<u>OHIO PETROLEUM UNDERGROUND STORAGE TANK RELEASE COMPENSATION BOARD</u>

Columbus, Ohio

Financial Statements
and
Supplementary Financial Information
For the years ended June 30, 2008 and 2007

and Independent Auditors' Report Thereon

Mary Taylor, CPA
Auditor of State

Board Members
Ohio Petroleum Underground Storage Tank Release Compensation Board
50 W. Broad Street, Suite 1500
P.O. Box 163188
Columbus, Ohio 43216-3188

We have reviewed the *Independent Auditors' Report* of the Ohio Petroleum Underground Storage Tank Release Compensation Board, Franklin County, prepared by Schneider Downs & Co., Inc., for the audit period July 1, 2007 through June 30, 2008. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ohio Petroleum Underground Storage Tank Release Compensation Board is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 10, 2009

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SCHNEIDER DOWNS

INSIGHT ▪ INNOVATION ▪ EXPERIENCE

INDEPENDENT AUDITORS' REPORT

Ohio Petroleum Underground Storage
Tank Release Compensation Board
Columbus, Ohio

We have audited the accompanying statements of net assets of Ohio Petroleum Underground Storage Tank Release Compensation Board (the Board) as of June 30, 2008 and 2007 and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Board as of June 30, 2008 and 2007 and the respective changes in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2008 on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The Management's Discussion and Analysis on Pages 2 through 7 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures to this information, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Schneider Downs & Co., Inc.

Columbus, Ohio
December 29, 2008

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The following Management's Discussion and Analysis ("MD&A") section of the Petroleum Underground Storage Tank Release Compensation Board's (the "Board") financial report represents a discussion and analysis of the Board's financial performance during the fiscal years ended June 30, 2008 and 2007. Please read it in conjunction with the Board's financial statements, which follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Board accounts for all transactions under a single enterprise fund, (Fund) and the financial statements are prepared using proprietary fund (enterprise fund) accounting. Under this method of accounting, an economic resources measurement focus and an accrual basis of accounting are used. Revenue is recognized in the year for which coverage is provided, and expenses are recorded when incurred. The financial statements include a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. These are followed by notes to the financial statements.

The Statement of Net Assets presents information on the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets might serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets reports the operating revenues and expenses and non-operating revenue and expenses of the Board for the fiscal year with the difference being combined with any capital contributions to determine the change in net assets for the fiscal year.

The Statement of Cash Flows reports cash and cash equivalent activities for the fiscal year resulting from operating activities, noncapital financing activities, capital and related financing activities, and investing activities. The net result of these activities added to the beginning of the year's cash and cash equivalents balance reconciles to the cash and cash equivalents balance at the end of the current fiscal year.

Financial Position

The following summarizes the Board's financial position as of June 30, 2008 and 2007:

	2008	2007	% Change
ASSETS:			
Current assets	$ 26,623,125	$ 24,283,172	9.64 %
Capital assets	146,241	154,486	-5.34
Other noncurrent assets	6,640,245	6,774,760	-1.99
Total assets	$ 33,409,611	$ 31,212,418	7.04 %

		2008		2007	% Change	
LIABILITIES:						
Current liabilities	$	27,390,816	$	25,938,962	5.60	%
Noncurrent liabilities		25,694,857		29,871,040	-13.98	
Reserve for unpaid claims		33,617,525		30,106,871	11.66	
Total liabilities		86,703,198		85,916,873	0.92	
NET ASSETS:						
Investment in capital assets, net of related debt		146,241		154,486	-5.34	
Unrestricted net assets (deficiency)		(53,439,828)		(54,858,941)	-2.59	
Total net assets		(53,293,587)		(54,704,455)	-2.58	
Total liabilities and net assets	$	33,409,611	$	31,212,418	7.04	%

Current assets increased by approximately $2,340,000 (9.64%) over last year primarily due to a net increase in unrestricted investments of approximately $1,030,000, and an increase in cash with custodian of approximately $780,000.

Current assets include Prepaid Salaries in the amount of $149,223. In previous fiscal years, the balance in this account was minimal and therefore, netted against accrued salaries to reduce current liabilities. Due to the State of Ohio's software conversion to the Ohio Administrative Knowledge System (OAKS), management was unable to track the balance of this account during the fiscal year. As a result, the balance in the account at year-end exceeded accrued salaries. Management anticipates that in future years, the amount of prepaid salaries at year-end will be minimal.

Fees receivable increased $378,127 (20.15%) over 2007. In 2008, management modified the method used to estimate its uncollectible accounts. In previous years, uncollectible amounts were estimated through the application of a historical collection average determined as a percentage of fee and penalty amounts collected versus those certified to the Ohio Attorney General's Office for collection. For 2008, a detailed review of each receivable was undertaken, and, based on information available as of June 30, 2008, accounts were separated into six categories, each with an assigned probability of collection. The estimated collectible amount was then determined by applying the assumed percentage of probability of collection to each category. The collectible amount of the largest category of outstanding fees is calculated much the same as in previous years by applying the historical collection average based on the comparison of fee and penalty amounts collected versus those certified to the Ohio Attorney General's Office for collection. Historically, the Attorney General's Office has collected approximately 25.53% and 8.77% of per-tank fees and late payment penalties, respectively. The change in estimating uncollectible amounts accounts for approximately $267,570 of the increase in estimated fees receivable.

