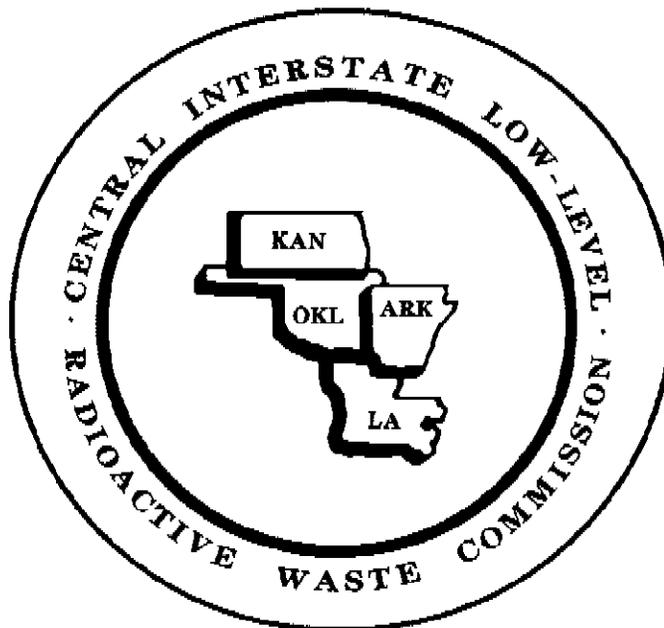


Central Interstate Low-Level Radioactive Waste Commission



**Annual Report
2011-2012**

The purpose and objectives of the Commission are:

To carry out the mandate of the Central Interstate LLRW Compact by providing for and encouraging the safe and economical management of LLRW within the four-state Compact region;

To provide a framework for a cooperative effort to promote the health, safety, and welfare of the citizens and the environment of the Compact region;

To select the necessary regional facilities to accept compatible wastes generated in and from party states, and meeting the requirements of the Compact, giving each party state the right to have the wastes generated within its borders properly managed at such regional facilities;

To take whatever action is necessary to encourage the reduction of waste generated within the Compact region;
and

To faithfully and diligently perform its duties and powers as are granted by the Compact.

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Central Interstate Low-Level
Radioactive Waste Compact
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Commissioners

Arkansas

George Overbey
Arkansas House of Representatives
Retired

Alternate

James Bacquet
Radiation Protection
Supervisor
Arkansas Nuclear One

Kansas

Shari Albrecht
Associate Chief Counsel,
Environment
Kansas Dept of Health &
Environment

Alternate

John W Mitchell
Director of Environment
Kansas Depart Health &
Environment

Louisiana

Richard 'Scott' Blackwell
Assessment Division
Radiation Section
Depart of Environmental Quality

Oklahoma

Jon Roberts
Land Protection Division
Depart of Environmental Quality

Nebraska's membership
ended July 17,2004

Commission Staff

Administrator: Rita Houskie

Commission Consultant

Financial: Richard Kuzelka

Timeline

1980 – Congress approves the Low-Level Radioactive Waste Policy Act and establishes the waste compact system.

1983 – Nebraska joins Louisiana, Kansas, Oklahoma, and Arkansas to form the Central Interstate Low-Level Radioactive Waste Compact.

1987 – The Compact chooses Nebraska to build its waste site.

1989 – Possible sites in Boyd, Nuckolls and Nemaha counties. Butte, Nebraska, in Boyd County, chosen by the end of the year.

1990 – Site's license application submitted by the Commission's developer, US Ecology.

1991 – Application is deemed complete for technical review. Executive Director, Ray Peery is arrested for embezzling.

1993 – Nebraska issues Notice of Intent to Deny the license. Site boundaries are redrawn to eliminate wetlands. Nebraska dismisses its Notice.

1995 – After several years of review, US Ecology submits its responses to the fourth and final round of the state's technical comments. US Ecology also submits its eighth revision to the Safety Analysis Report (SAR). Nebraska estimates the review to take one year.

1996 – Commission sets 'reasonable schedule' for state's completion of license review. Nebraska files suit against the Commission.

