

State of New York

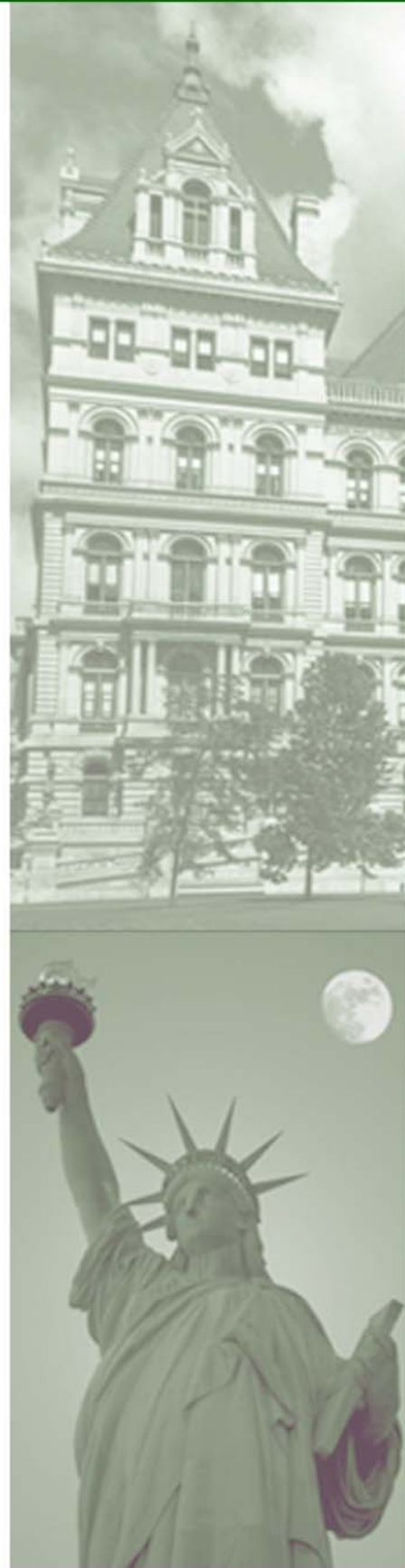
New York Environmental Protection and Spill Compensation Fund

*Annual Financial Report and
Other Supplementary Information*

For fiscal year ended March 31, 2009

Thomas P. DiNapoli

STATE COMPTROLLER





**Office of the State Comptroller
New York Environmental Protection and Spill Compensation Fund**

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**Office of the State Comptroller
New York Environmental Protection and Spill Compensation Fund**

Balance Sheet

March 31, 2009

ASSETS:

Cash and investments.....	\$	147
Accounts receivable, net of allowance for uncollectibles.....		79,054,000
Due from other funds.....		2,632,315
Total assets.....	\$	81,686,462

LIABILITIES:

Accounts payable.....	\$	3,317,886
Accrued liabilities.....		1,198,000
Due to other funds.....		5,320,347
Deferred revenue.....		68,170,000
Total liabilities.....		78,006,233

FUND BALANCE:

Unreserved.....		3,680,229
Total fund balance.....		3,680,229

Total liabilities and fund balance.....	\$	81,686,462
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See accompanying notes to the financial statements.

**Office of the State Comptroller
New York Environmental Protection and Spill Compensation Fund**

Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended March 31, 2009

REVENUES:

Fees and reimbursements:

License fees.....	\$ 24,025,096
Bulk storage fees.....	2,478,350
License fee surcharges.....	13,405,429
Penalties from spillers.....	44,163
Site monitoring.....	442,455
Reimbursements from spillers, net of refunds.....	6,846,222
Net fees and reimbursements.....	<u>47,241,715</u>

STIP interest.....	26,748
Interest-from spillers.....	451,401
Fines, penalties, forfeitures (DEC).....	1,667,714
Miscellaneous.....	1,955
Revenues due from responsible parties.....	3,125,733
Total revenues.....	<u>52,515,266</u>

