



U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD

GENERAL FUND

FINANCIAL STATEMENTS

As of and for the Year Ended September 30, 2005

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Independent Auditors' Report

Executive Director, Chairman and Board
U.S. Nuclear Waste Technical Review Board
Arlington, VA

We have audited the balance sheet of the U.S. Nuclear Waste Technical Review Board ("NWTRB") as of September 30, 2005, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended (herein referred to as "financial statements"). Information presented for September 30, 2004 and the year then ended is unaudited and presented for comparative purposes only. The objective of our audit was to express an opinion on the fair presentation of these financial statements.

In connection with our audit, we also considered NWTRB's internal control over financial reporting and tested NWTRB's compliance with certain provisions of applicable laws, regulations, contracts and grant agreements that could have a direct and material effect on its financial statements.

Management's Responsibilities. The *Accountability of Tax Dollars Act* (ATDA) requires the agency to report annually on its financial status and any other information needed to fairly present its financial position and results of operations. Management is responsible for the financial statements, including:

- Preparing the financial statements in conformity with accounting principles generally accepted in the United States of America.
- Establishing and maintaining effective internal controls over financial reporting.
- Complying with laws, regulations, contracts, grant agreements, and memorandums of understanding, including Federal Financial Management Improvement Act (FFMIA) and the Nuclear Waste Policy Act Amendments of 1987 (Public Law 100-203) that established the U.S. Nuclear Waste Technical Review Board and defined its public purpose, governing structure, and reporting requirements to the U.S. Congress.



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In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies. Because of inherent limitations in internal control, misstatements, due to error or fraud, may nevertheless occur and not be detected.

This independent audit report is a consolidated report on the following:

- Opinion on financial statements
- Report on internal control over financial reporting
- Report on compliance with laws and regulations and other matters
- Distribution

OPINION ON FINANCIAL STATEMENTS

We have audited the balance sheet of the U.S. Nuclear Waste Technical Review Board as of September 30, 2005, and the related statements of net cost, changes in net position, budgetary resources, and financing for the year then ended. Information presented for September 30, 2004 and the year then ended is unaudited and presented for comparative purposes only.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements," as amended. Those standards and OMB Bulletin No. 01-02 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes: (i) examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; (ii) assessing the accounting principles used and the significant estimates made by management; and (iii) evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the U.S. Nuclear Waste Technical Review Board as of September 30, 2005, and its net costs, changes in net position, budgetary resources, and reconciliation of net costs to budgetary obligations, for the year then ended, in conformity with accounting principles generally accepted in the United States of America (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular A-136, which supersedes OMB Bulletin No. 01-09, "Form and Content of Agency Financial Statements" as amended. 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.



REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the U.S. Nuclear Waste Technical Review Board's internal control over financial reporting by obtaining an understanding of the agency's internal control, determined whether internal controls had been placed in operation, assessed control risk, and performed tests of controls in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements. We limited our internal control testing to those controls necessary to achieve the objectives described in OMB Bulletin No. 01-02, "Audit Requirements for Federal Financial Statements," as amended. We did not test all internal controls relevant to operating objectives as broadly defined by the Federal Managers' Financial Integrity Act of 1982, such as those controls relevant to ensuring efficient operations. The objective of our audit was not to provide assurance on internal control. Consequently, we do not provide an opinion on internal control.

Our consideration of internal control over financial reporting would not necessarily disclose all matters on the internal control over financial reporting that might be reportable conditions. Under standards issued by the American Institute of Certified Public Accountants (AICPA), reportable conditions are matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the agency's ability to record, process, summarize, and report financial data consistent with the assertions by management in the financial statements. Material weaknesses are reportable conditions in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements, in amounts that would be material in relation to the financial statements being audited, may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of inherent limitations in any internal control structure, misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of internal control over financial reporting to future periods are subject to the risk that the internal control may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

The results of our tests disclosed no instances of reportable conditions or material weaknesses.



REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS AND OTHER MATTERS

The management of the U.S. Nuclear Waste Technical Review Board is responsible for complying with laws and regulations applicable to the agency. As part of obtaining reasonable assurance about whether the agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts, and certain other laws and regulations specified in OMB Bulletin No. 01-02, including the requirements referred to in the Federal Financial Management Improvement Act (FFMIA) of 1996 and the Nuclear Waste Policy Act Amendments of 1987 (Public Law 100-203) that established the U.S. Nuclear Waste Technical Review Board and defined its public purpose, governing structure, and reporting requirements to the U.S. Congress. We limited our tests of compliance to these provisions, and we did not test compliance with all laws and regulations applicable to NWTRB.

Providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

Our tests of compliance with certain provisions of laws, regulations, contracts, grant agreements, and memorandums of understanding as described above, exclusive of those referred to in FFMIA, disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and OMB Bulletin No. 01-02.

Under FFMIA, we are required to report whether the agency's financial management systems substantially comply with the Federal financial management systems requirements, applicable federal accounting systems, and the United States Government Standard General Ledger at the transaction level. Since NWTRB does not own its own financial systems, and relies upon GSA Heartland Finance Center for financial transactions processing and GSA National Payroll Center for payroll processing, to meet this requirement, we performed tests of compliance by:

1. Evaluating the SAS 70 review "Report on Controls Placed in Operation and Test of Operating Effectiveness for the Period July, 2004 to June 30, 2005 for GSA Heartland Finance Center External Services Division and Pegasys Financial System," dated September 26, 2005, and the SAS 70 review "Report on Controls Placed in Operation and Test of Operating Effectiveness for the Period July, 2004 to June 30, 2005 for GSA's National Payroll Center, Payroll Accounting and Reporting System," dated September 26, 2005.
2. Designing and performing tests of controls and transactions to evaluate the effectiveness of controls at the intersection of NWTRB's and GSA's control systems throughout the accounting cycle.



3. Considering the financial system requirements, accounting standards, and standard general ledger at the transaction level criteria for FFMIA compliance set forth in OMB Memorandum "Revised Implementation Guidance for the Federal Financial Management Improvement Act" dated January 4, 2001 while performing our evaluation of SAS 70 reviews and conducting tests of controls and transactions.

The results of our tests disclosed no instances in which the agency's financial management systems did not substantially comply with Federal financial management systems requirements, applicable federal accounting systems, and the United States Government Standard General Ledger at the transaction level.

DISTRIBUTION

This report is intended for the information and use of the U.S. Nuclear Waste Technical Review Board's management and board, OMB, the Government Accountability Office, and the U.S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

Martin & Wall, P.C.

December 8, 2005
Washington, DC

U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD

BALANCE SHEET

As Of September 30, 2005 and 2004

	2005	2004
Assets:		
Intragovernmental:		
Fund Balance With Treasury (Note 3)	\$ 447,819	\$ 696,356
Total Intragovernmental	447,819	696,356
Accounts Receivable, Net (Note 4)		1,324
General Equipment, Net (Note 5)	11,841	
Leasehold Improvements, Net (Note 5)	20,693	
Total Assets	\$ 480,353	\$ 697,680
Liabilities: (Note 6)		
Intragovernmental:		
Accounts Payable	\$ 1,100	\$ 219,383
Total Intragovernmental	1,100	219,383
Accounts Payable	128,492	2,466
Other (Note 7)	231,947	205,586
Total Liabilities	361,539	427,435
Net Position:		
Unexpended Appropriations	240,374	1,831
Cumulative Results of Operations	(121,560)	268,414
Total Net Position	118,814	270,245
Total Liabilities and Net Position	\$ 480,353	\$ 697,680

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

U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD

STATEMENT OF NET COST

For The Years Ended September 30, 2005 and 2004

	2005	2004
Program Costs:		
Program A:		
Intragovernmental Gross Costs	\$ 371,990	\$ 612,932
Less: Intragovernmental Earned Revenue		
Intragovernmental Net Costs	<u>371,990</u>	<u>612,932</u>
Gross Costs with the Public	3,115,263	2,904,471
Less: Earned Revenues from the Public		
Net Costs with the Public	<u>3,115,263</u>	<u>2,904,471</u>
Total Program Cost	<u>3,487,253</u>	<u>3,517,404</u>
Costs Not Assigned to Programs		
Less: Earned Revenues Not Attributed to Programs		
Net Cost of Operations	<u><u>\$ 3,487,253</u></u>	<u><u>\$ 3,517,404</u></u>

