

UNDERGROUND STORAGE TANK INDEMNIFICATION FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
As of June 30
(UNAUDITED)

	2013	2012
ASSETS:		
Cash In Transit	\$ -	3,585
Temporary Investments.....	38,960,622	39,936,578
Long-Term Investments.....	123,617,196	101,124,690
Receivables, net:		
Interest on Loan to General Fund.....	14,113,452	13,968,481
Investments Interest and Dividends.....	745,499	832,937
Investments Sold.....	521,914	868,609
Advances to Other Funds.....	67,500,000	67,500,000
TOTAL ASSETS.....	<u>\$ 245,458,683</u>	<u>\$ 224,234,880</u>
LIABILITIES:		
Accounts Payable and Accrued Liabilities.....	\$ 199,110	\$ 318,331
Invoices Payable.....	2,291,080	4,259,934
Accrued Payables Goods Receipts.....	-	(4,814)
Investments Purchased Payable.....	444,650	1,805,248
Held for:		
Base for Environmental Cleanup	489,283	329,134
Catastrophic Release	115,614	131,936
Pollution Prevention	56,797	114,260
Investigation and Closure Costs	387,462	350,247
Other Encumbrances.....	2,869,138	1,317,640
Open Claims	238,605,549	215,612,964
TOTAL LIABILITIES.....	<u>\$ 245,458,683</u>	<u>\$ 224,234,880</u>

UNDERGROUND STORAGE TANK INDEMNIFICATION FUND
STATEMENT OF ACTUARIAL CLAIMS LIABILITY
As of June 30
(UNAUDITED)

	2013	2012
Actuarial Liability for estimated, unpaid claims, June 30, 2012 and 2011.....	\$ (462,673,066)	\$ (471,815,012)
Net Assets held for Open Claims.....	238,605,549	215,612,964
Claims Liability - Net Assets Available (Unavailable)	<u>\$ (224,067,517)</u>	<u>\$ (256,202,048)</u>

- The notes to the financial statements are an integral part of this statement -

UNDERGROUND STORAGE TANK INDEMNIFICATION FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
For the Fiscal Periods Ended June 30
(UNAUDITED)

	2013	2012
RECEIPTS:		
Fees:		
Gallon.....	\$ 53,995,628	\$ 54,166,675
Tank Capacity.....	6,174,442	6,204,521
TIP.....	703,179	287,025
Investment Income:		
Interest and Dividend Income.....	4,052,259	4,053,202
Recapture of Broker Commissions.....	27,055	23,311
Net Increase (Decrease) in Fair Value of Investments.....	6,399,951	1,109,695
Interest on Loans.....	145,541	174,965
Redeposit of Checks.....	(20,662)	1,726
Litigation Settlement.....	6,147,038	23
Other.....	806,457	1,805,974
TOTAL RECEIPTS.....	78,430,888	67,827,117
DISBURSEMENTS:		
Administrative:		
Insurance Department Personnel and Other Charges.....	593,369	626,278
Third Party Administrator.....	2,735,784	4,250,560
Professional Services.....	1,076,814	1,035,881
Loan Administration.....	1,740	266
Replacement Checks.....	-	5,029
Total Administrative.....	4,407,707	5,918,014
Claims Indemnification:		
Losses.....	39,566,642	41,734,123
Loss Expenses - Non-Legal.....	3,460,551	3,291,979
Loss Expenses - Legal.....	566,690	440,448
Total Claims Indemnification.....	43,593,883	45,466,550
Allocations - Funds Released:		
Environmental Cleanup Program.....	2,693,637	2,326,567
Pollution Prevention Program.....	69,914	78,280
Catastrophic Release Program.....	372,085	369,273
Investigation and Closure Costs.....	2,626,000	2,862,252
Total Allocations - Funds Released.....	5,761,636	5,636,372
TOTAL DISBURSEMENTS.....	53,763,226	57,020,936
NET RECEIPTS OVER (UNDER) DISBURSEMENTS.....	\$ 24,667,662	\$ 10,806,181

- The notes to the financial statements are an integral part of this statement -

UNDERGROUND STORAGE TANK INDEMNIFICATION FUND
NOTES TO FINANCIAL STATEMENTS
As of June 30, 2013 and 2012
and
For the Fiscal Periods Ended June 30, 2013 and 2012

NOTE A—BASIS OF PRESENTATION

The Underground Storage Tank Indemnification Fund financial statements are prepared using balances reported in the SAP Finance Module as of the end of each calendar month during the Commonwealth's fiscal year. Most financial statement amounts are presented on an 'as reported' basis and typically do not include accruals, deferrals, reclassifications or eliminations which are posted as of fiscal year end for preparing basic financial statements in accordance with U.S. generally accepted accounting principles applicable to state and local governments.

NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Temporary investments: Typically amounts invested in the Treasury Investment Program (TIP), either The Common Investment Pool (Fund 198) or The Treasury Liquid Asset Pool (Fund 99). Amounts invested in TIP Fund 198 are reported using published per-share net asset values, similar to how shares in a publicly-traded mutual fund are priced on a daily basis. Monthly changes in unrealized gains/losses are included in the Underground Storage Tank Indemnification Fund Statement of Receipts and Disbursements along with investment income. Amounts invested in TIP Fund 99 are almost always reported at a \$1.00 per-share basis, similar to a bank money market account.

Long-term investments: Reported by the Underground Storage Tank Indemnification Fund due to statutory authority giving the Department of Insurance permission to invest and manage amounts outside the TIP as a separate portfolio. Such amounts are typically reported at fair value based on security-specific closing prices on national exchanges, as provided by established pricing service providers.

Net Increase (Decrease) in Fair Value of Investments: Amounts consist of realized gain/loss on the sale of investments during the reporting period and unrealized gain/loss on investments currently held.

Accrued Payables Goods Receipts: Negative amounts represent the excess of invoices posted whereby goods receipts have not been posted.

Revenues - Redeposit of Checks: Negative amount is related to the annual transfer of funds to Unclaimed Property.

NOTE C - CLAIMS LIABILITY - AVAILABLE (UNAVAILABLE)

The Actuarial liability for estimated, unpaid claims as reported in the Financial Position for Underground Storage Tank Indemnification Fund Actuarial Analysis at June 30.