1997 – State releases their Draft Safety Evaluation Report and the Draft Environmental Impact Analysis. Of the 152 evaluation areas, the state identified 29 problems with the license application.

1998 – December 21st, Nebraska denies US Ecology's license application. Three major generators file a lawsuit against Nebraska, its agents and the Commission, claiming injury due to the 'bad faith' review by the state's regulators.

1999 – Commission realigns itself as a plaintiff in the 'bad faith' litigation and initiates cost-cutting measures; including, the reduction of staff, closing US Ecology's Lincoln and Butte offices, and requested of the Court, that Nebraska be barred from spending additional money on licensing activities. Nebraska passes legislation to withdraw from the Compact.

2001 – Discovery efforts begin for the 'bad faith' Federal litigation. The Eighth Circuit Court of Appeals upholds U.S. District Court's decision not to dismiss the litigation on Nebraska's claim of sovereign immunity.

2002 – The June trial continued for approximately eight weeks. The Court issues its September decision in favor of the Commission. The award was approximately \$151 million plus interest. Nebraska appeals the decision.

2004 – The Eighth Circuit of Appeals affirmed the lower court decision in February. Nebraska petitioned the Appeals Court for a re-hearing en banc. The Court denied the petition. In July, Nebraska filed a Petition for Writ of Certiorari with the U.S. Supreme Court. Nebraska and the Commission reach an agreement. Nebraska would pay \$140.5 million, all pending litigation would be ended amicably, and for a nine month period a cooperative effort would be made to access disposal outside of the compact boundaries.

2005 – The Commission held meetings to discuss the future role and alternatives of the compact, reviewed claims against the settlement funds and distributed all but \$15 million, adopted Resolutions that ceased the siting of a disposal facility, suspended the joint effort with Nebraska to access

disposal, the monitoring of generators' needs, and the disposition of the land in Boyd County.

2006— The contracted Executive Consultant reports that disposal for Class A waste was sufficient, however, disposal for Classes B and C would end in 2008 with the closing of the Barnwell facility. He recommends that the Commission remain intact and offered a Revised Operating Plan of which was adopted as a guidance document. The land in Boyd County was given to the Village of Butte and an additional \$10 million was distributed to the major generators. Litigation was brought by the major generators regarding the Commission's retention of the remaining \$5 million.

2007— The U.S. District Court decides in the Commission's favor over the retention of the \$5 million.

2008— Commission relocates its office. Barnwell, S.C. disposal facility closed to the nation.

2009— Commission's Rules and By-Laws are reviewed and updated to eliminate obsolete provisions and to allow for flexibility in operations.

2010— Investment Policy Statement adopted by Commission. Commission began to look at its income stream for future administrative funding.

2011— Commission appoints Administrative Funding Committee to review income and expenses.

Significant Events

Commission Meetings

- June 12, 2012, Annual Meeting

The Annual Meeting of the Central Interstate LLRW Commission was held in Shreveport, Louisiana. The Commissioners came together to take action on routine administrative business, and future administrative funding.

Two new members were welcomed to the Commission. Replacing Arkansas Commissioner, Laura Gilson, was George Overbey and replacing Bernie Bevill, as Arkansas Alternate, was James Bacquet. The new commissioners were appointed in January 2012. Mr. Blackwell of Louisiana replaced Jeffrey Meyers in September 2011.

The representative from Entergy updated the Commission on the legislation passed in Texas regarding the importation of llrw for disposal at the Waste Control Specialist facility in Texas. He shared that late in April 2012, the site opened and received its first shipment of waste. He also shared that the utilities were working on petitioning the Texas Compact to secure contracts to dispose of low-level radioactive waste.

At the Annual Meeting, held in June 2010, the Chair brought to the Commission's attention the dwindling operating funds and the need to review the income stream to ensure future administrative operations. Three options were presented at that meeting to remedy the funding issue: (1) increase to the annual state membership dues, (2) increase export fees, and (3) use of the settlement fund's interest. At the Annual Meeting, held in June 2011, the Kansas Commissioner suggested the fourth option of reducing expenses. At that same meeting

an Administrative Funding Committee was formed to look at the Commission's options.

