



# **U.S. Nuclear Waste Technical Review Board**

**Annual Financial Report  
Fiscal Year 2021**

**November 15, 2021**

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## TABLE OF CONTENTS

<b>MESSAGE FROM THE CHAIR</b> .....	<b>3</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b> .....	<b>4</b>
MISSION AND ORGANIZATIONAL STRUCTURE .....	4
PERFORMANCE GOALS, OBJECTIVES, AND RESULTS FOR FY2021 .....	5
ANALYSIS OF FINANCIAL STATEMENTS AND STEWARDSHIP INFORMATION .....	10
ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE.....	10
Digital Accountability and Transparency Act.....	10
Debt Collection Improvement Act .....	10
Anti-Deficiency Act .....	11
<b>MANAGEMENT’S STATEMENT OF ASSURANCE</b> .....	<b>12</b>
<b>FINANCIAL STATEMENTS AND NOTES</b> .....	<b>13</b>
FINANCIAL STATEMENTS .....	14
Balance Sheet .....	14
Statement of Net Cost.....	15
Statement of Changes in Net Position .....	16
Statement of Budgetary Resources.....	18
NOTES TO THE FINANCIAL STATEMENTS .....	19
<b>SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCE</b> .....	<b>29</b>
<b>INDEPENDENT AUDITORS REPORT</b> .....	<b>30</b>



## MESSAGE FROM THE CHAIR

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November 15, 2021

The U.S. Nuclear Waste Technical Review Board (Board) is an independent federal agency in the Executive Branch. The Board performs ongoing unbiased peer review of the technical and scientific validity of activities undertaken by the Secretary of Energy related to the Nuclear Waste Policy Act (NWPA) (P.L. 97-425, as amended). In addition to reviewing U.S. Department of Energy (DOE) activities, the Board advises and makes recommendations to Congress and the Secretary on technical and scientific issues related to managing and disposing of spent nuclear fuel and high-level radioactive waste. The Board's independent technical and scientific perspective and its objective evaluation are intended to enhance confidence in the technical and scientific validity of DOE activities.

Following is the Board's fiscal year 2021 Agency Financial Report, in accordance with Office of Management and Budget Circular A-136 (Revised), Section II. This report includes an overview of the Board's mission, organization, strategic goals, performance objectives, and a summary of the Board's performance for fiscal year 2021. The report also includes the Board's financial statements and notes to the financial statements for the fiscal year ending September 30, 2021. This report includes a discussion and analysis of the Board's financial standing as well as a statement of assurance regarding the Board's internal controls over financial reporting. Finally, included in this report are the findings from the independent auditing firm, Rocha & Company, PC.

A handwritten signature in cursive script that reads "Jean M. Bahr".

Jean M. Bahr  
Chair  
U.S. Nuclear Waste Technical Review Board

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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The U.S. Nuclear Waste Technical Review Board (Board) has produced this AFR to meet Office of Management and Budget's (OMB) annual financial reporting requirements for FY2021. Pursuant to the requirements noted in the Statement of Federal Financial Accounting Standards, included in this Management Discussion and Analysis (MD&A) is an overview of the Board's mission and organizational structure.

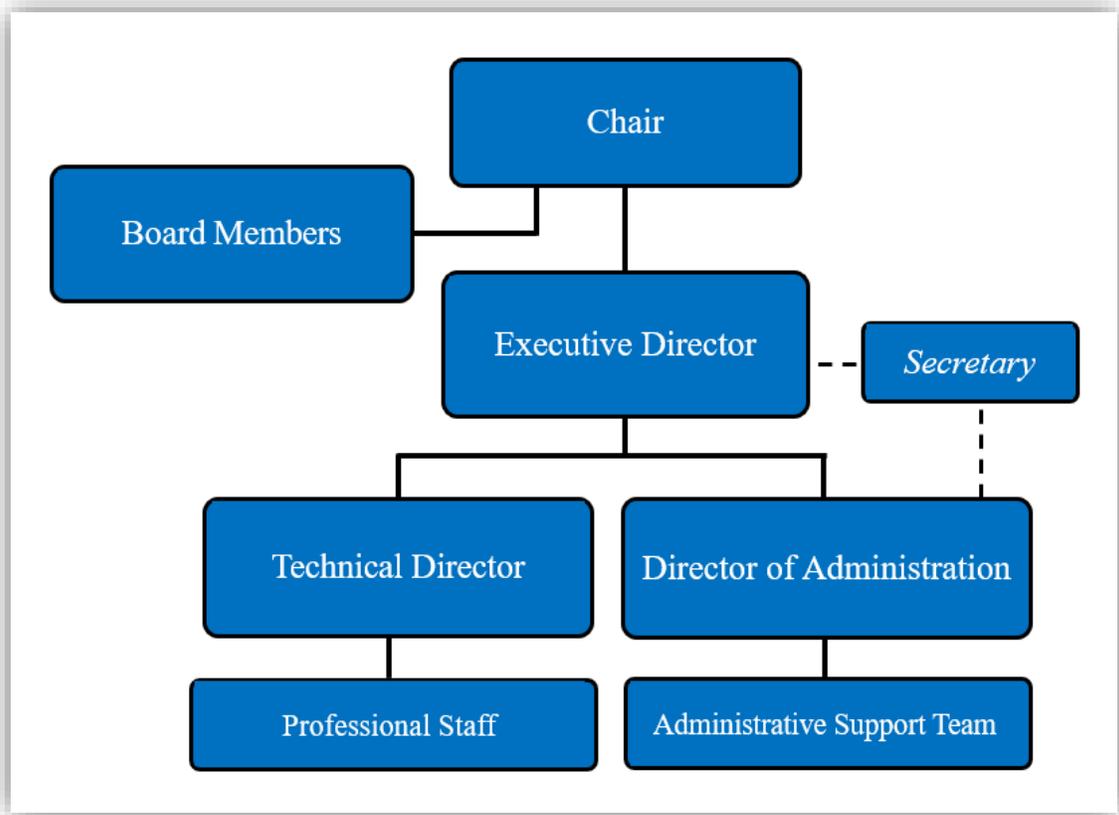
Per OMB Circular A-123, the Board is responsible for establishing and maintaining effective internal controls and financial management systems that meet the objectives of the Federal Manager's Financial Integrity Act (FMFIA). With respect to any and all internal and external reviews of the Board, to the best of our knowledge and belief, the Board provides reasonable assurance on the effectiveness of internal controls over operations, management systems, and financial reporting and that its internal controls over the effectiveness and efficiency of operations were in compliance with applicable laws and regulations as of September, 30, 2021, and no material weaknesses were identified in the design or operations of internal controls. Furthermore, the Board strengthened its internal controls to ensure sufficient funds were available to support mission needs and ensure obligations did not exceed budget authority. The Board relies on the U.S. Department of Agriculture (USDA) and the General Services Administration (GSA), both shared services providers, for accounting, payroll and financial services, systems, and reporting requirements. The Board has no in-house financial systems; however, the Board considers USDA's financial system, Pegasys, as well as any other financial systems used by USDA and GSA to support the Board's financial operations, to be reliable and effective. The Board reviewed each entity's Statement on Standards for Attestation Engagements (SSAE) No. 18 audit report to assist in assessing internal controls over the Board's financial reporting. After a review of FY 2021 results in which both USDA and GSA received favorable opinions on their SSAE No. 18 audits, the Board did not identify any significant issues or deviations in its financial reporting during FY 2021, and therefore believes its internal controls over financial reporting are sufficiently strong.

