35	\$ 64,313,188.63	\$ 91,470,258.76
Appropriations Lapsed	(4,194,380.30)	-	-	-	-	-	(4,194,380.30)
<b>Fund Balances, August 31, 2024</b>	<b>\$ 12,013,203.75</b>	<b>\$ 412,815.02</b>	<b>\$ 525,390.10</b>	<b>\$ 798,519.09</b>	<b>\$ (2,612,628.91)</b>	<b>\$ 63,786,557.44</b>	<b>\$ 74,923,856.49</b>

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

UNAUDITED

RAILROAD COMMISSION OF TEXAS (455)

## **State and Federal Pass-Through Schedules**

**Agency 455 - Railroad Commission of Texas**  
**Schedule 1A**  
**For the Fiscal Year Ended August 31, 2024**

**\*\*\*Certified\*\*\***

Federal Grantor/ Pass-through Grantor/ Program Title	ALN Number	NSE Name/ Identifying Number	Agy/ Univ No	Pass-through From		Direct Program Amount	Total PT From and Direct Prog. Amount	Agy/ Univ No.	Pass-through To		Expenditures Amount	Total PT To and Expenditures Amount
				Agencies or Universities Amount	Non-State Entities Amount				Agencies or Universities Amount	Non-State Entities Amount		
Environmental Protection Agency												
<u>Direct Programs:</u>												
Multipurpose Grants to States and Tribes	66.204					18,220.09	18,220.09				18,220.09	18,220.09
State Underground Water Source Protection	66.433					1,177,095.13	1,177,095.13				1,177,095.13	1,177,095.13
State and Tribal Response Program Grants	66.817					500,381.74	500,381.74				500,381.74	500,381.74
				0.00	0.00	1,695,696.96	1,695,696.96		0.00	0.00	1,695,696.96	1,695,696.96
U.S. Department of the Interior												
<u>Direct Programs:</u>												
Energy Community Revitalization Program (ECRP)	15.018					11,339,884.71	11,339,884.71				11,339,884.71	11,339,884.71
Regulation of Surface Coal Mining and Surface Effects of Underground Coal Mining	15.250					2,588,451.33	2,588,451.33				2,588,451.33	2,588,451.33
Abandoned Mine Land Reclamation (AMLR)	15.252					1,206,114.68	1,206,114.68				1,206,114.68	1,206,114.68
National Park Service Conservation, Protection, Outreach, and Education	15.954					1,041,494.28	1,041,494.28				1,041,494.28	1,041,494.28
				0.00	0.00	16,175,945.00	16,175,945.00		0.00	0.00	16,175,945.00	16,175,945.00
U.S. Department of Transportation												
<u>Direct Programs:</u>												
Pipeline Safety Program State Base Grant	20.700					7,133,200.00	7,133,200.00				7,133,200.00	7,133,200.00
State Damage Prevention Program Grants	20.720					125,088.03	125,088.03				125,088.03	125,088.03
				0.00	0.00	7,258,288.03	7,258,288.03		0.00	0.00	7,258,288.03	7,258,288.03
				0.00	0.00	25,129,929.99	25,129,929.99		0.00	0.00	25,129,929.99	25,129,929.99

## RAILROAD COMMISSION OF TEXAS (455)

## SCHEDULE 1A

**Schedule of Expenditures of Federal Awards — Notes**

For the Fiscal Year Ended August 31, 2024

**Note 2 - Reconciliation**

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

**Federal Revenues:**

Per Combined Governmental Operating Statement/Statement of Activities

Governmental Funds - Federal Revenue (Exhibit II)	\$ 25,129,929.99
Governmental Funds - Federal Pass-Through Revenues (Exhibit II)	<u>-</u>
Total Pass Through and Expenditures per Federal Schedule	<u><u>\$ 25,129,929.99</u></u>

RAILROAD COMMISSION OF TEXAS (455)

**SCHEDULE 1B**

**Schedule of State Grant Pass Throughs From/To State Agencies**

**For the Fiscal Year Ended August 31, 2024**

**None**