Petroleum Underground Storage Tank Release Compensation Board

II. Pro-Forma Operating Statement

Fiscal Years 2013 through 2018

$100 Per-Tank Fee Decrease in FY 2015

Claim payments of $11 million in FY 2015 - 2017 and $9.6 million in FY 2018

November 8, 2013

Assumptions:

Fees are collected as follows: 2014 - 20,700 USTs; 2015 - 20,600 USTs; 2016 to 2018 - 20,500 USTs

Prior year fees less refunds paid will be $250,000 in fiscal years 2015 through 2018

Property transfer fees are $50,000 in fiscal years 2015 through 2018

70% of tank fee revenue is collected in advance or before July 1

25% of all USTs assured are assured at the reduced deductible

$100 reduction in fees implemented in fiscal year 2015

StarOhio interest rate remains constant at .10% in fiscal years 2014 through 2018

Investments in US Treasuries and US Agency Bonds are reinvested upon maturity with an interest rate of .25%

Fiscal year 2014 amounts reflect the approved budget amounts

Salary expense for fiscal years 2014 and 2015 is as projected in the biennial budget

Administrative expenses, less salary expenses, increase 3% annually for fiscal year 2015

Administrative expenses, including salary expenses, increase 3% annually for fiscal years 2016 through 2018

Administrative expenses includes salary expense for an additional Claims Analyst

Claim payments budgeted at $9 million for fiscal year 2014; $11 million for fiscal years 2015 through 2017; $9.6 million for fiscal year 2018; which covers all remaining estimated claim liability

Allowance for cost of new releases increases 3% annually for fiscal years 2015 through 2018

ORC §3737.91(B) requires the Board to set the fee at an amount calculated to maintain the continued financial soundness of the Fund, provided that if the unobligated balance exceeds $45m on the date the determination is made, the Board may assess a fee only to the extent required by covenants or other requirements in revenue bonds.

In accordance with ORC §3737.91(C), to maintain the financial soundness of the Fund, the Board may assess a supplemental fee in any fiscal year in which the Board finds that the unobligated balance is less than $15m. The supplemental fee is to be established at an amount that will ensure an unobligated balance of at least $15m at the end of the fiscal year in which the supplemental fee is assessed.

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	Actual 2013	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
STAR Ohio & Custodial Account	20,363,199	19,861,063	20,291,582	18,991,738	17,617,504	16,183,624
US Treasuries & US Agency Bonds		6,000,000	6,000,000	6,000,000	6,000,000	6,000,000
Unobligated Beginning Balance, July 1	20,363,199	25,861,063	26,291,582	24,991,738	23,617,504	22,183,624
Operating Revenues						
Annual Tank Fee Cash Receipts:						
Current & Prior Year Tank Fee Cash Receipts	2,986,972	2,976,800	3,489,000	3,472,500	3,472,500	3,472,500
Tank Fees Received in Advance	11,023,200	8,141,000	8,102,500	8,102,500	8,102,500	8,102,500
Total Annual Tank Fee Cash Receipts	14,010,172	11,117,800	11,591,500	11,575,000	11,575,000	11,575,000
Other	262	1,000	1,000	1,000	1,000	1,000
Earnings on Investments:	4,057	32,719	32,432	31,085	29,679	28,212
Total Operating Revenues	14,014,491	11,151,519	11,624,932	11,607,085	11,605,679	11,604,212
Non-Operating Revenues						
Other - Linked Deposit	0	100,000	0	0	0	0
Total Non-Operating Revenues	0	100,000	0	0	0	0
TOTAL REVENUES	14,014,491	11,251,519	11,624,932	11,607,085	11,605,679	11,604,212
Operating Expenses						
Administration	1,510,803	1,759,000	1,884,776	1,941,319	1,999,559	2,059,546
Fixed Assets	0	62,000	40,000	40,000	40,000	40,000
Claims	7,005,824	9,000,000	11,000,000	11,000,000	11,000,000	9,601,706
Total Operating Expenses	8,516,627	10,821,000	12,924,776	12,981,319	13,039,559	11,701,252
TOTAL EXPENSES	8,516,627	10,821,000	12,924,776	12,981,319	13,039,559	11,701,252
Revenues Over/(Under) Expenses	5,497,864	430,519	(1,299,844)	(1,374,234)	(1,433,880)	(97,040)
Unobligated Ending Balance	25,861,063	26,291,582	24,991,738	23,617,504	22,183,624	22,086,585
Calculation of Estimated Claim Liability Balance:						
Beginning Estimated Claim Liability		27,710,595	23,210,595	16,845,595	10,619,645	4,536,917
Less: Claims Paid		(9,000,000)	(11,000,000)	(11,000,000)	(11,000,000)	(9,601,706)
Add: Allowance for New Releases		4,500,000	4,635,000	4,774,050	4,917,272	5,064,790
Ending Estimated Claim Liability	27,710,595	23,210,595	16,845,595	10,619,645	4,536,917	0