### **MISSION AND ORGANIZATIONAL STRUCTURE**

The U.S. Nuclear Waste Technical Review Board (Board) is an independent agency in the Executive Branch of the federal government. The Board performs ongoing and objective peer review of the technical and scientific validity of activities undertaken by the Secretary of Energy under the Nuclear Waste Policy Act (NWPA) (Public Law 97-425), as amended, including the packaging, transportation, and disposal of spent nuclear fuel (SNF) and high-level radioactive waste (HLW). The Board also advises and makes recommendations to Congress and the Secretary on technical issues related to nuclear waste management and disposal.

The Board is a micro-agency with 11 presidentially appointed Board members (currently staffed at six) and 11 full-time staff. The Board's organization is outlined in Figure 1. Board members are appointed by the President from a list of nominees submitted by the National Academy of Sciences. Nominees to the Board must be eminent in a field of science or engineering and are selected based on established records of distinguished service. The Board is nonpartisan and apolitical. By law, no nominee to the Board may be an employee of the Department of Energy (DOE), a National

Laboratory under contract to DOE, or any entity performing HLW or SNF activities under contract to DOE. Board members serve part-time and are special government employees.



**Figure 1.** Organization Chart as of August 19, 2021

## **PERFORMANCE GOALS, OBJECTIVES, AND RESULTS FOR FY2021**

The Board uses annual evaluations of its performance as input in updating its Performance Goals (PG's) for the current year and identifying PGs for the subsequent year. The PGs reflect the objectives of the agency leadership and are outcome oriented. The annual evaluations of the Board's performance also are used as input to the development of the Board's annual budget request submittal.

Board FY 2021 Goals and Performance: The PGs, which are the subject of this evaluation, were included as part of the Board's Performance Plan for FYs 2021 through 2022 and reflected in the Board's Budget Request Submittal for FY 2022. In the following evaluation, the Strategic Objectives are stated which is the basis for the PGs. The associated PGs and the activities undertaken by the Board to accomplish the PGs in FY 2021 are reflected in the subsequent tables.

***STRATEGIC OBJECTIVE #1:*** *The Board will continue its evaluation of DOE activities related to implementation of the NWPA and relevant amendments to that Act. Based on its evaluation, the Board will report its findings, conclusions, and recommendations to Congress and the Secretary.*

FY 2021 PERFORMANCE GOALS	BOARD ACTIVITIES
<p><b>PG 1-A:</b> The Board will hold a public meeting on the prioritization of DOE’s generic disposal research and development (R&amp;D) activities.</p>	<p>The Board held a virtual public meeting during December 2–3, 2020, on the prioritization of DOE’s generic disposal research and development (R&amp;D) activities: <a href="#">December 2–3, 2020 Meeting</a>.</p> <ul style="list-style-type: none"> <li>➤ Following the meeting, the Board drafted a letter to DOE, including the Board’s findings and recommendations; the letter is expected to be finalized by early FY 2022.</li> </ul>
<p><b>PG 1-B:</b> The Board is planning to hold a public meeting on DOE’s generic disposal R&amp;D activities related to the disposal of SNF and HLW in clay-bearing rocks.</p>	<p>This meeting was rescheduled into FY 2022. In lieu of this meeting, the Board held a public meeting on DOE technology development related to aluminum-clad SNF. See Performance Goal 1-C below.</p>
<p><b>PG 1-C:</b> The Board will continue to review the technical issues DOE will need to address before it can begin the implementation of an integrated program for the nationwide transport of SNF and HLW.</p>	<p>This is an ongoing activity and will continue in FY 2022-2023 (see PG-2C for FY 2022-2023, above).</p>
	<p>In addition to the Performance Goals recorded in the FY 2022 Budget request, the Board completed the following activities:</p> <p>The Board held a virtual public meeting during May 12–13, 2021, to discuss advanced nuclear fuels including accident tolerant fuels for light water reactors and the impact of these fuels on spent nuclear fuel management and disposal: <a href="#">May 12–13, 2021 Meeting</a>.</p> <ul style="list-style-type: none"> <li>➤ Following the meeting, the Board issued a letter to DOE, providing the Board’s findings and recommendations: <a href="#">August 12, 2021, Board Letter</a>.</li> </ul>

	<p>The Board held a virtual public meeting during August 24, 2021, on DOE technology development related to aluminum-clad SNF packaging, drying, and dry storage. <a href="#">August 24, 2021 Meeting</a>.</p> <ul style="list-style-type: none"><li>➤ Following the meeting, the Board issued a letter to DOE, providing the Board's findings and recommendations: <a href="#">October 14, 2021, Board Letter</a>.</li></ul>
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**STRATEGIC OBJECTIVE #2:** *The Board will develop objective technical and scientific information that will be useful to policy makers in Congress and the Administration on issues related to SNF and HLW management and disposal. The Board will communicate such information to Congress and the Secretary in letters, reports, and testimony.*

<b>FY 2021 PERFORMANCE GOALS</b>	<b>BOARD ACTIVITIES</b>
<b>PG 2-A:</b> In FY 2021, the Board will finalize a report on DOE R&D to determine the behavior of high burnup SNF during extended dry storage and transportation.	The Board issued a report to Congress and the Secretary of Energy on <i>Evaluation of the Department of Energy's Research Program to Examine the Performance of Commercial High Burnup Spent Nuclear Fuel During Extended Storage and Transportation</i> in <a href="#">July 2021</a> .
<b>PG 2-B:</b> In FY 2021, the Board will report on the system-wide implications of using large canisters for the dry storage of SNF.	The Board continued to develop a report to Congress on the system-wide implications of using large canisters for the dry storage of SNF. The Board expects to issue this report in FY 2022.
<b>PG 2-C:</b> The Board will finalize a report summarizing its review activities, and its findings, conclusions, and recommendations, from January 1, 2016, through December 31, 2018.	The Board issued a report to Congress and the Secretary of Energy on <i>Board Activities for the Period January 1, 2016 - December 31, 2018</i> in <a href="#">August 2021</a> .
<b>PG 2-D:</b> In FY 2021, the Board will issue a report recording key observations and recommendations by the current Board members, based on the technical work they have performed during their tenure on the Board.	The Board issued a report to Congress and the Secretary of Energy on <i>Six Overarching Recommendations For How To Move The Nation's Nuclear Waste Management Program Forward</i> in <a href="#">April 2021</a> .