The Kansas Commissioner reported to the Commission that she and the Administrator had come up with several options that included; the use of the interest on the settlement funds, increase member state dues, increase export application fees, restructure the export application fee classification and rate schedule, search for a new auditing firm, freeze staff wages for five years and discontinue buying back the Administrator's vacation time, reduce hours and salary of staff, retire the Administrator and move the headquarters to a member state, and to continue the existence of the Administrative Funding Committee.

For the benefit of the new commissioners, a brief history was given. In 2005, the Commission adopted several Resolutions, one of which was to become inactive in the siting of a disposal facility. That decision led the Commission to reduce the state membership dues, provided for in Public Law 99-240, Article IV, Section h.1. Historically, the dues had been set at \$25,000 annually, and it was at the June 2006, meeting that the Commission reduced the dues to their current \$5,000 a year level. At that same time the export application fees were also reduced and have remained at their current levels.

The Kansas Commissioner went through the options and indicated that only two of the options were being recommended for consideration at this time. The remaining options would need further study. The recommended options were for the use of the settlement funds for administrative purposes, and a search for a new auditing firm. The Commission voted to begin the search for a new auditing firm. The use of the settlement funds was tabled to a future meeting.

During the discussion of the options, the Alternate Commissioner from Arkansas indicated that he had done some research of the Commission's Rules and the Compact and it appeared to him that the

export fees were associated with siting a disposal facility and felt there could now be a contradiction with the Rules since the 2005 adoption of the no-siting resolution. The Chair suggested that the question be looked at in more detail.

The Commissioners engaged in a discussion on the Open Meetings Law as it pertains to the Commission with its headquarters currently in Nebraska. It was felt there was value in face-to-face meetings given that this Commission is small and is only required to hold one meeting a year.

The Commission adopted the minutes from the June 2011, Annual Meeting. Actions previously taken throughout the year on export applications were ratified, and the Financial Consultant's contract for fiscal year 2012-2013 was approved. The Commission also received the KPMG Audit for fiscal year 2010-2011 as written.

The Oklahoma Commissioner was elected to serve as Chair for fiscal year 2012-2013 and the Commission adopted an annual budget for fiscal year 2012-2013 with a 1.9% decrease from the current year's budget. No changes were made to the export application fee schedule for the coming year.

Actions Taken by Electronic Vote

Amendments to the Rules and By-Laws, that govern the Commission's operations, were adopted at the June 2009, Annual Meeting. Rule 1.4 and By-Law Article IV(D) allow for the approval of export applications by electronic methods to accelerate the review and approval process.

- June 2011—two non-federal export applications were approved.

- July 2011—four major generator applications, twelve non-federal applications with Kansas abstaining on the KDHE application, and one federal application was approved.
- August 2011—three non-federal applications were approved.
- September 2011—one federal application was approved.
- October 2011—two non-federal applications, and one federal application was approved.
- December 2011—three non-federal applications were approved.
- January 2012—three non-federal applications were approved.
- April 2012—one non-federal application was approved.
- May 2012—two non-federal applications were approved.
- June 2012—one non-federal application was approved.

Waste Report

This year's Waste Survey was included in the Commission's emailing of the 2010-2011 export applications. The survey was also made available to those generators using the Commission's web site.

Twenty-eight (28) shippers responded to the survey. Respondents included 7 medical facilities, 9 higher education facilities, 4 utilities, 3 industrial facility and 5 research/other facilities.

One commercial disposal facility was available to accept Class A low-level radioactive waste: Energy *Solutions* in Clive, Utah. The Barnwell, South Carolina, disposal facility that was licensed to receive Class B and C waste closed to the nation in June 2008. Importation rules are in development in the Texas Compact.

When asked how long they could store waste if they were unable to ship for disposal the respondents' replies ranged from 90 days to indefinitely, however, they hoped that this would not be required.

Annual costs for low-level radioactive waste management that includes minimization technology and on-site storage were reported as low as \$100 per year to as high as \$2,200,000 per year.

One utility indicated a slight modification had been made to their current storage facility to allow for more flexibility in storage options and one industrial facility had made changes because of disposal/management problems.

