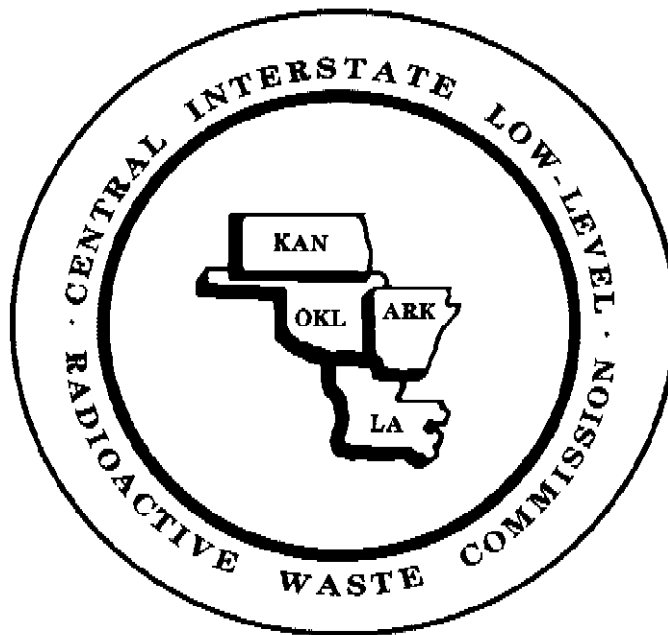


# Central Interstate Low-Level Radioactive Waste Commission



**Annual Report  
2014-2015**



**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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## Timeline

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**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 21<sup>st</sup>, 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. Nebraska's membership ended July 17, 2004.

**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.

**2013**— Commissioners look at 12 Options regarding the future of the Commission and its funding. New auditor chosen. Settlement funds interest to be used for future administrative expenses.

**2015**—Commission adopts Resolution for Relocation of Commission Headquarters to Oklahoma.

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# Significant Events

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## Commission Meetings

- November 18, 2014 Special Teleconference

The Commission met by telephone for a special meeting on November 18, 2014. The purpose of the meeting was to take action on administrative matters and to make a decision on the agreement presented by the auditing firm for fiscal year 2015.

The Commission welcomed the newly appointed Alternate Commissioner from Kansas, Mr. Richard Brunetti (Rick). Mr. Brunetti has been with the Department of Health and Environmental for approximately 21 years and is currently the Director of the Kansas Bureau of Air.

In November 2013 the Commissioners were asked to check with their respective agencies to see if they would entertain the concept of housing the Commission's office (Option 8). The Oklahoma Commissioner made an announcement on this ongoing topic that the Oklahoma DEQ was receptive to the idea and would be happy to provide a new home for the office. He indicated that he and the staff would begin to look into how this move would be accomplished.

Since this was their first year auditing the Commission, two members of the firm Cochran Head Vick and Company were present by telephone to answer any questions the Commission might have on the 2013-2014's audit report. The auditors commented that the audit went quite well. The Commissioners accepted the audit without questions or comments.

An engagement agreement for fiscal year 2014-2015's audit was also on the Agenda for consideration. The Commission had been

presented with a one-year agreement with a cost increase of approximately 1.5%. Because, the Commission is trying to hold down costs, the Chair asked Mr. Cochran if a multi-year agreement could be offered at a fixed cost. Mr. Cochran indicated that the Company would submit a new engagement agreement for fiscal years 2015, 2016 and 2017 at a fixed rate with the stipulation that a fee increase would be made in the event there were significant changes in the operations of the Commission or an increase in the scope of the engagement. The Commissioners were comfortable with the revision and voted to approve the multi-year engagement agreement.

Other business completed by the Commission included the acceptance of the minutes for the June 2014 Annual Meeting and the ratification of the export applications previously approved in July, August, September and October 2014.

- June 16, 2015, Annual Meeting

The Annual Meeting of the Central Interstate LLRW Commission was held in Overland Park, Kansas. The Commissioners came together to take action on the Resolution to relocate the Commission's office and routine administrative business.

At the November 2014 teleconference, the Oklahoma Commissioner made an announcement relating to the relocation of the Commission's office to the Oklahoma DEQ. With that in mind, he offered the following resolution: Relocation of Commission Headquarters to the Offices of the Oklahoma Department of Environmental Quality.