EXPENDITURES:

Spill costs:

Cleanup costs, net of overpayments.....	16,193,907
Damage claims.....	28,017
Prompt payment interest.....	6,488
Lien fillings.....	17,303
Expert witnesses.....	14,977
Total spill costs.....	<u>16,260,692</u>

Administrative costs:

OSC.....	717,591
DOH.....	256,232
DEC.....	15,590,339
OAG.....	3,622,937
Total administrative costs.....	<u>20,187,099</u>
Total expenditures.....	<u>36,447,791</u>

Excess of revenues over expenditures..... **16,067,475**

OTHER FINANCING SOURCES (USES):

Transfers from other funds.....	-
Transfers to other funds.....	(16,717,665)
Other financing sources (uses).....	<u>(16,717,665)</u>

Net change in fund balance..... **(650,190)**

Fund balance at April 1, 2008, as restated..... **4,330,419**

Fund balance at March 31, 2009..... **\$ 3,680,229**

See accompanying notes to the financial statements.

**Office of the State Comptroller
New York Environmental Protection and Spill Compensation Fund**

License Fee Surcharges

**Statement of Revenues and Other Financing Sources (Uses)
(modified accrual basis)**

For the Year Ended March 31, 2009

REVENUES:

License fee surcharges.....	\$ 13,405,429
Investment income.....	36,151
Total receipts.....	<u>13,441,580</u>

OTHER FINANCING SOURCES (USES):

Transfers from the Spill Compensation Fund.....	831,837
Transfers to the Hazardous Waste Remedial Fund.....	<u>(13,717,968)</u>
Other financing sources (uses).....	<u>(12,886,131)</u>

Total.....	<u><u>\$ 555,449</u></u>
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See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2009

NOTE 1 - Summary of Significant Accounting Policies

Chapter 845 of the Laws of 1977 created the New York Environmental Protection and Spill Compensation Fund (Fund) and assigned to the State Comptroller administrative and operational responsibility for the Fund and strict liability for petroleum contamination in New York State. The Fund pays for the cleanup and removal of petroleum spills; cleanup and removal activities are conducted with the technical assistance and oversight of the New York State Department of Environmental Conservation (DEC). The Fund's major source of revenue is a license fee charged on each barrel of petroleum imported for sale in New York State. The Fund is accountable for all monies received and expended by the Fund. The Fund reviews and processes all cleanup vouchers submitted for payment, and maintains a detailed file for each cleanup project. Statements of cleanup costs are prepared from an account analysis conducted for each spill project. The Fund seeks reimbursement for cleanup costs from those entities responsible for the discharge of petroleum. The Fund also reviews, handles until settlement, or pays, all eligible damage claims.

The accompanying financial statements have been prepared primarily from accounts maintained by the State Comptroller and in conformity with generally accepted accounting principles (GAAP) for governments. Such principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the standard-setting body for establishing governmental accounting and financial reporting principles in the United States of America.

a. Measurement Focus, Basis of Accounting

The Fund's financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues and related receivables are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or within 12 months of the end of the current fiscal period. Receivables, net of uncollectible amounts, not expected to be collected within the next 12 months are offset by deferred revenues. Expenditures and related liabilities are recorded in the accounting period the liability is incurred to the extent it is expected to be paid with the next 12 months.

b. Cash and Investments

Cash and investments of the Fund are commingled in the State's general checking account. The available cash balance in the general checking account beyond immediate need is pooled for short-term investment purposes (STIP), administered by the State Comptroller.

c. Receivables

Receivables are stated net of estimated allowances for uncollectible amounts. A receivable is considered uncollectible when one of the following occurs: the debtor acknowledges his, her, or its inability to repay and such inability is substantiated; or the recovery of the receivable is at an indeterminable date or sufficiently into the future as to question the economic substance of the transaction.

d. Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

e. Accounting Restatements

During the fiscal year, the Fund restated the fund balance as of March 31, 2008 due to a change in its method of accounting for the allowance for uncollectibles related to accounts receivable and for a prior-period adjustment related to the accurate reporting of deferred revenues for amounts not expected to be collected within the next 12 months which is in conformity with GAAP.