Capital assets decreased by $8,245 (5.34%). Approximately $51,600 was spent for furniture and data processing equipment; accumulated depreciation increased $10,300. In January 2004, the Board entered into a time and material contract in an amount not to exceed $185,640 for the completion of the design and development of the customized electronic database system. In fiscal year 2008, approximately $43,350 was spent on the database design and development. Of this amount, $7,550 was for work related to the January 2004 contract and the remaining $35,800 was related to out-of-scope items, including fully automating the annual invoicing process; generating audit logs to track changes; and development of a module to track increases and decreases in the accounts receivable due to changes in the number of underground tanks. Purchases of pre-packaged software upgrades and computer replacements were about $2,800. Also in 2008, the Board completed the process of replacing its file server and approximately $2,100 was spent toward this project. An additional $1,500 was spent on miscellaneous office furniture. Approximately $49,500 in capital assets was salvaged during fiscal year 2008.

There is no related debt on capital assets.

Other noncurrent assets are restricted investments held by the bond trustee for the payment of revenue bond interest and principal. Bond covenants require this account to be funded on July 1 with the current and ensuing years' anticipated debt service. Therefore, as of June 30, the account balance represents one year's debt service.

Current liabilities increased by approximately $1,451,000 due to increases of $633,500 in fees received in advance, $648,350 in refundable fees, and $262,630 in bond debt service payable within one year.

Fees received in advance increased 5.92%. Historically, approximately 67% of fees are collected in advance of the fiscal year. During the last two months of fiscal year 2008 approximately 77% of fiscal year 2009 tank fees were collected.

Refundable fees increased 54.96%. Enhancements to the database system during the 2008 fiscal year allowed for better reporting and presentation of payments received for tanks for which, by law, the tank owner was not required to pay. Approximately $423,700 of the increase in refundable fees is due to the separate recognition of these amounts.

The Board has issued two series of revenue bonds for the purpose of reimbursing petroleum underground storage tank owners for corrective action costs. In July 1993, the Board issued $30,000,000 of revenue bonds, Series A. The issuance consisted of $5,465,000 in serial bonds with interest rates ranging from 3.875% to 5.25% and maturity dates of August 15, 1994 through August 15, 1997, and term bonds of $24,535,000 with an interest rate of 6.75% and maturing through August 15, 2008. The balance outstanding, net of related discount, for the Series A revenue bonds, as of June 30, 2008 was $3,047,630. A discussion of the 1998 Series B revenue bonds, including the current portion outstanding, can be found in the long-term liabilities section on the next page.

The current portion of reserve for unpaid claims represents the amount obligated for the payment of claims in the upcoming fiscal year less claims payable as of June 30, 2008. In determining the amount to obligate, the Board considers the unobligated balance, claims paying experience, and anticipated revenue. The Board obligated $9 million for the payment of claims anticipated to be paid in each of the 2007 and 2008 fiscal years. Consequently, current liabilities were not affected by the change in reserves for unpaid claims.

Long-term liabilities decreased by $4,176,183 (13.98%) as a result of an annual revenue bond principal payment, net of related discount.

In July 1998, the Board issued a second series, Series B, of revenue bonds in the principal amount of $35,000,000. The issuance consists of serial bonds of $9,170,000 with interest rates ranging from 5.81% to 6.20% and maturity dates of August 15, 1999 through 2008, and term bonds of $25,830,000 with an interest rate of 6.375% and maturing through August 15, 2013. The balance outstanding, net of related discount, as of June 30, 2008 was $25,694,857; the current portion of bonds payable for this issue is $1,190,000.

Annual debt service (principal and interest) is approximately $6,030,000. The amortization schedule is presented in the notes to the financial statements.

Reserve for unpaid claims increased by $3,510,654 (11.66%) as a result of claim reimbursements being paid at a rate less than the increase in ultimate estimated loss. Ultimate estimated loss is an estimate of the amount the Financial Assurance Fund will ultimately pay and includes both losses for the most recent year and changes in the estimates of ultimate losses for prior years. The estimated ultimate loss for both reported and incurred but not reported (IBNR) insured events increased approximately $11.2 million from June 30, 2007 to June 30, 2008; fiscal year 2008 claim payments were approximately $7.7 million. Additional discussion regarding the reserve for unpaid claims can be found in note 3 to the financial statements. The Board issues a stand-alone report, titled "Estimated Unpaid Claims Liability as of June 30, 2008," that represents the analysis of the loss reserves. It may be obtained by writing to the Board at P.O. Box 163188, Columbus, Ohio 43216-3188 or by calling 614-752-8963.

Net assets deficit decreased $1,410,868 (2.58%) due to the revenues outpacing expenses in fiscal year 2008.

The deficiency in unrestricted net assets includes management's estimate of the current and long-term reserve for unpaid claims of $42,617,525. The remaining deficit in unrestricted net assets has been financed by the proceeds of two revenue bond issuances.

Financial Information

Revenue

The following schedule presents a summary of revenues for the fiscal years ended June 30, 2008 and 2007.

