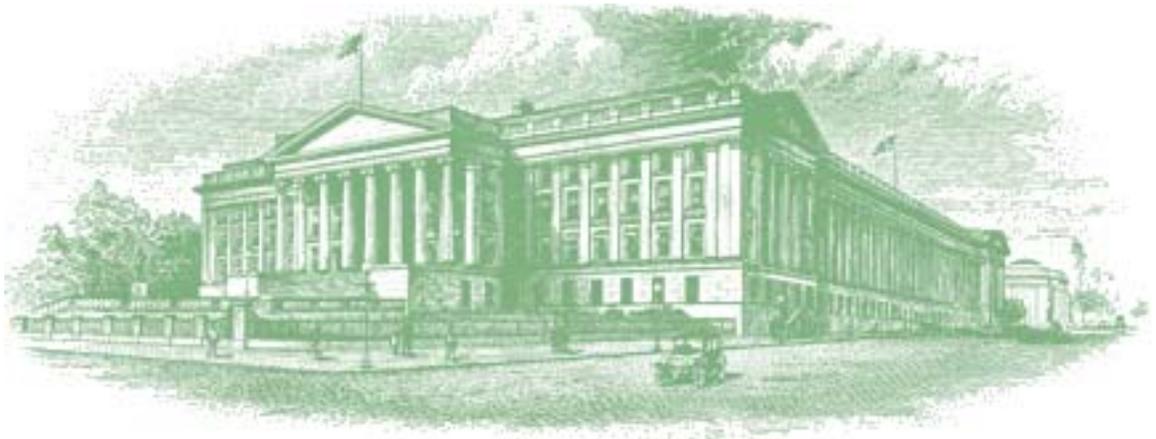




# Audit Report



OIG-12-003

FINANCIAL MANAGEMENT:

Report on the Bureau of the Public Debt Trust Fund Management  
Branch Schedules for Selected Trust Funds as of and for the  
Year Ended September 30, 2011

November 5, 2011

Office of  
Inspector General

Department of the Treasury



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

OFFICE OF  
INSPECTOR GENERAL

November 5, 2011

**MEMORANDUM FOR VAN ZECK, COMMISSIONER  
BUREAU OF THE PUBLIC DEBT**

**FROM:** Michael Fitzgerald  
Director, Financial Audits

**SUBJECT:** Report on the Bureau of the Public Debt  
Trust Fund Management Branch Schedules for  
Selected Trust Funds as of and for the  
Year Ended September 30, 2011

I am pleased to transmit the attached Report on the Bureau of the Public Debt Trust Fund Management Branch (TFMB) Schedule of Assets and Liabilities and the related Schedule of Activity of Selected Trust Funds as of and for the year ended September 30, 2011 (the Schedules). Under a contract monitored by the Office of Inspector General, KPMG LLP, an independent certified public accounting firm, performed an examination of TFMB's assertions pertaining to the Schedules as of and for the year ended September 30, 2011. These Schedules relate solely to the functions performed by TFMB as custodian of the following Trust Funds' monies and investments:

- Federal Supplementary Medical Insurance Trust Fund,
- Federal Hospital Insurance Trust Fund,
- Highway Trust Fund,
- Airport and Airway Trust Fund,
- Hazardous Substance Superfund Trust Fund,
- Leaking Underground Storage Tank Trust Fund,
- Oil Spill Liability Trust Fund,
- Harbor Maintenance Trust Fund,
- Inland Waterways Trust Fund, and
- South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund

The contract required that the examination be performed in accordance with generally accepted government auditing standards and the attestation standards established by the American Institute of Certified Public Accountants.

Page 2

In its examination of TFMB's assertions pertaining to the Schedules, KPMG LLP, found that TFMB's assertions (which are included in the Independent Auditors' Report on Management's Assertions) are fairly stated, in all material respects, based on the measurement and disclosure criteria set forth in note 1 to the Schedules.

In connection with the contract, we reviewed KPMG LLP's report and related documentation and inquired of its representatives. Our review, as differentiated from an examination of assertions in accordance with generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on TFMB's assertions. KPMG LLP is responsible for the attached auditors' report dated November 4, 2011, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG LLP did not comply, in all material respects, with generally accepted government auditing standards.

Should you have any questions, please contact me at (202) 927-5789, or a member of your staff may contact Mark S. Levitt, Manager, Financial Audits at (202) 927-5076.