***WHEREAS**, the Central Interstate Low-Level Radioactive Waste Compact Commission was established in 1984 with its headquarters in the State of Nebraska, and*

***WHEREAS**, the original member states of the Compact were Nebraska as "host state" (as defined in Article II of the Central Interstate*

*Low-Level Radioactive Waste Compact), Arkansas, Kansas, Louisiana, and Oklahoma, and*

***WHEREAS**, in 1999, the State of Nebraska passed legislation withdrawing from the Compact and, pursuant to Article VIII.D. of the Central Interstate Low-Level Radioactive Waste Compact, Nebraska's withdrawal became effective in 2004, and*

***WHEREAS**, the remaining member states of the Compact passed a resolution in 2006 to not actively pursue siting a low-level radioactive waste disposal site in one of the other member states, and*

***WHEREAS**, in 2014 the Commission surveyed the low-level radioactive waste generators in the member states in part to evaluate the future of the Compact and the Commission, and*

***WHEREAS**, based on the results of the survey, the Commission determined it was in the best interest of the member states and the low-level radioactive waste generators within the member states to retain the Compact and the Commission, and to relocate the Commission headquarters from the State of Nebraska to a member state,*

***BE IT NOW THEREFORE RESOLVED THAT:** The Commission approves relocation of its headquarters to the offices of the Oklahoma Department of Environmental Quality (ODEQ) at such time that the Commission has determined: (1) all necessary arrangements are in place and (2) the relocation will have minimal impact to the Commission, member states, and the low-level radioactive waste generators in the member states, and*

*The Commissioner from Oklahoma is authorized to work directly with ODEQ to*

*develop an appropriate contractual arrangement, hereafter referred to as "the Agreement," to memorialize the arrangements necessary to establish and maintain the Commission headquarters within the offices of ODEQ, and*

*The Agreement shall not be binding until it has been approved by a majority vote during a regular or special meeting of the Commission and signed by the Executive Director of the ODEQ, or his designee, and the Commission Chair, and*

*The Agreement may be modified from time to time as agreed upon by a majority vote during a regular or special meeting of the Commission and signed by the Executive Director of ODEQ, or his designee, and the Commission Chair, and*

*Prior to the relocation, the Commissioner from Oklahoma is authorized to research other services that may be needed when the Commission headquarters is relocated, such as but not limited to banking, legal Services, and post office box, and report his findings to the Commission.*

The Commissioners adopted the Resolution.

The Oklahoma Commissioner also offered a Draft Memorandum of Agreement (MOA) template that outlined suggested responsibilities for ODEQ and for the Commission. He felt the suggestions would facilitate as smooth of a transition as possible and provide a good starting point for the official agreement. He asked the Commissioners to review the template and make additional suggestions and/or comments in the near future. The Commission adopted the minutes from the November 18, 2014 teleconference. Actions previously taken on export applications throughout the year were ratified. The Oklahoma Commissioner was elected to serve as Chair for fiscal year 2015-2016 and the Commission

adopted an annual budget for fiscal year 2015-2016 that provided a 3% 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.

- July 2014—four major generator applications, one federal application, and ten non-federal applications were approved.
- August 2014—one federal application and three non-federal applications were approved.
- September 2014—one non-federal application was approved.
- October 2014—five non-federal applications were approved.
- November 2014—five non-federal applications were approved.
- December 2014—one non-federal application was approved.
- January 2015—two non-federal applications were approved.
- February 2015—two non-federal application was approved.
- March 2014—one non-federal application was approved.
- April 2015—one federal application and two non-federal applications were approved.
- May 2015—one non-federal application was approved.



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## Waste Report

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This year's Waste Survey was included in the Commission's emailing of the 2014-2015 export applications. The survey was also made available to those generators using the Commission's web site.

Thirty-four (34) shippers responded to the survey. Respondents included 8 medical facilities, 9 higher education facilities, 4 utilities, 5 industrial facility and 8 research/other facilities.

Two commercial disposal facilities were available to accept low-level radioactive waste—Energy *Solutions* in Clive, Utah; licensed by the State of Utah to accept Class A waste only and, Waste Control Specialists near Andrews, Texas; licensed by the State of Texas to accept Classes A, B and C waste by petition only.

When asked how long they could store waste if they were unable to ship for disposal the respondents' replies ranged from one year 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 \$1,000 per year to as high as \$1,800,000 per year. Disposal / processing costs have been increasing at a rate of approximately 5% per year.