	2008	2007	Increase (Decrease)
Operating Revenues:			
Tank fees	$ 15,096,974	$ 15,627,816	$ (530,842)
Other	2,192	215	1,977
	15,099,166	15,628,031	(528,865)
Non-operating Revenues			
Earnings on investments	1,032,567	1,200,287	(167,720)
Total revenue	$ 16,131,733	$ 16,828,318	$ (696,585)

Total revenue for 2008 decreased approximately $697,000 or about 4.14% from the previous year. This decrease is the net result of decreases in operating revenues and non-operating revenues of $528,864 and $167,720 respectively.

The 3.38% decrease in operating revenues is due to a decrease in assured underground tanks and an increase in refundable fees. For 2008 the Board maintained its fee structure of $600 per-tank for the standard $55,000 deductible and $800 per-tank for the reduced $11,000 deductible. The Board identified approximately $648,350, net of refunds paid, in fees and penalties that were paid but not due.

The 13.97% decrease in non-operating revenues is the result of a decrease in the State Treasury Asset Reserve of Ohio (STAR Ohio) interest rates. The average monthly STAR Ohio yield decreased from 5.17% in fiscal year 2007 to 3.93% in fiscal year 2008.

The following schedule presents a summary of expenses for the fiscal years ended June 30, 2008 and 2007:

	2008	2007	Increase (Decrease)
Incurred claims and claims adjustment	$ 11,222,359	$ 2,627,524	$ 8,594,835
Administration	1,418,410	1,519,035	(100,625)
Depreciation	59,819	62,293	(2,474)
Total operating expenses	$ 12,700,588	$ 4,208,852	$ 8,491,736

Total operating expenses increased approximately $8.5 million from 2007 mainly due to the change in reserve for unpaid claims. Incurred claims and claims adjustment expenses represents the claims paid expense and the increase in the change in reserve for unpaid claims of approximately $7.34 million and $3.89 million, respectively.

As previously stated, the Board annually obligates funds for the payment of claims in the upcoming fiscal year. In fiscal year 2008, the Board obligated $9 million. Claim settlement determinations issued for 2008 and 2007 were approximately $7,213,700 and $9,445,300, respectively. Claimants are provided a 30-day period in which to object to the claim settlement determination. If no objection is received, payment is issued to the claimant within 45 days of the determination. Claim payments made during 2008 totaled $7,711,705.

Administration costs decreased 6.62% from fiscal year 2007. The change is largely the net result of a decrease in salary expenditures and an increase in legal and professional costs. Salaries decreased approximately 10.92% as a result of a vacant position during the fiscal year. Legal and professional expenses increased in fiscal year 2008 primarily due to costs associated with the Board contracting with an independent firm to perform the annual actuarial estimate of the Financial Assurance Fund's loss reserves for the 2007 fiscal year.

Depreciation decreased 3.97% due to older capital assets being fully depreciated.

OHIO PETROLEUM UNDERGROUND STORAGE TANK RELEASE COMPENSATION BOARD

STATEMENTS OF NET ASSETS

	June 30 2008	June 30 2007
ASSETS		
CURRENT ASSETS		
Cash with custodian	$ 3,722,083	$ 2,941,805
Unrestricted investments	20,497,541	19,465,216
Prepaid salaries	149,223	-
Fees receivable, net of allowance for uncollectible amounts of $10,241,432 and $7,609,386, respectively	2,254,278	1,876,151
Total Current Assets	26,623,125	24,283,172
RESTRICTED INVESTMENTS	6,427,466	6,496,527
DEFERRED BOND ISSUANCE COSTS - Net	212,779	278,233
CAPITAL ASSETS AT COST - Net of accumulated depreciation	146,241	154,486
	$ 33,409,611	$ 31,212,418
LIABILITIES AND NET ASSETS (DEFICIENCY)		
CURRENT LIABILITIES		
Fees received in advance	$ 11,335,000	$ 10,701,500
Claims payable	1,082,430	1,458,907
Current portion of reserve for unpaid claims	7,917,570	7,541,093
Bonds payable	4,237,630	3,975,000
Bond interest payable	722,272	820,579
Refundable fees	1,828,075	1,179,725
Accounts payable	48,306	76,970
Accrued liabilities	219,533	185,188
Total Current Liabilities	27,390,816	25,938,962
BONDS PAYABLE - Less current portion	25,694,857	29,871,040
RESERVE FOR UNPAID CLAIMS - Less current portion	33,617,525	30,106,871
NET ASSETS (DEFICIENCY):		
Invested in capital assets, net of related debt	146,241	154,486
Unrestricted net assets (deficiency)	(53,439,828)	(54,858,941)
Total Net Assets (Deficiency)	(53,293,587)	(54,704,455)
	$ 33,409,611	$ 31,212,418

See notes to financial statements.

OHIO PETROLEUM UNDERGROUND STORAGE TANK RELEASE COMPENSATION BOARD

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS FOR THE YEARS ENDED JUNE 30, 2008 AND 2007

	2008	2007
OPERATING REVENUES:		
Tank fees, net of refunds	$ 15,096,974	$ 15,627,816
Other	2,192	215
Total Operating Revenues	15,099,166	15,628,031
OPERATING EXPENSES:		
Incurred claims and claims adjustment	11,222,359	2,627,524
Administration	1,418,410	1,519,035
Depreciation	59,819	62,293
Total Operating Expenses	12,700,588	4,208,852
OPERATING INCOME	2,398,578	11,419,179
NONOPERATING REVENUE (EXPENSES)		
Earnings of investments	1,032,567	1,200,287
Interest expense	(2,020,277)	(2,277,017)
Total Nonoperating Expense	(987,710)	(1,076,730)
Net Income	1,410,868	10,342,449
NET ASSETS (DEFICIENCY) - Beginning of year		
Beginning of year	(54,704,455)	(65,046,904)
End of year	$ (53,293,587)	$ (54,704,455)

See notes to financial statements.

