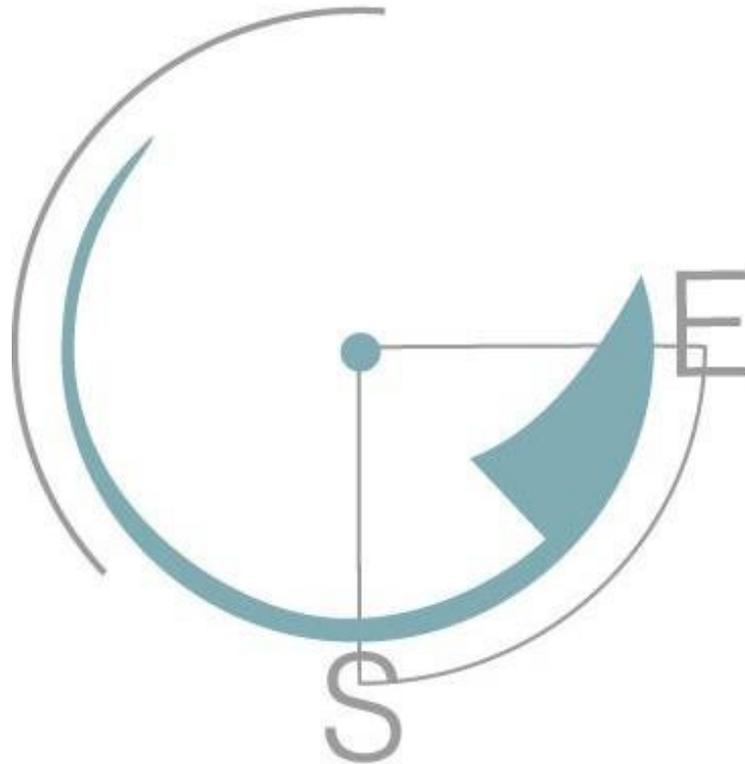


A Report to the Citizens of the Southeast
Interstate Compact Region on the Activities of the
Southeast Interstate Low-Level Radioactive Waste
Management Commission

Fiscal Year 2022
July 1, 2021 - June 30, 2022



Annual Report

Southeast Compact Commission
for Low-Level Radioactive Waste Management

AL • FL • GA • MS • TN • VA

FY2022: YEAR AT A GLANCE

COMMISSION ACTIVITIES

Access to Safe, Adequate Low-Level Radioactive Waste Management

The Southeast Compact Commission (Commission) continued to allow Southeast generators to ship their low-level radioactive waste (LLRW) to the disposal facilities in Clive, Utah; Richland, Washington; and Andrews County, Texas without any restrictions or requirements for prior approval or fees.

Southeast generators also had unrestricted access to all storage and treatment facilities in the nation.

Additional LLRW Disposal Opportunities

The Commission worked to secure additional disposal options for regional generators to dispose of sealed sources through continued participation in and support of the Disused Source Working Group (DSWG) of the Low-Level Radioactive Waste Forum, Inc. (LLW Forum). The DSWG develops recommendations to be considered by States, Federal agencies, and industry representatives to create a cooperative effort to improve the management and disposition of sealed sources. The DSWG continues to work with interested stakeholders to implement a timely and comprehensive solution. For additional information on the DSWG, please visit its website at www.disusedsources.org.

The Commission encourages regional generators to take advantage of the Source Collection and Threat Reduction Program (SCATR) administered by the Conference of Radiation Control Program Directors (CRCPD), which provides financial assistance for the collection, processing, and disposal of Class A, B, and C sealed sources that are disposed at the Texas Compact Facility operated by Waste Control Specialists in Andrews County, Texas. For additional information on SCATR, see <http://osrp.lanl.gov/CRCPDSCATR.shtml>.

Executive Director Announcement

After a diligent and extensive search, Dr. Thomas Hansen was selected to serve as the Commission's Executive Director beginning February 15, 2022. Dr. Hansen is a Certified Health Physicist with considerable LLRW and executive management experience. He will work closely with the Commission by providing leadership for day-to-day operations of the organization and by assisting the Commission in developing and implementing a vision and strategic plan to ensure that low-level radioactive waste generators in the southeast party states continue to have access for permanent disposal of their waste.

Richard S. Hodes, M.D. Honor Lecture Award

The Commission selected Aldon (Al) Beale to receive the 2022 Richard S. Hodes Award. Mr. Beale was the inventor and first to patent soft-sided IP-1 rated waste packaging for containing and disposing of hazardous and radioactive materials. His career engineering soft side packaging began with the Department of Energy at the Idaho National Engineering and Environmental Laboratory in August 1998. Traditional methods for packaging waste were forever changed by his innovative thinking, passion for design and engineering, and commitment to safety. For over two decades, Mr. Beale's designs continue to be used across North America in the nuclear industry by providing reliable, safe, and cost-effective alternatives to traditional metal waste containers.

The Commission established the Hodes Award in memory of Richard S. Hodes, M.D., and his achievements in the field of LLRW management. Dr. Hodes was the chair of the Southeast Compact Commission from its inception in 1983 until his death in 2002.