A sample of concerns expressed by the Region's generators are as follows:

- Availability—Class B & C waste disposal options—Barnwell closed
- Any restriction and limitation that would require storage, additional costs, and the promotion of

dilute and disperse over concentration and contain; the latter is a more suitable method of disposal. The former falls short of an ideal waste disposal option

- Lack of disposal capacity for for non-exempt Du counter weights
- Access to disposal sites at a reasonable cost
- Potential liability associated with storage
- 10CFR61 Rulemaking, blending, Texas/ Vermont import issues
- Current status of the importation of waste along with unknown cost for disposal in the State of Texas

Disposal Information

The Manifest Information Management System (MIMS) is a database, developed in 1986 by DOE to be used to monitor the management of commercial low-level radioactive waste. (<http://mims.apps.em.doe.gov>)

The Commission approved 35 export applications for this reporting period: 6 from Arkansas, 17 from Kansas, 5 from Louisiana, and 7 from Oklahoma

The generators used Energy *Solutions* facility in Clive, Utah, during this reporting period.

Waste Classification and Generator Class

Disposal Site	Year Received	Generator Class	Total Volume (ft3)	Total Activity (curies)	Class A Volume (ft3)	Class A Activity (curies)	Class B Volume (ft3)	Class B Activity (curies)	Class C Volume (ft3)	Class C Activity (curies)	Brokered Volume (ft3)
Clive	2011	Government	28.00	0.00	28.00	0.00					0.00
Clive	2011	Industry	16,292.46	2.62	16,292.46	2.62					0.00
Clive	2011	Undefined	1,341.83	79.98	1,341.83	79.98					0.00
Clive	2012	Academic	177,724.22	0.06	177,724.22	0.06					0.00
Clive	2012	Industry	8,096.94	0.88	8,096.94	0.88					0.00
Clive	2012	Undefined	500.57	24.49	500.57	24.49					0.00
Total:			203,984.02	108.03	203,984.02	108.03	0.00	0.00	0.00	0.00	0.00

Summary of Litigation

During the Commission's existence, it has been in litigation many times, and has been successful in defending its legal position. Most recent litigation is summarized below. Visit our web site (www.cillrwcc.org) for details of past litigation.

ENTERGY ARKANSAS, INC., ET AL. V. NEBRASKA
United States District Court for the District of Nebraska
(Case No. 4:98-cv-3411)

In December, 1998, several of the region's major generators filed a lawsuit in federal court which alleged that the State of Nebraska had processed and ultimately denied US Ecology's license application in bad faith, and that such actions violated the Compact. The Commission was originally named a defendant in the suit. At its January, 1999, meeting, the Commission authorized its outside counsel to ask the court to realign it as a plaintiff in the lawsuit and to join in the claims originally made by the major generators as well as elaborate on claims of the CIC based squarely on specific Compact obligations. The court granted that motion.

Over the next several years, the parties engaged in a lengthy and complicated discovery process. Nebraska also took two appeals to the Eighth Circuit of Appeals. The first such appeal challenged the district court's entry of a preliminary injunction which stayed state administrative proceedings relating to the license application denial, and prohibited Nebraska from charging the Commission any additional money for licensing work or litigation. The second appeal challenged the district court's decision to deny the State's motion to dismiss the Commission's claims. Both appeals were rejected by the Eighth Circuit.

The case was tried to the court without a jury, over Nebraska's protest. Commencing on June 3, 2002, and concluding on July 30, 2002, the parties presented extensive evidence to Judge Kopf. Approximately 30 witnesses testified and about 2,000 exhibits (totaling nearly 100,000 pages in length) were received in evidence. On September 30, 2002, following briefing and oral argument, Judge Kopf entered judgment in favor of the Commission. The court's decision awarded total damages to the Commission in the amount of \$151,408,240.37, plus post-judgment interest at 1.68% until paid. The major generators' claims against the Commission, which sought to impose some form of trust on the Commission's receipt of the judgment funds, were rejected by the court.