The following table summarizes changes to the fund balance previously reported (amounts in thousands):

Fund balance at March 31, 2008	\$	148,139
Change in accounting principle		(77,347)
Prior-period adjustment		<u>(66,462)</u>
Total fund balance at March 31, 2008, as restated.....	\$	<u><u>4,330</u></u>

NOTE 2 – Cash and Investments

The cash balance administered by the Fund is under the joint custody of the State Comptroller and the Commissioner of Taxation and Finance.

NOTE 3 – Accounts Receivable

The Fund’s receivables relate to cleanup costs incurred for cleanup and removal activities overseen by the DEC for various spills throughout the State. The entire portion of the receivable is booked as a current receivable and the calculated long-term portion of the receivable is booked as deferred revenue. Receivables for each cleanup project are calculated by totaling all costs, including DEC personnel time, net of any allowances. The following is a summary of receivable amounts at March 31, 2009 (amounts in thousands):

Accounts receivable	\$	208,279
Allowance for uncollectible		<u>(129,225)</u>
Total	\$	<u><u>79,054</u></u>

NOTE 4 – Accrued Liabilities

Accrued liabilities consist of accrued amounts reported for payroll (\$823 thousand) and fringe benefits (\$375 thousand).

NOTE 5 – Due To/From Other Funds

All outstanding balances between other New York State governmental funds at the end of the fiscal year are referred to as “due to/from other funds.” The following is a summary of due from other funds and due to other funds amounts at March 31, 2009 (amounts in thousands):

<u>Due From Other Funds</u>	
General.....	\$ 2,416
Capital Projects.....	195
Federal Special Revenue	21
Total	\$ <u>2,632</u>

<u>Due To Other Funds</u>	
General.....	\$ 5,320
Total	\$ <u>5,320</u>

NOTE 6 – Operating Expenditures

Expenditures, which include spill and administrative costs, damage claim payments, prompt payment interest, fees for lien filings, and expert witness fees, are recorded when the related liability is incurred. Administrative costs account for those costs incurred by the Department of Health, the Department of Environmental Conservation, the Office of the Attorney General, and the Office of the State Comptroller on behalf of the Fund.

NOTE 7 – Interfund Transfers

Transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes the resource. The following is a summary of transfer amounts at March 31, 2009 (amounts in thousands):

Hazardous Waste Remedial Fund	\$ 13,718
ENCON Special Revenue Fund	2,952
Earmarked Revenue Fund	48
Total	\$ <u>16,718</u>

**New York Environmental Protection and Spill Compensation Fund
Monthly and Annual Report for the Period Ended March 31, 2009**

	<u>March 2009</u>	<u>Fiscal Year 2008-2009</u>	<u>Fiscal Year 2007-2008</u>
Total Receipts	\$ 192,349	\$ 31,023,637	\$ 45,368,169
Total Disbursements	(2,149,977)	(35,997,271)	(58,288,338)
Excess/Deficit	<u>(1,957,628)</u>	<u>(4,973,634)</u>	<u>(12,920,169)</u>
Fund Balance 03/01/09	(1,274,630)		
Fund Balance 03/31/09	<u><u>\$ (3,232,258)</u></u>		

	<u>Number</u>	<u>Dollar Amount</u>
Total spills in subsidiary ledger at beginning of period 04/01/08	1,133	\$ 25,205,577
Spills opened or reopened	836	
Total expenditures on all spills for period		17,075,207
Administrative expenses		119,861
Spills closed	(262)	(5,219,677)
Interim bills	(503)	(18,163,496)
Final bills	(228)	(5,033,136)
Miscellaneous manual adjustments		2,849,603
Total spills in subsidiary ledger at end of period 03/31/09	<u><u>976</u></u>	<u><u>\$ 16,833,939</u></u>

