

Central Interstate Low-Level Radioactive Waste Commission



Annual Report

Fiscal Year 2017
(July 1, 2016 – June 30, 2017)

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Introduction

The Central Interstate Low-Level Radioactive Waste Commission ("Commission") was established in 1984 pursuant to the Central Interstate Low-Level Radioactive Waste Compact ("Compact") (Public Law 99-240) and has, as current member states, Arkansas, Kansas, Louisiana, and Oklahoma. The purpose and objectives of the Commission are:

To carry out the mandate of the Compact by providing for and encouraging the safe and economical management of low-level radioactive waste 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.

The Commission maintains a mailing list of individuals and organizations interested in Commission activities. Commission meetings are open to the public. Meeting announcements and materials are on the Commission's website 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 website are news articles, Annual Reports, minutes of Commission meetings, notices of meetings, legal summaries and other appropriate information.

Contact Information

The Commission's mailing address, phone number, website address, and email address are:

Central Interstate LLRW Compact Commission
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Oklahoma City, OK 73101-1042
Ph: 405.702.5220 Fax: 405.702.5101
<http://www.cillrwcc.org/>
admin@cillrwcc.org

Commissioners and Administrator

	Commissioner	Alternate
<p>Arkansas</p> 	<p>George Overbey Arkansas House of Representatives, Retired</p> <p>PO Box 177 Lamar, AR 72846</p> <p>Cell: 479.970.8060 overby@centurylink.net</p>	<p>Vacant</p>
<p>Kansas</p> 	<p>John W. Mitchell, Vice-Chair Director of Environment Kansas Department of Health & Environment</p> <p>1000 SW Jackson, Suite 400 Topeka, KS 66612</p> <p>Office: 785.296.1535 John.Mitchell@ks.gov</p>	<p>Richard Brunetti Director of Bureau of Air Kansas Department of Health & Environment</p> <p>1000 SW Jackson, Suite 310 Topeka, KS 66612</p> <p>Office: 785.296.1551 Rick.Brunetti@ks.gov</p>
<p>Louisiana</p> 	<p>Richard 'Scott' Blackwell Assessment Division Radiation Section Department of Environmental Quality</p> <p>PO Box 4312 Baton Rouge, LA 70821</p> <p>Office: 225.219.3639 Richard.Blackwell@la.gov</p>	<p>Vacant</p>
<p>Oklahoma</p> 	<p>Jon Roberts, Chair Environmental Programs Manager Department of Environmental Quality Office of External Affairs</p> <p>PO Box 1677 Oklahoma City, OK 73101-1677</p> <p>Office: 405.702.7111 Jon.Roberts@deq.ok.gov</p>	<p>Mike Stickney Environmental Programs Manager Department of Environmental Quality Land Protection Division</p> <p>PO Box 1677 Oklahoma City, OK 73101-1677</p> <p>Office: 405.702.5313 Mike.Stickney@deq.ok.gov</p>
<p>Administrator</p> 	<p>Kristie Valtierra Central Interstate Low-Level Radioactive Waste Commission PO Box 1042 Oklahoma City, OK 73101-1042</p> <p>Office: 405.702.5220 admin@cillrwcc.org</p>	

Significant Events

Commission Meetings

The Commission held two meetings during Fiscal Year 2017.

November 17, 2016 – Special Teleconference Meeting.

June 20, 2017 – Annual Meeting in Little Rock, Arkansas.

Minutes for each meeting are available on the Commission's website.

Export Authorizations

Article III.G. of the Compact provides that, unless authorized by the Commission, it shall be unlawful after January 1, 1986 for any person to export from the Compact region, low-level radioactive waste ("LLRW") generated within the region, and to transport LLRW from the site at which it is generated except to a regional facility.

Prior to 2009, the Commission required LLRW generators to submit an application to the Commission for the authorization required by Article III.G. Approvals would be granted at a subsequent Commission meeting. To expedite the review and approval process, the Commission revised its rules in 2009 so that export applications could be reviewed and approved by electronic methods. The export approvals were then ratified at a subsequent meeting of the Commission. In Fiscal Year 2017, thirty-seven generators were approved to export their LLRW from the Compact region for disposal. The generators, by state, are available on the Commission's website.