One industrial facility indicated that they were evaluating alternative locations outside the Compact for removing Tritium Exit Signs from aircraft.

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

- Availability—Class B & C waste disposal options
- 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
- Shut down or other non-availability of llrw disposal facilities and the rising cost of disposal.
- Access to disposal sites at a reasonable cost
- Potential liability associated with storage
- Inability to dispose of LLRW in the Central Compact, and the unavailability of suitable recycling facilities for tritium in the U.S.
- Balancing costs for the amount of revenue generated.

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.doe.gov>)

The Commission approved 41 export applications for this reporting period: 8 from Arkansas, 12 from Kansas, 10 from Louisiana, and 11 from Oklahoma

The generators used Energy *Solutions* facility in Clive, Utah, and Waste Control Specialists' facility in Andrews County, Texas during this reporting period. The chart below shows the MIMS information collected from these two disposal facilities through December 2014..

**Volume and Activity Summary**

Year	Volume	Volume_A	Volume_B	Volume_C	Activity	Activity_A	Activity_B	Activity_C
2014	27356.0937	27347.5937		8.5	9.9338	9.85651		0.07729
2013	62582.0387	62486	111	0	21351.03767	63	21283.25	0
2012	250710.7674	250719		1	125.14047	121		0

Year Received	State	Volume (ft3)	Activity (curies)
2014	Arkansas	8,602.51	1.20
2014	Kansas	7,236.25	.24
2014	Louisiana	11,431.90	8.44
2014	Oklahoma	85.44	.05
<b>Total:</b>		<b>27,356.10</b>	<b>9.93</b>

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## Summary of Litigation

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During the Commission's existence, it has been in litigation many times, and has been successful in defending its legal position. Currently, there is no litigation pending. Previous Annual Reports included summarizations of the cases. Visit our web site ([www.cillrwcc.org](http://www.cillrwcc.org)) for details of past litigation.

Export Applications for FY15-16 can be accessed through the Commission's Web Page @ [www.cillrwcc.org](http://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, 2015

**Rebate Funds**

**\$829,461**<sup>Principal</sup>

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 2014-2015 and Budget for Fiscal Year 2015-2016**

Expense	FY12-13	FY13-14	FY14-15 Budget	FY14-15 Actual	FY15-16
Salaries & Benefits	79,972	76,479	79,433	73420	78864
Rent	3,912	3,912	4,200	3912	4200
Telephone	2,827	2547	3,000	2583	3000
Postage	423	290	400	396	400
Copy & Printing	0	0	400	77	400
Machine Lease & Maintenance	0	0	700	0	700
Meeting Transcriptions	1,257	530	1,500	636	1500
Dues & Subscriptions	8,500	8,500	10,500	9500	10500
Office Equipment & Supplies	1,054	1,038	5,000	1442	5000
Travel & Meeting Expense	2,692	2,287	7,000	3628	7000
Insurance	4,218	4,434	5,000	4374	5000
Accounting	17,000	17,000	15,000	12830	13500
Legal Fees	1,975	4,359	7,000	1200	5000
Miscellaneous	0	0	500	0	500
Cash Reserve / Recover Shortfall	0	0	0	0	0
<b>Total</b>	<b>123,830</b>	<b>121,376</b>	<b>139,633</b>	<b>113,998</b>	<b>135,364</b>

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

**BASIC FINANCIAL STATEMENTS  
Together with Independent Auditor's Report**

**FOR THE YEARS ENDED  
June 30, 2015 and 2014**



COCHRAN HEAD VICK & CO., P.A.

& Co

*Certified Public Accountants*

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Independent Auditor's Report

To the Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the years ended June 30, 2015 and 2014, and the related notes to the basic financial statements, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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. 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 from material misstatement.

An audit 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 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 Commission'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 Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission as of June 30, 2015 and 2014 and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Offices**

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**Other Matters***Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America 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 missing information.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2015 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant 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* in considering the Commission's internal control over financial reporting and compliance.

Kansas City, Kansas  
October 23, 2015

A handwritten signature in black ink, reading "Cochran Hard V. de S. Pa." in a cursive script.