OHIO PETROLEUM UNDERGROUND STORAGE
TANK RELEASE COMPENSATIONS BOARD

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008 AND 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	$ 16,040,508	$ 14,849,740
Cash paid to employees	(1,088,635)	(1,107,356)
Cash paid to claimants	(7,711,706)	(9,300,282)
Cash paid to others	(445,482)	(391,755)
Net Cash Provided By Operating Activities	6,794,685	4,050,347
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payment of bond principal	(3,975,000)	(3,720,000)
Cash paid for interest	(2,057,136)	(2,310,612)
Net Cash Used In Noncapital Financing Activities	(6,032,136)	(6,030,612)
CASH FLOWS USED IN CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of capital assets	(51,574)	(61,198)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of investments	(963,264)	(5,778,643)
Interest on investments	1,032,567	1,200,287
Net Cash Provided By (Used In) Investing Activities	69,303	(4,578,356)
NET INCREASE (DECREASE) IN CASH WITH CUSTODIAN	780,278	(6,619,819)
CASH WITH CUSTODIAN		
Beginning of year	2,941,805	9,561,624
End of year	$ 3,722,083	$ 2,941,805

	2008	2007
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 2,398,578	$ 11,419,179
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	59,819	62,293
Amortization of bond issue costs	65,455	65,455
Reserves for unpaid claims	3,887,131	(6,845,701)
Changes in assets and liabilities:		
Prepaid salaries	(149,223)	-
Fees receivable	(378,128)	(122,583)
Fees receiveved in advance	633,500	(734,739)
Claims payable	(376,477)	172,942
Refundable fees	648,350	14,014
Accounts payable and accrued liabilities	5,680	19,487
Total Adjustments	4,396,107	(7,368,832)
Net Cash Provided By Operating Activities	$ 6,794,685	$ 4,050,347

See notes to financial statements.

NOTE 1 - DESCRIPTION OF THE BOARD

The Ohio Petroleum Underground Storage Tank Release Compensation Board (the "Board") was established as a body both corporate and politic of the State of Ohio upon enactment of House Bill 421 (the "Act") in 1989. The Board consists of the Treasurer of State and the directors of the State of Ohio Departments of Commerce and Environmental Protection as ex-officio members, and nine members appointed by the Governor with the advice and consent of the Senate.

Pursuant to the Act, the Board may determine the amount of reimbursement to responsible persons for costs necessary to improve property damaged by accidental petroleum releases. The Board may issue revenue bonds, payable solely from its revenues, to pay the costs incurred by the tank owners/operators for improvements to property.

The Act created the Financial Assurance Fund (the "Fund") to reimburse underground petroleum storage tank owners for the costs of corrective actions and third-party compensation for bodily injury or property damage resulting from petroleum releases from underground storage tanks.

The Fund is authorized by law to collect (1) annual and supplemental fees from underground storage tank owners/operators, (2) interest earned on monies in the Fund, and (3) proceeds from revenue bonds authorized by the Board. Authorized disbursements from the Fund are for (1) the Board's administrative expenses, (2) payment of claims to tank owner/operators who hold valid certificates of coverage, (3) transfers of funds required under trust agreements established in connection with bond issuances, and (4) placement of certificates of deposit with financial institutions for the purpose of providing low-cost financing to eligible tank owners through the Board's linked deposit program. A claim is recognized as an expense when the Board accepts the claim for payment. A reserve is established for estimated claims.

The Board may establish annual fees and assess supplemental fees needed to maintain the financial soundness of the Fund. The Act prohibits the Board from assessing annual fees for any year in which the unobligated fund balance exceeds $45 million. Supplemental fees may be assessed in any fiscal year in which the unobligated fund balance is less than $15 million. The Act excludes the State of Ohio from responsibility for liabilities of the Fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Classification and Basis of Accounting - The Fund is classified as an Enterprise Fund and is reporting as a special-purpose government engaged in business-type activities. The accrual basis of accounting is applied to the Fund.

Revenue Recognition - Fees are recognized in the year for which coverage is provided. Fees received in advance of the coverage year are deferred. Earnings on investments are accrued as earned.

Claims Expenses - Claims expenses are recognized to the extent risk has transferred to the Fund. Risk is deemed transferred when the Board approves a claim for payment. Accordingly, claims expenses are accrued when the Board approves a claim for payment. In order to expedite certain claims, the Board may approve partial (installment) payments. Partial claims expenses are also recognized when approved. These partial payments are subject to further review, upon which the Board may approve additional payments, or, in limited circumstances, require a refund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amount of the reserve for unpaid claims is estimated using actuarial assumptions and is not discounted to a present value. Assumptions include the estimate of incurred-but-not-reported ("IBNR") claims, the Board's payment experience, the eligibility approval rate and third party claims.