At the June 20, 2017 Annual Meeting, the Commission voted to suspend the export application process by adopting a Resolution authorizing LLRW generators within the region to export their LLRW outside of the region to any duly authorized and permitted disposal facility provided the export is done in compliance with all applicable state and federal laws and regulations and any terms or conditions required of both the disposal facility and the regional Compact in which the disposal facility is located. The Resolution serves as the authorization required under Article III.G. In conjunction with the Resolution, the Commission voted to suspend Rules 1.1 through 1.4, which are the rules establishing procedures and fees for export applications. The Resolution and rule change passed unanimously with an effective date of July 1, 2017. The Resolution is available on the Commission's website. Commission rules are available from the Administrator.

Office Move & New Administrator

At the June 2015 Annual Meeting, the Commission adopted a Resolution to relocate the Commission's offices to the Oklahoma Department of Environmental Quality ("ODEQ"). Then, in November 2016, the Commission entered into a Memorandum of Agreement ("MOA") with ODEQ to authorize an ODEQ employee to perform necessary administrative functions to assist the Commission. On January 1, 2017, ODEQ employee Kristie Valtierra began performing administrative functions for the Commission and the office relocation was completed as of February 2017. A copy of the Resolution and the MOA are available from the Administrator.

Summary of Litigation

The Commission was not involved in litigation during Fiscal Year 2017 nor is any litigation pending. Details of past litigation are available on the Commission's website.

Recognition

During the Annual Meeting, the Commission's long-time Administrator, Rita Houskie, was honored on her retirement after 22 years of exemplary service to the Commission. When she began her service for the Commission in 1995, the Commission had five employees.



She became the sole employee in 2008. During her tenure, Rita worked with over 20 Commissioners and alternates, and at least seven Chairpersons. Through all of this, she has been the one pillar of consistency that the current and all former Commissioners relied upon heavily to ensure the Commission functioned smoothly. Rita has been a very valuable, knowledgeable, committed employee who can never be fully replaced. Rita, thank you for your service!

Scott Blackwell (LA), Jon Roberts (OK), Rita Houskie, John Mitchell (KS), George Overbey (AR)

Waste Generation and Disposal

There are currently four disposal sites in the United States authorized to accept low-level radioactive waste.

- EnergySolutions in Clive, Utah.
- Waste Control Specialists (WCS) near Andrews, Texas.
- US Ecology in Richland, Washington.
- EnergySolutions in Barnwell, South Carolina.

Additional information about each of these sites is available at:
<https://www.nrc.gov/waste/llw-disposal/licensing/locations.html>.

Generators seeking to treat, process and otherwise manage their waste in preparation for ultimate disposal may wish to refer to the National Directory of Brokers and Processors for assistance. The Directory is available at <http://bpdirectory.com/>.

The following tables show the quantities and activity levels of low-level radioactive waste generated and disposed by generators in the Central States Compact, as reported in the Manifest Information Management System (<http://mims.doe.gov>).

Table 1. Summary of LLRW generated in the Central States Compact 2007-2016.

Year	Volume (ft ³)	Volume Class A	Volume Class B	Volume Class C	Activity (curies)	Activity Class A	Activity Class B	Activity Class C
2016	58,599.7	58,195.8	11.9	392	66,082.8	117.3	1,667.6	64,297.9
2015	45,328.3	45,300.0	0	0	117.1	117.1	0	0
2014	27,356.1	27,347.6		8.5	9.9	9.9		0.1
2013	62,582.0	62,486.0	111.0	0	21,351.0	63.0	21,283.3	0
2012	250,710.8	250,719.0		1	125.1	121.0		0
2011	36,128.9	36,099.0		39	173.6	171.0		0
2010	32,135.9	32,150.0		9	137.2	130.0		0
2009	85,804.6	85,834.0		2	171.0	162.0		0
2008	38,647.0	38,449.0	20.0	207	1,076.9	169.0	8.0	891.0
2007	71,843.0	71,128.0	220.0	525	3,151.8	192.0	735.0	2,214.0

Table 2. Summary of LLRW generated in individual states in 2016.

State	Volume (ft ³)	Volume Class A	Volume Class B	Volume Class C	Activity (curies)	Activity Class A	Activity Class B	Activity Class C
AR	17,837.9	17,837.9	0.0	0.0	24.9	24.9	0.0	0.0
KS	10,933.6	10,933.6	0.0	0.0	3.0	3.0	0.0	0.0
LA	29,125.9	28,733.9	0.0	392.0	64,387.4	89.4	0.0	64,297.9
OK	702.3	690.4	11.9	0.0	1,667.6	0.0	1,667.6	0.0

Table 3. Summary of LLRW disposed by Compact generators in 2016.