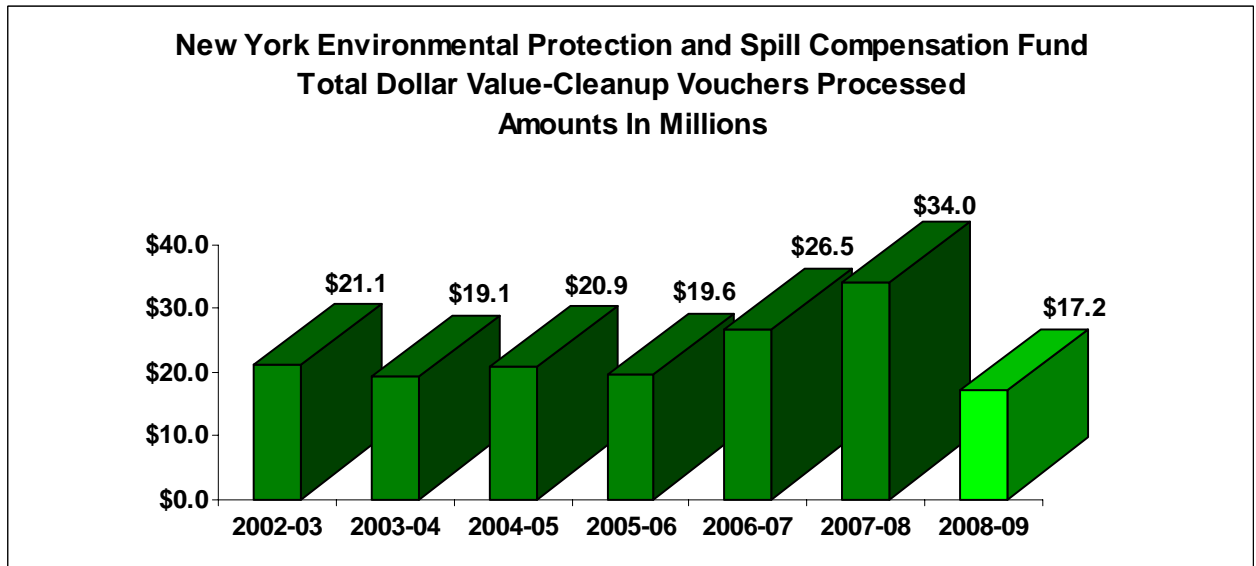
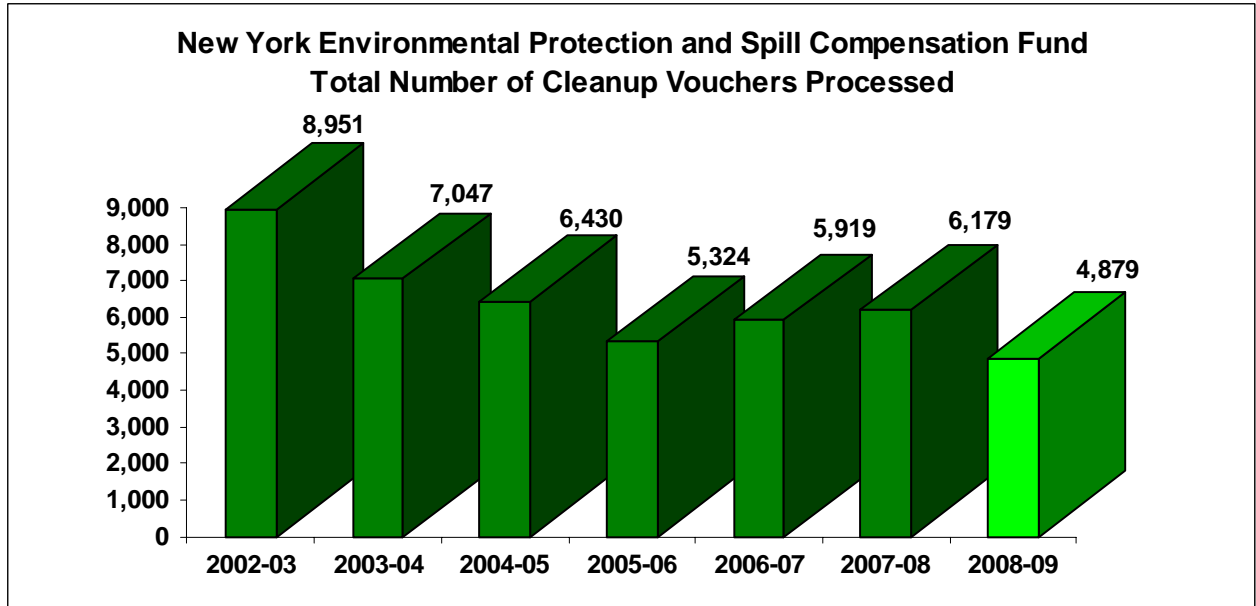
**New York Environmental Protection and Spill Compensation Fund
Monthly and Annual Report for the Period Ended March 31, 2009**

