
Midwest Interstate Low-Level Radioactive Waste Compact Commission

Annual Report

for the period from July 1, 2014 to June 30, 2015

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

November 2015



Midwest Interstate Low-Level Radioactive Waste Compact Commission

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Annual Report

for the period from July 1, 2014 to June 30, 2015

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Introduction

An interstate compact is a formal agreement between two or more states. Under Article 1, Section 10 of the U.S. Constitution, states may form compacts with the consent of Congress to resolve conflicts or address common problems. More than 120 such compacts have focused on various subjects, including water, education, transportation, fisheries, health, and waste.

The Midwest Interstate Low-Level Radioactive Waste Compact is an agreement between the states of Indiana, Iowa, Minnesota, Missouri, Ohio, and Wisconsin that provides for the cooperative and safe disposal of commercial low-level radioactive waste. The Compact was enacted into law by each member state legislature during the period from 1982 through 1984, and received Congressional consent in 1985.

During the late 1970s, prior to formation of the Compact, all of the nation's low-level radioactive waste was shipped to three disposal facilities located in Nevada, South Carolina, and Washington. With the support of the National Governors' Association and the National Conference of State Legislatures, these three states demanded a more equitable distribution of waste disposal responsibility and development of new disposal facilities. Congress responded by enacting the Low-Level Radioactive Waste Policy Act of 1980. (This Act was later replaced by the Low-Level Radioactive Waste Policy Amendments Act of 1985.) The federal legislation made disposal of Class A, B, and C low-level radioactive waste a state responsibility.

To reduce the number of new disposal facilities, Congress encouraged states to form regional compacts, and it gave compacts the unique authority to exclude waste from outside the boundaries of the compact region. States found this approach attractive because access to a regional disposal facility could be restricted solely to members of the compact. In addition, the approach allowed compact states to share the development costs for new disposal facilities.

Today, the Midwest Compact is one of 11 regional low-level radioactive waste compacts in the United States. There are 6 states not part of a compact.

This is the thirtieth in the series of annual reports published by the Midwest Compact Commission, the Compact's administrative body. The report summarizes activities and actions during the preceding fiscal year (July 1, 2014 through June 30, 2015). As required by Article 111(k) of the Compact, the report also contains the Commission's FY 2015 audited financial statements and the report of its independent, certified public accountant.

In accordance with another provision of the Compact, Article III(i)(2), this annual report will be submitted to the member state governors and appropriate legislative officers.

The Commission

The Midwest Interstate Low-Level Radioactive Waste Compact Commission (the Commission) is the administrative body of the Compact. It consists of one voting Commissioner from each of the six member states. Each state determines how it will appoint its Commissioner, and the state's Governor must provide written notification to the Commission of the appointment of a Commissioner.

Advance notice is given for all meetings, which are open to the public, and actions are recorded in meeting minutes and posted on the website.

The Commission holds an annual meeting in June of each year to hear reports and adopt a general fund budget. In alternate years, the Commission elects officers to serve two year terms. The Commission appoints an Executive Director who is the

administrative officer of the Commission. The State of Wisconsin Department of Health Services provides clerical support to the Commission and maintains a Commission office, address and telephone for the transaction of Commission business.

The following persons were serving as Commissioners and Alternate Commissioners in September 2015:

Commissioners

INDIANA

Vacant

IOWA

Alex Moon, Chief, Land Quality Bureau
Iowa Department of Natural Resources
502 E. 9th Street
Des Moines, IA 50319-0034
voice: 515.725.8327
fax: 515.725.8202
e-mail: alex.moon@dnr.iowa.gov

Alternate Commissioners

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Office of Land Quality
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Chuck Gipp, Director
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502 E. 9th Street
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Commissioners

MINNESOTA

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Minnesota Pollution Control Agency
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e-mail: john.stine@state.mn.us

MISSOURI

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WISCONSIN

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Alternate Commissioners

James Chiles
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520 Lafayette Road North
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vacant
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vacant

Paul Schmidt, Chief
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The following are under contract with the Commission:

Commission Counsel	Richard Ihrig, Lindquist & Vennum. P.L.L.P.
Commission Auditor	James F. Warner, Boulay, Heutmaker, Zibell & Co. P.L.L.P.
Commission Clerical Support	Susan Hagstrom, Wisconsin Department of Health Services

Annual Meeting

Annual Meeting 2015

Article III (d) of the Midwest Compact requires that the Commission hold an annual meeting, and the Commission's By-laws specify that "the annual meeting shall include, but not be limited to, election of officers and adoption of a budget for the following fiscal year." The Commission amended its by-laws to permit meeting by teleconference. Meeting notices designate a place in each state where the public can participate in the meeting. The Commission scheduled its Annual Meeting as a teleconference for June 2015. Commissioners and alternates attended. The Executive Director reported on the activities of the Low-Level Radioactive Waste

Forum, Inc., in which the Compact has made a heavy investment. The Commission received the FY 2014 audit from the auditor and adopted a budget for FY 2016. The Commission reviewed the availability of disposal sites nationally. Draft minutes for the annual meeting can be found on the Compact website.

The Commission asked Wisconsin to continue the present arrangement for reimbursing salary for the Executive Director and clerical support. Wisconsin indicated that they would continue the present arrangements. York was reappointed Executive Director for an indefinite term. The salaries are reimbursed to Wisconsin by the Commission.

Public Involvement

The Commission has developed a website, www.midwestcompact.org, which has all of the information about the Commission and its activities. This technology will keep interested persons better informed than an occasional mailing would. The Commission encourages interested parties to use the website as a place of communication.

The Commission encourages public attendance at all of its meetings. Commission meetings are open to the public and noticed at least twenty days before the meeting. Public comment on agenda items is invited at the meetings.

Member states also distribute material on the subject within their jurisdiction.

Figure 1

What is Commercial Low-Level Radioactive Waste?

Commercial low-level radioactive waste is material that is contaminated with radioactivity. In 1995, there were 187 potential generators of such waste in the Midwest Compact region (including nuclear power plants, hospitals, universities, research institutions, government agencies, and industries) of which 49 actually shipped waste that was received at commercial disposal.

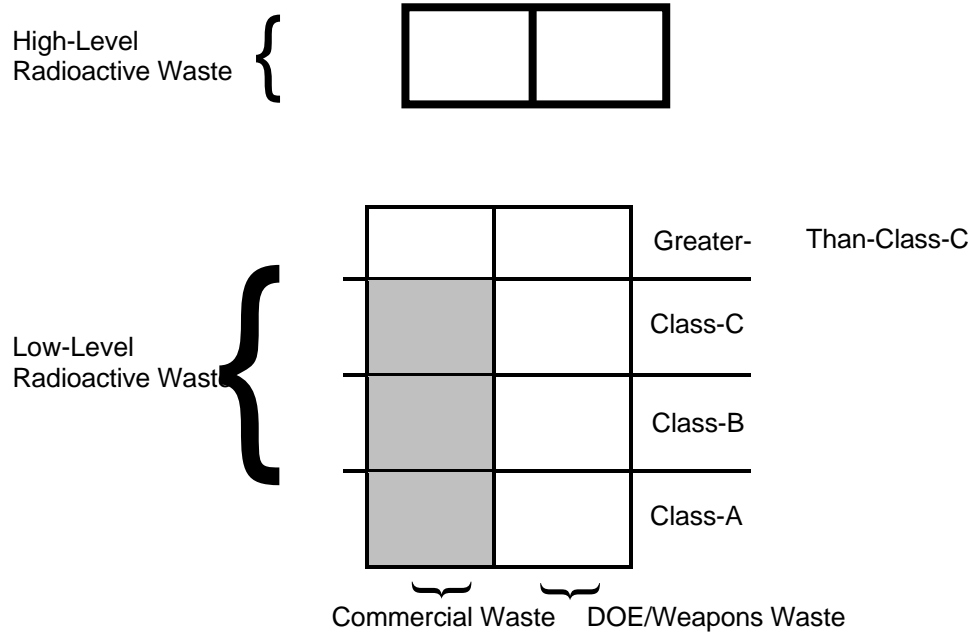
The number of generators shipping waste for disposal during any given year is subject to variation. The reasons for this variation can include the following: changes in product line or services offered, substitution of different radioactive or nonradioactive materials, periodic maintenance, equipment replacement, decontamination and dismantlement activities, and temporary storage of waste pending collection of amounts sufficient for economical shipment.