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

U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD

STATEMENT OF CHANGES IN NET POSITION

For The Years Ended September 30, 2005 and 2004

	2005 Cumulative Results Of Operations	2005 Unexpended Appropriations	2004 Cumulative Results Of Operations	2004 Unexpended Appropriations
Beginning Balances	\$ 268,414	\$ 1,831	\$ 285,298	\$ 218,735
Prior Period Adjustment	<u>(359,882)</u>	<u>406,099</u>	<u>(265)</u>	
Beginning Balances as Adjusted	\$ (91,468)	\$ 407,930	\$ 285,033	\$ 218,735
 Budgetary Financing Sources;				
Appropriations Received				3,158,256
Appropriations transferred-in/out (+/-)		3,151,584		
Appropriations Used	3,319,139	(3,319,140)	3,375,160	(3,375,160)
 Other Financing Resources;				
Imputed Financing from Costs Absorbed by Others	<u>138,022</u>		<u>125,624</u>	
Total Financing Sources	<u>3,457,161</u>	<u>(167,556)</u>	<u>3,500,784</u>	<u>(216,904)</u>
 Net Cost of Operations (+/-)	<u>3,487,253</u>		<u>3,517,403</u>	
Ending Balances	<u>\$ (121,560)</u>	<u>\$ 240,374</u>	<u>\$ 268,414</u>	<u>\$ 1,831</u>

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

U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD
STATEMENT OF BUDGETARY RESOURCES
For The Years Ended September 30, 2005 and 2004

	2005	2005	2004	2004
	Budgetary	Non-Budgetary Credit Program Financing Accounts	Budgetary	Non-Budgetary Credit Program Financing Accounts
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Budgetary Resources:				
Budget Authority:				
Net Transfer	\$ 3,151,584	\$	\$ 3,158,256	\$
Unobligated Balance:				
Beginning of Period	258,295		570,126	
Spending Authority from Offsetting Collections:				
Earned				
Collected				
Subtotal	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Recoveries of Prior Year Obligations	145,801			
Total Budgetary Resources	<u>\$ 3,555,680</u>	<u>\$ -</u>	<u>\$ 3,728,382</u>	<u>\$ -</u>
Status of Budgetary Resources				
Obligations Incurred				
Direct (Note 6)	3,354,948		3,470,087	
Unobligated Balances				
Apportioned	200,732		258,295	
Unobligated Balances - Not Available				
Total Status of Budgetary Resources	<u>\$ 3,555,680</u>	<u>\$ -</u>	<u>\$ 3,728,382</u>	<u>\$</u>
Relationship of Obligations to Outlays:				
Obligated Balance, Net, Beginning of Period	438,061		106,571	
Obligated Balance, Net, End of Period:				
Undelivered Orders	39,642		149,635	
Accounts Payable	207,446		288,426	
Outlays:				
Disbursements	3,400,121		3,138,597	
Collections				
Subtotal	<u>3,400,121</u>	<u> </u>	<u>3,138,597</u>	<u> </u>
Less: Offsetting Receipts				
Net Outlays	<u>\$ 3,400,121</u>	<u>\$</u>	<u>\$ 3,138,597</u>	<u>\$</u>

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

U.S. NUCLEAR WASTE TECHNICAL REVIEW BOARD

STATEMENT OF FINANCING

For The Years Ended September 30, 2005 and 2004

	2005	2004
	<u> </u>	<u> </u>
<i>Resources Used to Finance Activities:</i>		
Budgetary Resources Obligated		
Obligations Incurred	\$ 3,369,955	\$ 3,470,087
Less: Spending Authority from Offsetting Collections and Recoveries	145,801	
Net Obligations	<u>3,224,154</u>	<u>3,470,087</u>
Other Resources		
Imputed Financing from Costs Absorbed by Others	<u>138,022</u>	<u>125,624</u>
<i>Total Resources Used to Finance Activities</i>	3,362,176	3,595,711
<i>Resources Used to Finance Items not Part of the Net Cost of Operations</i>		
Change in Budgetary Resources Obligated for Goods		
Services and Benefits Ordered But Not Yet Provided (+/-)	(109,993)	94,661
Other resources or adjust. to net obligated resources that do not affect net cost of operations (+/-)		<u>266</u>
<i>Total resources used to finance items not part of the net cost of operations</i>	<u>(109,993)</u>	<u>94,927</u>
<i>Total Resources Used to Finance the Net Cost of Operations</i>	3,472,169	3,501,050
<i>Components of the Net Cost of Operations that will not Require or Generate Resources in the Current Period:</i>		
Components Requiring or Generating Resources in Future Periods:		
Increase in Annual Leave Liability (Note 9)	<u>15,084</u>	<u>16,619</u>
<i>Net Cost of Operations</i>	<u><u>\$ 3,487,253</u></u>	<u><u>\$ 3,517,669</u></u>

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

U.S. Nuclear Waste Technical Review Board
Notes to Financial Statements
September 30, 2005

NOTE 1 – OVERVIEW OF REPORTING ENTITY

The U.S. Nuclear Waste Technical Review Board (“NWTRB”) is an independent agency of the Executive Branch of the United States Government. The NWTRB performs technical and scientific peer review of activities undertaken by the U.S. Secretary of Energy related to the disposal, transportation, and packaging of spent nuclear fuel and high-level radioactive waste. The NWTRB is an independent source of technical and scientific analysis of these issues for the U.S. Congress, U.S. Secretary of Energy, and the public.

