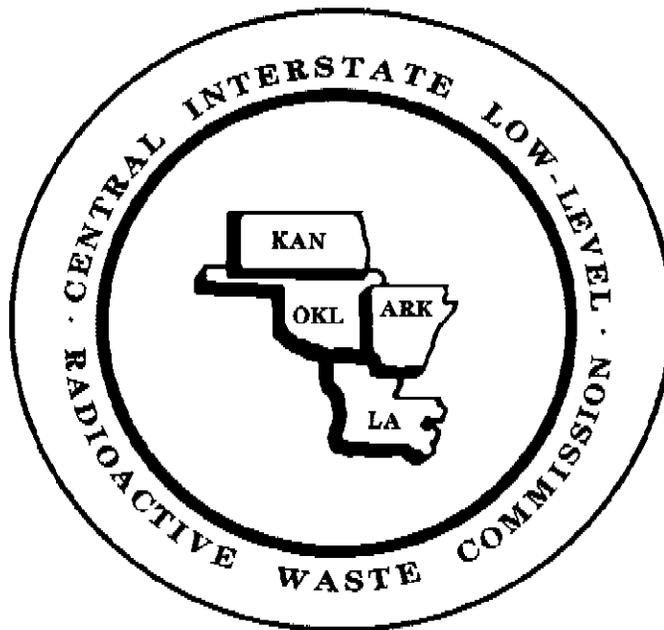


Central Interstate Low-Level Radioactive Waste Commission



**Annual Report
2015-2016**

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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Significant Events

Commission Meetings

- November 17, 2015 Special Teleconference

The Commission met by telephone for a special meeting on November 17, 2015. The purpose of the meeting was to take action on administrative matters. The Commissioner from Arkansas was absent from the meeting.

At the Annual Meeting held in June of 2015, the Commissioners adopted a Resolution to relocate the Offices to Oklahoma Department of Environmental Quality and gave the Chair authority to begin the process.. The Chair reported that no progress had been made due his hectic schedule and a health issue experienced by the Administrator. The Chair also indicated that he had set a personal goal of January 2017 for the Office transition to be effective.

The Annual Audit for fiscal year 2014-2015 was accepted without comment.

Other business completed by the Commission included the acceptance of the minutes for the June 2015 Annual Meeting and the ratification of the export applications previously approved in July, August, and October 2015.

- June 14, 2016, Annual Meeting

The Annual Meeting of the Central Interstate LLRW Commission was held in Shreveport, Louisiana. The Commissioners came together to discuss the Memorandum of Agreement with Oklahoma, By-Law changes, and to take action on routine administrative business.

The Chair briefed the Commission on the progress made in preparation of the relocation of the Office from Nebraska to the Oklahoma Department of Environmental Quality. He reported that a draft Memorandum of Agreement had been developed that outlined the duties and responsibilities of each party. He had spoken with his IT people and they felt the transition would go smoothly. He recommended keeping Shawn Renner, Outside Counsel in Nebraska, as the Commission's attorney for the time being and Mr. Renner agreed to continue. The Commission's bank accounts will stay in Nebraska until the Office is up and running from Oklahoma. The Chair asked the Commissioner to review the draft document and make comments to him in a timely fashion. He hoped to have the document in a finalized form before the November 2016 meeting.

The Chair also proposed some changes to the Commission's By-Laws. His suggestions included a change to the term of the Chairmanship, the addition of a Vice-Chairman, a mechanism by which more than two Commissioners could communicate without it constituting a public meeting, the option to hold the Annual Meeting via teleconference, two signors for payments over \$500, and a monthly income and expense report. He asked that the Commissioners review the proposed changes and comment to him in a timely fashion. He would like this document to be in a finalized form before the November 2016 meeting.

Two options were proposed for Annual Budget for fiscal year 2016-2017. Option one assumed that no changes were made to the Administrator's position with some additional funds made available for line items that would advance the move of the Office. Option two assumed that the Administrator would retire in January 2017 and operational expenses would be moved to Oklahoma. The Commissioners adopted Option two of the proposed budget.