Attachment

cc: Richard L. Gregg  
Fiscal Assistant Secretary

**U. S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Schedules and Notes for Selected Trust Funds

As of and for the Year Ended September 30, 2011

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

**Table of Contents**

	<b>Page</b>
I Independent Auditors' Report on Management's Assertions	1
II Schedule of Assets and Liabilities of Selected Trust Funds	4
III Schedule of Activity of Selected Trust Funds	7
IV Notes to the Schedules of Selected Trust Funds	10

**I. INDEPENDENT AUDITORS' REPORT ON  
MANAGEMENT'S ASSERTIONS**



KPMG LLP  
2001 M Street, NW  
Washington, DC 20036-3389

## Independent Auditors' Report on Management's Assertions

Inspector General, U.S. Department of the Treasury, and  
Commissioner, Bureau of the Public Debt:

We have examined the following assertions of the Trust Fund Management Branch (TFMB) of the Bureau of the Public Debt (BPD) of the U.S. Department of the Treasury (Treasury) with respect to the applicable accounts of each trust fund included on the accompanying Schedule of Assets and Liabilities of Selected Trust Funds as of September 30, 2011 and the related Schedule of Activity of Selected Trust Funds for the year then ended (Schedules):

- Fund balance with Treasury is reported based on the balance reported by Treasury's Financial Management Service (FMS) in the Government-wide Accounting and Reporting Modernization Project (GWA) Account Statement and reconciling transactions identified and recorded by TFMB.
- Interest receivables are calculated and reported by TFMB based on the investment terms received and recorded by TFMB from BPD's Federal Investments Branch (FIB) in the investment confirmations and monthly statements of account.
- Other receivables are reported based on amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.
- Investments, net are calculated and reported at net cost based on the cost and premium/discount amounts reported to TFMB in the investment confirmations and monthly statements of account received from FIB.
- The market value of investments is calculated and reported by TFMB using the recorded investment cost and the market rates published in the September 30, 2011 *Treasury Quote* file and unrealized gains and losses are calculated and reported by TFMB as the difference between the market value and the investments, net.
- Program agency equity is calculated and reported by TFMB based on the assets of the trust fund.
- Available program agency equity is reported based on amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.
- Other program agency equity is calculated and reported by TFMB as the difference between the assets of the trust fund and the available program agency equity received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.



- Interest revenue is reported based on the amounts received and recorded by TFMB from FIB in the monthly statements of account and accrued interest and amortization calculated by TFMB. Amortization of any premiums and discounts on investments is calculated and reported by TFMB based on the investment terms reported to TFMB by FIB using the straight-line method for investments with a term equal to or less than one year and using the level yield method which approximates the interest method for investments with a term of greater than one year.
- Penalties, fines, administrative fees, transfers in from program agencies, premiums, cost recoveries, and other income are reported based on the amounts received and recorded by TFMB from FMS and the program agencies responsible for the respective trust fund activity.
- Tax revenues, tax adjustments, and tax refunds are reported based on the amounts received and recorded by TFMB from Treasury's Office of Tax Analysis, Internal Revenue Service, FMS, and/or U.S. Customs and Border Protection.
- Transfers to program agencies are calculated and reported based on the disbursement request amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity and the disbursement amounts returned and recorded by TFMB from the program agencies responsible for the respective trust fund activity.
- Reimbursements to Treasury bureaus and the General Fund are reported based on the disbursement request amounts received and recorded by TFMB from various Treasury bureaus, including BPD and FMS.

TFMB's management is responsible for the assertions. Our responsibility is to express an opinion on these assertions based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA) and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining on a test basis, evidence supporting the assertions stated above and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, TFMB's assertions referred to above relating to the applicable accounts of each trust fund reported on the accompanying Schedule of Assets and Liabilities of Selected Trust Funds as of September 30, 2011, and the related Schedule of Activity of Selected Trust Funds for the year then ended, are fairly stated, in all material respects based on the measurement and disclosure criteria set forth in note 1 to the schedules of selected trust funds.

This report is intended solely for the information and use of the management of BPD, program agencies responsible for their respective trust fund activity, the U.S. Department of the Treasury Office of Inspector General, the Office of Management and Budget, the Government Accountability Office, and the U. S. Congress, and is not intended to be and should not be used by anyone other than these specified parties.