The waste can consist of clothing, wipe rags, lab equipment and glassware, luminous dials, hand tools, sealed radiation sources (e.g., measurement devices), filters and filter resins, consumer products (e.g., smoke detectors), internal reactor parts, and demolition debris. Most of this waste (Class A) has low concentrations of radionuclides, although a very small amount of the waste (Class B and Class C) has higher concentrations and different management requirements.

Low level radioactive waste shipped to commercial disposal facilities does not include spent fuel from nuclear reactors, atomic weapons production waste, or uranium mine and mill residues. Nor does it include liquid waste that is explosive, pyrophoric, or chemically hazardous.

Figure 2

Radioactive Waste Disposal Responsibility (chart not proportional)



Waste that is the disposal responsibility of the Midwest Compact
 Waste that is a federal disposal responsibility

Figure 3

Midwest Compact Commission Budgets for FY 09, 10, 11, 12, 13, 14, 15 and 16

Activity	FY 2009 Budget	FY 2010 Budget	FY 2011 Budget	FY 2012 Budget	FY 2013 Budget	FY 2014 Budget	FY 2015 Budget	FY 2016 Budget
Reimbursement to WI for executive	\$8,000	\$8,000	\$8,000	\$5,000	\$8,000	\$12,000	\$8,000	\$8,000
Reimbursement to WI for clerical	500	500	500	500	300	300	300	300
Telephone, fax	0	0	0	0	0	0	0	0
Travel	1,000	1,500	5,000	2,000	2,300	2,000	2,000	2,000
Office supplies	0	0	0	0	0	0	0	0
Annual report	1,400	1,500	1,500	1,500	1,500	1,500	1,500	1,600
Meeting expense	50	150	150	150	40	40	50	50
Publications, subscriptions	0	0	0	0	0	0	0	0
Accounting, audit	8,500	9,000	9,260	9,720	10,200	10,600	8,000	8,000
Legal counsel	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Web site	400	400	400	350	350	350	400	400
Record storage	200	200	250	250	550	550	400	400
Forum dues	8,500	8,500	8,500	8,500	9,500	8,500	9,500	9,500
Forum meeting	0	0	0	0	0	5,000	5,000	0
Forum other	0	4,000	3,000	2,800	200	200	0	0
MCC other	0	0	0	2,000	0	0	0	0
Total	\$31,550	\$36,750	\$39,560	\$35,770	\$40,940	\$44,040	\$38,150	\$29,250

Rebate fund balance 7/01/14 \$1,715,070.80
 Rebate fund balance 6/30/15 \$1,744,915.40
 Net gain (after expenses) \$29,844.60

Interregional Cooperation

The Midwest Compact Commission regularly interacts with other compacts and states. Among the notable activities and actions involving other compacts and states were the following:

Low-Level Radioactive Waste Forum

The Commission continues to participate actively in the Low-Level Radioactive Waste Forum, Inc. (LLW Forum). The LLW Forum is a national association of representatives of compacts, host states, unaffiliated states, and states with currently operating disposal facilities, as well as companies, operating sites, generators, processors and distributors. The Forum was established to facilitate the implementation of the 1985 Low-Level Radioactive Waste Policy Amendments

Act. The LLW Forum provides an opportunity for compacts and states to share information and exchange views with officials of federal agencies and other interested parties. LLW Forum participants also serve as liaisons to other entities, including the Conference of State Radiation Control Program Directors, the Conference of State Legislatures, and the Federal Facility Compliance Act Task Force. The Commission is represented on the LLW Forum by its Chair.

