
Midwest Interstate Low-Level Radioactive Waste Compact Commission

Annual Report

for the period from July 1, 2005 to June 30, 2006

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

November 2006



Midwest Interstate Low-Level Radioactive Waste Compact Commission

P.O. Box 2659
Madison, WI 53701-2659
Voice: 608.267.4793
Fax: 608.267.4799
e-mail: mwillrew@midwestcompact.org
website: www.midwestcompact.org

Annual Report

for the period from July 1, 2005 to June 30, 2006

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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 10 regional low-level radioactive waste compacts in the United States. There are 6 states not part of a compact.

This is the twenty-first 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, 2005 through June 30, 2006). As required by Article 111(k) of the Compact, the report also contains the Commission's FY 2006 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 and any

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

The Commission holds an annual meeting in June of each year to elect officers and approve a general fund budget. During FY 2006, Stanley York, Wisconsin, served as Commission Chair, and Roger Suppes, Ohio, served as Vice-Chair. The Commission Chair also

serves as the administrative officer of the Commission. The State Of Wisconsin Division of Public Health provides clerical support and maintains a Commission address and telephone for the transaction of Commission business.

The following persons served as Commissioners and Alternate Commissioners during the period from July 1, 2005 to June 30, 2006:

Commissioners

INDIANA

Vacant

Alternate Commissioners

Bruce Palin, Assistant Commissioner
Office of Land Quality
Department of Environmental Management
100 N. Senate Avenue, Suite 1154
Indianapolis, IN 46206-6015
voice: 317.233.6591
fax: 317.232.3403
e-mail bpalin@idem.in.gov

IOWA

Liz Christiansen, Deputy Director
Iowa Department of Natural Resources
Wallace State Office Building
Des Moines, IA 50319
voice: 515.281.3388
fax: 515.281.8895
e-mail: liz.christiansen@dnr.state.ia.us

Jeff Vonk, Director
Department of Natural Resources
Wallace State Office Building
900 East Grand
Des Moines, IA 50319
Voice: 515.281.3388
Fax: 515.281.6794
e-mail:

Commissioners

MINNESOTA

Kristen Applegate, Deputy Commissioner
Minnesota Pollution Control Agency
520 Lafayette Road North
St. Paul, MN 55155-4194
voice: 651.296.7305
fax: 651.296.7923
e-mail: kristen.applegate@pca.state.mn.us

MISSOURI

Doyle Childers, Director
Department of Natural Resources
P.O. Box 176
Jefferson City, MO 65102
voice: 573.751.4732
fax: 573.751.7627
e-mail: doyle.childers@dnr.mo.gov

OHIO

Roger Suppes, Assistant Division Chief
Division of Prevention
Ohio Department of Health
Columbus, OH 43266-0588
voice: 614.466.0302
fax: 614.644.7740
e-mail: rsuppes@odh.ohio.gov

WISCONSIN

Stanley York
2851-1 Century Harbor
Middleton, WI 53562-1824
voice: 608.831.5434
e-mail: stan.york@tds.net

Alternate Commissioners

James Chiles
Minnesota Pollution Control Agency
Municipal Division
520 Lafayette Road North
St. Paul, MN 55155-4194
voice: 651.296.7273
fax: 651.297.9707
e-mail: james.chiles@pca.state.mn.us

Floyd Gilzow, Deputy Director for Policy
Department of Natural Resources
P.O. Box 176
Jefferson City, MO 65102
voice: 573.751.3195
fax: 573.751.7627
e-mail: floyd.gilzow@dnr.mo.gov

Jane Harf, President
AEP Ohio
88 East Broad Street
Columbus, OH 43215
voice: 614.629.5023
fax: 614.629.5030
e-mail: jaharf@aep.com

Vacant

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 Division of Public Health

Annual Meeting

Annual Meeting 2006

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 23, 2006. The six Commissioners attended. The

Chair reported on the activities of the Low-Level Radioactive Forum, Inc., in which the Compact has made a heavy investment. The Commission received the FY 2005 audit from the auditor and adopted a budget for FY 2007. The Commission reviewed the availability of disposal sites nationally.