***STRATEGIC OBJECTIVE #3:** The Board will compile information and report to Congress and the Secretary on its findings, conclusions, and recommendations from experience gained over more than twenty-five years of reviewing the U.S. nuclear waste management and disposal program and from observing waste management efforts in other countries.*

FY 2021 PERFORMANCE GOALS	BOARD ACTIVITIES
<p><b><u>PG 3-A:</u></b> In FY 2021, the Board will issue a report to Congress and the Secretary presenting a Survey of National Programs for Managing HLW and SNF.</p>	<p>The Board continued to update its 2016 report presenting a Survey of National Programs and expects to issue the report in FY 2022.</p>
<p><b><u>PG 3-B:</u></b> In FY 2021 through 2022, the Board will conduct technical information exchange activities with other countries, such as Finland and Sweden, where deep geologic repositories for SNF or HLW are being licensed or constructed.</p>	<p>The Board conducted technical information exchanges with representatives of Switzerland and the United Kingdom. The exchanges focused on research that supports the development of nuclear waste disposal programs. The same two representatives provided technical presentations at the Board’s Fall 2020 virtual public meeting: <a href="#">December 2–3, 2020 Meeting</a>.</p>
<p><b><u>PG 3-C:</u></b> In FYs 2021 through 2022, the Board will continue to monitor activities in other countries related to programs for the management and disposal of SNF and HLW.</p>	<p>For its Spring 2021 Board Meeting on advanced nuclear fuels including accident tolerant fuels for light water reactors, the Board interacted with representatives from Sweden, Switzerland, and the United Kingdom to better understand the SNF management program in those countries. Those same representatives provided technical presentations at the Board’s Spring 2021 virtual public meeting: <a href="#">May 12–13, 2021 Meeting</a>.</p>

## **ANALYSIS OF FINANCIAL STATEMENTS AND STEWARDSHIP INFORMATION**

The Board's FY2021 budgetary resources were dedicated to meeting the Board's mission. For FY2021, the Board was appropriated \$3,600,000 under the Consolidated Appropriations Act, 2021, (Public Law 116-260). The Board's unobligated balances and recoveries from unpaid obligations for FY2021 were \$1,952,130. The Board's total available budgetary resources for were \$5,552,130. As of September 30, 2021, the Board's Assets and Fund Balance with Treasury was \$2,451,638. The agency's liabilities and net position totaled \$2,578,195, and the net cost of operations for FY2021 was \$3,688,160.

There were no significant variances when comparing FY2020 financial statements to the FY2021 financial statements. For FY2020, the Board was appropriated \$3,600,000 under the Further Consolidated Appropriations Act, 2020, (Public Law 116-94). The Board's unobligated balances and recoveries from unpaid obligations for FY2020 were \$2,137,903. The Board's total available budgetary resources for were \$5,737,903. As of September 30, 2020, the Board's Assets and Fund Balance with Treasury was \$2,315,074. The agency's liabilities and net position totaled \$2,478,395, and the net cost of operations for FY2020 was \$3,682,016.

## **ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE**

### *DIGITAL ACCOUNTABILITY AND TRANSPARENCY ACT*

The Digital Accountability and Transparency Act of 2014 (DATA Act) (Public Law 113-101) was enacted to increase accountability and transparency in federal spending and expand the requirements of the Federal Funding Accountability and Transparency Act of 2006. The DATA Act requires executive branch agencies to report spending data using the standardized data structure established by the Treasury Department and OMB.

In collaboration with our shared service provider, the Board reviewed and timely certified the expenditure information and posted on the USASpending.gov website for each quarter in FY2021.

### *DEBT COLLECTION IMPROVEMENT ACT*

The Debt Collection Improvement Act of 1996 (DCIA) (31 U.S.C. §§ 3711-3720E) as amended prescribes standards for carrying out federal agency collection actions and for referring an agency's uncollectible debts to the proper federal agency for collection and litigation. The act has no material effect on NWTRB because the Board operates with virtually no delinquent debt. DCIA was amended by the DATA Act to require transfer of debts outstanding for more than 120 days to the Treasury Department for collection under the Treasury Offset Program.

The Board did not identify any debts in FY 2021 that were required to be transferred to the Treasury Department.

*ANTI-DEFICIENCY ACT*

The Anti-Deficiency Act (ADA) (31 U.S.C. §§ 1341, 1342, 1350, 1351, 1517) consists of provisions of law that were passed by the Congress (beginning in the nineteenth century and later codified in Title 31 of the United States Code) to prevent departments and agencies from spending their entire appropriations during the first few months of the year. The Act prohibits any Federal employee from entering into contracts that exceed the enacted appropriations for the year and purchasing services and merchandise before appropriations are enacted.

The Board is proud to report that due to continuous strengthening and monitoring internal controls, no ADA violations have occurred since the Board was established in 1987.

## MANAGEMENT'S STATEMENT OF ASSURANCE

The U.S. Nuclear Waste Technical Review Board's management is responsible for establishing and maintaining effective internal controls to support effective and efficient programmatic operations and reliable financial reporting, which includes safeguarding of assets and compliance with applicable laws and regulations (FMFIA § 2). As part of the annual audit, the Board contracted an independent audit firm who considered the Board's internal controls over financial reporting in accordance with OMB Circular A-123, *Management's Responsibility for Internal Control*. That consideration was not an expression of opinion on NWTRB's internal controls over financial reporting. Based on the results of the evaluation, the Board can provide reasonable assurance that internal controls over financial reporting as of September 30, 2021 were operating effectively, and no material weaknesses were found in the design or operation of the internal controls over financial reporting.

Daniel G.  
Ogg

Daniel Ogg  
Acting Executive Director

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G. Ogg  
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Neysa M. Slater-Chandler  
Director of Administration

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## **FINANCIAL STATEMENTS AND NOTES**

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### **Limitations of Financial Statements**

The following financial statements are prepared to report the financial position and results of operations of the reporting entity, pursuant to the requirements of 31 U.S.C. § 3515(b). The statements are prepared from the books and records of Federal entities in accordance with federal generally accepted accounting principles (GAAP) and the formats prescribed by OMB. Reports used to monitor, and control budgetary resources are prepared from the same books and records. The financial statements should be read with the realization that they are for a component of the U.S. Government.

# FINANCIAL STATEMENTS

<b>Nuclear Waste Technical Review Board</b>			
<b>Balance Sheet</b>			
<b>For the years ended September 30, 2021 and 2020</b>			
		<u>2021</u>	<u>2020</u>
<b>Assets:</b>			
Intragovernmental:			
Fund Balance With Treasury	(Note 2)	\$ 2,451,638.02	\$ 2,315,074.02
Total Intragovernmental		<u>\$ 2,451,638.02</u>	<u>\$ 2,315,074.02</u>
Accounts Receivable, net		\$ 989.30	\$ -
General Property, Plant and Equipment, Net	(Note 3)	\$ 125,567.92	\$ 163,321.06
Total Assets		<u>\$ 2,578,195.24</u>	<u>\$ 2,478,395.08</u>
<b>Liabilities:</b>			
Intragovernmental:			
Accounts Payable		\$ 21,602.65	\$ 6,929.52
Other:	(Note 5)		
Employer Contributions and Payroll Taxes Payable		<u>\$ 7,356.00</u>	<u>\$ 24,989.47</u>
Total Intragovernmental		<u>\$ 28,958.65</u>	<u>\$ 31,918.99</u>
Liabilities With the Public:			
Accounts Payable		\$ 41,177.52	\$ 371.08
Other:	(Note 5)		
Accrued Funded Payroll and Leave		\$ 166,556.45	\$ 89,639.99
Employer Contributions and Payroll Taxes Payable		\$ 217,639.21	\$ 3,800.05
Unfunded Leave			<u>\$ 249,011.98</u>
<b>Total Liabilities</b>		<u>\$ 454,331.83</u>	<u>\$ 374,742.09</u>
<b>Net Position:</b>			
Unexpended Appropriations - All Other Funds (Consolidated Totals)			\$ (72,324.11)
Cumulative Results of Operations - All Other Funds (Consolidated Totals)		\$ 2,123,863.41	\$ 2,175,977.10
Total Net Position - All Other Funds (Consolidated Totals)		<u>\$ 2,123,863.41</u>	<u>\$ 2,103,652.99</u>
<b>Total Net Position</b>		<u>\$ 2,123,863.41</u>	<u>\$ 2,103,652.99</u>
<b>Total Liabilities and Net Position</b>		<u>\$ 2,578,195.24</u>	<u>\$ 2,478,395.08</u>