Export and Disposal of Midwest Compact Waste

By action of the Atlantic Compact, Midwest Compact region generators no longer have access to EnergySolutions, disposal facility in Barnwell, South Carolina.

Midwest Compact regions Generators have access to the EnergySolutions, disposal facility in Clive, Utah. The EnergySolutions facility generally accepts high volume, low activity Class A waste that does not exceed license limitations on radionuclide concentrations. Enviro Care, Inc. of Utah has over 300 million cubic feet of unused capacity.

The state of Texas has established a Commercial disposal site. It is now available to Midwest Compact generators for the disposal of Classes A, B, and C waste. The high cost of transport and disposal has kept the amount of disposal low.

Looking Ahead

Exploration of Disposal Alternatives

The Commission intends to continue its exploration of opportunities that may arise for consolidation, contractual disposal arrangements, or other means of assuring generator access to existing disposal facilities. This includes review of the situation of currently operating facilities, as well as possibilities related to proposed new, privately-developed disposal facilities.

Continued Support for New Disposal Capacity in Other Compacts

Although no longer developing a site of its own, the Commission will continue to actively support development activities in other compacts. Development efforts in other compacts are followed closely.

Commission Staffing

During FY 2015 the Commission has vested the administrative function in the Executive Director, and contracted with the State of Wisconsin to provide administrative backup to the Executive Director and decided to continue the arrangement.

The Commission's office address and phone are located in the Office of Radiation Protection, Division of Public Health, Department of Health Services, of the State of Wisconsin.

Figure 4a

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1986-2014

VOLUME (ft3)

	1986	1987	1988	1989	1990	1991
Indiana	295.51	2,257.06	1,891.97	2,150.31	1,956.01	5,723.62
Iowa	9,975.20	18,795.26	7,206.61	6,055.37	5,557.86	12,815.37
Minnesota	28,655.60	20,250.67	15,477.16	21,954.29	26,985.22	43,520.53
Missouri	27,307.48	28,782.69	11,911.77	18,802.64	19,609.59	19,055.46
Ohio	16,541.70	20,882.17	22,585.21	58,866.18	24,146.85	24,335.89
Wisconsin	6,252.10	9,792.73	10,599.36	6,880.93	9,217.32	7,228.19
TOTALS	89,027.59	100,760.58	69,672.08	114,709.72	87,472.85	112,679.06

	1992	1993	1994	1995	1996	1997
Indiana	2,715.14	967.15	1,622.81	100.78	341.01	380.93
Iowa	5,447.79	1,979.32	3,179.02	2,058.00	3,644.73	1,419.18
Minnesota	40,197.42	5,056.68	1,932.46	2,466.63	4,071.20	1,873.55
Missouri	11,271.86	3,178.02	5,896.82	6,998.54	14,680.10	8,691.32
Ohio	22,339.31	6,637.84	20,833.52	49,464.57	158,622.35	155,730.83
Wisconsin	6,884.60	2,225.38	5,892.17	1,050.86	2,404.15	1,282.43
TOTALS	88,856.12	20,044.39	39,356.80	62,139.38	183,763.54	169,378.24

	1998	1999	2000	2001	2002	2003
Indiana	84.69	707.21	431.00	6,136.40	201.53	137.01
Iowa	1,039.89	1,531.76	943.95	8,485.82	3,532.21	448.92
Minnesota	1,389.38	1,838.92	3,268.80	1,616.01	3,698.92	10,850.85
Missouri	17,133.50	8,703.04	7,844.02	412,278.44	26,875.32	8,813.37
Ohio	127,866.59	75,511.73	64,371.49	31,230.10	15,055.19	32,210.60
Wisconsin	1,556.47	2,689.17	1,270.50	4,702.41	12,588.36	3,202.55
TOTALS	149,070.52	90,981.83	78,129.76	464,449.18	61,951.53	55,663.29