**KPMG LLP**

November 4, 2011

**II. SCHEDULE OF ASSETS AND LIABILITIES OF  
SELECTED TRUST FUNDS**

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Schedule of Assets and Liabilities of Selected Trust Funds

As of September 30, 2011

	<b>Federal Supplementary Medical Insurance Trust Fund</b>	<b>Federal Hospital Insurance Trust Fund</b>	<b>Highway Trust Fund</b>	<b>Airport and Airway Trust Fund</b>	<b>Hazardous Substance Superfund Trust Fund</b>
<b>Assets:</b>					
Fund balance with Treasury	\$ 1,955,707,653	6,269,696	2,372,543,747	921,692,410	15,000
Interest receivables	708,031,507	2,878,526,157	—	44,825,704	4,361,928
Other receivables	703,555	538,411,574	—	—	—
Investments, net	70,446,253,000	245,939,363,000	16,301,908,649	8,640,889,000	3,572,783,644
Total assets	<u>73,110,695,715</u>	<u>249,362,570,427</u>	<u>18,674,452,396</u>	<u>9,607,407,114</u>	<u>3,577,160,572</u>
<b>Liabilities:</b>					
Program agency equity:					
Available	29,472,378,594	33,762,244,136	18,674,452,396	4,515,205,699	3,368,753,718
Other	43,638,317,121	215,600,326,291	—	5,092,201,415	208,406,854
Total program agency equity	<u>73,110,695,715</u>	<u>249,362,570,427</u>	<u>18,674,452,396</u>	<u>9,607,407,114</u>	<u>3,577,160,572</u>
Total liabilities	\$ <u>73,110,695,715</u>	<u>249,362,570,427</u>	<u>18,674,452,396</u>	<u>9,607,407,114</u>	<u>3,577,160,572</u>

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Schedule of Assets and Liabilities of Selected Trust Funds

As of September 30, 2011

	<b>Leaking Underground Storage Tank Trust Fund</b>	<b>Oil Spill Liability Trust Fund</b>	<b>Harbor Maintenance Trust Fund</b>	<b>Inland Waterways Trust Fund</b>	<b>South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund</b>
<b>Assets:</b>					
Fund balance with Treasury	\$ 1,295,063	31,384,341	104,768,980	3,045,108	—
Interest receivables	11,252,175	8,291,355	30,994,809	—	726,694
Other receivables	—	—	—	—	—
Investments, net	<u>3,523,799,673</u>	<u>2,254,531,495</u>	<u>6,283,987,297</u>	<u>42,276,290</u>	<u>131,481,992</u>
Total assets	<u><u>3,536,346,911</u></u>	<u><u>2,294,207,191</u></u>	<u><u>6,419,751,086</u></u>	<u><u>45,321,398</u></u>	<u><u>132,208,686</u></u>
<b>Liabilities:</b>					
Program agency equity:					
Available	116,520,987	228,536,009	—	13,425,348	22,208,686
Other	<u>3,419,825,924</u>	<u>2,065,671,182</u>	<u>6,419,751,086</u>	<u>31,896,050</u>	<u>110,000,000</u>
Total program agency equity	<u>3,536,346,911</u>	<u>2,294,207,191</u>	<u>6,419,751,086</u>	<u>45,321,398</u>	<u>132,208,686</u>
Total liabilities	\$ <u><u>3,536,346,911</u></u>	<u><u>2,294,207,191</u></u>	<u><u>6,419,751,086</u></u>	<u><u>45,321,398</u></u>	<u><u>132,208,686</u></u>

See accompanying notes to the schedules of selected trust funds.

**III. SCHEDULE OF ACTIVITY OF  
SELECTED TRUST FUNDS**

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Schedule of Activity of Selected Trust Funds