NWTRB’s major program activities include: reviewing scientific research papers prepared by U.S. Department of Energy (DOE), holding public meetings on scientific findings, and preparing two public reports per year for Congress and DOE. This is accomplished through four scientific panels:

1. Natural Barriers at Yucca Mountain
2. Engineered Barriers at Yucca Mountain
3. Repository System Performance (& Integration)
4. Waste Management System (including transportation)

NWTRB was established in 1987 by the Nuclear Waste Policy Acts Amendments of 1987, Public Law 100-203, which also established a governance structure and a requirement to report to the U.S. Congress twice a year. The Nuclear Waste Policy Amendments Act authorized a board of 11 part-time members. The National Academy of Sciences recommends candidates to the President of the United States, who then makes the appointments. The NWTRB maintains strict conflict of interest policies for board members.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared from the accounting records of the NWTRB in accordance with generally accepted accounting principles in the United States (GAAP), and the form and content for entity financial statements specified by the Office of Management and Budget (OMB) in OMB Circular A-136, which supersedes and incorporates OMB Bulletin No. 01- 09, “Form and Content of Agency Financial Statements,” as amended. 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.

U.S. Nuclear Waste Technical Review Board
Notes to Financial Statements
September 30, 2005

Basis of Presentation (continued)

OMB Bulletin No. 01-09 requires agencies to prepare financial statements, which include a Balance Sheet, a Statement of Net Cost, a Statement of Changes in Net Position, a Statement of Budgetary Resources and a Statement of Financing. The Balance Sheet presents, as of September 30, 2005, amounts of future economic benefits owned or managed by NWTRB (assets), amounts owed by NWTRB (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 NWTRB and other reporting entities. The Statement of Budgetary Resources reports an agency's budgetary activity, while the Statement of Financing reconciles budgetary resources to the agency's net cost of operations.

Basis of Accounting

Transactions are recorded on the accrual accounting basis in accordance with OMB Bulletin No. 01-09. 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. 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.

Revenues and Other Financing Sources

NWTRB is an appropriated – no year fund. For the fiscal year ended September 30, 2005, budgetary resources for NWTRB included unobligated balances at the beginning of the period and transferred in during the period and recoveries of prior year obligations. Other financing sources for NWTRB consist of imputed financing sources which are costs financed by other Federal entities on behalf of NWTRB, as required by Statement of Federal Financial Accounting Standard (SFFAS) No. 5, Accounting for Liabilities of the Federal Government.

NOTE 3 – FUND BALANCE WITH TREASURY

Treasury performs cash management activities for all Federal agencies. The net activity represents Fund Balance with Treasury. Fund Balance with the Treasury is the aggregate amount of funds in the entity's accounts with Treasury for which the entity is authorized to make expenditures and pay liabilities. The fund balance is increased by receiving appropriations and the like; it is reduced by disbursements, investments in U.S. Securities, etc.

U.S. Nuclear Waste Technical Review Board
Notes to Financial Statements
September 30, 2005

NOTE 3 – FUND BALANCE WITH TREASURY (CONTINUED)

Fund Balance with Treasury by Fund Type

A. Fund Balance with Treasury	<u>2005</u>	<u>2004</u>
Appropriated Fund	\$447,819	\$696,356
B. Status of Fund Balance with Treasury		
1) Unobligated Balance		
a) Available	200,732	258,295
b) Unavailable		
2) Obligated Balance not yet Disbursed	<u>247,087</u>	<u>438,061</u>
Total	\$447,819	\$696,356

NOTE 4 – ACCOUNTS RECEIVABLE, NET

The first line item represents the Account Receivable Claims from Associates. At September 30, 2004, it was showing a debit balance therefore, associates claims need to be disbursed to clear this account. The second line item represents debt referred. Management determined that as of September 30, 2005, neither of these items was collectible, so both items were written off during the year ended September 30, 2005. The direct write-off method was used.

Accounts Receivable	<u>2005</u>	<u>2004</u>
Claims	\$0	\$1,179
Debt Referred	<u>0</u>	<u>145</u>
Total Receivables	\$0	\$1,324

NOTE 5 – FIXED ASSETS

Fixed assets consist of property that is used in NWTRB's operations and consumed over time. General equipment consists of office equipment and computer software. Depreciation expense and accumulated depreciation are calculated and recorded based on the actual acquisition cost and on the useful life. The following summarizes the capitalization and depreciation policy for each category:

- Equipment with an initial acquisition cost of \$5,000 or more and an estimated service life of greater than two years is capitalized. Equipment is capitalized at acquisition cost and is depreciated using the straight-line method over its estimated useful life.
- All computer software with an initial acquisition cost of \$5,000 or more and an estimated service life of two years or greater is capitalized. The computer software is capitalized at acquisition cost and is depreciated using the straight-line method over a period of three years. There is no salvage value.

U.S. Nuclear Waste Technical Review Board
Notes to Financial Statements
September 30, 2005

NOTE 5 – FIXED ASSETS (CONTINUED)

General equipment, net listed on the balance sheet consists of a photocopier machine purchased during the fiscal year ended September 30, 2004. It is being depreciated using the straight-line method over a period of five years.

Leasehold improvements to the current leased office space in the amount of \$68,582 were expended during the fiscal year ended September 30, 2001. Leasehold improvements are being amortized over a period of 73 months, which was the remaining life of the office space lease at the time the expenditure was made.

In addition to these items, NWTRB owns certain fixed assets that are not reflected on the balance sheet as of September 30, 2005 or 2004. These consist of office furniture and computer equipment that were acquired in prior years, are still in service, but are fully or near-fully depreciated and have immaterial book values. Therefore, these fixed assets are not booked as assets as of September 30, 2005 or 2004.

NOTE 6 – LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

Liabilities of NWTRB are classified as liabilities covered or not covered by budgetary resources. As of September 30, 2005, NWTRB showed liabilities covered by budgetary resources of \$207,446 and liabilities not covered by budgetary resources of \$154,093.

Liabilities covered by budgetary resources is composed of Accounts Payable \$129,592 and Accrued Funded Payroll and Leave \$77,854.

With the Public	<u>2005</u>	<u>2004</u>
Other (Unfunded leave liability)	\$154,093	\$139,009
Total liabilities not covered by budgetary resources	154,093	139,009
Total liabilities covered by budgetary resources	<u>207,446</u>	<u>288,426</u>
Total liabilities	\$361,539	\$427,435

NOTE 7 – OTHER LIABILITIES

Other liabilities with the public consist of Accrued Funded Payroll and Leave of \$77,854 and Unfunded Leave in the amount of \$154,093.

	<u>With the Public</u>	<u>Non-Current</u>	<u>Current</u>	<u>Total</u>
2005	Other Liabilities	\$154,093	\$77,854	\$231,947
2004	Other Liabilities	\$139,009	\$66,577	\$205,586

U.S. Nuclear Waste Technical Review Board
Notes to Financial Statements
September 30, 2005

NOTE 8 – APPORTIONMENT CATEGORIES OF OBLIGATIONS INCURRED

All obligations incurred by NWTRB are direct - category A. The amount of direct obligations incurred against amounts apportioned under category A on the last SF 132 of the fiscal year was \$3,369,995.

Direct	<u>2005</u>	<u>2004</u>
Category A	\$3,369,955	\$3,470,087
Category B	0	0
Exempt	0	0

NOTE 9 – EXPLANATION OF THE RELATIONSHIP BETWEEN LIABILITIES NOT COVERED BY BUDGETARY RESOURCES ON THE BALANCE SHEET AND THE CHANGE IN COMPONENTS REQUIRING OR GENERATING RESOURCES IN FUTURE PERIODS

Liabilities not covered by budgetary resources total \$154,093 and the Change in components requiring or generating resources in future period shows \$15,084. The \$15,084 is the net increase in Annual Leave Liability. Accrued funded payroll liability is covered by budgetary resources and is included in the net cost of operations. Whereas, the unfunded leave liability includes the expense related to the increase in annual leave liability for which the budgetary resources will be provided in a subsequent period.

	<u>2005</u>	<u>2004</u>
Liabilities not covered by budgetary resources	\$154,093	\$139,009
Change in components requiring/generating resources	\$ 15,084	\$ 16,619

NOTE 10 – COMMITMENTS AND CONTINGENCIES

NWTRB leases office space at 2300 Clarendon Boulevard in Arlington, Virginia. The lease was originally entered into in June 1997 and amended in March 2001. The lease term ends in July 2007. Per the terms of the lease, the annual rent through the end of the current lease term is \$806,984.