	2004	2005	2006	2007	2008	2009
Indiana	313.28	83.90	462.96	451.17	1,157.37	257.98
Iowa	250.89	20,034.79	1,654.87	10,791.12	4,435.46	5,462.29
Minnesota	31,742.88	22,165.87	8,288.81	8,525.20	5,443.38	9,387.49
Missouri	93,973.58	82,705.78	4,517.65	14,437.36	110,164.29	82,527.22
Ohio	216,828.48	107,030.60	39,091.27	21,332.23	71,870.83	66,186.37
Wisconsin	7,485.49	12,908.23	4,603.60	17,302.73	5,766.94	6,571.40
TOTALS	350,594.60	244,929.17	58,619.17	72,839.80	198,838.26	170,392.76

	2010	2011	2012	2013	2014
Indiana	361.32	97.01	628.91	87.95	352.51
Iowa	1,699.19	7,179.63	10,681.73	11,235.15	6,339.04
Minnesota	2,698.68	19,147.35	5,076.97	13,103.89	4,840.89
Missouri	28,959.94	7,403.97	160,595.62	44,171.80	13,827.98
Ohio	182,884.32	68,342.24	53,299.55	38,359.23	42,553.12
Wisconsin	15,201.74	10,371.46	8,923.77	7,788.16	32,699.11
TOTALS	231,805.18	112,541.66	239,206.55	114,746.18	100,612.65

GRAND TOTAL 1986 THROUGH 2014: 3,933,232.44 ft3

Source: The DOE MIMS System

Figure 4b

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1986-2014

ACTIVITY (curies)

	1986	1987	1988	1989	1990	1991
Indiana	0	34.78	58.75	63.13	43.67	370.39
Iowa	21,664.13	1,067.71	400.98	16,953.42	37,807.79	528.67
Minnesota	28,332.33	1,042.42	2,327.71	60,952.08	1,657.09	4,030.69
Missouri	30.54	310.46	1,166.45	793.03	919.62	3,046.88
Ohio	339.00	309.46	836.96	1,211.40	4,315.70	3,839.66
Wisconsin	1,564.88	1,885.48	1,215.25	1,074.88	569.68	1,011.62
TOTALS	51,930.88	4,650.30	6,006.12	81,047.94	45,313.55	12,827.91

	1992	1993	1994	1995	1996	1997
Indiana	26.89	6.75	128.92	35.61	9.63	0.89
Iowa	42,085.40	51,341.86	1,632.89	209.38	552.05	114.34
Minnesota	59,979.20	1,449.65	1,738.82	365.12	1,406.08	82.75
Missouri	1,127.67	444.13	1,200.21	183.47	150.58	1,670.81
Ohio	3,440.21	2,370.27	582.69	552.77	50,021.87	1,077.37
Wisconsin	570.65	345.09	879.26	347.92	153.07	1,343.55
TOTALS	107,230.02	55,957.74	6,162.78	1,694.26	52,293.28	4,289.71

	1998	1999	2000	2001	2002	2003
Indiana	45.32	65.07	0.76	16.61	7.01	2.38
Iowa	266.71	1,721.81	150.27	88.01	108.39	1.17
Minnesota	313.95	128.05	127.09	113.59	30.49	45,932.72
Missouri	811.81	3,924.16	174.23	511.57	358.30	80.34
Ohio	99.75	402.46	291.90	140.80	1,218.94	362.21
Wisconsin	8.05	441.60	185.42	133.67	205.46	258.05
TOTALS	1,545.59	6,683.15	929.67	1,004.26	1,928.15	46,636.87

	2004	2005	2006	2007	2008	2009
Indiana	0.62	0.64	5.21	0.55	1.32	0.05
Iowa	1.37	0.82	16,049.79	110.00	137.35	58.19
Minnesota	13,453.55	250.06	121.72	264.47	28,729.45	118.86
Missouri	310.18	42.38	923.40	166.52	616.20	6.71
Ohio	11,002.21	1,154.81	2,510.02	39,997.46	6,082.42	11.86
Wisconsin	87.49	387.83	5,959.10	9,958.02	158.15	0.65
TOTALS	24,855.43	1,836.54	25,569.24	50,497.01	35,724.87	196.32