*The accompanying notes are an integral part of these statements*

**Nuclear Waste Technical Review Board**  
**Statement of Net Cost**  
**For the years ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
<b>Program Costs:</b>		
<b>NWTRB:</b>		
Gross Costs	\$ 3,688,159.83	\$ 3,682,016.25
Net Program Costs	\$ 3,688,159.83	\$ 3,682,016.25
<b>Net Cost of Operations</b>	<u>\$ 3,688,159.83</u>	<u>\$ 3,682,016.25</u>

*The accompanying notes are an integral part of these statements*

**Nuclear Waste Technical Review Board**  
**Statement of Changes in Net Position**  
**For the years ended September 30, 2021 and 2020**

**FY 2021 (CY)**

	Funds From Dedicated Collections <u>(Consolidated Totals)</u>	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Unexpended Appropriations:</b>				
Beginning Balances		\$ (72,324.11)		\$ (72,324.11)
Adjustments (+/-)				
Corrections of Errors (+/-)		<u>\$ 72,324.11</u>		<u>\$ 72,324.11</u>
Beginning balance, as adjusted		\$ -		\$ -
<b>Total Unexpended Appropriations</b>				
<b>Cumulative Results of Operations:</b>				
Beginning Balances		\$ 2,175,977.10		\$ 2,175,977.10
Corrections of Errors (+/-)		<u>\$ (53,821.26)</u>		<u>\$ (53,821.26)</u>
Beginning Balances, as adjusted		\$ 2,122,155.84		\$ 2,122,155.84
<b>Budgetary Financing Sources:</b>				
Transfers-in/out without reimbursement (+/-)		\$ 3,600,000.00		\$ 3,600,000.00
<b>Other Financing Sources (Nonexchange):</b>				
Imputed Financing		<u>\$ 89,867.40</u>		<u>\$ 89,867.40</u>
Total Financing Sources		\$ 3,689,867.40		\$ 3,689,867.40
Net Cost of Operations (+/-)		<u>\$ 3,688,159.83</u>		<u>\$ 3,688,159.83</u>
Net Change		\$ 1,707.57		\$ 1,707.57
<b>Cumulative Results of Operations</b>				
		\$ 2,123,863.41		\$ 2,123,863.41
<b>Net Position</b>				
		<u>\$ 2,123,863.41</u>		<u>\$ 2,123,863.41</u>

*The accompanying notes are an integral part of these statements*

**Nuclear Waste Technical Review Board**  
**Statement of Changes in Net Position**  
**For the years ended September 30, 2021 and 2020**

**FY 2020 (PY)**

	Funds From Dedicated Collections (Consolidated Totals)	All Other Funds (Consolidated Totals)	Eliminations	Consolidated Total
<b>Unexpended Appropriations:</b>				
Beginning Balances	\$	-		\$ -
Other Adjustments (+/-) Unexpended Appropriations		\$ (72,324.11)		\$ (72,324.11)
Total Budgetary Financing Sources		\$ (72,324.11)		\$ (72,324.11)
<b>Total Unexpended Appropriations</b>				
<b>Cumulative Results of Operations:</b>				
Beginning Balances	\$	2,180,360.66		\$ 2,180,360.66
Beginning Balances, as adjusted	\$	2,180,360.66		\$ 2,180,360.66
<b>Budgetary Financing Sources:</b>				
Appropriations Used				
Transfers-in/out without reimbursement (+/-)	\$	3,600,000.00		\$ 3,600,000.00
<b>Other Financing Sources (Nonexchange):</b>				
Imputed Financing	\$	77,632.69		\$ 77,632.69
Total Financing Sources	\$	3,677,632.69		\$ 3,677,632.69
Net Cost of Operations (+/-)	\$	3,682,016.25		\$ 3,682,016.25
Net Change	\$	(4,383.56)		\$ (4,383.56)
<b>Cumulative Results of Operations</b>	\$	2,175,977.10		\$ 2,175,977.10
<b>Net Position</b>	\$	2,103,652.99		\$ 2,103,652.99

*The accompanying notes are an integral part of these statements*

**Nuclear Waste Technical Review Board**  
**Statement of Budgetary Resources**  
**For the years ended September 30, 2021 and 2020**

	<b>2021</b>	<b>2020</b>
	<b>Budgetary</b>	<b>Budgetary</b>
<b>Budgetary Resources:</b>		
Unobligated balance from prior year budget authority, net (discretionary and mandatory)	\$ 1,952,130.44	\$ 2,137,903.10
Appropriations (discretionary and mandatory)	<u>\$ 3,600,000.00</u>	<u>\$ 3,600,000.00</u>
<b>Total budgetary resources</b>	<u><u>\$ 5,552,130.44</u></u>	<u><u>\$ 5,737,903.10</u></u>
<b>Status of Budgetary Resources:</b>		
New obligations and upward adjustments (total) (Note 7)	\$ 4,484,929.65	\$ 3,879,555.16
Unobligated balance, end of year:		
Apportioned, unexpired account		
Exempt from apportionment, unexpired accounts	<u>\$ 1,003,566.95</u>	<u>\$ 1,827,319.50</u>
Unexpired unobligated balance, end of year	<u>\$ 1,003,566.95</u>	<u>\$ 1,827,319.50</u>
Expired unobligated balance, end of year	<u>\$ 63,633.84</u>	<u>\$ 31,028.44</u>
Unobligated balance brought forward, end of year	<u>\$ 1,067,200.79</u>	<u>\$ 1,858,347.94</u>
Total budgetary resources	<u><u>\$ 5,552,130.44</u></u>	<u><u>\$ 5,737,903.10</u></u>
<b>Outlays, Net:</b>		
Outlays, net (discretionary and mandatory)	<u>\$ 3,463,436.00</u>	<u>\$ 3,460,309.11</u>
Agency outlays, net (discretionary and mandatory)	<u><u>\$ 3,463,436.00</u></u>	<u><u>\$ 3,460,309.11</u></u>

*The accompanying notes are an integral part of these statements*

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Reporting Entity**

The U.S. Nuclear Waste Technical Review Board (Board) is an independent agency in the Executive Branch of the federal government. The Board performs ongoing and objective peer review of the technical and scientific validity of activities undertaken by the Secretary of Energy under the Nuclear Waste Policy Act (NWPA) (Public Law 97-425), as amended, including the packaging, transportation, and disposal of spent nuclear fuel (SNF) and high-level radioactive waste (HLW). The Board also advises and makes recommendations to Congress and the Secretary on technical issues related to nuclear waste management and disposal.

According to the legislative history, Congress created the Board to ensure that an ongoing independent peer review of the Department of Energy's (DOE) nuclear waste management activities would be undertaken. The Board's ongoing technical peer review is unquestionably independent and essential to acceptance by the public and the scientific community for any approach to managing nuclear waste. The Board is the only entity that performs an independent and integrated technical evaluation of all elements of the nuclear waste management system, including packaging and transporting SNF and HLW and developing a repository for the permanent disposal of the wastes.

The Board received a federal appropriation of \$3,600,000 for fiscal year 2021 under the Consolidated Appropriations Act, 2021, (Public Law 116-260) which shall remain available until September 30, 2022. Furthermore, the Board received a federal appropriation of \$3,600,000 for fiscal year 2020 under the Further Consolidated Appropriations Act, 2020, (Public Law 116-94) which remained available until September 30, 2021.