Unobligated Fund Balance - The Ohio Revised Code requires the Board to maintain an unobligated fund balance at a level that ensures the continued financial soundness of the Fund and allows the Board to assess a supplemental fee in any fiscal year in which the unobligated fund balance is less than $15 million. The unobligated fund balance is included in unrestricted investments and defined by the Ohio Administrative Code as monies not previously designated by the Board for claims reimbursement, not legally restricted, not placed in a linked deposit account, and not placed in a debt service account. The unobligated fund balance is $22,973,970 and $22,278,127 at June 30, 2008 and 2007, respectively.

Investments - Investments are recorded at fair value in accordance with Governmental Accounting Standard Board ("GASB") Statement No. 31, *Accounting and Financial Reporting For Certain Investments and for External Pools*.

Capital Assets - Capital asset purchases are recorded at cost, and are depreciated using the straight-line method over the estimated useful lives of three to five years.

Refundable Fees - The Board has determined that certain prior-year fees were collected from individuals not required to contribute to the Fund. Accordingly, the Board has recorded a liability for the refund of these fees. Refundable fees are paid after an account review and reconciliation is completed by management.

Bond Issuance Costs - Costs associated with the revenue bond issues are capitalized by the Board and amortized using the effective interest method over the term of the issuance (15 years). Deferred bond issuance costs of $212,779 at June 30, 2008 and $278,233 at June 30, 2007 are net of accumulated amortization of $768,963 and $703,509 respectively.

Application of Financial Accounting Standards Board ("FASB") Statements and Interpretation - In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Board follows GASB guidance as applicable to proprietary funds and is required to apply FASB Statements and Interpretations issued on or before November 30, 1989 and has elected to apply only those issued after that date that do not conflict with or contradict GASB pronouncements.

Management Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amount of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements - In December 2006, the GASB issued Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligation.* This Statement identifies the circumstances under which a governmental entity would be required to report a liability related to pollution remediation. This Statement is effective for periods beginning after December 15, 2007. Management has determined that this statement has no impact on its financial statements.

In May 2007, GASB issued Statement No. 50, *Pension Disclosures - An Amendment of GASB Statements No. 25 and No. 27.* This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits ("OPEB") and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information ("RSI") by pension plans and by employers that provide pension benefits. The adoption of this statement did not have a material impact on the Board's financial statements. The Board believes all required disclosures for pensions are properly disclosed within note 8.

In June 2007, GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets.* This Statement requires that all identifiable intangible assets not specifically excluded by its scope be classified as capital assets, and as such all applicable accounting and financial reporting standards for capital assets should be applied. This Statement is effective for periods beginning after June 15, 2009. Management has determined that this statement will not have an impact on its financial statements.

In November 2007, the GASB issued Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments.* The statement improves the quality of financial reporting by requiring endowments to report their land and other real estate investments at fair value, creating consistency in reporting among similar entities that exist to invest resources for the purpose of generating income. This statement is effective for periods beginning after June 15, 2008. Management has determined that this statement will not have an impact on its financial statements.

In June 2008, the GASB issued Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments.* The statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. This statement is effective for periods beginning after June 15, 2009. Management has determined that this statement will not have an impact on its financial statements.

NOTE 3 - COVERAGE

Petroleum underground storage tank owners/operators must pay a fee each fiscal year as determined by the Board ($600 per tank in 2008 and 2007). The tank owners/operators must also demonstrate an ability to fund $55,000 of eligible costs caused by petroleum releases, in compliance with rules promulgated by the State Fire Marshal. Tank owners/operators with six or fewer tanks may elect to reduce their deductible from $55,000 to $11,000 by paying an additional fee per tank ($200 in 2008 and 2007). The Board's obligation to pay eligible claims is limited to (1) an annual maximum per individual owner/operator and (2) the availability of unobligated assets in the Fund. The maximum annual disbursement per fiscal year to an individual owner/operator is as follows:

NOTE 3 - COVERAGE (Continued)

Number of Tanks Owned	Maximum Annual Disbursements (Net of Deductibles)
Less than 100	$1 million
101 to 200	$2 million
201 to 300	$3 million
Over 300	$4 million

The Board is not required to make payments for the costs of corrective action when the amount of approved claims exceeds the unobligated fund balance. The Board annually sets fees to ensure an unobligated fund balance based on the budget of at least $15 million at the end of the fiscal year. However, in the event that unobligated funds fall below $15 million, the Board is able to assess a supplemental fee, and again consider payout of all eligible claims.

The Board establishes a liability for both reported and unreported insured events, which includes estimates for future payments of losses. The amount of the liability is estimated using actuarial techniques. The following represents changes in those aggregate liabilities for the Board during the past two years:

	Year Ended June 2008	Year Ended June 2007
Unpaid claims and claim adjustment expenses- Beginning of year	$ 39,106,871	$ 45,779,630
Incurred claim and claim adjustment expenses:		
Provision for insured events of current year	4,536,545	2,550,000
Increase in provision for prior years	6,685,814	77,524
Total incurred claims and claim adjustment expense	11,222,359	2,627,524
Claim and claim adjustment payments attributable to insured events of prior years	7,711,705	9,300,283
Total unpaid claims and claim adjustment expenses- End of year	$ 42,617,525	$ 39,106,871
This liability is shown in the statement of net assets as follows:		
Claims payable	$ 1,082,430	$ 1,458,907
Current portion of reserve for unpaid claims	7,917,570	7,541,093
Reserve for unpaid claims-less current portion	33,617,525	30,106,871
Estimated unpaid liability	$ 42,617,525	$ 39,106,871

NOTE 3 - COVERAGE (Continued)

Changes in the unpaid claim liability are the combined impact of:

i. Estimated ultimate losses on newly reported claims (increases the liability);
ii. Changes in the estimated ultimate losses on previously reported claims (may increase or decrease the liability);
iii. Changes in the estimated ultimate losses on unreported claims (may increase or decrease the liability);
iv. Claim reimbursement payments (decreases the liability).

The amounts that the Fund will ultimately pay (items i, ii and iii) are measured, in part, by the reported gross claim face values adjusted for non-reimbursable and undocumented costs and deductible amounts. In 2008, the estimated Ultimate Face Value grew by approximately $15.5 million, resulting in an increase in incurred claims and claim adjustment expense of about $11.2 million. The amount of paid loss increased in 2008 by $7.7 million. The net result was an increase in unpaid claim liability of $3.5 million.

NOTE 4 - CASH AND INVESTMENTS

Provisions within the Ohio Revised Code govern the investment and deposit of Board monies. In accordance with these statutes, investments are restricted to obligations of the United States or of any agency or instrumentality thereof (and funds consisting exclusively of, and repurchase agreements secured by, those obligations), obligations guaranteed as to principal and interest by the United States, obligations of the State of Ohio or any political subdivision thereof, the State Treasury Asset Reserve of Ohio ("STAR Ohio") investment pool, and certificates of deposit of any national bank located in Ohio and certain other banks incorporated in Ohio and subject to inspection by the Superintendent of Institutions.

STAR Ohio is an investment pool managed by the State Treasurer's Office, which allows governments within the State to pool their funds for investment purposes. STAR Ohio is not registered with the Securities Exchange Commission as an investment company, but does operate in a manner similar to Rule 2a7 of the Investment Company Act of 1940. Investments in STAR Ohio are valued at STAR Ohio's share price, which is the price the investment could be sold for on June 30, 2008.

The State Treasurer's Office issues a publicly available stand-alone financial report for STAR Ohio that includes financial statements and required supplementary information. That report may be obtained by writing to State Treasury Asset Reserve of Ohio, STAR Ohio, 30 East Broad Street, 9th Floor, Columbus, Ohio 43215-3461 or by calling 1-800-648-7827.

Cash - Cash with custodian is held by the Treasurer of State. The carrying amount and custodial balance of cash with custodian at June 30 were as follows:

	2008	2007
Carrying amount	3,722,083	2,941,805
Custodial balance	2,181,796	1,411,025

NOTE 4 - CASH AND INVESTMENTS (Continued)

Differences between the carrying amount and custodial balances were principally due to deposits in transit. Custodial balances are collateralized with securities held by the pledging financial institution's trust department or an agent in the State's name.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of a public depository failure, the Board will be unable to recover the value of deposits. Public depositories must provide security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation ("FDIC"), or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution.

Repurchase agreements must be secured by the specific government securities upon which the repurchase agreements are based. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Board's name. The Board is not exposed to custodial credit risk, because the funds are held by the State Treasurer's Office.

STAR Ohio investments are not exposed to custodial credit risk, as defined by Statement No. 40. Securities in STAR Ohio are either insured, registered or held by STAR Ohio or by its agent in the name of STAR Ohio. Also as stated in GASB Statement No. 40, obligations of the U. S. government or obligations explicitly guaranteed by the U. S. government are not considered to have credit risk and do not require disclosure of credit quality. Cash on deposit with the bond trustee and held as restricted investments are collateralized with securities held by the pledging financial institution's trust department but not in the Board's name.

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater sensitivity of its fair value to changes in market interest rates. The Board does not experience interest rate risk on U.S. Treasury notes, money market funds and cash assets. The investments held in STAR Ohio adopt the policies of STAR Ohio by which exposure to fair value losses arising from increasing interest rates is managed by limiting the final stated maturity on any investment to 397 days and limiting the weighted average maturity of the portfolio to 60 days.

Credit Risk - Credit risk is the risk of loss due to the failure of a security issuer to pay principal or interest, or the failure of the issuer to make timely payments of principal or interest. Eligible investments, pursuant to the ORC, affected by credit risk include certificates of deposit, commercial paper, bankers' acceptances, and counterparties involved in repurchase agreements.

The Fund's unrestricted investments are held in the Treasurer of State's investment pool ("STAR Ohio"). Unrestricted investments are carried at fair value, which approximates cost and includes $1,245,604 and $128,894 obligated by the Board for the payment of claims at June 30, 2008 and 2007, respectively. Standard & Poor's rating for the STAR Ohio fund is AAAm. STAR Ohio's investment policy requires all securities held by STAR Ohio be rated the equivalent of A-1+ or A-1 and at least 50% of the Total Average Portfolio be rated A-1+ or better. As of June 30, 2008, STAR Ohio's investments in U.S. Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investor Services. Obligations of the U.S. Government are explicitly guaranteed by the U.S. Government and are not considered to have credit risk.