Nebraska appealed the monetary judgment to the Eighth Circuit Court of Appeals. Oral argument was held before a panel of the Eighth Circuit on June 12, 2003. On February 18, 2004, the Eighth Circuit Court of Appeals affirmed the district court's decision. Thereafter, Nebraska sought rehearing by the entire Eighth Circuit, which request was denied on a vote of 6-3. Nebraska then filed a petition for certiorari requesting the United States Supreme Court to review the Eighth Circuit's decision.

While the State's certiorari petition was pending, Nebraska and the CIC entered settlement negotiations. Following those lengthy negotiations, the State of Nebraska and the Commission entered into a settlement which resolved all of the various disputes remaining between them. The terms of the settlement are discussed in more detail later.

NEBRASKA V. CENTRAL INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMMISSION
United States District Court for the District of Nebraska
(Case No. 4:03-cv-3308)

On August 30, 1999, the State of Nebraska, through its Governor, notified the Commission that it was formally withdrawing from the Compact. Under the terms of Compact Article VII(d), that withdrawal was to take effect five years thereafter, or on August 30, 2004. Shortly after receiving Nebraska's withdrawal notice, the Commission instituted proceedings pursuant to its Rule 23 which provides an administrative process to determine remaining obligations of party states which seek to withdraw from the Compact. The Commission's Rule 23 proceedings were effectively put on hold pending the outcome of the federal lawsuit alleging that Nebraska had processed and denied the license application in bad faith. Following the court's decision in that litigation, the Commission revived its Rule 23 administrative proceeding. On June 25, 2003, following a hearing before the Commission, the Commission adopted two resolutions revoking the State of Nebraska's membership in the Compact and imposing sanctions. On August 22, 2003, Nebraska filed a lawsuit in the United States District Court alleging that the Commission's actions in revoking Nebraska's membership in the Compact were invalid for several reasons.

Over the next nine months, the parties conducted discovery relating to the legal issues raised by litigation. This lawsuit was ultimately resolved by the global settlement entered into by the Commission and the State of Nebraska, which is discussed in more detail below.

CIC AND NEBRASKA SETTLE THEIR REMAINING DISPUTES

In the spring of 2004, Nebraska's Attorney General approached the Commission's legal counsel with a request that the parties attempt to settle the various legal disputes still remaining. The parties negotiated over the next several months. Effective August 1, 2004, Nebraska and the CIC entered into a comprehensive settlement agreement which is intended to resolve all disputes remaining between them.

The settlement agreement provides that Nebraska will pay to the Commission \$140,541,076.79 in four equal annual installments commencing on August 1, 2005. The unpaid balance bears interest at the rate of 3.75% starting August 1, 2004. There is no prepayment penalty, so Nebraska may pay the principal amount early and save some interest expense. Nebraska and CIC have made a joint offer to Texas for access to the disposal facility proposed for the Texas Compact; if Nebraska and CIC strike a deal with Texas within certain agreed parameters, the principal amount of the settlement is reduced to \$130 million.

The settlement agreement further provides that Nebraska and CIC agree to cooperate for a period of at least nine months in an effort to find a disposal capacity for waste generated within the CIC region and Nebraska. Nebraska has agreed to dismiss all remaining litigation, including withdrawing its cert petition in the "bad faith" litigation. Upon Nebraska making all payments required by the agreement, CIC agrees to release Nebraska from all obligations under the Compact, including the obligation to be the region's first host state. If Nebraska's Legislature fails to appropriate the money for the agreed payments or if for any other reason Nebraska does not make the payments on time, then the Commission would have various available collection remedies as stated in the agreement, and Nebraska would again be subject to its host state obligation.

**ENERGY ARKANSAS, INC., ET AL. V. CENTRAL INTERSTATE
LOW-LEVEL RADIOACTIVE WASTE COMMISSION
United States District Court for the District of Nebraska
(Case No. 4:06-cv-3101)**

On April 25, 2006, the major generators sued the Commission, contending that they were entitled to the \$5 million the Commission had retained from the settlement proceeds for its own use. The Commission filed an answer denying the generators' allegations. The parties mediated the dispute, but the mediation was not successful.