#### **Basis of Presentation**

These financial statements have been prepared from the accounting records of the Board in accordance with Generally Accepted Accounting Principles (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular A-136, Financial Reporting Requirements. GAAP for Federal entities are standards prescribed by the Federal Accounting Standards Advisory Board (FASAB), which has been designated the official accounting standards-setting body for the Federal Government by the American Institute of Certified Public Accountants. OMB Circular A-136 requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, and a Statement of Budgetary Resources (SBR). The Balance Sheet presents, as of September 30, 2021, amounts of future economic benefits owned or managed by the Board (assets), amounts owed by the Board (liabilities), and amounts, which comprise the difference (net position). The Statement of Net Cost reports the full cost of the program, both direct and indirect costs of the output, and the costs of identifiable supporting services provided by other segments within the Board and other reporting entities. The SBR reports an agency's budgetary activity.

## **Basis of Accounting**

Transactions are recorded on the accrual accounting basis in accordance with OMB Circular A-136. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recognized when a liability is incurred, without regard to receipt or payment of cash.

## **Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

## **Budgets and Budgetary Accounting**

The Board follows standard federal budgetary accounting policies and practices in accordance with OMB Circular A-11, Preparation, Submission, and Execution of the Budget, dated August 2021. Budgetary accounting facilitates compliance with legal constraints and controls over the use of federal funds. Each year, Congress provides the Board appropriations to incur obligations in support of agency programs. For Fiscal Years (FY) 2021 and 2020, the Board is accountable for general fund appropriations and no-year fund carryover. The Board recognizes budgetary resources as assets when cash (funds held by Treasury) is made available through a non-expenditure transfer from DOE and when spending authority from the offsetting collection is incurred.

## **Revenues and Other Financing Sources**

The Board receives the funding needed to support its programs through appropriations. In FY 2021, the Board received multi-year appropriations that may be used, within statutory limits, for operating and capital expenditures. Prior to FY 2014, the Board received no-year appropriations. Appropriations are recognized as revenues as the related program or administrative expenses are incurred. In FY 2021 and 2020, budgetary resources for the Board included unobligated balances at the beginning of the period, transfers-in during the period, and recoveries of prior year obligations.

Other financing sources for the Board consist of imputed financing sources which are costs financed by other federal entities on behalf of the Board, as required by SFFAS No. 5, *Accounting for Liabilities of the Federal Government*. In certain instances, operating costs of the Board are paid out of funds appropriated to other federal agencies. In accordance with SFFAS 5, all expenses of a federal entity should be reported by that agency regardless of whether the agency will ultimately pay those expenses. Amounts for certain expenses of the Board, which will be paid by other federal agencies, are recorded in the Statement of Net Cost. A related amount is recognized in the Statement of Changes in Net Position as an imputed financing source. The Board records imputed expenses and financing sources for employee retirement plan contributions, group term life insurance, and health benefit costs, which are paid by the Office of Personnel Management (OPM).

## **Personnel Compensation and Benefits**

Salaries and wages of employees are recognized as accrued payroll expenses and related liabilities as earned. These expenses are recognized as a funded liability when accrued. Annual leave is accrued as it is earned by employees and is included in personnel compensation and benefit costs. An unfunded liability is recognized for earned, but *unused*, annual leave since from a budgetary standpoint, this annual leave will be paid from future appropriations when employees use the leave. The amount accrued is based upon current pay rates for employees. Sick leave and other types of leave that are not vested are expensed when used and no future liability is recognized for these amounts.

The Board's employees participate in one of two retirement programs, either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS), which became effective on January 1, 1987. The Board and its employees both contribute to these systems. Although the Board funds a portion of the benefits under CSRS and FERS and makes the necessary payroll withholdings (as required by the Office of Personnel Management (OPM) and the associated Benefits Administration Letters), it does not report assets associated with these benefit plans in accordance with SFFAS 5.

For CSRS employees, the Board contributes an amount equal to 7% of the employees' basic pay to the plan. For FERS employees, the Board contributes an amount equal to 17.3% of the employees' basic pay to the plan. For FERS-RAE and FRAE employees, the Board contributes an amount equal to 15.5% of the employees' basic pay to the plan.

Both CSRS and FERS employees are eligible to participate in the Thrift Savings Plan (TSP). The TSP is a defined contribution retirement plan intended to supplement the benefits provided under CSRS and FERS. The CSRS employees do not receive matching contributions from the Board. For FERS employees, the Board automatically contributes an amount equal to 1% of the employee's basic pay to the TSP. The Board matches employee contributions up to an additional 5% as follows:

- The first 3% of basic pay is matched dollar for dollar, and
- The next 2% of basic pay is matched at 50 cents on each dollar.

The OPM is responsible for reporting assets, accumulated plan benefits, and unfunded liabilities, if any, applicable to CSRS participants and FERS employees government-wide, including the Board's employees. The Board has recognized an Imputed Cost and Imputed Financing Source for the difference between the estimated service cost and the contributions made by the Board and its covered employees. The estimated cost of pension benefits is based on rates issued by OPM.

Employees are entitled to participate in the Federal Employees Group Life Insurance (FEGLI) Program. Participating employees can obtain "basic life" term life insurance, with the employee paying two-thirds of the cost and the Board paying one-third. Additional coverage is optional, to be paid fully by the employee. The basic life coverage may be continued into retirement if certain requirements are met. OPM administers the FEGLI program and is responsible for the reporting of related liabilities. Each fiscal year, OPM calculates the U.S. Government's service cost for the post-retirement portion of basic life coverage. Because the Board's contributions to the basic life coverage are fully allocated by OPM to the pre-retirement portion of coverage, the Board has recognized the entire service cost of the post-retirement portion of basic life coverage as an Imputed Cost and Imputed Financing Source.

## **Assets and Liabilities**

Intra-governmental assets and liabilities arise from transactions between the Board and other Federal entities. Funds with the U.S. Department of the Treasury (Treasury) comprise of most assets on the Board's balance sheet. All other assets result from activity with non-federal sources.

Liabilities represent amounts likely to be paid by the Board as a result of transactions that have already occurred. The accounts payable portion of liabilities consist of amounts owed to federal agencies and commercial vendors for goods, services, and other expenses received but not yet paid. Liabilities covered by budgetary or other resources are those liabilities of the Board for which Congress has appropriated funds, or funding is otherwise available to pay amounts due.

## **Fund Balance with Treasury**

The Treasury processes the Board's receipts and disbursements. The Fund Balance with Treasury is the aggregate amount of the agency's accounts with Treasury for which the agency is authorized to liquidate obligations, pay funded liabilities, and make expenditures. The fund balance is increased through the receipt of non-expenditure Treasury warrants for appropriations, positive non-expenditure transfers, and other expenditure inflows of funds. The Fund Balance with Treasury is reduced through non-expenditure Treasury Warrants for recessions, negative non-expenditure transfers, disbursements, and other expenditure cash outflows of funds.

The Board's funds with the Treasury are cash balances from appropriations as of the fiscal year-end from which the Board is authorized to make expenditures and pay liabilities resulting from operational activity.