**Central Interstate Low-Level  
Radioactive Waste Commission**  
Statements of Net Position  
June 30, 2015 and 2014

	<b>2015</b>	<b>2014</b>
<b><u>Assets</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 6,029,222	\$ 6,103,957
Restricted cash and investments - rebate fund	941,485	941,345
Total current assets	6,970,707	7,045,302
<b>Noncurrent Assets</b>		
Capital assets	41,977	41,977
Accumulated depreciation	(41,977)	(41,977)
Total capital assets, net	-	-
<b>Total Assets</b>	<b>6,970,707</b>	<b>7,045,302</b>
<b><u>Liabilities</u></b>		
<b>Current Liabilities</b>		
Accounts payable	185	1,648
Accrued expenses	18,983	23,934
<b>Total Liabilities</b>	<b>19,168</b>	<b>25,582</b>
<b><u>Net Position</u></b>		
Restricted	941,485	941,345
Unrestricted	6,010,054	6,078,375
<b>Total Net Position</b>	<b>\$ 6,951,539</b>	<b>\$ 7,019,720</b>

See accompanying notes to the financial statements.



**Central Interstate Low-Level  
Radioactive Waste Commission**  
Statements of Revenues, Expenses and  
Changes in Net Position  
For the Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Operating Revenues</b>		
Commission member fees	\$ 20,000	\$ 20,000
Export application fees	18,250	18,375
Other operating revenue	109	288
<b>Total Operating Revenues</b>	<u>38,359</u>	<u>38,663</u>
<b>Operating Expenses</b>		
Salaries and benefits	70,661	78,141
Professional fees	14,666	21,889
Office and administrative	18,372	15,582
Rent	3,912	3,912
Travel	3,628	2,287
<b>Total Operating Expenses</b>	<u>111,239</u>	<u>121,811</u>
<b>Operating (Loss)</b>	<u>(72,880)</u>	<u>(83,148)</u>
<b>Nonoperating Revenue</b>		
Interest	4,699	5,008
<b>Total Nonoperating Revenue</b>	<u>4,699</u>	<u>5,008</u>
<b>Change in net position</b>	(68,181)	(78,140)
<b>Net position, beginning of year</b>	<u>7,019,720</u>	<u>7,097,860</u>
<b>Net position, end of year</b>	<u>\$ 6,951,539</u>	<u>\$ 7,019,720</u>

See accompanying notes to the financial statements.

**Central Interstate Low-Level  
Radioactive Waste Commission  
Statements of Cash Flows  
For the Years Ended June 30, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>Cash Flows From Operating Activities</b>		
Cash received from customers	\$ 38,250	\$ 38,375
Cash paid to employees	(75,612)	(75,949)
Cash paid for professional services	(14,666)	(21,889)
Other receipts	109	288
Other payments	(27,375)	(23,876)
<b>Net Cash Used in Operating Activities</b>	<b>(79,294)</b>	<b>(83,051)</b>
<b>Cash Flows From Investing Activities</b>		
Interest received	4,699	5,008
<b>Net Cash Provided by Investing Activities</b>	<b>4,699</b>	<b>5,008</b>
<b>Decrease in Cash and Cash Equivalents</b>	(74,595)	(78,043)
<b>Cash and cash equivalents, beginning of year</b>	6,445,302	6,523,345
<b>Cash and cash equivalents, end of year</b>	6,370,707	6,445,302
Certificates of deposit	600,000	600,000
<b>Total Cash and Investments reported on the statement of net position</b>	<b>\$ 6,970,707</b>	<b>\$ 7,045,302</b>
<b>Reconciliation of Cash to the Statement of Net Position</b>		
Cash and cash equivalents	\$ 6,029,222	\$ 6,103,957
Restricted cash and investments - rebate fund	941,485	941,345
<b>Total Cash and Investments</b>	<b>\$ 6,970,707</b>	<b>\$ 7,045,302</b>
<b>Reconciliation of net operating loss to net cash from operating activities</b>		
Operating (loss)	\$ (72,880)	\$ (83,148)
Adjustments to reconcile operating loss to net cash used in operating activities:		
<i>Increase/(Decrease) in:</i>		
Accounts payable	(1,463)	(2,095)
Accrued expenses	(4,951)	2,192
<b>Net Cash Used in Operating Activities</b>	<b>\$ (79,294)</b>	<b>\$ (83,051)</b>

See accompanying notes to the financial statements

**Central Interstate Low-Level  
Radioactive Waste Commission**  
**Notes to the Financial Statements**  
**June 30, 2015 and 2014**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) is presented to assist in understanding the Commission's financial statements. The financial statements and notes are representations of the Commission's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles (GAAP) and have been consistently applied in the preparation of the financial statements.

Nature of Operations

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.

Basis of Accounting

The Commission accounts for its activities as a governmental enterprise fund. The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting, under which revenues are recognized when earned and expenses are recorded when liabilities are incurred.

Operating Revenue and Expenses

The Commission's statement of revenues, expenses and changes in net position distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing services. These include export application fees which range from \$50 to \$4,000 and annual membership fees paid by each member state in the amount of \$5,000 each. Interest earned on the Commission's cash and investments is reported as non-operating revenue. All expenses of the Commission are reported as operating expenses.

Cash and Cash Equivalents

The Commission considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Capital Assets

Capital assets 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.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. These reclassifications had no effect on total assets, liabilities, net position or changes in net position.

**Central Interstate Low-Level  
Radioactive Waste Commission  
Notes to the Financial Statements  
June 30, 2015 and 2014**

Compensated Absences

Compensated absences consist of accrued vacation and sick time. All vacation time is paid to employees upon termination of employment. Sick time is forfeited upon termination, unless that termination is the result of retirement or death, in which case 25% of accrued sick time is paid to employees.

Net Position

In proprietary fund financial statements, net position is displayed in three components as follows:

*Net Investment in Capital Assets* – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted* – This consists of net position that is legally restricted by outside parties or by law through constitutional provisions or enabling legislation.

*Unrestricted* – This consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

Sometimes the Commission will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Commission’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts 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 could differ from those estimates.

**NOTE 2: CASH AND INVESTMENTS**

At June 30, 2015 and 2014, the carrying values of deposits are summarized as follows:

	<u>2015</u>	<u>2014</u>
Cash deposits	\$ 14,001	\$ 8,271
Certificates of deposit	600,000	600,000
Investment in Short Term Federal Investment Trust (STFIT) Accounts	6,356,706	6,437,031
Total cash and investments	<u>\$ 6,970,707</u>	<u>\$ 7,045,302</u>

Cash and investments as reported on the Statement of Net Position:

Cash and cash equivalents	\$ 6,029,222	\$ 6,103,957
Restricted cash and investments - rebate fund	641,485	941,345
Total cash and investments	<u>\$ 6,670,707</u>	<u>\$ 7,045,302</u>

**Central Interstate Low-Level  
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*Investment Policy*

The Commission's policy is to invest funds in either direct obligations of the United States Government or obligations that are fully insured by the United States Government. In addition, the terms of initial investments are not to exceed sixty months.

*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.

*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's investment policy limits the term of investments to sixty months. The STFIT accounts are redeemable on demand and the Commission's certificates of deposit have original maturities of less than 2 years.

*Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Commission. The Commission's investment policy limits investments to those that are either issued or fully insured by the United States Government to reduce this risk.

*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss that may be attributed to the magnitude of the Commission's investment in a single issue. The Commission has no specific policy regarding the amount that may be invested in any one issuer. At June 30, 2015 and 2014, all of the Commission's STFIT balances were held at the same financial institution.

*Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Commission will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Commission will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At June 30, 2015 and 2014, the Commission's cash and certificates of deposit were insured by Federal depository insurance and the balances held in STFIT accounts were uninsured and uncollateralized.

**NOTE 3: COMMITMENTS**

The Commission leases storage space under a month to month operating lease. Total rent expense was \$3,912 for the each of the years ended June 30, 2015 and 2014.

**Central Interstate Low-Level  
Radioactive Waste Commission  
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**NOTE 4: CAPITAL ASSETS**

A summary of changes in capital assets for the years ended June 30, 2015 and 2014 are as follows:

	2015			
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -
	2014			
	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -

**NOTE 5: SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through October 23, 2015, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

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COMPLIANCE REPORT

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**CHV****COCHRAN HEAD VICK & CO., P.A.****& Co***Certified Public Accountants*

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**Independent Auditor's 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**

To the Commissioners  
Central Interstate Low-Level  
Radioactive Waste Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Central Interstate Low-Level Radioactive Waste Commission (the Commission) as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the 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 the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

*A deficiency in internal control* 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from 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 audit, 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*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kansas City, Kansas  
October 23, 2015

*Cochran Herd Vick & Co., P.A.*