For the Year Ended September 30, 2011

	<b>Federal Supplementary Medical Insurance Trust Fund</b>	<b>Federal Hospital Insurance Trust Fund</b>	<b>Highway Trust Fund</b>	<b>Airport and Airway Trust Fund</b>	<b>Hazardous Substance Superfund Trust Fund</b>
<b>Revenues:</b>					
Interest revenue	\$ 3,212,459,883	12,438,690,157	15,984,611	194,223,734	27,266,038
Penalties, fines, and administrative fees	—	1,790,644,996	22,753,007	—	1,755,095
Transfers in from program agencies	225,180,735,425	16,259,118,100	30,533,959	9,905,755	1,156,073,340
Tax revenues and adjustments	1,875,727,329	192,062,861,374	36,883,870,180	11,550,157,086	310,125
Tax refunds	—	—	—	(18,337,966)	—
Premiums	66,390,975,240	3,494,566,497	—	—	—
Cost recoveries	—	—	—	—	97,623,117
Other income	1,681,338	22,775,691	—	—	—
<b>Total revenues</b>	<u>296,661,579,215</u>	<u>226,068,656,815</u>	<u>36,953,141,757</u>	<u>11,735,948,609</u>	<u>1,283,027,715</u>
<b>Disposition of revenues:</b>					
Transfers to program agencies	295,353,056,152	259,843,738,314	44,530,730,464	10,088,703,209	1,450,801,581
Reimbursements to Treasury bureaus and the General Fund	416,730	168,410,389	—	—	—
<b>Total disposition of revenues</b>	<u>295,353,472,882</u>	<u>260,012,148,703</u>	<u>44,530,730,464</u>	<u>10,088,703,209</u>	<u>1,450,801,581</u>
<b>Net increase/(decrease) in program agency equity</b>	\$ <u>1,308,106,333</u>	<u>(33,943,491,888)</u>	<u>(7,577,588,707)</u>	<u>1,647,245,400</u>	<u>(167,773,866)</u>

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Schedule of Activity of Selected Trust Funds

For the Year Ended September 30, 2011

	<b>Leaking Underground Storage Tank Trust Fund</b>	<b>Oil Spill Liability Trust Fund</b>	<b>Harbor Maintenance Trust Fund</b>	<b>Inland Waterways Trust Fund</b>	<b>South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund</b>
<b>Revenues:</b>					
Interest revenue	\$ 93,156,165	19,209,662	130,099,540	51,931	3,747,193
Penalties, fines, and administrative fees	—	27,534,665	—	—	—
Transfers in from program agencies	—	—	—	—	—
Tax revenues and adjustments	152,126,757	500,996,970	1,469,108,672	83,950,643	—
Tax refunds	—	—	—	—	—
Premiums	—	—	—	—	—
Cost recoveries	—	220,673,068	—	—	—
Other income	—	43,076	—	—	—
Total revenues	<u>245,282,922</u>	<u>768,457,441</u>	<u>1,599,208,212</u>	<u>84,002,574</u>	<u>3,747,193</u>
<b>Disposition of revenues:</b>					
Transfers to program agencies	206,500,000	168,019,526	826,899,352	97,194,907	2,500,000
Reimbursements to Treasury bureaus and the General Fund	—	110,000	—	—	—
Total disposition of revenues	<u>206,500,000</u>	<u>168,129,526</u>	<u>826,899,352</u>	<u>97,194,907</u>	<u>2,500,000</u>
Net increase/(decrease) in program agency equity	<u>\$ 38,782,922</u>	<u>600,327,915</u>	<u>772,308,860</u>	<u>(13,192,333)</u>	<u>1,247,193</u>

See accompanying notes to the schedules of selected trust funds.

**IV. NOTES TO THE SCHEDULES OF  
SELECTED TRUST FUNDS**

**U.S. DEPARTMENT OF THE TREASURY**  
**BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

**(1) Summary of Significant Accounting Policies**

**(a) Reporting Entity**

The accompanying Schedule of Assets and Liabilities of Selected Trust Funds and related Schedule of Activity of Selected Trust Funds (Schedules) pertain to the aspects of certain Treasury-managed Trust Funds that are serviced by the Trust Fund Management Branch (TFMB) of the Bureau of the Public Debt (BPD) of the U.S. Department of the Treasury (Treasury). The Trust Funds were created by legislation enacted by the U.S. Congress.

TFMB acts as a service organization which processes receipts, disbursements, and transfers related to the trust funds based upon information received and recorded by TFMB from Treasury's Office of Tax Analysis (OTA) and the Internal Revenue Service (IRS), U.S Customs and Border Protection, the program agencies responsible for their trust fund activity, Treasury's Financial Management Service (FMS), and other Treasury bureaus. As part of its functions, BPD also manages the investments, maintains related accounting records and supporting documentation, and reports financial activity. The financial activity reported in these Schedules is limited to the activities performed by TFMB.