Public Involvement

To encourage public involvement, the Midwest Compact Commission maintains a mailing list of nearly 300 people who have expressed an interest in the Commission's activities. The mailing list includes individuals who have attended Commission meetings; generators; special interest groups in the Midwest Compact region; persons and groups from outside the region; and

federal, state and local officials concerned with the disposal of low-level radioactive waste. Those on the mailing list receive meeting announcements, agendas, meeting summaries, and other information regarding Commission activities.

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.

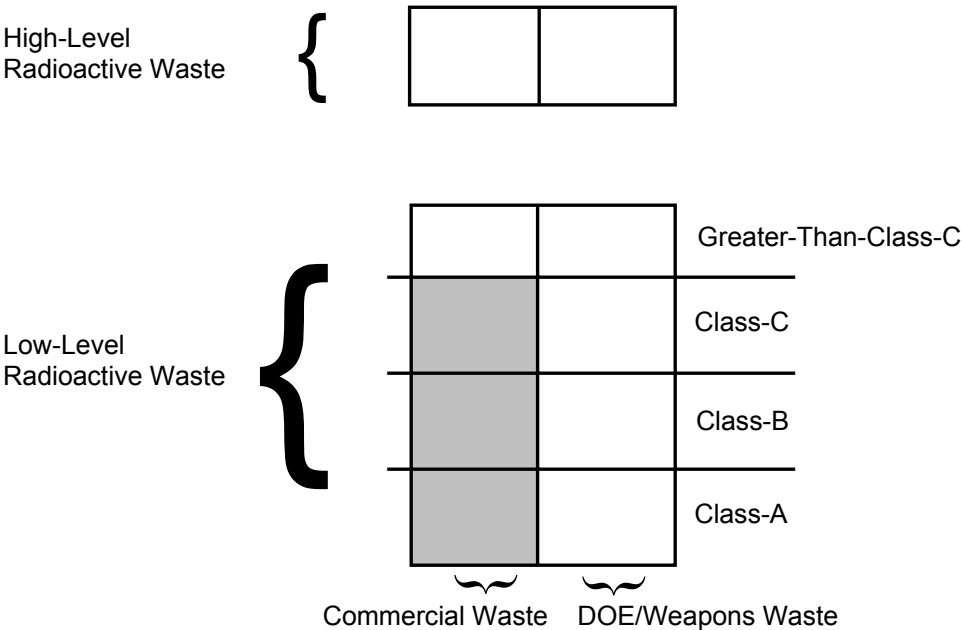
The number of generators shipping waste for disposal during any given year is subject to variation. The reasons for this variation can include the following: changes in product line or services offered, substitution of different radioactive or nonradioactive materials, periodic maintenance, equipment 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

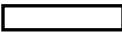
 Waste that is a federal disposal responsibility

Figure 3

Midwest Compact Commission Budgets for FY 02, 03, 04, 05, 06 and 07

Activity	FY 2002 Budget	FY 2003 Budget	FY 2004 Budget	FY 2005 Budget	FY 2006 Budget	FY 2007 Budget
Reimbursement to WI for executive	\$8,000.00	\$11,000.00	\$10,000.00	\$10,000.00	\$8,000.00	\$8,000.00
Reimbursement to WI for clerical	1,000.00	1,200.00	700.00	800.00	500.00	500.00
Telephone, fax	200.00	300.00	40.00	0.00	0.00	0.00
Travel	3,000.00	4,000.00	3,000.00	1,500.00	1,000.00	1,000.00
Office supplies	200.00	100.00	100.00	100.00	0.00	0.00
Printing	1,500.00	1,500.00	1,200.00	2,000.00	1,200.00	1,200.00
Meeting expense	1,500.00	2,000.00	2,000.00	500.00	70.00	70.00
Publications, subscriptions	0.00	0.00	0.00	0.00	0.00	0.00
Accounting, audit	6,220.00	8,000.00	6,500.00	6,500.00	8,400.00	8,400.00
Legal counsel	20,000.00	20,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Web Page	500.00	700.00	600.00	600.00	600.00	600.00
Record storage	200.00	200.00	200.00	200.00	0.00	0.00
Forum support	7,000.00	10,000.00	7,500.00	7,500.00	7,500.00	7,500.00
MCC other	0.00	0.00	0.00	25,000.00	0.00	0.00
Forum other	0.00	0.00	0.00	0.00	3,000.00	0.00
Total	49,320.00	59,000.00	34,840.00	57,700.00	33,470.00	30,270.00