Site	Volume (ft ³)	Volume Class A	Volume Class B	Volume Class C	Activity (curies)	Activity Class A	Activity Class B	Activity Class C
Energy Solutions, Clive	57,834.2	57,834.2	0.0	0.0	117.2	117.2	0.0	0.0
US Ecology	361.6	361.6	0.0	0.0	0.0	0.0	0.0	0.0
WCS	403.9	0.0	11.9	392.0	65,965.5	0.0	1,667.6	64,297.9

This year's Waste Survey was included in the Commission's emailing of the Fiscal Year 2017 export applications. The survey was also available to those generators using the Commission's website. Thirty-two (32) shippers responded to the survey – 8 medical facilities, 8 higher education facilities, 3 utilities, 6 industrial facilities and 7 research/other facilities.

When asked how long waste could be stored if unable to ship for disposal, 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 \$850 per year to as high as \$3,000,000 per year.

Several generators have drastically reduced their business where radioactivity is used and some are eliminating radioactive materials due to increased licensing and disposal costs.

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

- Continued access.
- Having a site to dispose of our waste and rising cost of disposal.
- Limited number of options for disposal of waste.
- Shut down or other non-availability of LLRW disposal facilities and the rising cost of disposal.

- 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.

Commission Budget

Budget/Expenditures

Table 4 shows the Commission's budget and expenditures for Fiscal Year 2017 and the approved budget for Fiscal Year 2018. The line item for salaries and benefits is zero for Fiscal Year 2018 due the retirement of the Administrator and relocation of the Commission's offices to the Oklahoma DEQ.

Table 4. Commission Budget/Cash Expenditures for Fiscal Year 2017 and Budget for Fiscal Year 2018.

Expense	FY 2017 Budget*	FY 2017 Actual	FY 2018 Budget
Salaries & Benefits	127,265	127,222	0
Rent	3,000	2,912	2,500
Telephone	3,000	2,815	1,000
Postage	600	523	600
Copy & Printing	200	6	300
Machine Lease & Maintenance	500	0	0
Meeting Transcriptions	1,000	688	1,000
Dues & Subscriptions	9,500	9,500	9,500
Office Equipment & Supplies	2,000	935	500
Travel & Meeting Expense	5,000	4,026	10,000
Insurance	13,448	12,683	4,000
Accounting	13,500	12,500	11,000
Legal Fees	3,000	1,950	3,000
Miscellaneous	29,750	10,417	30,000
Cash Reserve / Recover Shortfall	0	0	0
Total	211,763	186,177	73,400
* Amended April 27, 2017			

Donations/Grants

Article IV.J. of the Compact and XI(D) of the Commission's Bylaws require the Commission to report the nature, amount and condition, if any, of any donation or grant accepted by the Commission during the year together with the identity of the donor, grantor or lender. For Fiscal Year 2017, the Commission accepted no donations or grants.

Central Interstate LLRW Compact Commission Audit
Fiscal Years 2016 and 2017

Article IV.I of the Compact requires an annual audit of Commission funds and that the audit report be included in the Commission's Annual Report.

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

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

**FOR THE YEARS ENDED
June 30, 2017 and 2016**

Central Interstate Low-Level Radioactive Waste Commission

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COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

Independent Auditor's Report

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To the Commissioners
Central Interstate Low-Level
Radioactive Waste Commission

Other Offices in
Kansas and Missouri

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, 2017 and 2016, 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, 2017 and 2016 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 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 November 9, 2017 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.

Cochran Head Vito & Co., P.A.

Overland Park, Kansas
November 9, 2017

**Central Interstate Low-Level
Radioactive Waste Commission**
Statements of Net Position
June 30, 2017 and 2016

	2017	2016
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 5,965,378	\$ 6,082,953
Restricted cash and investments - rebate fund	829,461	829,461
Total current assets	6,794,839	6,912,414
Noncurrent Assets		
Capital assets	41,977	41,977
Accumulated depreciation	(41,977)	(41,977)
Total capital assets, net	-	-
Total Assets	6,794,839	6,912,414
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	4,704	1,446
Accrued expenses	-	20,331
Total Liabilities	4,704	21,777
<u>Net Position</u>		
Restricted	829,461	829,461
Unrestricted	5,960,674	6,061,176
Total Net Position	\$ 6,790,135	\$ 6,890,637