NOTE 4 - CASH AND INVESTMENTS (Continued)

Bond trustees maintaining debt service accounts (see Note 7) hold restricted investments in instruments similar to those described above. At June 30, restricted investments included U.S. Treasury notes held by trustees, but not in the Board's name, and money market funds as follows:

	2008 Fair Value	2007 Fair Value
U.S. Treasury notes	$ 6,392,776	$ 6,489,586
Money Market Funds	34,689	6,940
Cash & Other Assets	1	1
Total	$ 6,427,466	$ 6,496,527

NOTE 5 - CAPITAL ASSETS

A summary of the changes in capital assets for the fiscal year follows:

	Balance June 30, 2007	Additions	Disposals/ Deletions	Balance June 30, 2008
Capital assets:				
Furniture	$ 97,260	$ 1,475	$ 761	$ 97,974
Data processing equipment	765,568	50,099	48,710	766,957
Total capital assets	862,828	51,574	49,471	864,931
Less accumulated depreciation				
Furniture	88,878	7,454	761	95,571
Data processing equipment	619,464	52,365	48,710	623,119
Total accumulated depreciation	708,342	59,819	49,471	718,690
Net capital assets	$ 154,486	$ (8,245)	$ -	$ 146,241

NOTE 6 - OPERATING LEASES

The Board leases office space under an operating lease agreement expiring in fiscal year 2009. Rent expense for the fiscal years ended June 30, 2008 and 2007 was $99,943 and $102,872, respectively. Future minimum payments for the year ended June 30, 2009 are $99,593. The lease has a renewal option that would extend the lease through June 30, 2011.

NOTE 7 - BONDS PAYABLE

On December 13, 1990, the Board authorized the issuance of not more than $50 million of revenue bonds, pursuant to State statute, to reimburse responsible persons for the costs of corrective actions. The revenue bonds will be retired solely from annual fees, any supplemental fees assessed by the Board and interest income. The bonds do not constitute debt or a pledge of the faith and credit of the State.

In July 1993, the Board issued term revenue bonds with an interest rate of 6.75% and maturing through August 15, 2008. The scheduled amortization follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2009	$ 3,055,000	$ 103,106	$ 3,158,106
Less unamortized discount	7,370		
Bonds payable	$ 3,047,630		

In July 1998, the Board authorized and issued $35,000,000 of revenue bonds for the purpose of making payments and reimbursements to the owners for the costs of corrective actions. The issuance consists of serial bonds of $9,170,000 with interest rates ranging from 5.81% to 6.20% and maturity dates of August 15, 1999 through 2008, and term bonds of $25,830,000 with an interest rate of 6.375% and maturing through August 15, 2013. The scheduled amortization follows:

Fiscal Year Ended June 30	Principal	Interest	Total
2009	$ 1,190,000	$ 1,683,255	$ 2,873,255
2010	4,530,000	1,502,269	6,032,269
2011	4,825,000	1,204,078	6,029,078
2012	5,145,000	886,284	6,031,284
2013	5,485,000	547,453	6,032,453
2014	5,845,000	186,309	6,031,309
Total	27,020,000	$ 6,009,648	$ 33,029,648
Less unamortized discount	135,143		
Bonds payable	26,884,857		
Less amount currently due	1,190,000		
Bonds payable—less current portion	$ 25,694,857		

NOTE 7 - BONDS PAYABLE (Continued)

Activity for long-term bond obligations for the years ended June 30, 2008 and 2007 is summarized as follows:

	6/30/2006	Amortization of Bond Discount	Decreases	6/30/2007	Due Within One Year
Bonds Payable	$ 37,507,835	$ 58,205	$ (3,720,000)	$ 33,846,040	$ 3,975,000

	Balance at 06/30/2007	Amortization of Bond Discount	Decreases	Balance at 6/30/2008	Due Within One Year
Bonds Payable	$ 33,846,040	$ 61,447	$ (3,975,000)	$ 29,932,487	$ 4,237,630

Bond covenants require the Board to maintain a debt service account balance (restricted investments) equal to the succeeding year's debt service principal plus interest requirement. The Board is also required to maintain a debt service reserve account balance equal to the greatest single year's debt service requirement or maintain bond insurance. The Board has elected to maintain bond insurance. The Board is also required to maintain unrestricted cash with the custodian plus unrestricted investments of at least $7.5 million. The Board also covenants that it will assess annual tank fees that will result in revenues equal to at least 135% of the debt service charges plus estimated annual expenditures of the Board, less anticipated proceeds from any bonds to be issued during the fiscal year and the anticipated unobligated balance.

NOTE 8 - DEFINED BENEFITS

Defined Benefit Retirement Plan - All Board employees are required to participate in the statewide Ohio Public Employees Retirement System ("OPERS"). OPERS administers three separate pension plans: the Traditional Pension Plan (TP) - a cost-sharing multiple-employer defined benefit pension plan, the Member Directed Plan (MD) - a defined contribution plan; and the Combined Plan (CO) - a cost-sharing multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan. OPERS provides retirement, disability, survivor and death benefits, and annual cost-of-living adjustments to qualifying members of both the TP and CO plans. Members of the MD plan do not qualify for ancillary benefits, including post-employment healthcare coverage. Authority to establish and amend benefits is provided by state statute per Chapter 145 of the Ohio Revised Code (ORC). As of January 1, 2007, the employer was required to contribute 13.77% of active member payroll, and employees were required to contribute 9.5% of their annual covered salary. Effective January 1, 2008 contribution rates increased and employers were required to contribute 14% of active member payroll, and employees were required to contribute 10% of their annual covered salary.

The Board's contributions for the year ended June 30, 2008, and for each of the preceding two years, are as follows:

2008	$ 103,102
2007	$ 109,095
2006	$ 102,708

NOTE 8 - DEFINED BENEFITS (Continued)

OPERS issues a publicly available stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642 or by calling 614-222-5601 or 1-800-222-7377.

Other post-employment benefits for healthcare costs provided by OPERS are as follows:

The postretirement healthcare coverage includes a medical plan, prescription drug program and Medicare Part B premium reimbursement for qualifying members. In order to qualify for postretirement healthcare coverage, age and service retirees under the TP and CO must have 10 or more years of qualifying Ohio service credit. Healthcare coverage for disability recipients and primary survivor recipients is available. The healthcare coverage provided by the retirement system meets the definition of an Other Post-employment Benefit ("OPEB") as described in GASB Statement No. 45, "*Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pension*". OPEB are advance funded on an actuarially determined basis. A portion of each contribution to OPERS is set aside for the funding of postretirement healthcare. The ORC provides statutory authority for employer contributions and permits, but does not mandate, OPERS to provide OPEB to its eligible members and beneficiaries. The ORC currently limits the employer contribution to a rate not to exceed 14% of covered payroll. Active members do not make contributions to the OPEB plan. OPERS Post Employment Health Care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). The 2008 and 2007 employer contribution rate for state employers was 14% and 13.77% of covered payroll, respectively; the portion used to fund health care was 7% for the period commencing January 1, 2008 and 6% for the period from July 1 to December 31, 2007.

These rates are the actuarially determined contribution requirements for OPERS. The portion of the Board's 2008 and 2007 contribution that was used to fund post-employment benefits was $48,446 and $38,009 respectively. The ORC provides the statutory authority requiring public employers to fund postretirement healthcare through their contributions to OPERS. For 2008, member and employer contribution rates were consistent across all three plans.

In September 2004, the OPERS board adopted the Health Care Preservation Plan (HCPP) with an effective date of January 1, 2007. In addition to the HCPP, OPERS took additional action to improve the solvency of the Health Care Fund in 2005 by creating a separate pool for healthcare assets. As an additional component of the HCPP, member and employer contribution rates increased as of January 1, 2007 and 2008, which will allow additional funds to be allocated to the health care plan.

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SUPPLEMENTARY FINANCIAL INFORMATION

INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Ohio Petroleum Underground Storage
Tank Release Compensation Board
Columbus, Ohio

We have audited the financial statements of the Ohio Petroleum Underground Storage Tank Release Compensation Board ("the Board") as of and for the year ended June 30, 2008, and have issued our report thereon dated December 29, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Board's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Board's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Board's financial statements that is more than inconsequential will not be prevented or detected by the Board's internal control. We consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting, which is identified as Item No. 2008-1.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Board's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies that are also considered to be material weaknesses. However, we do not believe that the significant deficiency noted above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Board's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Ohio Petroleum Underground Storage Tank Release Compensation Board and the Auditor of State and is not intended to be and should not be used by anyone other than these specified parties.

Schneider Downs & Co., Inc.

Columbus, Ohio
December 29, 2008

OHIO PETROLEUM UNDERGROUND STORAGE

TANK RELEASE COMPENSATION BOARD

Schedule of Findings and Responses

June 30, 2008

Internal Control Over Financial Reporting

Item No. 2008 - 1, Maintenance of a detailed accounts receivable aging ledger

Criteria: Complete underlying accounting data is critical to allow for accurate financial reporting and evaluation of significant estimates such as allowances for doubtful accounts.

Condition: During the period under audit, Ohio Petroleum Underground Storage Tank Release Compensation Board ("the Board") did not have adequate resources available to allow for the maintenance of detailed account receivable aging ledgers.

Effect: As of the year ended June 30, 2008, management was unable to produce a detailed accounts receivable aging schedule resulting, which may compromise management's ability to produce reliable estimates relating to the collectability of accounts receivable.

Recommendation: We recommend that a system be developed that allows for the maintenance of detailed accounts receivable ledgers sufficient to monitor the aging of individual receivable balances and assist in the analysis of potentially uncollectible accounts.

Management Response:

Accounts Receivable

During the 2006 audit, management consulted with its auditors to discuss alternative ways to estimate the Board's allowance for uncollectible amounts. As a result of those discussions and subsequent analyses, in the second quarter of fiscal year 2008, changes to the Board's database system ledgers and related internal procedures were implemented to better monitor the aging of individual accounts receivable balances. As reported in the 2007 audited financial statement report, due to the timing of these changes, complete information was not available at June 30, 2008.

Using the information available at June 30, 2008, management modified the method historically used to estimate the Board's uncollectible accounts. In previous years, management estimated uncollectible accounts using an historical collection average determined as a percentage of annual and late fee amounts collected versus those certified to the Ohio Attorney General's Office for collection. For fiscal year 2008, management performed a detailed review of individual receivable balances and based on information known as of June 30, 2008, assigned a probability of collection from 0% to 100% to each account. Additional discussion regarding this process can be found in Management's Discussion and Analysis of current assets.

The database and procedural changes have been fully implemented for fiscal year 2009. Management will again consult with its auditors to further define this process to include detailed accounts receivable aging schedules.

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OHIO PETROLEUM UNDERGROUND STORAGE TANK RELEASE COMPENSATION BOARD

FRANKLIN COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

CERTIFIED
FEBRUARY 24, 2009