Rebate Fund balance 7/1/05 \$1,559,585.00
 Rebate Fund balance 6/30/06 \$1,562,996.61
 Net gain (after expenses) \$3,411.61

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 LLC Forum is a national association of representatives of compacts, host states, unaffiliated states, and states with currently operating disposal facilities, 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 and Vice Chair.

Export and Disposal of Midwest Compact Waste

With the creation of the Atlantic Compact, Midwest Compact region generators have limited access to the Energy Solutions, Inc., disposal facility in Barnwell, South Carolina. The Barnwell disposal facility is a full-service disposal facility capable of accepting Class A, B, and C low-level radioactive waste.

South Carolina law imposes a surcharge on disposal of low-level radioactive waste at Barnwell. The continued availability of the Barnwell site to Midwest Compact generators is scheduled to be phased out in 2008. In addition to Barnwell, generators also have access to the Energy Solutions, Inc., disposal facility in Clive, Utah. The Energy Solutions facility generally accepts high volume, low activity Class A waste that does not exceed license limitations on radionuclide concentrations. Energy Solutions

of Utah has over 300 million cubic feet of unused capacity.

It is uncertain how long existing disposal facilities in South Carolina or Utah may be willing or able to accept low-level radioactive waste. If access to these facilities were to be lost, temporary waste storage by generators would be necessary during the interval time needed to secure or develop disposal facilities elsewhere. Although undesirable from a waste management standpoint, most utilities and large waste generators have sufficient storage capacity for periods of time ranging from five to ten years. Smaller generators may also have similar waste storage capacity, or could rely on vendors for storage needs.

The state of Texas is moving toward the establishment of a disposal site. The impact on the Midwest Compact is unclear at this time.

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 2006 the Commission reviewed its decision to vest the administrative function in the Chair, and to contract with the State of Wisconsin to provide administrative backup to the Chair 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 and Family Services, of the State of Wisconsin.

Figure 4a

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1986-1996

VOLUME (ft3)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Indiana	295.51	2,257.06	1,891.97	2,150.31	1,956.01	5,723.62	2,715.14	967.15	1,622.81	100.78	328.98
Iowa	9,975.20	18,795.26	7,206.61	6,055.37	5,557.86	12,815.37	5,447.79	1,979.32	3,179.02	2,058.00	3,639.22
Minnesota	28,655.60	20,250.67	15,477.16	21,954.29	26,985.22	43,520.53	40,197.42	5,056.68	1,932.46	2,466.63	3,215.22
Missouri	27,307.48	28,782.69	11,911.77	18,802.64	19,609.59	19,055.46	11,271.86	3,178.02	5,896.82	6,998.54	14,305.99
Ohio	16,541.70	20,882.17	22,585.21	58,866.18	24,146.85	24,335.89	22,339.31	6,637.84	20,833.52	49,464.57	158,310.23
Wisconsin	6,252.10	9,792.73	10,599.36	6,880.93	9,217.32	7,228.19	6,884.60	2,225.38	5,892.17	1,050.86	2,396.65
TOTALS (rounded)	89,028	100,761	69,672	114,710	87,473	112,679	88,856	20,044	39,357	62,139	182,196

CONTINUED THROUGH 2005 ON PAGE 13

Source: The DOE MIMS system

Figure 4a

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1997-2005

VOLUME (ftt3)

