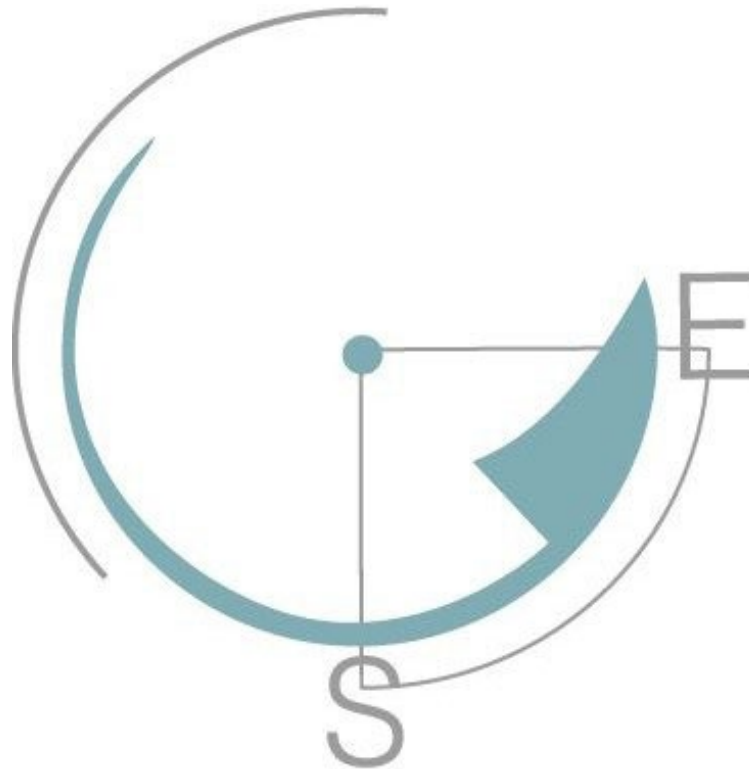


A Report to the Citizens of the Southeast  
Interstate Compact Region on the Activities of the  
Southeast Interstate Low-Level Radioactive Waste  
Management Commission

**Fiscal Year 2023**  
**July 1, 2022 - June 30, 2023**



## Annual Report

Southeast Compact Commission  
for Low-Level Radioactive Waste Management

AL • FL • GA • MS • TN • VA

# Fiscal Year 2023: 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](http://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>.

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

The Commission selected Mark Lewis to receive the 2023 Richard S. Hodes Award. Mr. Lewis has dedicated his career to the safe and compliant transportation, packaging, and disposal of radioactive material, radioactive waste, and mixed waste. He is principally responsible for developing and delivering training coursework that has become the industry standard for many new and experienced radioactive material and waste shippers, and over the years he has trained and

advised thousands of shippers including nuclear power plant employees, Department of Defense personnel, inspectors, and other workers in the nuclear, radiation protection, and waste management industries. Following the breakup of the former Soviet Union and the retreat of Russian regulators back to Russia, he was nominated by the U.S. Nuclear Regulatory Commission and the State Department to assist Ukraine with the development of new radioactive material transportation regulations. Additionally, he has been sponsored by the U.S. Nuclear Regulatory Commission to represent U.S. interests on a committee of the International Atomic Energy Agency that was tasked with convincing third world countries it was safe for radioactive materials to be shipped into and through their countries.

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](mailto:tom@secompact.org), or by visiting the Commission's website: [www.secompact.org](http://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 2023

An audit of the books for Fiscal Year 2023 was conducted by the firm of Williams Overman Pierce, LLP, Certified Public Accountants of Raleigh, North Carolina. The firm's report is dated December 1, 2023, and stated the following:

### ***“Opinion***

We have audited the accompanying statement of cash receipts and disbursements of the Southeast Compact Commission for Low-Level Radioactive Waste Management, a nonprofit organization (the "Commission"), for the year ended June 30, 2023, and the related notes to the financial statements - cash receipts and disbursements basis (collectively, the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of the Commission for the year ended June 30, 2023, in accordance with the cash receipts and disbursements 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 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.

### ***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 receipts and disbursements 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 Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash receipts and disbursements basis of accounting described in Note 1, and for determining that the cash receipts and disbursements basis of accounting is an acceptable basis for the preparation of the financial statements in the 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' 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 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 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.”