The program agencies are responsible for administering, regulating, and monitoring the program activities funded by the trust funds. The program agencies make all decisions regarding dispositions from the trust funds. As such, these Schedules do not include information regarding the ultimate disposition of amounts transferred from the trust funds to the program agencies.

**(b) Basis of Presentation**

The Schedules have been prepared to report the assets and liabilities of the trust funds under the function performed by TFMB, and the related activity, in accordance with the measurement and criteria discussed below.

**(c) Basis of Accounting**

The Schedules are recorded using the accrual basis of accounting in accordance with U.S generally accepted accounting principles.

**(d) Fund Balance with Treasury**

The Trust Funds do not maintain cash in commercial bank accounts. Treasury processes cash receipts and disbursements. Fund Balance with Treasury represents net revenue, disposition of revenue, and investment activity. Fund balance with Treasury is reported based on the balance reported by Treasury's FMS in the Government-wide Accounting and Reporting Modernization Project (GWA) Account Statement and reconciling transactions identified and recorded by TFMB.

**(e) Interest Receivables**

Interest receivables are calculated and reported by TFMB based on the investment terms received and recorded by TFMB from BPD's Federal Investments Branch (FIB) in the investment confirmations and monthly statements of account.

**U.S. DEPARTMENT OF THE TREASURY**  
**BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

**(f) Other Receivables**

Other receivables are reported based on amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.

**(g) Investments, Net**

Pursuant to authorizing legislation, the Secretary of the Treasury shall invest, at the direction of the program agencies, such portion of the trust fund balances as is not, in the judgment of the program agencies, necessary to meet current withdrawals. Such investments shall be in non-marketable par value or non-marketable market-based securities as authorized by legislation. Par value securities are special issue bonds or certificates of indebtedness that bear interest determined by legislation or the Treasury. Market-based securities are Treasury securities that are not traded on any securities exchange, but mirror the prices of marketable securities with similar terms. Both par value and market-based securities are issued and redeemed by FIB.

TFMB follows Treasury fiscal investment policy guidelines. TFMB determines the term of the securities purchased based on direction provided by the program agencies. The securities are acquired and held in the name of the Secretary of the Treasury for the trust funds. The interest on and proceeds from the sale or redemption of any security held for the trust funds are credited to the appropriate trust fund. Investments are selected for liquidation based on the following order: earliest maturity date, lowest prevailing interest rate, and first security in first security out.

Investments, net are calculated and reported at net cost based on the cost and premium/discount amounts reported to TFMB in the investment confirmations and monthly statements of account received from FIB. The market value of investments is calculated and reported by TFMB using the recorded investment cost and the market rates published in the September 30, 2011 *Treasury Quote* file (the last work day of the fiscal year) and unrealized gains and losses are calculated and reported by TFMB as the difference between the market value and the investments, net. The investments are exposed to various risks such as interest rate and market risks. Such risks, and the resulting investment market values, may be influenced by changes in economic conditions and market perceptions and expectations. Accordingly, it is at least reasonably possible that material changes to the market values of the investments will occur in the near term.

**(h) Available and Other Program Agency Equity**

Program agency equity is calculated and reported by TFMB based on the assets of the trust fund. Program agency equity consists of available and other program agency equity.

Available program agency equity represents the amount of program agency equity that may be transferred as of September 30, 2011 to the program agencies at the request of the program agencies. Available program agency equity is reported based on amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.

The remaining balance of program agency equity is reported as other program agency equity. Other program agency equity is calculated and reported by TFMB as the difference between the assets of

**U.S. DEPARTMENT OF THE TREASURY**  
**BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

the trust fund and the available program agency equity received and recorded by TFMB from the program agencies responsible for the respective trust fund activity.

**(i) Interest Revenue**

Interest revenue is reported based on the amounts received and recorded by TFMB from FIB in the monthly statements of account and accrued interest and amortization calculated by TFMB. Amortization of any premiums and discounts on investments is calculated and reported by TFMB based on the investment terms reported to TFMB by FIB using the straight-line method for investments with a term equal to or less than one year and using the level yield method which approximates the interest method for investments with a term of greater than one year.

**(j) Revenues**

Pursuant to authorizing legislation, revenue activity recorded in the trust funds consists primarily of interest, penalties, fines, administrative fees, transfers in from program agencies, tax revenues, tax adjustments, tax refunds, premiums, cost recoveries, and other income, which are transferred from the General Fund of the Treasury or from program agencies to the Trust Funds.

