

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

	2011	2010
ASSETS:		
Temporary Investments.....	\$ 33,143,191	\$ 26,929,895
Long-Term Investments.....	96,998,031	88,340,764
Receivables, net:		
Loans	-	45,383
Interest on Loan to General Fund.....	13,795,450	13,618,518
Investments Interest and Dividends.....	731,383	709,117
Investments Sold.....	781,975	139,320
Advances to Other Funds.....	67,500,000	67,500,000
TOTAL ASSETS.....	<u>\$ 212,950,030</u>	<u>\$ 197,282,997</u>
LIABILITIES:		
Accounts Payable and Accrued Liabilities.....	\$ 79,027	\$ 65,457
Invoices Payable.....	4,349,401	4,778,733
Accrued Payables Good Receipt.....	1,122	44
Investments Purchased Payable.....	1,470,478	34,832
Held for:		
Base for Environmental Cleanup	382,311	576,434
Catastrophic Release	280,849	307,029
Pollution Prevention	191,954	851,292
Investigation and Closure Costs	777,746	-
Other Encumbrances.....	3,491,750	1,982,196
Open Claims	201,925,392	188,686,980
TOTAL LIABILITIES.....	<u>\$ 212,950,030</u>	<u>\$ 197,282,997</u>

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

	2011	2010
Actuarial Liability for estimated, unpaid claims, June 30.....	\$ (484,229,294)	\$ (490,148,487)
Net Assets held for Open Claims.....	201,925,392	188,686,980
Claims Liability - Net Assets Available (Unavailable)	<u>\$ (282,303,902)</u>	<u>\$ (301,461,507)</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)

	2011	2010
RECEIPTS:		
Fees:		
Gallon.....	\$ 54,132,538	\$ 51,390,434
Tank Capacity.....	6,072,371	6,057,488
TIP.....	280,232	282,405
Litigation Settlement.....	52	264
Investment Income:		
Interest and Dividend Income.....	4,145,360	3,197,637
Recapture of Broker Commissions.....	11,620	20,542
Net Increase (Decrease) in Fair Value of Investments.....	9,244,226	8,907,076
Interest on Loans.....	180,698	205,640
Redeposit of Checks.....	(13,780)	1,392
Other.....	1,068,978	1,207,398
TOTAL RECEIPTS.....	<u>75,122,295</u>	<u>71,270,276</u>
DISBURSEMENTS:		
Administrative:		
Insurance Department Personnel and Other Charges.....	654,505	635,100
Third Party Administrator.....	1,997,001	3,922,665
Professional Services.....	1,065,547	1,036,158
Loan Administration.....	(5,583)	(2,966)
Replacement Checks.....	1,898	2,475
Total Administrative.....	<u>3,713,368</u>	<u>5,593,432</u>
Claims Indemnification:		
Losses.....	48,524,962	52,363,271
Loss Expenses - Non-Legal.....	3,576,558	2,543,350
Loss Expenses - Legal.....	304,000	381,536
Total Claims Indemnification.....	<u>52,405,520</u>	<u>55,288,157</u>
Allocations - Funds Released:		
Environmental Cleanup Program.....	1,937,501	1,530,344
Pollution Prevention Program.....	113,101	146,735
Catastrophic Release Program.....	661,370	517,203
Investigation and Closure Costs.....	1,645,368	1,832,950
Total Allocations - Funds Released.....	<u>4,357,340</u>	<u>4,027,232</u>
TOTAL DISBURSEMENTS.....	<u>60,476,228</u>	<u>64,908,821</u>
NET RECEIPTS OVER (UNDER) DISBURSEMENTS.....	<u>\$ 14,646,067</u>	<u>\$ 6,361,455</u>

- 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, 2011 and 2010
and
For the Fiscal Periods Ended June 30, 2011 and 2010

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.

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.