## **Property, Plant and Equipment (PPE)**

Property, plant, and equipment (PP&E) have been defined in the Federal Government as tangible items owned by the Federal Government and having an expected useful life of greater than two years. The following policies will be effective for PP&E: (1) PP&E will be reported at acquisition cost, and (2) the capitalization threshold for asset acquisitions is established at \$10,000 (individual assets) and \$100,000 (bulk assets) and have the following useful life:

<b><u>Asset Type</u></b>	<b><u>Useful Life</u></b>
IT Equipment	5 years
Office Furniture	10 years
Leasehold Improvements	Remaining Lease Term

## **Prepaid and Deferred Charges**

Payments in advance of the receipt of goods and services are recorded as prepaid charges at the time of prepayment and recognized as expenses when the related goods and services are received.

## **Liabilities**

Liabilities represent amounts expected to be paid as the result of a transaction or event that has already occurred. Liabilities covered by budgetary resources are liabilities incurred which are covered by realized

budgetary resources as of the balance sheet date. Available budgetary resources include new budget authority, spending authority from the offsetting collections, recoveries of unexpired budget authority through downward adjustments of prior year obligations, and unobligated balances of budgetary resources at the beginning of the year. Unfunded liabilities are not considered to be covered by such budgetary resources. Examples of unfunded liabilities are actuarial liabilities for future Federal Employees' Compensation Act (FECA) payments and annual leave. The Government, acting in its sovereign capacity, can abrogate liabilities arising from other than contracts.

**Contingencies**

The criteria for recognizing contingencies for claims are (1) a past event or exchange transaction has occurred as of the date of the statements; (2) a future outflow or other sacrifice of resources is probable; and (3) the future outflow or sacrifice of resources is measurable (reasonably estimated). The Board recognizes material contingent liabilities in the form of claims, legal action, administrative proceedings, and environmental suits that have been brought to the attention of legal counsel that the ultimate resolution of these proceedings, actions, and claims, will not materially affect the financial position or results of operations.

**Net Position**

Net position consists of unexpended appropriations and cumulative results of operations. Unexpended appropriations represent amounts of budget authority to include unobligated or obligated balances not rescinded or withdrawn. Cumulative results of operations are comprised of the following: (1) the difference between revenues and expenses, (2) the net amount of transfers of assets in and out without reimbursement, and (3) donations, all since inception of the fund(s).

**NOTE 2: FUND BALANCE WITH TREASURY**

The Board's Fund Balance with Treasury comes from unobligated balances at the beginning of the period and transferred in during the period. No trust, revolving or other fund type is used to fund the Board's activities. The Board operates with a multi-year fund and a no-year fund, where the fund balance of the previous fiscal year is carried forward to the next fiscal year.

A. Fund Balance with Treasury	<u>2021</u>	<u>2020</u>
General Funds	<u>\$2,451,638.02</u>	<u>\$2,315,074.02</u>
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	\$ 1,069,171.19	\$ 1,827,319.50
b) Unavailable	63,633.84	31,028.44
2) Obligated Balance not yet Disbursed	<u>1,318,832.99</u>	<u>456,726.08</u>
Total	<u>\$2,451,638.02</u>	<u>\$2,315,074.02</u>

**NOTE 3: GENERAL PROPERTY, PLANT, AND EQUIPMENT, NET**

As of September 30, 2021, the Board shows an equipment total cost of \$188,972.50 and a net book value of \$125,567.92. The Accumulated Depreciation to date is \$63,404.58. The depreciation calculation method used for equipment is Straight Line with a useful life of 5 years. Leasehold improvements are amortized over the term of the lease. A \$100,000 threshold for bulk asset acquisitions is used to determine whether items are capitalized.

<u>2021</u>	<u>Equipment</u>	<u>Leasehold</u>	<u>Total</u>
Cost	\$188,972.50	-	\$188,972.50
Accum. Depr.	\$63,404.58	-	\$63,404.58
Net Book Value	\$125,567.92	-	\$125,567.92

<u>2020</u>	<u>Equipment</u>	<u>Leasehold</u>	<u>Total</u>
Cost	\$188,972.50	-	\$188,972.50
Accum. Depr.	\$25,651.44	-	\$25,651.44
Net Book Value	\$163,321.06	-	\$163,321.06

**NOTE 4: LIABILITIES NOT COVERED BY BUDGETARY RESOURCES**

Liabilities of the Board are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2021, the Board showed liabilities covered by budgetary resources \$249,901.52 and liabilities not covered by budgetary resources of \$213,430.31. As of September 30, 2020, the Board showed liabilities covered by budgetary resources of \$125,730.11 and liabilities not covered by budgetary resources of \$249,011.98.

	<u>2021</u>	<u>2020</u>
Intragovernmental		
Accounts Payable	\$21,602.65	\$6,929.52
Employer Contributions & Payroll Taxes		\$24,989.47
Other Liabilities	\$7,356.00	
Total Intragovernmental	\$28,958.65	\$31,918.99
With the Public		
Accounts Payable	\$41,177.52	\$371.08
Accrued Funded Payroll & Leave		\$89,639.99
Other Liabilities	\$166,556.45	
Federal Employee Benefits Payable	\$217,639.21	\$3,800.05
Unfunded Leave		\$249,011.98
Total With the Public	\$425,373.18	\$342,823.10
Total Liabilities	\$454,331.83	\$374,742.09
Total liabilities not covered by budgetary resources	\$213,430.31	\$249,011.98
Total liabilities covered by budgetary resources	\$240,901.52	\$125,730.11
Total Liabilities	\$454,331.83	\$374,742.09

## NOTE 5: OTHER LIABILITIES

Other liabilities with the public for the year ended September 30, 2021, and 2020 consist of Accrued Funded Payroll and Leave, Employer Contributions and Payroll Taxes Payable and Unfunded Leave in the amounts shown below. Other Intragovernmental liabilities consist of Employer Contributions and Payroll Taxes Payable.

	FY 2021		
	Non-Current	Current	Total
Intragovernmental			
Other Liabilities		\$7,356.00	\$7,356.00
Total Intragovernmental		<u>\$7,356.00</u>	<u>\$7,356.00</u>
Liabilities with the Public			
Other Liabilities		\$166,556.45	\$166,556.45
Federal Employee benefits payable	\$213,430.31	\$4,208.90	\$217,639.21
Total Liabilities with the Public	<u>\$213,430.31</u>	<u>\$170,765.35</u>	<u>\$384,195.66</u>
Total Liabilities	<u>\$213,430.31</u>	<u>\$178,121.35</u>	<u>\$391,551.66</u>
	FY 2020		
	Non-Current	Current	Total
Intragovernmental			
Employer Contributions and Payroll Taxes Payable		\$24,989.47	\$24,989.47
Total Intragovernmental		<u>\$24,989.47</u>	<u>\$24,989.47</u>
Liabilities with the Public			
Accounts Payable	Unfunded	\$371.08	\$371.08
Employer Contributions and Payroll Taxes Payable		\$3,800.05	\$3,800.05
Unfunded Leave	\$249,011.98		\$249,011.98
Accrued Funded Payroll & Leave		\$89,639.99	\$89,639.99
Total Liabilities with the Public	<u>\$249,011.98</u>	<u>\$93,440.04</u>	<u>\$342,452.02</u>
Total Other Liabilities	<u>\$249,011.98</u>	<u>\$118,429.51</u>	<u>\$367,441.49</u>

## NOTE 6: LEASES

### Entity as Lessee

The Board leases office space at 2300 Clarendon Boulevard, Suite 1300, Arlington, VA. The lease entered on July 2012, became effective August 2012, and was scheduled to expire July 2017. The lease was extended effective August 1, 2017 and is now scheduled to expire July 31, 2027. Furthermore, the Board leased additional office space at 2300 Clarendon Boulevard, Suite 1305, Arlington, VA. The additional lease was effective July 1, 2020 and scheduled to also expire July 31, 2027.