The Commission adopted the minutes from the November 17, 2015 teleconference. Actions

previously taken on export applications throughout the year were ratified. The Oklahoma Commissioner was elected to serve as Chair for fiscal year 2016-2017. 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 2015—four major generator applications, and ten non-federal applications were approved.
- August 2015—six non-federal applications were approved.
- October 2015—four non-federal applications were approved.
- November 2015—four non-federal applications were approved.
- December 2015—two non-federal applications were approved.
- January 2016—two non-federal applications were approved.
- February 2016—two non-federal applications and two federal applications were approved.
- April 2016—eight non-federal applications were approved.
- May 2016—one non-federal application was approved.

Waste Report

This year's Waste Survey was included in the Commission's emailing of the 2015-2016 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 10 medical facilities, 9 higher education facilities, 1 utilities, 8 industrial facility and 5 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 \$500 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:

- 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 47 export applications for this reporting period: 10 from Arkansas, 16 from Kansas, 8 from Louisiana, and 13 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 2015.

Volume and Activity Summary

Year	Volume	Volume_A	Volume_B	Volume_C	Activity	Activity_A	Activity_B	Activity_C
2015	45328.3547	45299.9797	0	0	117074.6952	117074.695	0	0
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
2011	36128.9199	36099		39	173.63791	171		0
2010	32135.8727	32150		9	137.22648	130		0
2009	85804.6154	85834		2	171.03433	162		0
2008	38646.9516	38449	20	207	1076.86687	169	8	891
2007	71842.9966	71128	220	525	3151.84689	192	735	2214
2006	19570.3149	19033	247	323	1894.92158	100	686	1098

Reporting Year	State	Volume Generated (ft3)	Activity (curies)
2015	Arkansas	14,857.23	49,354.06
2015	Kansas	7,610.33	30,073.09
2015	Louisiana	22,803.81	37,617.43
2015	Oklahoma	56.98	30.12
Total:		45,328.35	117,074.70

Summary of Litigation

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 and other important Commission events. Visit our web site (www.cillrwcc.org) for details of past litigation.

Export Applications for FY16-17 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, 2016

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 2015-2016 and Budget for Fiscal Year 2016-2017

Expense	FY13-14	FY14-15	FY15-16 Budget	FY15-16Actual	FY16-17
Salaries & Benefits	76,479	73,420	78,864	75,258	111,015
Rent	3,912	3,912	4,200	3,912	3,000
Telephone	2547	2,583	3,000	2,754	3,000
Postage	290	396	400	427	600
Copy & Printing	0	77	400	76	200
Machine Lease & Maintenance	0	0	700	0	500
Meeting Transcriptions	530	636	1,500	575	1,000
Dues & Subscriptions	8,500	9,500	10,500	9,500	9,500
Office Equipment & Supplies	1,038	1,442	5,000	1,180	2,000
Travel & Meeting Expense	2,287	3,628	7,000	2,514	5,000
Insurance	4,434	4,374	5,000	4,369	24,448
Accounting	17,000	12,830	13,500	12,500	13,500
Legal Fees	4,359	1,200	5,000	1,650	3,000
Miscellaneous	0	0	500	0	35,000
Cash Reserve / Recover Shortfall	0	0	0	0	0
Total	121,376	113,998	135,364	114,715	211,763

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

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

**FOR THE YEARS ENDED
June 30, 2016 and 2015**

CHV**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, 2016 and 2015, 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, 2016 and 2015 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 in Kansas and Missouri

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 17, 2016 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 Vick & Co., P.C.

Kansas City, Kansas
October 17, 2016

**Central Interstate Low-Level
Radioactive Waste Commission**
Statements of Net Position
June 30, 2016 and 2015

	2016	2015
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 6,082,953	\$ 6,141,246
Restricted cash and investments - rebate fund	829,461	829,461
Total current assets	6,912,414	6,970,707
Noncurrent Assets		
Capital assets	41,977	41,977
Accumulated depreciation	(41,977)	(41,977)
Total capital assets, net	-	-
Total Assets	6,912,414	6,970,707
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	1,446	185
Accrued expenses	20,331	18,983
Total Liabilities	21,777	19,168
<u>Net Position</u>		
Restricted	829,461	829,461
Unrestricted	6,061,176	6,122,078
Total Net Position	\$ 6,890,637	\$ 6,951,539

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, 2016 and 2015

	2016	2015
Operating Revenues		
Commission member fees	\$ 20,000	\$ 20,000
Export application fees	25,075	18,250
Other operating revenue	236	109
Total Operating Revenues	45,311	38,359
Operating Expenses		
Salaries and benefits	74,960	70,661
Professional fees	14,725	14,666
Office and administrative	18,306	18,372
Rent	3,912	3,912
Travel	2,515	3,628
Total Operating Expenses	114,418	111,239
Operating (Loss)	(69,107)	(72,880)
Nonoperating Revenue		
Interest	8,205	4,699
Total Nonoperating Revenue	8,205	4,699
Change in net position	(60,902)	(68,181)
Net position, beginning of year	6,951,539	7,019,720
Net position, end of year	\$ 6,890,637	\$ 6,951,539

See accompanying notes to the financial statements.

**Central Interstate Low-Level
Radioactive Waste Commission
Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Cash received from customers	\$ 45,075	\$ 38,250
Cash paid to employees	(73,612)	(75,612)
Cash paid for professional services	(14,725)	(14,666)
Other receipts	236	109
Other payments	(23,472)	(27,375)
Net Cash Used in Operating Activities	<u>(66,498)</u>	<u>(79,294)</u>
Cash Flows From Investing Activities		
Interest received	8,205	4,699
Net Cash Provided by Investing Activities	<u>8,205</u>	<u>4,699</u>
Decrease in Cash and Cash Equivalents	(58,293)	(74,595)
Cash and cash equivalents, beginning of year	6,370,707	6,445,302
Cash and cash equivalents, end of year	<u>6,312,414</u>	<u>6,370,707</u>
Certificates of deposit	600,000	600,000
Total Cash and Investments reported on the statement of net position	<u>\$ 6,912,414</u>	<u>\$ 6,970,707</u>
Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents	\$ 6,082,953	\$ 6,141,246
Restricted cash and investments - rebate fund	829,461	829,461
Total Cash and Investments	<u>\$ 6,912,414</u>	<u>\$ 6,970,707</u>
Reconciliation of net operating loss to net cash from operating activities		
Operating (loss)	\$ (69,107)	\$ (72,880)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Increase/(Decrease) in:		
Accounts payable	1,261	(1,463)
Accrued expenses	1,348	(4,951)
Net Cash Used in Operating Activities	<u>\$ (66,498)</u>	<u>\$ (79,294)</u>

See accompanying notes to the financial statements

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2016 and 2015

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, 2016 and 2015

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, 2016 and 2015, the carrying values of deposits are summarized as follows:

	2016	2015
Cash deposits	\$ 7,552	\$ 14,001
Certificates of deposit	600,000	600,000
Investment in Short Term Federal		
Investment Trust (STFIT) Accounts	6,304,862	6,356,706
Total cash and investments	<u>\$ 6,912,414</u>	<u>\$ 6,970,707</u>

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

Cash and cash equivalents	\$ 6,082,953	\$ 6,141,246
Restricted cash and investments - rebate fund	829,461	829,461
Total cash and investments	<u>\$ 6,912,414</u>	<u>\$ 6,970,707</u>

**Central Interstate Low-Level
Radioactive Waste Commission
Notes to the Financial Statements
June 30, 2016 and 2015**

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, 2016 and 2015, 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, 2016 and 2015, 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, 2016 and 2015.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2016 and 2015

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets for the years ended June 30, 2016 and 2015 are as follows:

	2016			Ending Balances
	Beginning Balances	Increases	Decreases	
Furniture, fixtures & equipment	\$ 41,977	\$ -	\$ -	\$ 41,977
Accumulated depreciation	(41,977)	-	-	(41,977)
Total capital assets, net	\$ -	\$ -	\$ -	\$ -
	2015			
	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: SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through October 17, 2016, 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

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, 2016, and the related notes to the financial statements, and have issued our report thereon dated October 17, 2016.

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 and 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 17, 2016

Cochran Ward Vicket Co, P.C.

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

Required Communications and Management Letter

For the Year Ended June 30, 2016

CHV

COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

1333 Meadowlark Lane
Kansas City, KS 66102
(913) 287-4433
(913) 287-0010 FAX

October 17, 2016

To 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) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 15, 2016. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2016. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Commission's financial statements were Management's estimate of the useful lives used in recording depreciation for capital assets and the liability for compensated absences. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Other offices in Kansas and Missouri

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. No such misstatements were identified during our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 17, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

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 opinions 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 Commissions' 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 entity'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.

Restriction on Use

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

Cashman Hand vick & C. PC.

