Petroleum Underground Storage Tank Release Compensation Board

I. Pro-Forma Operating Statement

Fiscal Years 2015 through 2019

$100 Per-Tank Fee Decrease - StarOhio Interest Rate is .05%, US Govt Obligations reinvested at current rates

As of November 12, 2014

Assumptions:

Fees are collected as follows: 2015 - 20,600 USTs; 2016 - 20,350 USTs; 2017 to 2019 - 20,100 USTs
Prior year fees less refunds paid will be $250,000 in fiscal years 2016 through 2019
Property transfer fees are $50,000 in fiscal years 2016 through 2019
70% of tank fee revenue is collected in advance or before July 1
26% of all USTs assured are assured at the reduced deductible
StarOhio interest rate remains constant at .05% in fiscal years 2015 through 2019
Investments in US Treasuries and US Agency Bonds are reinvested upon maturity at their current rates
Fiscal year 2015 amounts reflect the approved budget amounts
Salary expense for fiscal years 2016 and 2017 is as projected in the biennial budget
Administrative expenses, less salary expenses, increase 3% annually for fiscal years 2016 and 2017
Administrative expenses, including salary expenses, increase 3% annually for fiscal years 2018 through 2019
Settlement of $2.9 million received in January 2015
Claims payments budgeted/projected at $9 million for fiscal years 2015 through 2016
Claims payments projected at $9.5 million for fiscal years 2017 through 2019. The increase in claim payments assumes funding for an additional Claims Analyst is approved through the biennial budget process.
Allowance for new releases increases 3% annually for fiscal years 2016 through 2019

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.

Petroleum Underground Storage Tank Release Compensation Board

I. Pro-Forma Operating Statement

Fiscal Years 2015 through 2019

$100 Per-Tank Fee Decrease - StarOhio Interest Rate is .05%, US Govt Obligations reinvested at current rates

As of November 12, 2014

	Actual 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018	Projected 2019
StarOhio & Custodial Account	19,861,063	22,297,593	23,153,710	21,710,523	19,708,565	17,648,475
US Treasuries and US Agency Bonds	6,000,000	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
Unobligated Beginning Balance, July 1	25,861,063	30,297,593	31,153,710	29,710,523	27,708,565	25,648,475
Operating Revenues						
Annual Tank Fee Cash Receipts:						
Current & Prior Year Tank Fee Cash Receipts	3,038,241	2,056,600	2,849,460	2,815,560	2,815,560	2,815,560
Tank Fees Received in Advance	9,805,600	6,648,740	6,569,640	6,569,640	6,569,640	6,569,640
Total Annual Tank Fee Cash Receipts	12,843,841	8,705,340	9,419,100	9,385,200	9,385,200	9,385,200
Other	18,166	1,000	1,000	1,000	1,000	1,000
Earnings on Investments:	48,278	55,477	56,557	55,677	54,661	53,614
Total Operating Revenues	12,910,285	8,761,817	9,476,657	9,441,877	9,440,861	9,439,814
Non-Operating Revenues						
Settlement	0	2,900,000	0	0	0	0
Other - Linked Deposit	100,000	0	0	0	0	0
Total Non-Operating Revenues	100,000	2,900,000	0	0	0	0
TOTAL REVENUES	13,010,285	11,661,817	9,476,657	9,441,877	9,440,861	9,439,814
Operating Expenses						
Administration	1,506,240	1,768,700	1,879,844	1,903,836	1,960,951	2,019,779
Fixed Assets	15,578	37,000	40,000	40,000	40,000	40,000
Claims	7,051,937	9,000,000	9,000,000	9,500,000	9,500,000	9,500,000
Total Operating Expenses	8,573,755	10,805,700	10,919,844	11,443,836	11,500,951	11,559,779
TOTAL EXPENSES	8,573,755	10,805,700	10,919,844	11,443,836	11,500,951	11,559,779
Revenues Over/(Under) Expenses	4,436,530	856,117	(1,443,187)	(2,001,958)	(2,060,090)	(2,119,965)
Unobligated Ending Balance	30,297,593	31,153,710	29,710,523	27,708,565	25,648,475	23,528,510
Calculation of Estimated Claim Liability Balance:						
Beginning Estimated Claim Liability		29,034,457	24,034,457	19,154,457	13,898,057	8,768,965
Less: Claims Paid		(9,000,000)	(9,000,000)	(9,500,000)	(9,500,000)	(9,500,000)
Add: Allowance for New Releases		4,000,000	4,120,000	4,243,600	4,370,908	4,502,035
Ending Estimated Claim Liability	29,034,457	24,034,457	19,154,457	13,898,057	8,768,965	3,771,000