On November 29, 2006, the major generators and the Commission filed cross motions for summary judgment. The parties submitted documentary evidence and briefs supporting their positions.

On January 11, 2007, the district court issued a memorandum and order granting the Commission's motion for summary judgment and dismissing the major generators' suit. Judge Kopf ruled that the major generators were not entitled to the imposition of either a constructive or resulting trust on the \$5 million retained by the Commission from the settlement proceeds. Judge Kopf rejected the major generators' contentions that the Commission had behaved inequitably toward the major generators, and that the Commission had no real need to retain substantial funds from its settlement with Nebraska. The major generators chose not to appeal the decision, and it is final.

Export Applications for FY12-13 can be accessed through the
Commission's Web Page @ www.cillrwcc.org

Information and Education

The Commission maintains a mailing list of individuals and organizations interested in Commission activities. Commission meetings are open to the public and meeting announcements and materials are on the Commission's web page and distributed to interested persons and groups through email. The Commission's office responds to various requests for information.

Items contained on the Commission's web page are news articles, Annual Reports, minutes of Commission meetings, notices of meetings, legal summaries and other appropriate information. The web site may be accessed at <http://www.cillrwcc.org>.

STATUS OF COMMISSION FUNDS
as of June 30, 2012

Rebate Funds

\$829,461 Principal

Rebate funds can only be spent to:

1. establish low-level radioactive waste disposal facilities;
2. mitigate the impact of low-level radioactive waste disposal facilities on host state;
3. regulate low-level radioactive waste disposal facilities; or
4. ensure the decommissioning, closure, and care during the period of institutional control of low-level radioactive waste disposal facilities.

Settlement Funds

\$5,000,000.00

Effective August 1, 2004, Nebraska and the CIC entered into a comprehensive settlement agreement. Nebraska paid the Commission \$145,811,366.17 on August 1, 2005. All but \$5,000,000 was paid on claims the Commission received from major generators, member states and the developer.

Commission Cash Expenitures for Fiscal Year 2011-2012 and Budget for Fiscal Year 2012-2013

Expense	FY09-10	FY10-11	FY11-12 Budget	FY11-12 Actual	FY12-13
Salaries & Benefits	80,299	82,680	86,080	82,071	86,232
Rent	3,912	3,925	4,200	3,912	4,200
Telephone	2,774	2,770	3,000	2,843	3,000
Postage	395	348	500	277	400
Copy & Printing	16	11	500	26	400
Machine Lease & Maintenance	0	310	1,000	0	700
Meeting Transcriptions	562	514	1,500	787	1,500
Dues & Subscriptions	9,498	8,953	9,700	8,816	9,200
Office Equipment & Supplies	1,505	1,286	4,000	906	4,000
Travel & Meeting Expense	3,727	9,095	8,000	1,620	7,000
Insurance	3,342	3,344	4,000	3,370	4,000
Accounting	14,500	14,500	18,000	14,500	20,000
Legal Fees	11,195	4,378	10,000	1,151	7,000
Miscellaneous	0	0	500	0	500
Cash Reserve / Recover Shortfall	0	0	0	0	
Total	131,725	132,114	150,980	120,279	148,132



**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Financial Statements

June 30, 2012 and 2011

(With Independent Auditors' Reports Thereon)



KPMG LLP
Suite 1501
222 South 15th Street
Omaha, NE 68102-1610

Suite 1600
233 South 13th Street
Lincoln, NE 68508-2041

Independent Auditors' Report

The Commissioners
Central Interstate Low-Level
Radioactive Waste Commission:

We have audited the accompanying statements of net assets of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of June 30, 2012 and 2011, and the related statements of revenues, expenses, and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Central Interstate Low-Level Radioactive Waste Commission as of June 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated May 17, 2013 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audits.



The Commission has omitted Management's Discussion and Analysis that U.S. generally accepted accounting principles require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this omitted information.

KPMG LLP

Omaha, Nebraska
May 17, 2013

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Statements of Net Assets

June 30, 2012 and 2011

Assets	2012	2011
	<u> </u>	<u> </u>
Current assets:		
Cash and cash equivalents	\$ 6,120,212	6,198,326
Restricted assets:		
Rebate fund	1,075,137	1,068,551
Capital assets	41,977	41,977
Less accumulated depreciation	<u>41,469</u>	<u>40,687</u>
Total capital assets, net	<u>508</u>	<u>1,290</u>
Total assets	<u>\$ 7,195,857</u>	<u>7,268,167</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	\$ 1,772	5,257
Accrued expenses	<u>21,742</u>	<u>21,315</u>
Total liabilities	<u>23,514</u>	<u>26,572</u>
Net assets:		
Invested in capital assets	508	1,290
Restricted	1,075,137	1,068,551
Unrestricted	<u>6,096,698</u>	<u>6,171,754</u>
Total net assets	<u>7,172,343</u>	<u>7,241,595</u>
Total liabilities and net assets	<u>\$ 7,195,857</u>	<u>7,268,167</u>

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Statements of Revenues, Expenses, and Changes in Net Assets

Years ended June 30, 2012 and 2011

	2012	2011
Operating revenues:		
Commission member fees	\$ 20,000	20,000
Export application fees	21,875	17,625
Other	600	3,963
Total operating revenues	42,475	41,588
Operating expenses:		
Salaries and benefits	82,070	82,680
Professional services	16,438	19,392
Office and administrative	16,238	17,022
Rent	3,912	3,925
Travel	1,620	9,095
Depreciation	782	808
Total operating expenses	121,060	132,922
Total operating loss	(78,585)	(91,334)
Nonoperating revenue:		
Interest income	9,333	21,452
Change in net assets	(69,252)	(69,882)
Net assets:		
Beginning of year	7,241,595	7,311,477
End of year	\$ 7,172,343	7,241,595

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Statements of Cash Flows

Years ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Receipts from customers	\$ 41,875	37,625
Payments to employees	(82,070)	(82,681)
Payments for professional services	(16,438)	(19,392)
Other receipts	600	3,963
Other payments	(24,828)	(32,569)
Net cash used in operating activities	<u>(80,861)</u>	<u>(93,054)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>—</u>	<u>(1,005)</u>
Net cash used in capital and related financing activities	<u>—</u>	<u>(1,005)</u>
Cash flows from investing activities:		
Interest received	9,333	21,452
Net sales (purchases) of investments	(6,586)	65,947
Net cash provided by investing activities	<u>2,747</u>	<u>87,399</u>
Net decrease in cash and cash equivalents	(78,114)	(6,660)
Cash and cash equivalents at beginning of year	<u>6,198,326</u>	<u>6,204,986</u>
Cash and cash equivalents at end of year	<u>\$ 6,120,212</u>	<u>6,198,326</u>
Reconciliation of operating income (loss) to net cash used in operating activities:		
Total operating loss	\$ (78,585)	(91,334)
Adjustments to reconcile total operating loss to net cash used in operating activities:		
Depreciation expense	782	808
Changes in assets and liabilities:		
Accounts payable	(3,485)	(4,776)
Accrued expenses	427	2,248
Net cash used in operating activities	<u>\$ (80,861)</u>	<u>(93,054)</u>

See accompanying notes to financial statements.

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2012 and 2011

(1) Organization

The Central Interstate Low-Level Radioactive Waste Commission (the Commission) was established in 1984 by an interstate compact among the states of Arkansas, Kansas, Louisiana, Nebraska, and Oklahoma with the consent of Congress through the Omnibus Low-Level Radioactive Waste Interstate Compact Consent Act. The purpose of the Commission is to carry out the mandate of the Central Interstate Low-Level Radioactive Waste Compact (the Compact) by providing for and encouraging the safe and economical management of low-level radioactive waste within the Compact's region. The State of Nebraska withdrew from the Compact effective August 28, 2004. The current member states of the Compact are Arkansas, Kansas, Louisiana, and Oklahoma.

The Commission is an instrumentality of the Compact's member states and, as such, is exempt from federal and state income taxes under Section 115 of the Internal Revenue Code.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements are prepared on the accrual basis and reflect assets and liabilities owned by the Commission and the results of the Commission's operations.