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Indiana	380.93	73.71	568.62	60.73	6,134.40	191.78	137.01	310.75	83.90
Iowa	1,410.46	1,035.88	1,529.39	943.95	8,485.82	3,530.80	448.42	240.70	20,034.79
Minnesota	1,751.67	1,316.63	1,838.92	3,268.80	1,616.01	3,696.18	10,850.35	31,735.38	22,131.37
Missouri	7,578.69	16,362.11	7,643.48	7,842.32	412,278.44	26,875.32	8,813.37	93,371.42	82,705.78
Ohio	155,673.80	127,469.69	75,478.78	64,211.13	31,214.69	15,041.75	32,139.30	216,802.48	107,011.70
Wisconsin	1,282.43	1,544.07	2,689.17	1,268.50	4,702.41	12,584.83	3,194.55	7,485.49	12,908.23
TOTALS (rounded)	168,078	147,802	89,748	77,595	464,432	61,921	55,583	349,946	244,875.77

GRAND TOTAL 1986 THROUGH 2005: 2,626,896.10 ft3

Source: The DOE MIMS system

Figure 4b

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1986-1996

ACTIVITY (curies)

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Indiana	0	34.78	58.75	63.13	43.67	370.39	26.89	6.75	128.92	35.61	9.61
Iowa	21,664.13	1,067.71	400.98	16,953.42	37,807.79	528.67	42,085.40	51,341.86	1,632.89	209.38	552.04
Minnesota	28,332.33	1,042.42	2,327.71	60,952.08	1,657.09	4,030.69	59,979.20	1,449.65	1,738.82	365.12	1,406.00
Missouri	30.54	310.46	1,166.45	793.03	919.62	3,046.88	1,127.67	444.13	1,200.21	183.47	150.54
Ohio	339.00	309.46	836.96	1,211.40	4,315.70	3,839.66	3,440.21	2,370.27	582.69	552.77	50,021.82
Wisconsin	1,564.88	1,885.48	1,215.25	1,074.88	569.68	1,011.62	570.65	345.09	879.26	347.92	153.07
TOTALS	51,931	4,650	6,006	81,048	45,314	12,828	107,230	55,958	6,163	1,694	52,293
(rounded)											

CONTINUED THROUGH 2005 ON PAGE 15

Source: The DOE MIMS system

Figure 4b

Commercial LLRW Disposed at Barnwell, Beatty, Richland, and Envirocare: 1986-2005

ACTIVITY (curies)

	1997	1998	1999	2000	2001	2002	2003	2004	2005
Indiana	0.89	45.32	65.00	0.74	16.61	7.00	2.38	0.61	0.64
Iowa	114.33	266.70	1,721.81	150.27	88.01	108.39	1.17	1.35	0.82
Minnesota	82.73	313.95	128.05	127.09	113.59	30.49	45,932.72	13,453.5	250.05
Missouri	1,670.60	811.53	3,923.94	174.23	511.57	358.30	80.34	309.67	42.38
Ohio	1,077.37	99.69	402.45	283.83	140.73	1,218.51	362.08	11,002.2	1,154.63
Wisconsin	1,343.55	8.05	441.60	183.14	133.67	205.46	257.99	87.49	387.83
TOTALS (rounded)	4,289	1,545	6,683	919	1,004	1,928	46,637	24,855	1,836.35

GRAND TOTAL 1986 THROUGH 2005: 514,811.70 curies

Source: The DOE MIMS system



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

Financial Statements

Year Ended June 30, 2006



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

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Boulay, Heutmaker, Zibell & Co. P.L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Member of the International Group of
Accounting Firms with Offices in Principal Cities



REPORT OF INDEPENDENT AUDITORS

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

We have audited the accompanying statement of financial position of Midwest Interstate Low-Level Radioactive Waste Compact Commission (a non-profit organization) as of June 30, 2006 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Commission's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Midwest Interstate Low-Level Radioactive Waste Compact Commission as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Boulay, Heutmaker, Zibell & Co. P.L.L.P.
Certified Public Accountants

Minneapolis, Minnesota
August 23, 2006

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

Statement of Financial Position

ASSETS	June 30, 2006		
	General Fund	Rebate Fund	Total
Investments		\$ 1,551,631	\$ 1,551,631
Interest receivable		11,366	11,366
Total assets	<u>\$ -</u>	<u>\$ 1,562,997</u>	<u>\$ 1,562,997</u>
<u>LIABILITIES AND NET ASSETS</u>			
Liabilities			
Deferred rebate		\$ 1,562,997	\$ 1,562,997
Total liabilities		1,562,997	1,562,997
Net Assets, unrestricted			
Total liabilities and net assets	<u>\$ -</u>	<u>\$ 1,562,997</u>	<u>\$ 1,562,997</u>