**NOTE 6: LEASES (continued)**

The following is a schedule of future minimum lease payments as required by the lease:

	<i>Occupancy Agreement Number (Suite)</i>		
	AVA08273 (Suite 1300)	AVA09084 (Suite 1305)	
<b><u>Fiscal Year Ended</u></b>	<b><u>Minimum Lease Payments</u></b>		<b><u>FY Total</u></b>
30-Sep-22	\$256,143	\$120,897	\$377,040
30-Sep-23	\$258,492	\$121,602	\$380,094
30-Sep-24	\$260,912	\$122,328	\$383,240
30-Sep-25	\$263,405	\$123,077	\$386,482
30-Sep-26	\$265,973	\$123,847	\$389,820
Thereafter Details:	\$216,478	\$103,866	\$320,344

**NOTE 7: APPORTIONMENT CATEGORIES OF NEW OBLIGATIONS AND UPWARD ADJUSTMENTS: DIRECT VS. REIMBURSABLE OBLIGATIONS**

Apportionment is a plan, approved by OMB, to spend resources provided by one of the annual appropriations acts, a supplemental appropriations act, a continuing resolution, or a permanent law (mandatory appropriations). Resources are apportioned by the Treasury Account Fund Symbol (TAFS). The apportionment identifies amounts available for obligation and expenditure.

It specifies and limits the obligations that may be incurred, and expenditures made (or makes other limitations, as appropriate) for specified time periods, programs, activities, projects, objects, or any combination thereof. An apportioned amount may be further subdivided by an agency into allotments, sub-allotments, and allocations. The Board is not subject to apportionment, nor does it have reimbursable authority. Therefore, all obligations are direct, exempt.

	<b><u>2021</u></b>	<b><u>2020</u></b>
Exempt	\$4,484,929.65	\$3,879,555.16

**NOTE 8: UNDELIVERED ORDERS AT THE END OF THE PERIOD**

Undelivered orders represent the value of goods and services ordered and obligated that have not been received. This amount includes any orders for which advance payment has been made but for which delivery or performance has not yet occurred.

The amount of the Board’s budgetary resources obligated for undelivered orders was \$1,235,339.31 and \$330,995.97 as of September 30, 2021, and 2020, respectively.

	<u>Unpaid Undelivered Orders</u>	<u>Paid Undelivered Orders</u>	<u>Total Undelivered Orders</u>
2021	\$1,235,339.31	\$0.00	\$1,235,339.31
2020	\$330,995.97	\$0.00	\$330,995.97

**NOTE 9: EXPLANATION OF DIFFERENCES BETWEEN THE SBR AND THE BUDGET OF THE US GOVERNMENT**

SFFAS No. 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, requires an explanation of material differences between budgetary resources available, the status of those resources and outlays as presented in the SBR to the related actual balances published in the Budget of the United States Government (Budget).

The Budget with the actual amounts for FY 2021 will be available at a later date on OMB’s website: <https://www.whitehouse.gov/omb>. Accordingly, information required for such disclosure is not available at the time of publication of these financial statements.

Balances reported in the FY 2020 SBR and the related President’s Budget reflect the following:

<b>FY2020</b>	<b>Budgetary Resources</b>	<b>New Obligations &amp; Upward Adjustments (Total)</b>	<b>Distributed Offsetting Receipts</b>	<b>Net Outlays</b>
Statement of Budgetary Resources	\$5,737,903.10	\$3,879,555.16	\$0.00	\$3,460,309.11
<i>Budget of the U.S. Government</i>	\$3,600,000.00	\$3,600,000.00	\$0.00	\$3,600,000.00
<b>Difference</b>	<u>\$2,137,903.10</u>	<u>\$279,555.16</u>	<u>\$0.00</u>	<u>(\$139,690.89)</u>

The difference between the Statement of Budgetary Resources and the Budget of the United States Government for budgetary resources, obligations incurred, and net outlays are primarily due to rounding. A portion of the difference in the budgetary resources is due to expired unobligated balances being reported in the SBR but not in the Budget of the United States Government.

## NOTE 10 – RECONCILIATION OF NET COST TO OUTLAYS

The Board has reconciled its budgetary obligations and non-budgetary resources available to its net cost of operations.

<b>Net Operating Cost (SNC)</b>	<b>Intragovernmental</b>	<b>With The Public</b>	<b>Total</b>
Budgetary Resources Obligated	\$ 1,117,292.53	\$ 2,570,867.30	\$ 3,688,159.83
<b>Components of Net Operating Cost Not Part of the Budgetary Outlays</b>			
Property, plant, and equipment depreciation		(37,753.14)	(37,753.14)
<b>Increase/Decrease in Assets not Affecting Budget Outlays:</b>			
Accounts Receivable		(17,513.55)	(17,513.55)
<b>Increase/Decrease in Liabilities not Affecting Budget Outlays:</b>			
Accounts Payable	6,826.98	(41,206.44)	(34,379.46)
Other Liabilities	(3,466.64)	(77,325.31)	(80,791.95)
Federal employee benefits payable		35,581.67	35,581.67
<b>Other Financing Sources</b>			
Imputed Cost	(89,867.40)		(89,867.40)
<b>Total Components of Net Operating Cost not Part of the Budget Outlays:</b>	(86,507.06)	(138,216.77)	(224,723.83)
Acquisition of Capital Assets			
<b>Net Outlays (Calculated Total)</b>	1,030,785.47	2,432,650.53	3,463,436.00
<b>Related Amounts in the Statement of Budgetary Resources</b>			
<b>Outlays, net (SBR Line 4190)</b>			3,463,436.00
Other Resources or Adjustment to Net Obligated Resources that Do Not Affect Net Cost of Operations			
<b>Agency Outlays, Net (SBR Line 4210)</b>			3,463,436.00

## NOTE 11 – SUBSEQUENT EVENTS

In preparing these financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 15, 2021, which is the date the financial statements were available to be issued.

## SUMMARY OF FINANCIAL STATEMENT AUDIT AND MANAGEMENT ASSURANCE

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### Summary of Financial Statement Audit

Audit	Unmodified					
Restatement	No					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0

### Summary of Management Assurances<sup>1</sup>

#### Effectiveness of Internal Controls over Financial Reporting (FMFIA § 2)

Audit	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0

#### Effectiveness of Internal Controls over Operations (FMFIA § 2)

Audit	Unmodified					
Material Weaknesses	Beginning Balance	New	Resolved	Consolidated	Reassessed	Ending Balance
None	0	0	0	0	0	0

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<sup>1</sup> The Board does not provide management assurance related to Federal Managers' Financial Integrity Act § 4 or Section 803(a) of the Federal Financial Management Improvement Act as it obtains accounting services from a federal shared service provider and thus does not operate a financial management system.