	2010	2011	2012	2013	2014
Indiana	0.05	0.09	0.21	0.14	0.02
Iowa	23.05	334.81	56.87	47.82	37.35
Minnesota	26.51	66.76	40.60	537.09	160.56
Missouri	36.41	38.79	22.16	30.57	2.68
Ohio	76.98	61.87	13.12	25.49	128.95
Wisconsin	23.98	17.43	4.51	42.97	519.70
TOTALS	186.98	519.75	137.45	684.07	849.27

GRAND TOTAL 1986 THROUGH 2014: 629,189.62 curies

Source: The DOE MIMS System

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Financial Statements

Year Ended June 30, 2015

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

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REPORT OF INDEPENDENT AUDITORS

Commissioners
Midwest Interstate Low-Level Radioactive Waste Compact Commission
Madison, Wisconsin

We have audited the accompanying financial statements of Midwest Interstate Low-Level Radioactive Waste Compact Commission (the Commission), a non-profit organization, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year 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 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 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 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 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 financial position of the Commission as of June 30, 2015, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Boulay PLLP

Certified Public Accountants

Minneapolis, Minnesota
October 14, 2015

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Financial Position

ASSETS	June 30, 2015		
	General Fund	Rebate Fund	Total
Investments	\$ -	\$ 1,715,877	\$ 1,715,877
Interest receivable	-	7,687	7,687
Total assets	\$ -	\$ 1,723,564	\$ 1,723,564
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Deferred rebate	\$ -	\$ 1,723,564	\$ 1,723,564
Total liabilities	-	1,723,564	1,723,564
Net Assets, unrestricted	-	-	-
Total liabilities and net assets	\$ -	\$ 1,723,564	\$ 1,723,564

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Activities

Year Ended June 30, 2015

Revenue

Rebate Fund revenue transfers	\$ 32,002
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General and Administrative Expenses

Contract services	5,884
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Accounting	8,000
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Dues	9,500
------	-------

Travel	2,121
--------	-------

Meetings	5,007
----------	-------

Annual report	1,490
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Total expenses	<u>32,002</u>
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Change in Net Assets

-

Net Assets - Beginning of Year

-

Net Assets - End of Year

\$ -

Notes to Financial Statements are an integral part of this Statement.

**MIDWEST INTERSTATE LOW-LEVEL
RADIOACTIVE WASTE COMPACT COMMISSION**

Statement of Cash Flows

Year Ended June 30, 2015

Cash Flows From Operating Activities

Change in net assets	\$	-
Changes in assets and liabilities:		
Investments		(16,743)
Interest receivable		(1,136)
Deferred rebate		17,879
Net cash from operating activities		<u>-</u>

Cash Flows From Investing Activities

Purchases of investments		(675,576)
Proceeds from sale and maturities of investments		575,000
Net cash used for investing activities		<u>(100,576)</u>

Net Change in Cash (100,576)

Cash - Beginning of Year 100,576

Cash - End of Year \$ -

Supplemental Disclosure of Non-cash Investing Activities

Proceeds of investments re-invested \$ 77,959

Notes to Financial Statements are an integral part of this Statement.

MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION

Notes to Financial Statements

June 30, 2015

1. NATURE OF ORGANIZATION

The Midwest Interstate Low-Level Radioactive Waste Compact (the Midwest Compact) was formally established in October 1983, to meet state responsibilities under the Federal Low-Level Radioactive Waste Policy Act of 1980 (PL 96-573) and the Low-Level Radioactive Waste Policy Amendments Act of 1985 (PL 99-240). The Midwest Compact consists of six member states: Indiana, Iowa, Minnesota, Missouri, Ohio and Wisconsin. The Midwest Compact established the Midwest Interstate Low-Level Radioactive Waste Compact Commission (the Commission), composed of one voting representative from each member state.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The Commission reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions, as follows:

- Unrestricted assets – net assets that are not subject to donor-imposed stipulations.
- Temporarily restricted net assets – net assets subject to donor-imposed stipulations that can be fulfilled by actions of the Commission pursuant to those stipulations or that expire by the passage of time. The Commission currently does not have net assets subject to temporary restrictions.
- Permanently restricted net assets – net assets subject to donor-imposed stipulations that they be maintained permanently by the Commission. Generally, the donors of such assets permit the Commission to use all or part of the income earned on the assets. The Commission currently does not have net assets subject to permanent restrictions.