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, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Commission member fees	\$ 20,000	\$ 20,000
Export application fees	19,175	25,075
Other operating revenue	98	236
Total Operating Revenues	<u>39,273</u>	<u>45,311</u>
Operating Expenses		
Salaries and benefits	116,822	74,960
Professional fees	25,555	14,725
Office and administrative	18,205	18,306
Rent	2,912	3,912
Travel	4,027	2,515
Total Operating Expenses	<u>167,521</u>	<u>114,418</u>
Operating (Loss)	<u>(128,248)</u>	<u>(69,107)</u>
Nonoperating Revenue		
Interest	27,746	8,205
Total Nonoperating Revenue	<u>27,746</u>	<u>8,205</u>
Change in net position	(100,502)	(60,902)
Net position, beginning of year	<u>6,890,637</u>	<u>6,951,539</u>
Net position, end of year	<u>\$ 6,790,135</u>	<u>\$ 6,890,637</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, 2017 and 2016**

	2017	2016
Cash Flows From Operating Activities		
Cash received from customers	\$ 39,175	\$ 45,075
Cash paid to employees	(137,153)	(73,612)
Cash paid for professional services	(25,555)	(14,725)
Other receipts	98	236
Other payments	(21,886)	(23,472)
Net Cash Used in Operating Activities	(145,321)	(66,498)
Cash Flows From Investing Activities		
Interest received	27,746	8,205
Net Cash Provided by Investing Activities	27,746	8,205
Decrease in Cash and Cash Equivalents	(117,575)	(58,293)
Cash and cash equivalents, beginning of year	6,312,414	6,370,707
Cash and cash equivalents, end of year	6,194,839	6,312,414
Certificates of deposit	600,000	600,000
Total Cash and Investments reported on the statement of net position	\$ 6,794,839	\$ 6,912,414
Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents	\$ 5,965,378	\$ 6,082,953
Restricted cash and investments - rebate fund	829,461	829,461
Total Cash and Investments	\$ 6,794,839	\$ 6,912,414
Reconciliation of operating loss to net cash used in operating activities		
Operating (loss)	\$ (128,248)	\$ (69,107)
Adjustments to reconcile operating loss to net cash used in operating activities:		
<i>Increase/(Decrease) in:</i>		
Accounts payable	3,258	1,261
Accrued expenses	(20,331)	1,348
Net Cash Used in Operating Activities	\$ (145,321)	\$ (66,498)

See accompanying notes to the financial statements.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2017 and 2016

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.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2017 and 2016

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. In connection with the termination benefits described in Note 5, compensated absences in the amount of \$17,098 were paid in March 2017.

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, 2017 and 2016, the carrying values of deposits are summarized as follows:

	2017	2016
Cash deposits	\$ 7,496	\$ 7,552
Certificates of deposit	600,000	600,000
Investment in Short Term Federal Investment Trust (STFIT) Accounts	6,187,343	6,304,862
Total cash and investments	<u>\$ 6,794,839</u>	<u>\$ 6,912,414</u>

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

Cash and cash equivalents	\$ 5,965,378	\$ 6,082,953
Restricted cash and investments - rebate fund	829,461	829,461
Total cash and investments	<u>\$ 6,794,839</u>	<u>\$ 6,912,414</u>

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2017 and 2016

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, 2017 and 2016, 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, 2017 and 2016, 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 \$2,912 and \$3,912, respectively, for the years ended June 30, 2017 and 2016.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2017 and 2016

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets for the years ended June 30, 2017 and 2016 are as follows:

	2017			
	Beginning Balances	Increases	Decreases	Ending Balances
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -
	2016			
	Beginning Balances	Increases	Decreases	Ending Balances
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -

NOTE 5: TERMINATION BENEFITS

For the year ended June 30, 2017, the Commission approved a severance package for the Administrator that would include compensation and the cost of health care premiums for one year. The termination benefits were paid in March 2017 in the amount of \$67,347 and are included in salaries and benefits on the Statement of Revenues, Expenses and Changes in Net Position.

NOTE 6: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through November 9, 2017, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.

COMPLIANCE REPORT



COCHRAN HEAD VICK & CO., P.A.

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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**

Other Offices in
Kansas and Missouri

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, 2017, and the related notes to the financial statements, and have issued our report thereon dated November 9, 2017.

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.

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.

Cochran Head Vicko & Co., P.A.

Overland Park, Kansas
November 9, 2017