Penalties, fines, administrative fees, transfers in from program agencies, premiums, cost recoveries, and other income are reported based on the amounts received and recorded by TFMB from FMS and the program agencies responsible for the respective trust fund activity.

Tax revenues, tax adjustments, and tax refunds are reported based on the amounts received and recorded by TFMB from the OTA, IRS, FMS, and/or U.S. Customs and Border Protection. OTA estimates the tax revenues each month based on projected tax receipts and provides the estimates to FMS. FMS transfers the amount of estimated taxes to the trust fund accounts. The IRS or program agencies generally certify the tax revenues within two quarters after the taxes are estimated (i.e., 1<sup>st</sup> quarter estimate is certified in the 3<sup>rd</sup> quarter) and provide this certification to FMS. FMS calculates the tax adjustment as the difference between the taxes estimated by OTA and taxes certified by the IRS/program agencies and adjusts the trust fund accounts accordingly. FMS reports the tax adjustments to TFMB. As a result of the timing of the certifications, the Schedule of Activity includes certified tax revenues (i.e. actual tax revenues) for the first three quarters of the fiscal year and estimated tax revenues for the last quarter of the fiscal year.

**(k) Transfers to Program Agencies**

Dispositions from the Trust Funds are made in accordance with the authorizing legislation to the program agencies, which are responsible for the ultimate disposition of such funds, to cover program administration and related costs as defined by law. Transfers to program agencies are calculated and reported based on the disbursement request amounts received and recorded by TFMB from the program agencies responsible for the respective trust fund activity and the disbursement amounts returned and recorded by TFMB from the program agencies responsible for the respective trust fund activity.

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

**(1) Reimbursements to Treasury Bureaus and the General Fund**

In the case of certain trust funds, BPD and FMS are authorized by law to receive direct reimbursement from the trust funds for certain administrative expenses. Also, the Secretary of the Treasury is directed by law to charge trust funds to reimburse the General Fund for administrative expenses incurred by other Treasury bureaus in performing activities related to administering the trust funds. These reimbursement amounts are determined by Treasury based on its assessment of the estimated cost of the services provided. Reimbursements to Treasury bureaus and the General Fund are reported based on the disbursement request amounts received and recorded by TFMB from various Treasury bureaus, including BPD and FMS.

**(2) Investments, Net**

***Federal Supplementary Medical Insurance Trust Fund***

Investments at September 30, 2011, are non-marketable, par value intra governmental securities with a cost of \$70,446,253,000.

***Federal Hospital Insurance Trust Fund***

Investments at September 30, 2011, are non-marketable, par value intra governmental securities with a cost of \$245,939,363,000.

***Highway Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 16,301,908,649	—	16,301,908,649	16,301,908,649
Total	<u>\$ 16,301,908,649</u>	<u>—</u>	<u>16,301,908,649</u>	<u>16,301,908,649</u>

***Airport and Airway Trust Fund***

Investments at September 30, 2011, are non-marketable, par value intra governmental securities with a cost of \$8,640,889,000.

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

***Hazardous Substance Superfund Trust Fund***

Investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 497,033,942	—	497,033,942	497,033,942
Notes	<u>3,012,349,659</u>	<u>63,400,043</u>	<u>3,075,749,702</u>	<u>3,113,661,632</u>
Total	<u>\$ 3,509,383,601</u>	<u>63,400,043</u>	<u>3,572,783,644</u>	<u>3,610,695,574</u>

The net unrealized gain on investments is \$37,911,930 at September 30, 2011.

***Leaking Underground Storage Tank Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 229,418,682	—	229,418,682	229,418,682
Notes	<u>3,220,678,424</u>	<u>73,702,567</u>	<u>3,294,380,991</u>	<u>3,397,896,659</u>
Total	<u>\$ 3,450,097,106</u>	<u>73,702,567</u>	<u>3,523,799,673</u>	<u>3,627,315,341</u>

The net unrealized gain on investments is \$103,515,668 at September 30, 2011.

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

***Oil Spill Liability Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 630,518,454	—	630,518,454	630,518,454
Bills and notes	<u>1,594,031,630</u>	<u>29,981,411</u>	<u>1,624,013,041</u>	<u>1,664,484,536</u>
Total	<u>\$ 2,224,550,084</u>	<u>29,981,411</u>	<u>2,254,531,495</u>	<u>2,295,002,990</u>

The net unrealized gain on investments is \$40,471,495 at September 30, 2011.

***Harbor Maintenance Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 533,030,197	—	533,030,197	533,030,197
Bills and notes	<u>5,669,719,410</u>	<u>81,237,690</u>	<u>5,750,957,100</u>	<u>5,987,840,066</u>
Total	<u>\$ 6,202,749,607</u>	<u>81,237,690</u>	<u>6,283,987,297</u>	<u>6,520,870,263</u>

The net unrealized gain on investments is \$236,882,966 at September 30, 2011.

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

***Inland Waterways Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 42,276,290	—	42,276,290	42,276,290
Total	<u>\$ 42,276,290</u>	<u>—</u>	<u>42,276,290</u>	<u>42,276,290</u>

***South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund***

The investments at September 30, 2011, are non-marketable, market-based intra governmental securities as follows:

	<u>Cost</u>	<u>Net unamortized premium (discount)</u>	<u>Net investments</u>	<u>Market value</u>
One-day certificates	\$ 22,778,091	—	22,778,091	22,778,091
Notes	108,948,391	(244,490)	108,703,901	118,889,478
Total	<u>\$ 131,726,482</u>	<u>(244,490)</u>	<u>131,481,992</u>	<u>141,667,569</u>

The net unrealized gain on investments is \$10,185,577 at September 30, 2011.

**(3) Change in Program Agency Equity**

***Federal Supplementary Medical Insurance Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 71,802,589,382
Increase in balance	<u>1,308,106,333</u>
Balance, end of year	<u>\$ 73,110,695,715</u>

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

***Federal Hospital Insurance Trust Fund***

Change in the program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 283,306,062,315
Decrease in balance	<u>(33,943,491,888)</u>
Balance, end of year	\$ <u>249,362,570,427</u>

***Highway Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 26,252,041,103
Decrease in balance	<u>(7,577,588,707)</u>
Balance, end of year	\$ <u>18,674,452,396</u>

The program agency equity available as of September 30, 2011 is \$18,674,452,396. However, Congress has authorized appropriations in excess of current available trust fund assets that amounts to \$32,226,238,842 after considering amounts already transferred to the program agency.

***Airport and Airway Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 7,960,161,714
Increase in balance	<u>1,647,245,400</u>
Balance, end of year	\$ <u>9,607,407,114</u>

***Hazardous Substance Superfund Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 3,744,934,438
Decrease in balance	<u>(167,773,866)</u>
Balance, end of year	\$ <u>3,577,160,572</u>

**U.S. DEPARTMENT OF THE TREASURY**  
**BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

***Leaking Underground Storage Tank Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 3,497,563,989
Increase in balance	<u>38,782,922</u>
Balance, end of year	\$ <u><u>3,536,346,911</u></u>

***Oil Spill Liability Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 1,693,879,276
Increase in balance	<u>600,327,915</u>
Balance, end of year	\$ <u><u>2,294,207,191</u></u>

***Harbor Maintenance Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 5,647,442,226
Increase in balance	<u>772,308,860</u>
Balance, end of year	\$ <u><u>6,419,751,086</u></u>

***Inland Waterways Trust Fund***

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 58,513,731
Decrease in balance	<u>(13,192,333)</u>
Balance, end of year	\$ <u><u>45,321,398</u></u>

**U.S. DEPARTMENT OF THE TREASURY  
BUREAU OF THE PUBLIC DEBT TRUST FUND MANAGEMENT BRANCH**

Notes to the Schedules of Selected Trust Funds

September 30, 2011

*South Dakota Terrestrial Wildlife Habitat Restoration Trust Fund*

Change in program agency equity for the year ended September 30, 2011, is:

	<u>Amount</u>
Balance, beginning of year	\$ 130,961,493
Increase in balance	<u>1,247,193</u>
Balance, end of year	\$ <u><u>132,208,686</u></u>

**(4) Related Parties**

TFMB, on behalf of the Secretary of the Treasury, compiles amounts deposited into the trust funds, invests receipts in Treasury securities, redeems securities and transfers funds to the program agencies, maintains accounting records for receipts and disbursements of the trust funds, and reports trust fund financial activity to the program agencies and other interested parties. The program agencies, OTA, IRS, and/or FMS determine the amounts to be deposited in the trust funds. The program agencies determine the disposition of the trust fund balances.