

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

Financial Statements

With Independent Auditors' Report

**For the Years Ended
June 30, 2016 and 2015**

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

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Independent Auditors' Report

To the Board of Directors of
Southwestern Low-Level Radioactive Waste Commission

We have audited the accompanying financial statements of Southwestern Low-Level Radioactive Waste Commission, which comprise the statements of cash and equity as of June 30, 2016 and 2015, and the related statements of cash receipts and disbursements for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in these circumstances. Management is also responsible 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditors' 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 auditors consider internal control relevant to the entity'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 entity'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 cash and equity of Southwestern Low-Level Radioactive Waste Commission as of June 30, 2016 and 2015, and its cash receipts and cash disbursements for the years then ended in accordance with the cash basis of accounting.

Other Matters—Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are 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 this matter.

Starbuck Walsh, LLP

Apple Valley, CA
September 29, 2016

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

**Statements of Cash and Equity
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
ASSETS		
Cash- Checking	\$ 363,503	\$ 117,044
Cash- Savings	382,243	24,002
Investments	-	627,530
	<u>745,746</u>	<u>768,576</u>
TOTAL ASSETS		
	<u>745,746</u>	<u>768,576</u>
EQUITY	<u>\$ 745,746</u>	<u>\$ 768,576</u>

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

**Statements of Cash Receipts and Disbursements
For the Years Ended June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
CASH RECEIPTS		
Exportation fees	\$ 221,093	\$ 227,143
Workshop revenue	8,840	-
Interest income	6,898	11,736
Other income	30	530
	<u>236,861</u>	<u>239,409</u>
TOTAL CASH RECEIPTS		
CASH DISBURSEMENTS		
Bank fees	70	60
Bond	326	326
Commission meetings and expenses	12,059	14,546
Contract costs	144,624	144,766
Dues and subscriptions	12,875	11,675
Insurance	20,472	20,651
Internet/website	2,259	1,391
Miscellaneous expenses	632	2,079
Office expense	987	572
Postage	1,766	2,114
Professional services	3,000	3,000
Rebates	1,801	2,878
Telephone	2,156	1,960
Travel	42,203	33,818
Workshop expenses	14,461	548
	<u>259,691</u>	<u>240,384</u>
TOTAL CASH DISBURSEMENTS		
DECREASE IN CASH	(22,830)	(975)
CASH, BEGINNING OF YEAR	<u>768,576</u>	<u>769,551</u>
CASH, END OF YEAR	\$ <u>745,746</u>	\$ <u>768,576</u>

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

Notes to the Financial Statements June 30, 2016 and 2015

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ORGANIZATION

The summary of significant accounting policies of Southwestern Low-Level Radioactive Waste Commission (the Commission) is presented to assist in understanding the Commission's financial statements. The financial statements and notes are a representation of the Commission's management who is responsible for the integrity and objectivity of the financial statements.

Nature of Operations

Southwestern Low-Level Radioactive Waste Commission is authorized under Public Law 100-712. It is the governing body of a compact of four states (California, Arizona, North Dakota, and South Dakota) established to control the importation and exportation of radioactive waste into and out of this region. Operations are overseen by seven commissioners appointed by the Governors of the four states (four from California, the host state, and one from each of the three other states). The review of exportation petitions and recommendations for approval are contracted out to an Executive Director.

Revenues are derived from exportation fees charged to those entities that create radioactive waste in the four states and desire to export the waste out of the states. The Commission publicizes its existence and services via its website and direct mailer to waste generators, brokers, processors, and disposal facility operators.

While laws authorizing the Commission contain no sunset clauses, it was established under public law; and as such, controlling federal and state governments may alter its activities or even discontinue the entity at any time.

Basis of Accounting

The Commission's policy is to prepare its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America; wherein, revenues are recognized when received rather than when earned, and expenses and purchases are recorded when cash is disbursed rather than when the obligation is incurred. Consequently, no provision has been made for accounts receivable, accounts payable, and other accruals of income, expense, assets, or liabilities.

Cash and Cash Equivalents

For purposes of these financial statements, the Commission considers securities and all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Income Taxes

As an agency of the party states, the Commission's activities are not subject to federal or state income tax and, therefore, no provision for income taxes has been presented in these financial statements.

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMMISSION

Notes to Financial Statements June 30, 2016 and 2015

Note 2: CONCENTRATIONS

Concentration of Credit Risk

The Commission maintains all of its cash and investments at financial institutions located in California. Balances at June 30, 2016 and 2015 were insured by the Federal Deposit Insurance Company up to \$250,000. At June 30, 2016 and 2015 the Commission had uninsured cash balances of \$501,305 and \$146,442, respectively.

Concentration of Customers Risk

For the 12 months ended June 30, 2016, Southwestern Low-level Radioactive Waste Commission collected nearly 60% of its export fee revenue from four customers. Due to the nature of these customers' business and legal requirements binding them to the proper disposition of low-level radioactive waste, management does not anticipate a change in relationship with these customers in the near term.

Note 3: SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 29, 2016, the date the financial statements were available to be issued.