Information regarding the Richard S. Hodes, M.D. Honor Lecture Award may be obtained by contacting the Executive Director by email, tom@secompact.org, or by visiting the Commission's website at www.secompact.org.

Supporting the National Compact System

Commissioners and staff actively participated in meetings of the LLW Forum, industry conferences, and other events where national LLRW policy is debated and influenced.

The Commission monitored the rulemaking activities of the U.S. Nuclear Regulatory Commission (NRC), the U.S. Environmental Protection Agency (EPA), and other entities that impact the regulation of LLRW and submitted comments to those entities as appropriate.

Financial Report

Fiscal Year 2022

An audit of the books for FY2022 was conducted by the firm of Walker, Rodeniser & Welch LLP, Certified Public Accountants of Cary, North Carolina. The firm's report is dated December 14, 2022, and stated the following:

“Opinion

We have audited the accompanying statement of cash receipts and disbursements of the Southeast Interstate Low-Level Radioactive Waste Management Compact Commission (the "Commission"), for the year ended June 30, 2022, and the related notes to the statement of cash receipts and disbursements.

In our opinion, the statement of cash receipts and disbursements referred to above presents fairly, in all material respects, the cash receipts and disbursements of the Commission for the year ended June 30, 2022, in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement 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.

Basis of Accounting

We draw attention to Note I of the financial statement, which describes the basis of accounting. The financial statement is prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the cash basis of accounting as described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and the 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.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 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 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 statement, 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 statement.
- 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 statement.
- 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.”

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2022

	<u>2022</u>
CASH RECEIPTS:	
Investment income	\$ <u>370,258</u>
Total cash receipts	\$ <u>370,258</u>
CASH DISBURSEMENTS:	
Salaries	113,828
Fringe benefits	29,728
Travel	13,452
Professional services	58,813
Insurance	15,281
Telephone	1,453
Office expense	493
Miscellaneous	<u>1,658</u>
Total cash disbursements	<u>234,706</u>
Increase in cash and cash equivalents	135,552
Cash and cash equivalents – beginning of year	<u>477,796</u>
Cash and cash equivalents - end of year	\$ 613,348
Temporary investments - end of year	<u>\$ 19,709,428</u>
Cash, cash equivalents, and temporary investments - end of year	<u>\$ 20,322,776</u>

See accompanying notes to financial statement – cash basis.

Notes to Financial Statements - Cash Basis

For the Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Southeast Interstate Low-Level Radioactive Waste Management Compact Commission (the "Commission") is an organization responsible for the proper management of low-level radioactive waste in order to protect public health and the environment. The defined mission of the Commission is to ensure that adequate, reliable, and appropriate services are available to manage low-level radioactive waste streams generated in the Southeast Compact Region and to promote and facilitate the maximum use of those services by the party states. The Commission consists of appointees from the states of Alabama, Florida, Georgia, Mississippi, Tennessee, and Virginia.

Basis of Accounting

The accompanying financial statement has been prepared on the cash receipts and disbursements basis of accounting. Under the cash receipts and disbursements basis, the Commission only records cash receipts and disbursements at the time of such transactions. The cash receipts and disbursements basis is a departure from generally accepted accounting principles primarily because the effects of accounts receivable uncollected, accounts payable, and accrued expenses unpaid at the date of the financial statements, are not included in the financial statement. In addition, property and equipment are expensed when purchased rather than capitalized.

Cash and Cash Equivalents

The Commission considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Income Taxes

The Commission has been classified as an exempt organization by Congress under Public Law 99-240 and therefore, is not subject to income tax.

2. CONCENTRATIONS OF CREDIT RISK

The Commission maintains cash balances with a financial institution headquartered in North Carolina. Cash balances held at this financial institution are insured by the Federal Deposit Insurance Corporation ("the FDIC") up to \$250,000. At various times during the year, the Commission's cash balance held at financial institutions may exceed the federally insured limit. As of June 30, 2022, the amount of cash held at financial institutions is fully insured.

The Commission maintains accounts with an investment firm. These accounts contain cash, cash equivalents, and securities. Balances are insured by the Securities Investor Protection Corporation up to \$500,000 (with a limit of \$250,000 for cash) for certain acts by the broker dealer. As of June 30, 2022, the amount of uninsured cash held with this investment firm was \$322,692.

3. CASH, CASH EQUIVALENTS, AND TEMPORARY

INVESTMENTS

Cash, cash equivalents, and temporary investments consisted of the following at June 30, 2022:

	<u>2022</u>
Out-of-Region (60) Accounts:	
Temporary investments	\$ 19,709,428
Cash and cash equivalents	572,693
Bank Accounts	<u>40,655</u>
	<u>\$ 20,322,776</u>

4. TEMPORARY INVESTMENTS

Temporary investments consist of certificates of deposit, U.S. Treasury Bills, U.S. Agency Obligations, foreign bonds, and corporate bonds stated at fair value. The fair market values of investments may fluctuate depending on changes in interest rates.