SOUTHEAST COMPACT COMMISSION FOR  
LOW-LEVEL RADIOACTIVE WASTE MANAGEMENT  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
For the Year Ended June 30, 2023

	<u>2023</u>
<b>CASH RECEIPTS:</b>	
Investment income	\$ <u>407,618</u>
Total cash receipts	\$ <u>407,618</u>
<b>CASH DISBURSEMENTS:</b>	
Salaries	75,000
Fringe benefits	42
Travel	45,801
Professional services	31,217
Insurance	10,690
Office expense	1,015
Hodes Award	5,150
Miscellaneous	<u>173</u>
Total cash disbursements	<u>169,088</u>
Increase in cash, cash equivalents, and temporary investments	238,530
Unrealized losses during year	(602,995)
Cash, cash equivalents, and temporary investments – beginning of year	\$ <u>20,322,776</u>
Cash, cash equivalents, and temporary investments - end of year	\$ <u>19,958,311</u>

See accompanying notes to financial statements – cash receipts and disbursements basis.

# Notes to Financial Statements - Cash Receipts and Disbursements Basis For the Year Ended June 30, 2023

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Organization and Nature of Activities

Southeast Compact Commission for Low-Level Radioactive Waste Management (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 statements have 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 statements. 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; therefore, it is not subject to income tax.

## 2. CONCENTRATIONS OF CREDIT RISK

The Commission maintains a cash balance with a financial institution in North Carolina. The cash balance held at the financial institution is insured by the Federal Deposit Insurance Corporation up to \$250,000. At various times during the year, the Commission's cash balance held at the financial institution may exceed the federally insured limit. As of June 30, 2023, the amount of cash held at the financial institution is fully insured.

The Commission maintains cash and securities accounts with an investment firm. Balances held by the investment firm 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, 2023, the amount of uninsured cash held with this investment firm was \$187,969.

## 3. CASH, CASH EQUIVALENTS, AND TEMPORARY INVESTMENTS

Cash, cash equivalents, and temporary investments consisted

of the following at June 30, 2023:

Investment Accounts:	
Temporary investments	\$ 19,493,775
Cash and cash equivalents	437,969
Bank Accounts	<u>26,567</u>
	<u>\$ 19,958,311</u>

## 4. TEMPORARY INVESTMENTS

Temporary investments consist of Certificates of Deposit, U.S. Government Obligations, 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. Investments 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 held by the Commission invested in any one issuer of corporate bonds. Should the rating by either Standard and Poor's or Moody's of a corporate bond held by the Commission fall below a triple "B" rating, the Commission shall sell that investment.

A summary of the temporary investments account at historical cost as of June 30, 2023 is as follows:

U.S. Government Obligations	\$ 4,344,985
Certificates of Deposit	10,480,079
Corporate Bonds	<u>4,668,711</u>
Total, at fair value	19,493,775
Cumulative unrealized losses, net	<u>(2,402,597)</u>
	<u>\$ 17,091,178</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.

## 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 I 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 assets listed below are measured at fair value on a recurring basis at June 30, 2023:

Fair Value Measurements Using:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Observable Inputs (Level 3)</u>
U.S. Govt. Obligations	\$ 4,344,985	\$	\$ 4,344,985	\$
Certificates of Deposit	10,480,079		10,480,079	
Corporate Bonds	<u>4,668,711</u>		<u>4,668,711</u>	
Total	<u>\$ 19,493,775</u>	<u>\$</u>	<u>\$ 19,493,775</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. SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through December 1, 2023, 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](http://www.secompact.org).***

# Southeast Compact Commission Membership

JULY 1, 2022 - JUNE 30, 2023

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

## Officers

Chairman	Donna Hodges
Vice Chairman	Karl Frost
Secretary/Treasurer	Paul Burks

## Staff

Executive Director	Tom Hansen
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## State

*Alabama*

## Commissioners

Jennifer Lee  
Cason Coan

## Alternate Commissioners

Karl Frost  
Nick Swindall

*Florida*

John Williamson

*Georgia*

Vacant

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**  
*for Low-Level Radioactive Waste Management*



For more information, please write or call

P.O. Box 31525	888.809.8799
Knoxville, TN 37930	tom@secompact.org
www.secompact.org	

### ***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*