As permitted, the Commission has also presented its statement of financial position by fund. The Commission classifies its funds as follows:

General Fund – The General Fund is the operational fund of the Commission. From inception through June 30, 1989, the Midwest Compact's member states contributed to the General Fund based on an approved projected annual budget. When the future operational funding became available from Rebate Funds received by the Commission, the member states suspended contributions to the General Fund.

Rebate Fund – Rebate funds are derived from disposal surcharges that were levied on generators of low-level radioactive waste from January 1986 through December 1992. The surcharges were mandated by the 1985 Low-Level Radioactive Waste Policy Amendments Act, and 25% of the surcharges were placed in an escrow account administered by the Department of Energy. Rebates of the escrowed amounts served as an incentive to regions and states to meet Federal milestones for the development of their own disposal facilities. Use of these funds is restricted to purposes specified in the Midwest Compact. However, consistent with the Amendments Act, Rebate Fund monies may be withdrawn and used by the Commission to the extent needed for general operations. Because the Commission holds the existing investments as an agent for member states, all investment amounts, including investment earnings and unrealized gains and losses, are classified as a deferred item in the accompanying financial statements.

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Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Revenue Recognition

The Commission recognizes revenues from the Rebate Fund based on the accrual basis and transfers revenues for general operations. All revenue is considered to be available for general use unless specifically restricted by law.

Cash and Equivalents

Investments in cash equivalents within the Rebate Fund are included in investments in the accompanying statement of financial position due to the nature and the terms of the fund. Cash equivalents include money market funds, which are not insured.

Investments

The Commission's investments are recorded at fair value based on quoted market prices or other observable inputs.

Fair Value of Financial Instruments

The Company's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring basis adhere to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Commission has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term of the asset or liability
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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Income Tax Status

The Commission has been declared tax exempt under the Internal Revenue Code and, accordingly, there is no provision for income taxes in the accompanying financial statements. Due to its exempt status, the Commission does not have any significant tax uncertainties that would require recognition or disclosure.

Subsequent Events

The Commission has evaluated subsequent events through October 14, 2015, the date which the financial statements were issued.

3. FAIR VALUE

The following table provides information on those assets that are measured at fair value on a recurring basis.

	June 30, 2015			
	Fair Value Carrying Amount in the Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Assets (included in investments)				
Money market funds	\$ 43,938	\$ 43,938	\$ -	\$ -
Certificates of deposit	1,671,939	-	1,671,939	-
Total	\$ 1,715,877	\$ 43,938	\$ 1,671,939	\$ -

The fair value of certificates of deposits is determined as the present value of future cash flows discounted at a market interest rate that reflects the credit risk inherent in those cash flows. The approximate market rate is observed for replacement transactions with comparable credit risk. The Commission records investment earnings and unrealized gains and losses as an agency fund and thus, they are accumulated within the "deferred rebate" account of the Fund until used for general operations or other purposes of the Midwest Compact. At that time, earnings are recognized as revenue within the statement of activities.

The individual certificates of deposit range in value from \$27,981 to \$180,483, none of which individually exceed insurance limits as set forth by the FDIC. The certificates range in maturity from two to twenty two years and accrue interest at rates ranging from 2.00% to 4.85%.

A reconciliation of investment accounts including earnings (losses) are as follows:

	<u>Rebate Fund</u>
Beginning Balance, July 1, 2014	\$ 1,598,558
Interest earnings	46,877
Unrealized gain, net	1,868
Purchases of investments	100,576
Transfers	(32,002)
Ending Balance, June 30, 2015	\$ 1,715,877

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4. FUTURE OPERATIONS

The Commission intends to monitor national and regional developments regarding management of low-level radioactive waste, and will continue to review office and staffing requirements during the fiscal year 2016.

NOTES:



