

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

**REQUIRED COMMUNICATIONS
AND
COMPLIANCE REPORT**

For the Years Ended June 30, 2024 and 2023

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

**Required Communications and Compliance Report
For the Years Ended June 30, 2024 and 2023**

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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 years ended June 30, 2024 and 2023. 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 28, 2024. 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 2024. 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. However, we assisted with adjustments in converting from the cash basis of accounting to the accrual basis of accounting.

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 November 14, 2024.

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 Commission'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.

Hood & Associates CPAs PC

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 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 years ended June 30, 2024 and 2023, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2024.

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.

Hood & Associates CPAs PC

November 14, 2024

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

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

**FOR THE YEARS ENDED
June 30, 2024 and 2023**

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

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Central Interstate Low-Level
Radioactive Waste Commission

Opinion

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, 2024 and 2023, and the related notes to the basic financial statements, as listed in the table of contents.

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, 2024 and 2023, 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.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 Standard*

In accordance with Government Auditing Standards, we have also issued our report dated November 14, 2024 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.

Hood & Associates CPAs PC

Kansas City, Missouri
November 14, 2024

**Central Interstate Low-Level
Radioactive Waste Commission**
Statements of Net Position
June 30, 2024 and 2023

	2024	2023
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 6,705,518	\$ 6,380,147
Restricted cash and investments - rebate fund	829,461	829,461
Other receivable	2,996	7,996
Total current assets	7,537,975	7,217,604
Total Assets	7,537,975	7,217,604
<u>Liabilities</u>		
Current Liabilities		
Accounts payable	-	-
Total Liabilities	-	-
<u>Net Position</u>		
Restricted	828,719	829,461
Unrestricted	6,709,256	6,388,143
Total Net Position	\$ 7,537,975	\$ 7,217,604

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, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Revenues		
Commission member fees	\$ 15,000	\$ 20,000
Total Operating Revenues	<u>15,000</u>	<u>20,000</u>
Operating Expenses		
Administration	7,000	6,500
Professional fees	12,684	10,954
Office expense	955	1,471
Insurance	3,158	3,158
Membership fees	12,000	12,000
Total Operating Expenses	<u>35,797</u>	<u>34,083</u>
Operating Income (Loss)	<u>(20,797)</u>	<u>(14,083)</u>
Nonoperating Revenue		
Interest	341,168	228,415
Total Nonoperating Revenue	<u>341,168</u>	<u>228,415</u>
Change in net position	320,371	214,332
Net position, beginning of year	<u>7,217,604</u>	<u>7,003,272</u>
Net position, end of year	<u>\$ 7,537,975</u>	<u>\$ 7,217,604</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, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Cash received from customers	\$ 20,000	\$ 20,000
Cash paid for goods and services	<u>(35,797)</u>	<u>(51,067)</u>
Net Cash Flows From Operating Activities	<u>(15,797)</u>	<u>(31,067)</u>
Cash Flows From Investing Activities		
Interest received	<u>341,168</u>	<u>228,415</u>
Net Cash Flows From Investing Activities	<u>341,168</u>	<u>228,415</u>
Increase in Cash and Cash Equivalents	325,371	197,348
Cash and cash equivalents, beginning of year	<u>6,609,608</u>	<u>6,412,260</u>
Cash and cash equivalents, end of year	6,934,979	6,609,608
Certificates of deposit	<u>600,000</u>	<u>600,000</u>
Total Cash and Investments reported on the statement of net position	<u>\$ 7,534,979</u>	<u>\$ 7,209,608</u>
Reconciliation of Cash to the Statement of Net Position		
Cash and cash equivalents	\$ 6,705,518	\$ 6,380,147
Restricted cash and investments - rebate fund	<u>829,461</u>	<u>829,461</u>
Total Cash and Investments	<u>\$ 7,534,979</u>	<u>\$ 7,209,608</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating income (loss)	\$ (20,797)	\$ (14,083)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
<i>Increase/(Decrease) in:</i>		
Accounts receivable	5,000	-
Accounts payable	<u>-</u>	<u>(16,984)</u>
Net Cash Flows From Operating Activities	<u>\$ (15,797)</u>	<u>\$ (31,067)</u>

See accompanying notes to the financial statements.

Central Interstate Low-Level
Radioactive Waste Commission
Notes to the Financial Statements
June 30, 2024 and 2023

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 to use, to be cash and cash equivalents.

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 basic 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 basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS

At June 30, 2024 and 2023, the carrying values of deposits are summarized as follows:

	2024	2023
Cash deposits	\$ 8,273	\$ 11,808
Certificates of deposit	600,000	600,000
Investment in Short Term Federal Investment Trust (STFIT) Accounts	6,926,706	6,597,800
Total cash and investments	<u>\$ 7,534,979</u>	<u>\$ 7,209,608</u>

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

Cash and cash equivalents	\$ 6,705,518	\$ 6,380,147
Restricted cash and investments - rebate fund	829,461	829,461
Total cash and investments	<u>\$ 7,534,979</u>	<u>\$ 7,209,608</u>

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, 2024 and 2023, 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, 2024 and 2023, 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.

3. COMMITMENTS

The Commission ended its Professional Services Agreement with the Oklahoma Department of Environmental Quality on September 30, 2022 and entered into a new Professional Service Agreement with an individual to provide certain administrative services on behalf of the Commission on an annual basis from July 1st to June 30th. The Agreement can be renewed at (1) year intervals. The Commission has exercised the renewal option for the fiscal year ending June 30, 2025. Total administration expenses under the agreements for the years ended June 30, 2024 and 2023 were \$7,000 and \$6,500 respectively.

4. SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through November 14, 2024, the date the financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the financial statements.