# INDEPENDENT AUDITORS REPORT

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## Independent Auditor's Report

Board Chair and Executive Director  
Nuclear Waste Technical Review Board  
Arlington, VA

In our audits of the fiscal years 2021 and 2020 financial statements of Nuclear Waste Technical Review Board (NWTRB), we found:

- a) NWTRB's financial statements as of and for the fiscal years ended September 30, 2021, and 2020, are presented fairly, in all material respects, in accordance with U.S. generally accepted accounting principles;
- b) no material weaknesses in internal control over financial reporting based on the limited procedures we performed; and
- c) no reportable noncompliance for fiscal year 2021 with provisions of applicable laws, regulations, contracts, and grant agreements we tested.

The following sections discuss in more detail (1) our report on the financial statements, which includes required supplementary information (RSI), such as "Management's Discussion and Analysis"; (2) our report on internal control over financial reporting; and (3) our report on compliance with laws, regulations, contracts, and grant agreements.

### Report on the Financial Statements

In accordance with Generally Accepted Government Auditing Standards (GAGAS) and Office of Management and Budget (OMB) Bulletin No. 21-04, *Audit Requirements for Federal Financial Statements*, we have audited NWTRB's financial statements. NWTRB's financial statements comprise the balance sheets as of September 30, 2021, and 2020; the related statements of net cost, changes in net position, and budgetary resources for the fiscal years then ended; and the related notes to the financial statements.

We conducted our audits in accordance with U.S. generally accepted government auditing standards. We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinions.

## INDEPENDENT AUDITORS REPORT (CONTINUED)

### Management's Responsibility for the Financial Statements

NWTRB management is responsible for (1) the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; (2) preparing, measuring, and presenting the RSI in accordance with U.S. generally accepted accounting principles; (3) preparing and presenting other information included in documents containing the audited financial statements and auditor's report, and ensuring the consistency of that information with the audited financial statements and the RSI; and (4) maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. U.S. generally accepted government auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. We are also responsible for applying certain limited procedures to RSI and other information included with the financial statements.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the auditor's assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit of financial statements also involves evaluating the appropriateness of the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audits also included performing such other procedures as we considered necessary in the circumstances.

### Opinion on Financial Statements

In our opinion, NWTRB's financial statements present fairly, in all material respects, NWTRB's financial position as of September 30, 2021 and 2020, and its net costs of operations, changes in net position, and budgetary resources for the fiscal years then ended in accordance with U.S. generally accepted accounting principles.

### Other Matters

#### Required Supplementary Information

U.S. generally accepted accounting principles issued by the Federal Accounting Standards Advisory Board (FASAB) require that the RSI be presented to supplement the financial statements. Although the RSI is not a part of the financial statements, FASAB considers this information to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with U.S. generally accepted government auditing standards, which consisted of inquiries of management about the methods of preparing the RSI and comparing the information for consistency with management's responses to the auditor's inquiries, the financial statements, and other knowledge we obtained during the audit of the

## INDEPENDENT AUDITORS REPORT (CONTINUED)

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financial statements, in order to report omissions or material departures from FASAB guidelines, if any, identified by these limited procedures. We did not audit and we do not express an opinion or provide any assurance on the RSI because the limited procedures we applied do not provide sufficient evidence to express an opinion or provide any assurance.

### Other Information

NWTRB's other information contains a wide range of information, some of which is not directly related to the financial statements. This information is presented for purposes of additional analysis and is not a required part of the financial statements or the RSI. We read the other information included with the financial statements in order to identify material inconsistencies, if any, with the audited financial statements. Our audit was conducted for the purpose of forming an opinion on NWTRB's financial statements. We did not audit and do not express an opinion or provide any assurance on the other information.

### **Report on Internal Control over Financial Reporting**

In connection with our audits of NWTRB's financial statements, we considered NWTRB's internal control over financial reporting, consistent with our auditor's responsibility discussed below. We performed our procedures related to NWTRB's internal control over financial reporting in accordance with U.S. generally accepted government auditing standards.

### Management's Responsibility for Internal Controls

NWTRB's management is responsible for maintaining effective internal control over financial reporting, including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

In planning and performing our audit of NWTRB's financial statements as of and for the year ended September 30, 2021, in accordance with U.S. generally accepted government auditing standards, we considered NWTRB's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NWTRB's internal control over financial reporting. Accordingly, we do not express an opinion on NWTRB's internal control over financial reporting. We are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses. We did not consider all internal controls relevant to operating objectives, such as those controls relevant to preparing performance information and ensuring efficient operations.

## INDEPENDENT AUDITORS REPORT (CONTINUED)

### Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, the objectives of which are to provide reasonable assurance that (1) transactions are properly recorded, processed, and summarized to permit the preparation of financial statements in accordance with U.S. generally accepted accounting principles, and assets are safeguarded against loss from unauthorized acquisition, use, or disposition, and (2) transactions are executed in accordance with provisions of applicable laws, including those governing the use of budget authority, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements due to fraud or error.

### Results of Our Consideration of Internal Control over Financial Reporting

Our consideration of internal control was for the limited purpose described above, and was not designed to identify all deficiencies in internal control that might be material weaknesses and significant deficiencies or to express an opinion on the effectiveness of NWTRB's internal control over financial reporting. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

During our 2021 audit, we identified deficiencies in NWTRB's internal control over financial reporting that we do not consider to be material weaknesses. Nonetheless, these deficiencies warrant the attention of NWTRB's management. We have communicated these matters to NWTRB's management and, where appropriate, will report on them separately.

### Intended Purpose of Report on Internal Control over Financial Reporting

The purpose of this report is solely to describe the scope of our consideration of NWTRB's internal control over financial reporting and the results of our procedures, and not to provide an opinion on the effectiveness of NWTRB's internal control over financial reporting. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering internal control over financial reporting. Accordingly, this report on internal control over financial reporting is not suitable for any other purpose.

### Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

In connection with our audits of NWTRB's financial statements, we tested compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements consistent with our auditor's responsibility discussed below. We caution that noncompliance may occur and not be detected by these tests. We performed our tests of compliance in accordance with U.S. generally accepted government auditing standards.

## INDEPENDENT AUDITORS REPORT (CONTINUED)

### Management's Responsibility for Compliance with Laws, Regulations, Contracts and Grant Agreements

NWTRB management is responsible for complying with laws, regulations, contracts, and grant agreements applicable to NWTRB.

### Auditor's Responsibility

Our responsibility is to test compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements applicable to NWTRB that have a direct effect on the determination of material amounts and disclosures in NWTRB's financial statements, and perform certain other limited procedures. Accordingly, we did not test compliance with all laws, regulations, contracts, and grant agreements applicable to NWTRB.

### Results of Our Tests for Compliance with Laws, Regulations, Contracts, and Grant Agreements

Our tests for compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements disclosed no instances of noncompliance for fiscal year 2021 that would be reportable under U.S. generally accepted government auditing standards. However, the objective of our tests was not to provide an opinion on compliance with laws, regulations, contracts, and grant agreements applicable to NWTRB. Accordingly, we do not express such an opinion.

### Intended Purpose of Report on Compliance with Laws, Regulations, Contracts, and Grant Agreements

The purpose of this report is solely to describe the scope of our testing of compliance with selected provisions of applicable laws, regulations, contracts, and grant agreements, and the results of that testing, and not to provide an opinion on compliance. This report is an integral part of an audit performed in accordance with U.S. generally accepted government auditing standards in considering compliance. Accordingly, this report on compliance with laws, regulations, contracts, and grant agreements is not suitable for any other purpose.

*Rocha & Company, PC*

*Gaithersburg, Maryland  
November 15, 2021*