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, 2006

Revenue

Rebate Fund revenue transfers	\$ 30,426
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Expenses

Contract services	8,307
Legal	98
Accounting	7,160
Dues	7,500
Travel	1,827
Meetings	4,098
Web site	390
Annual report	1,046
Total expenses	<u>30,426</u>

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, 2006

Cash Flows Used for Operating Activities

Change in net assets	\$ -
Adjustments to reconcile change in net assets to net cash from operating activities:	
Changes in assets and liabilities	
Interest receivable	3,562
Deferred rebate	(29,251)
Net cash used for operating activities	<u>(25,689)</u>

Cash Flows from Investing Activities

Sale of investments, net	<u>25,689</u>
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Net Change in Cash

-

Cash - Beginning of Year

-

Cash - End of Year

\$ -

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, 2006

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 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 follows the guidelines established in Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" and SFAS No. 117, "Financial Statements of Not-for-Profit Organizations." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. In accordance with SFAS No. 117, the Organization is required to report 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. The Commission has no temporarily or permanently restricted net assets. Management has determined that expenses incurred are primarily related to its program of providing for waste disposal capacity. As permitted, the Commission also uses fund accounting, and has also presented its financial statements by fund. The Organization 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 state members contributed to the Fund based on an approved projected annual budget. When future operational funding became available from Rebate Funds received by the Commission, the member states suspended contributions to the General Fund.



MIDWEST INTERSTATE LOW-LEVEL RADIOACTIVE WASTE COMPACT COMMISSION

Notes to Financial Statements

June 30, 2006

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 by law, and all amounts, including investment earnings, are classified as a deferred item in the accompanying financial statements. However, consistent with the Amendments Act, Rebate Fund monies may be withdrawn and used by the Commission to the extent needed for general operations.

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 when amounts are transferred for general operations. All revenue is considered to be available for general use unless specifically restricted.

Cash and Equivalents

Investment cash or 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.

The Commission considers all cash on deposit, money market funds, and any highly liquid debt instruments or certificates of deposit purchased with an original maturity of three months or less to be cash and equivalents.



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

Notes to Financial Statements

June 30, 2006

Investments

The Commission's investments are recorded at fair value based on quoted market prices. Realized and unrealized gains and losses are restricted under the terms of the Rebate Fund and are recorded in the same manner as a deferred item as are interest and dividend earnings within the fund.

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.

3. INVESTMENTS

Investments are recorded at market value, and consist of the following at June 30, 2006:

Money market funds	\$ 68,651
Government bond (Federal Home Loan Mortgage Corporation, due in 2010)	323,624
Government bond (Federal Home Loan Mortgage Corporation, due in 2011)	955,630
Government bond (Federal National Mortgage Step-up, due in 2015)	24,469
Resource Bank Step-up CD, due in 2017	44,250
Bank Hapoalim CD, due in 2020	56,914
Lehman Brothers Bank Step-up CD, due in 2015	37,635
Government bond (Government National Mortgage Association REMIC 04-17-KD, due in 2034)	<u>40,458</u>
Total	<u>\$ 1,551,631</u>

Approximately 84% of the Commission's investments are invested in Federal Home Loan Mortgage Corporation government bonds.



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

Notes to Financial Statements

June 30, 2006

Given the nature and restrictions of the Rebate Fund, the Commission records investment earnings as an agency fund and thus they are accumulated with the “deferred rebate” account of the Fund until restrictions are satisfied. At that time, earnings are then recognized as revenue within the statement of activities. A reconciliation of investment accounts including earnings follow:

	<u>Rebate Fund</u>
Investments at July 1, 2005	\$ 1,580,882
Interest earnings	71,917
Unrealized loss, net	(70,742)
Transfers	<u>(30,426)</u>
Investments at June 30, 2006	<u>\$ 1,551,631</u>

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 2007.



NOTES:



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