The Commission has an investment policy to guide investment making decisions by management. The funds can be invested in a combination of the following:

- Interest bearing demand deposits invested in U.S. Treasury Bills or other short-term U.S. Treasury securities.
- Bonds, notes, or other evidences of indebtedness that are direct obligations of the United States of America or that are unconditionally guaranteed both as to principal and interest by the United States of America.
- Bonds, notes, or other evidences of indebtedness that are obligations of agencies of the United States of America.
- Corporate bonds with at least a single "A" rating by either the Standard and Poor's rating agency or the Moody's rating agency. Investment in corporate bonds were limited to 20% of the total par value of funds held by the Commission with no more than one percent of the total par value of the funds held by the Commission invested in any one issuer of corporate bonds. In 2020, the Commission amended its investment policy to state that investment in corporate bonds are limited to 25% of the total book value of funds held by the Commission with no more than one percent of the total book value of the funds invested in any one issuer of corporate bonds. Should the rating by either Standard and Poor's or Moody's fall below a triple "B" rating, the Commission shall sell that investment.

A summary of temporary investments as of June 30, 2022, is as follows:

Certificates of Deposit	\$ 11,315,500
U.S. Government Obligations	3,515,850
Corporate Bonds	<u>4,878,078</u>
Total, at fair value	19,709,428
Cumulative unrealized losses, net	<u>1,991,307</u>
Total, at historical cost	<u>\$ 21,700,735</u>

These unrealized gains and losses would only be realized if the U.S. Government Obligations and Corporate Bonds were called or sold before their maturity date, or if the Certificates of

Deposit were withdrawn before their full term.

contributions were \$25,946 for the year ended June 30, 2022.

5. FAIR VALUE MEASUREMENTS

The Fair Value Measurements and Disclosures Topic of the Financial Accounting Standards Board Accounting Standards Codification establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of inputs used to measure fair values are as follows:

Level 1 Fair Value Measurements:

The fair values of the Commission's investments are based on quoted market prices, when available.

Level 2 Fair Value Measurements:

Fair values are based on inputs other than quoted prices included within Level 1 that are observable for valuing the asset or liability, either directly or indirectly. Observable inputs include quoted prices for similar assets or liabilities in active or non-active markets. Level 2 inputs may also include insignificant adjustments to market observable inputs.

Level 3 Fair Value Measurements:

Fair values are based on inputs other than quoted prices included within Level 1 that are unobservable and significant to the fair value measurements.

The Commission uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. When available, the Commission measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The temporary investments listed below are measured at fair value on a recurring basis at June 30, 2022 as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Observable Inputs (Level 3)
U.S. Govt. Obligations	\$ 3,515,850	\$	\$ 3,515,850	\$
Certificates of Deposit	11,315,500		11,315,500	
Corporate Bonds	4,878,078		4,878,078	
Total	<u>\$ 19,709,428</u>	<u>\$</u>	<u>\$ 19,709,428</u>	<u>\$</u>

Level 2 fair value measurements are based on quoted market prices for identical or similar assets in active markets, as well as bid information and vendor evaluations. Level 2 fair value measurements also contain insignificant adjustments to observable information.

6. RETIREMENT PLAN

All employees earning \$450 or more in a calendar year who meet certain age and length of service requirements are eligible to participate in the Commission's Simplified Employee Pension Plan. This qualified pension plan provides for contributions by the Commission at the rate of 25% of gross salary. Retirement

7. SUBSEQUENT EVENTS

The Commission has evaluated subsequent events through December 14, 2022, the date the financial statements were available to be issued. No significant subsequent events have been identified by management.

Commission Website

The Commission maintains a website for use by commissioners, LLRW generators, and the public to keep them informed on current events and activities of the Commission as well as issues of national interest. The web page may be accessed at www.secompact.org.

Southeast Compact Commission Membership

JULY 1, 2021 - JUNE 30, 2022

The Compact Commission is composed of up to two Commissioners and two Alternate Commissioners appointed from each member state.

Officers

Chairman	John Williamson
Vice Chairman	Donna Hodges
Secretary/Treasurer	Paul Burks

Staff

Executive Director	Tom Hansen
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State

Alabama

Commissioners

David A. Turberville
Jennifer Lee

Alternate Commissioners

Myron K. Riley
Karl Frost

Florida

John Williamson

Georgia

Kevin Clark

Paul Burks

Mississippi

Christopher G. Wells

Donna Hodges

Tennessee

Michael Mobley

Debra Shults

Virginia

John (Jack) Storton
Lea Perlas

Herbert Wheary
Les Foldesi



SOUTHEAST COMPACT COMMISSION MISSION

To ensure that adequate, reliable, and appropriate services are available, now and in the foreseeable future, such that low-level radioactive waste generated in the Southeast Region can be safely managed in an efficient, equitable, economical, and environmentally responsible manner in order that each party state may meet its responsibility for providing for the availability of capacity either within our outside the State for disposal of low-level radioactive waste generated within its borders.

States Working for Responsible Waste Management