ISRs under review at beginning of period 04/01/08	16
ISRs received from DEC during period	305
ISRs processed/referrals prepared during period	(296)
Totals ISRs on hand at end of period 03/31/09	<u><u>25</u></u>

	<u>Number</u>	<u>Dollar Amount</u>
Cost statements prepared	287	\$ 10,619,006
Project cost updates prepared	444	\$ 12,577,626
Cases for which vouchers provided	74	
Total cases in litigation	174	\$ 41,616,887
Number of, and actual cash disbursed for, cleanup and damage claim vouchers processed during period	4,879	\$ 17,197,949

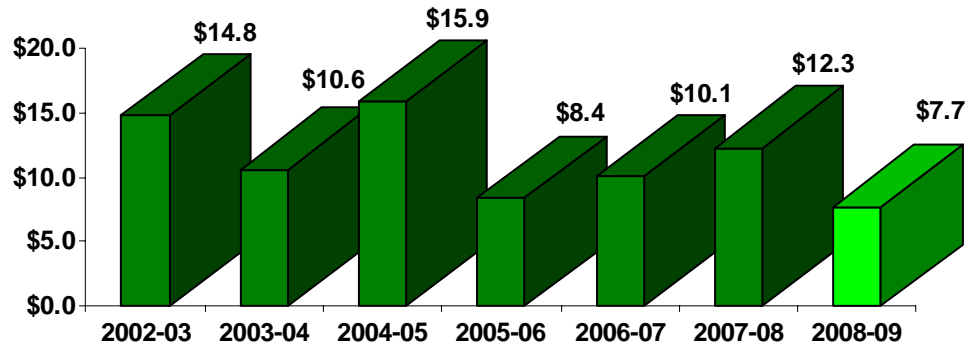
	<u>Fiscal Year 2008-2009</u>	<u>Fiscal Year 2007-2008</u>
Closed - written off	\$ 5,219,676	\$ 4,679,341
Billed to spillers	\$ 23,196,634	\$ 35,900,439
Cash receipts from spillers - spill cost and interest	\$ 7,629,815	\$ 11,880,261
Cash receipts from spillers - penalties	\$ 64,163	\$ 355,116

**New York Environmental Protection and Spill Compensation Fund
Monthly and Annual Report for the Period Ended March 31, 2009**



**New York Environmental Protection and Spill Compensation Fund
Monthly and Annual Report for the Period Ended March 31, 2009**

**New York Environmental Protection and Spill Compensation Fund
Total Dollar Value-Collected From Spillers
Amounts In Millions**



**New York Environmental Protection and Spill Compensation Fund
License Fees Collected
Amounts In Millions**

