

**Central Interstate Low-Level
Radioactive Waste Commission**



Annual Report

Fiscal Year 2018
(July 1, 2017 – June 30, 2018)

Table of Contents

| | |
|---|---|
| Introduction..... | 2 |
| Contact Information..... | 2 |
| Commissioners and Administrator..... | 3 |
| Significant Events..... | 4 |
| <i>Commission Meetings</i> | 4 |
| <i>Commission Officer Changes</i> | 4 |
| <i>Summary of Litigation</i> | 4 |
| Waste Generation, Exports and Disposal..... | 4 |
| <i>Authorization to Export</i> | 4 |
| <i>Disposal Sites</i> | 5 |
| <i>Disposal Quantities and Activity Levels</i> | 5 |
| Commission Budget..... | 6 |
| <i>Budget/Expenditures</i> | 6 |
| <i>Donations/Grants</i> | 6 |
| Central Interstate LLRW Compact Commission Audit..... | 7 |

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
PO Box 1042
Oklahoma City, OK 73101-1042
Ph: 405.702.5220 Fax: 405.702.5101
<http://www.cillrwcc.org/>
admin@cillrwcc.org

Commissioners and Administrator

As of June 30, 2018

| | 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>Vacant</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, Vice-Chair 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 three meetings during Fiscal Year 2018.

November 21, 2017 – Special Teleconference Meeting.

December 20, 2017 – Special Teleconference Meeting.

June 19, 2018 – Annual Meeting in Oklahoma City, Oklahoma.

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

Commission Officer Changes

On February 2, 2018, John Mitchell, Commissioner from Kansas and Vice-Chair, retired from state service and the Commission. Mr. Mitchell began his service to the Commission in January 2009 when he was appointed as the alternate Commissioner from Kansas. He became the Kansas Commissioner in February 2014 and provided invaluable insight and assistance through the Commission's reorganization and relocation of its offices from Lincoln, Nebraska to Oklahoma City, Oklahoma. He will be sorely missed.

In accordance with Article V(D)(3) of the Commission's Bylaws, on February 5, 2018, Chairman Roberts appointed the Commissioner from Louisiana, Richard Blackwell, as Vice-Chair for the remainder of Commissioner Mitchell's term.

As of June 30, 2018, a new Kansas Commissioner had not been appointed.

Summary of Litigation

The Commission was not involved in litigation during Fiscal Year 2018 nor is any litigation pending. Details of past litigation are available on the Commission's website.

Waste Generation, Exports and Disposal

Authorization to Export

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.

At the June 20, 2017 Annual Meeting, the Commission adopted 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 became effective July 1, 2017 and serves as the authorization required under Article III.G. It will remain in effect until modified, suspended, or revoked by the Commission. The Resolution is available on the Commission's website.

Disposal Sites

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/>.

Disposal Quantities and Activity Levels

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 2008-2017.

| Year | Volume (ft ³) | Volume Class A | Volume Class B | Volume Class C | Activity (curies) | Activity Class A | Activity Class B | Activity Class C |
|------|---------------------------|----------------|----------------|----------------|-------------------|------------------|------------------|------------------|
| 2017 | 69,350.8 | 69,350.8 | 0.0 | 0.0 | 297.5 | 297.5 | 0.0 | 0.0 |
| 2016 | 58,599.7 | 58,195.8 | 11.9 | 392.0 | 66,082.8 | 117.3 | 1,667.6 | 64,297.9 |
| 2015 | 45,328.3 | 45,300.0 | 0.0 | 0.0 | 117.1 | 117.1 | 0.0 | 0.0 |
| 2014 | 27,356.1 | 27,347.6 | 0.0 | 8.5 | 9.9 | 9.9 | 0.0 | 0.1 |
| 2013 | 62,582.0 | 62,486.0 | 111.0 | 0.0 | 21,351.0 | 63.0 | 21,283.3 | 0.0 |
| 2012 | 250,710.8 | 250,719.0 | 0.0 | 1.0 | 125.1 | 121.0 | 0.0 | 0.0 |
| 2011 | 36,128.9 | 36,099.0 | 0.0 | 39.0 | 173.6 | 171.0 | 0.0 | 0.0 |
| 2010 | 32,135.9 | 32,150.0 | 0.0 | 9.0 | 137.2 | 130.0 | 0.0 | 0.0 |
| 2009 | 85,804.6 | 85,834.0 | 0.0 | 2.0 | 171.0 | 162.0 | 0.0 | 0.0 |
| 2008 | 38,647.0 | 38,449.0 | 20.0 | 207 | 1,076.9 | 169.0 | 8.0 | 891.0 |

Table 2. Summary of LLRW generated in individual states in 2017.

| 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 | 33,334.9 | 33,334.9 | 0.0 | 0.0 | 72.7 | 72.7 | 0.0 | 0.0 |
| KS | 5,821.0 | 5,821.0 | 0.0 | 0.0 | 25.1 | 25.1 | 0.0 | 0.0 |
| LA | 30,194.8 | 30,194.8 | 0.0 | 0.0 | 199.7 | 199.7 | 0.0 | 0.0 |
| OK | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Table 3. Summary of LLRW disposed by Compact generators in 2017.

| 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 | 69,136.3 | 69,136.3 | 0.0 | 0.0 | 297.5 | 297.5 | 0.0 | 0.0 |
| US Ecology | 214.5 | 214.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| WCS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |

Commission Budget

Budget/Expenditures

Table 4 shows the Commission's budget and expenditures for Fiscal Year 2018 and the approved budget for Fiscal Year 2019. 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 2018 and Budget for Fiscal Year 2019.

| Expense | FY 2018 Budget* | FY 2018 Actual | FY 2019 Budget |
|----------------------------------|--------------------|-------------------|-------------------|
| Salaries & Benefits | 0 | 0 | 0 |
| Rent | 2,500 | 1,260 | 2,000 |
| Telephone | 1,000 | 564 | 3,000 |
| Postage | 600 | 0 | 600 |
| Copy & Printing | 300 | 0 | 300 |
| Machine Lease & Maintenance | 0 | 0 | 0 |
| Meeting Transcriptions | 1,000 | 395 | 1,000 |
| Dues & Subscriptions | 9,500 | 9,500 | 9,500 |
| Office Equipment & Supplies | 500 | 0 | 0 |
| Travel & Meeting Expense | 10,000 | 7,070 | 6,000 |
| Insurance | 4,018 | 4,018 | 5,000 |
| Accounting | 12,500 | 12,500 | 12,500 |
| Legal Fees | 3,000 | 1,000 | 3,000 |
| Miscellaneous | 28,482 | 16,843 | 30,000 |
| Cash Reserve / Recover Shortfall | 0 | 0 | 0 |
| Total | | | |
| * As amended June 19, 2018 | 73,400 | 52,790 | 72,900 |

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 2018, the Commission accepted no donations or grants.

Central Interstate LLRW Compact Commission Audit
Fiscal Years 2017 and 2018

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, 2018 and 2017**

Central Interstate Low-Level Radioactive Waste Commission

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Independent Auditor's Report | 1-2 |
| Basic Financial Statements | |
| Statements of Net Position | 3 |
| Statements of Revenues, Expenses and Changes in Net Position | 4 |
| Statements of Cash Flows | 5 |
| Notes to the Financial Statements | 6-9 |
| Compliance Report | |
| 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 <i>Government Auditing Standards</i> | 10-11 |



COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

Independent Auditor's Report

7255 West 98th Terrace
Suite 100
Overland Park, KS 66212
(913) 378-1100
(913) 378-1177 FAX

To the Commissioners
Central Interstate Low-Level
Radioactive Waste Commission

Other offices in 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, 2018 and 2017, 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, 2018 and 2017 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 February 18, 2019 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.A.

Overland Park, Kansas
February 18, 2019

**Central Interstate Low-Level
Radioactive Waste Commission
Statements of Net Position
June 30, 2018 and 2017**

| | 2018 | 2017 |
|---|---------------------|---------------------|
| <u>Assets</u> | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 6,001,556 | \$ 5,965,378 |
| Restricted cash and investments - rebate fund | 829,461 | 829,461 |
| Total current assets | 6,831,017 | 6,794,839 |
| Noncurrent Assets | | |
| Capital assets | - | 41,977 |
| Accumulated depreciation | - | (41,977) |
| Total capital assets, net | - | - |
| Total Assets | 6,831,017 | 6,794,839 |
| <u>Liabilities</u> | | |
| Current Liabilities | | |
| Accounts payable | - | 4,704 |
| Total Liabilities | - | 4,704 |
| <u>Net Position</u> | | |
| Restricted | 829,461 | 829,461 |
| Unrestricted | 6,001,556 | 5,960,674 |
| Total Net Position | \$ 6,831,017 | \$ 6,790,135 |

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, 2018 and 2017

| | <u>2018</u> | <u>2017</u> |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Commission member fees | \$ 20,000 | \$ 20,000 |
| Export application fees | - | 19,175 |
| Other operating revenue | 23 | 98 |
| Total Operating Revenues | <u>20,023</u> | <u>39,273</u> |
| Operating Expenses | | |
| Salaries and benefits | - | 116,822 |
| Professional fees | 30,580 | 25,555 |
| Office and administrative | 14,194 | 18,205 |
| Rent | 1,260 | 2,912 |
| Travel | 6,958 | 4,027 |
| Total Operating Expenses | <u>52,992</u> | <u>167,521</u> |
| Operating (Loss) | <u>(32,969)</u> | <u>(128,248)</u> |
| Nonoperating Revenue | | |
| Interest | 73,851 | 27,746 |
| Total Nonoperating Revenue | <u>73,851</u> | <u>27,746</u> |
| Change in net position | 40,882 | (100,502) |
| Net position, beginning of year | <u>6,790,135</u> | <u>6,890,637</u> |
| Net position, end of year | <u>\$ 6,831,017</u> | <u>\$ 6,790,135</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, 2018 and 2017**

| | 2018 | 2017 |
|--|---------------------|---------------------|
| Cash Flows From Operating Activities | | |
| Cash received from customers | \$ 20,000 | \$ 39,175 |
| Cash paid to employees | - | (137,153) |
| Cash paid for professional services | (30,580) | (25,555) |
| Other receipts | 23 | 98 |
| Other payments | (27,116) | (21,886) |
| Net Cash Used in Operating Activities | (37,673) | (145,321) |
| Cash Flows From Investing Activities | | |
| Interest received | 73,851 | 27,746 |
| Net Cash Provided by Investing Activities | 73,851 | 27,746 |
| Increase (decrease) in Cash and Cash Equivalents | 36,178 | (117,575) |
| Cash and cash equivalents, beginning of year | 6,194,839 | 6,312,414 |
| Cash and cash equivalents, end of year | 6,231,017 | 6,194,839 |
| Certificates of deposit | 600,000 | 600,000 |
| Total Cash and Investments reported on the statement of net position | \$ 6,831,017 | \$ 6,794,839 |
| Reconciliation of Cash to the Statement of Net Position | | |
| Cash and cash equivalents | \$ 6,001,556 | \$ 5,965,378 |
| Restricted cash and investments - rebate fund | 829,461 | 829,461 |
| Total Cash and Investments | \$ 6,831,017 | \$ 6,794,839 |
| Reconciliation of operating loss to net cash used in operating activities | | |
| Operating (loss) | \$ (32,969) | \$ (128,248) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | |
| <i>Increase/(Decrease) in:</i> | | |
| Accounts payable | (4,704) | 3,258 |
| Accrued expenses | - | (20,331) |
| Net Cash Used in Operating Activities | \$ (37,673) | \$ (145,321) |

See accompanying notes to the financial statements.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2018 and 2017

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 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. In connection with the severance package described in Note 5, during the year ended June 30, 2018, the Commission disposed of all capital assets that were acquired by the previous administrator.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2018 and 2017

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 fully liquidated 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, 2018 and 2017, the carrying values of deposits are summarized as follows:

| | 2018 | 2017 |
|---|---------------------|---------------------|
| Cash deposits | \$ 5,219 | \$ 7,496 |
| Certificates of deposit | 600,000 | 600,000 |
| Investment in Short Term Federal Investment Trust (STFIT) Accounts | 6,225,798 | 6,187,343 |
| Total cash and investments | <u>\$ 6,831,017</u> | <u>\$ 6,794,839</u> |

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

| | | |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 6,001,556 | \$ 5,965,378 |
| Restricted cash and investments - rebate fund | 829,461 | 829,461 |
| Total cash and investments | <u>\$ 6,831,017</u> | <u>\$ 6,794,839</u> |

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2018 and 2017

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 investments 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, 2018 and 2017, 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, 2018 and 2017, 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 \$1,260 and \$2,912, respectively, for the years ended June 30, 2018 and 2017.

**Central Interstate Low-Level
Radioactive Waste Commission**
Notes to the Financial Statements
June 30, 2018 and 2017

NOTE 4: CAPITAL ASSETS

A summary of changes in capital assets for the years ended June 30, 2018 and 2017 are as follows:

| | 2018 | | | |
|---------------------------------|-----------------------|-----------|-----------|--------------------|
| | Beginning Balances | Increases | Decreases | Ending Balances |
| Furniture, fixtures & equipment | \$ 41,977 | \$ - | \$ 41,977 | \$ - |
| Accumulated depreciation | (41,977) | - | (41,977) | - |
| Total capital assets, net | \$ - | \$ - | \$ - | \$ - |
| | 2017 | | | |
| | 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 February 18, 2019, 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.

& Co

Certified Public Accountants

7255 West 98th Terrace
Suite 100
Overland Park, KS 66212
(913) 378-1100
(913) 378-1177 FAX

Other offices in Missouri

**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, 2018, and the related notes to the financial statements, and have issued our report thereon dated February 18, 2019.

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 Vico & Co., P.A.

Overland Park, Kansas
February 18, 2019

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

Required Communications and Management Letter

For the Year Ended June 30, 2018



COCHRAN HEAD VICK & CO., P.A.

& Co

Certified Public Accountants

7255 West 98th Terrace
Suite 100
Overland Park, KS 66212
(913) 378-1100
(913) 378-1177 FAX

Other offices in Missouri

February 18, 2019

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, 2018. 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 January 31, 2018. 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 2018. 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. Management has not identified any such estimates.

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.

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 February 18, 2019.

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.

Cochran Head Vick & Co., P.A.



Central Interstate Low-Level Radioactive Waste Commission

Scott Blackwell
Chairperson

Kristie Valtierra
Administrator

February 18, 2019

Cochran Head Vick & Co., P.A.
7255 West 98th Terrace, Suite 100
Overland Park, KS 66212

This representation letter is provided in connection with your audit of the financial statements of Central Interstate Low-Level Radioactive Waste Commission (the Commission), as of June 30, 2018, and the respective changes in financial position and cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of February 18, 2019, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 31, 2018, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 9) Guarantees, whether written or oral, under which the Commission is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 10) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Commission from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Commissioners or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 11) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 12) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 13) We have no knowledge of any fraud or suspected fraud that affects the Commission and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 14) We have no knowledge of any allegations of fraud or suspected fraud affecting the Commission's financial statements communicated by employees, former employees, regulators, or others.
- 15) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 16) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 17) We have disclosed to you the identity of the Commission's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 18) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 19) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 20) The Commission has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- 21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
- 22) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

- 23) We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- 24) We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
- 27) The Commission has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Commission has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) are properly classified and, if applicable, approved.
- 33) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
- 34) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 35) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- 36) We have appropriately disclosed the Commission's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.

Signature: _____

Title: _____

CELLRWC Chair-person