(b) Revenue Recognition

Funding from Major Generators

The major generators previously provided funding for the siting, licensing, development, and construction of the facility. Revenues are recognized as earned, and expenses are recognized as incurred. The Commission did not receive funding from the major generators for the periods ended June 30, 2012 and 2011.

Commission Member Fees

Commission members pay a \$5,000 annual membership fee.

Export Application Fees

Fees for approval to export waste are recorded as revenue when earned. This fee is used to cover the Commission's operating expenses.

(c) Property and Equipment

Property and equipment consist of furniture, fixtures, and equipment recorded at cost. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets of three to five years.

(d) Restricted Assets

Use of the rebate fund is restricted to payment of certain costs incurred in the establishment of a low-level waste facility or to mitigate the impact of low-level radioactive waste disposal facilities on the host state.

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2012 and 2011

The composition of restricted assets in the rebate fund at June 30, 2012 and 2011 is set forth in the following table. Investments are stated at fair value.

	2012	2011
Certificates of deposit	\$ 600,000	600,000
Federal investment trust accounts	475,137	468,551
Total restricted assets in the rebate fund	\$ 1,075,137	1,068,551

(e) Cash and Cash Equivalents

For purposes of the statements of cash flows, the Commission considers investments with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2012 and 2011, the Commission had \$6,120,212 and \$6,198,326, respectively, invested in cash and short-term federal investment trust accounts backed by the full faith of the federal government.

(f) Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and 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 the estimates and assumptions used in preparing the financial statements.

(3) Investments

The Commission maintains investments in federal investment trust accounts totaling \$6,580,946 and \$6,646,869 at June 30, 2012 and 2011, respectively.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Commission adopted a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The terms of initial investments and reinvestments of funds shall not exceed sixty-months. The federal investment trust accounts are redeemable upon demand and, therefore, are not susceptible to significant interest rate risk. The certificates of deposit mature in less than two years.

(b) Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Commission adopted an investment policy that formally limits its investment choices. Investment of funds are limited to be invested in instruments that are either direct obligations of the Government of the United States or that are fully insured by the Government of the United States. All of the Commission's investments as of June 30, 2012 and 2011 are obligations of the Government of the United States or obligations explicitly guaranteed by the Government of the United States.

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2012 and 2011

(c) Concentration of Credit Risk

The Commission places no limit on the amount that may be invested in any one issuer.

(d) Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission does not have a deposit policy for custodial credit risk. As of June 30, 2012 and 2011, all certificates of deposit were insured and all investments in federal investment trust accounts were uninsured and uncollateralized.

(4) Capital Assets

Capital asset activity for the years ended June 30, 2012 and 2011 is shown below:

		2012			
		Balance at beginning of period	Increases	Decreases	Balance at end of period
Equipment	\$	41,977	—	—	41,977
Accumulated depreciation		(40,687)	(782)	—	(41,469)
	\$	1,290	(782)	—	508
		2011			
		Balance at beginning of period	Increases	Decreases	Balance at end of period
Equipment	\$	40,972	1,005	—	41,977
Accumulated depreciation		(39,879)	(808)	—	(40,687)
	\$	1,093	197	—	1,290

(5) Commitments

The Commission leases office space under an operating lease. Future minimum lease payments under this lease with an initial term in excess of one year are as follows:

Fiscal year ending:			
2013		\$	126

**CENTRAL INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMMISSION**

Notes to Financial Statements

June 30, 2012 and 2011

Total rent expense charged to operations was \$3,912 and \$3,925 for the periods ended June 30, 2012 and 2011, respectively.

(6) Subsequent Events

The Commission has reviewed subsequent events through May 17, 2013, the date the financial statements were available to be issued, and concluded there were no events or transactions during the period that would require recognition or disclosure in the financial statements other than those already reflected.



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**Independent Auditors' Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Commissioners
Central Interstate Low-Level
Radioactive Waste Commission:

We have audited the financial statements of Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the years ended June 30, 2012 and 2011, and have issued our report thereon dated May 17, 2013. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Commission is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audits, we considered the Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Commissioners and the Commission management, and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Omaha, Nebraska
May 17, 2013

