



STATE OF ILLINOIS
**OFFICE OF THE
AUDITOR GENERAL**

William G. Holland, Auditor General

SUMMARY REPORT DIGEST

RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY

**FINANCIAL AUDIT AND COMPLIANCE
EXAMINATION**
For the Two Years Ended: June 30, 2012
Release Date: April 11, 2013

Summary of Findings:
Total this audit: 0
Total last audit: N/A
Repeated from last audit: N/A

INTRODUCTION

We performed a financial audit and compliance examination of the Railsplitter Tobacco Settlement Authority (Authority) for the two years ended June 30, 2012. This is our first audit of the Authority since its legal establishment on July 1, 2010. The Authority received no appropriations from the Illinois General Assembly and funds were not held in the State Treasury. The audit was performed by staff of the Office of the Auditor General.

AUDITORS' OPINION

We conducted a financial audit and compliance examination of the Authority for the two years ended June 30, 2012. Our auditors stated that the Authority's financial statements as of and for the years ended June 30, 2011 and June 30, 2012 are fairly stated in all material respects.

A handwritten signature in blue ink, appearing to read 'William G. Holland', written over a horizontal line.

WILLIAM G. HOLLAND
Auditor General

WGH:cmd:rt

{Expenditures and Activity Measures are summarized on the reverse page.}

RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2012

Statement of Revenues, Expenditures and Changes in Fund Balances	FY 2012	FY 2011
PROGRAM REVENUES		
Tobacco settlement revenues (TSRs).....	\$ 273,126,658	\$ 268,443,766
Total Program Revenues.....	<u>273,126,658</u>	<u>268,443,766</u>
EXPENDITURES		
Excess residual payments to state.....	133,160,074	248,428,756
Amortization of deferred charges - TSRs.....	100,393,132	146,749,715
Professional fees.....	58,000	-
Debt service - principal retirement.....	59,375,000	10,240,138
Debt service - interest.....	79,598,931	38,251,709
Total Expenditures.....	<u>372,585,137</u>	<u>443,670,318</u>
GENERAL REVENUES.....	<u>774,557</u>	<u>(194,432)</u>
OTHER FINANCING SOURCES.....		
Debt issuance.....	-	1,503,460,000
Debt premium.....	-	6,606,579
Total Other Financing Sources.....	<u>-</u>	<u>1,510,066,579</u>
Changes in Fund Balance.....	<u>\$ (98,683,922)</u>	<u>\$ 1,334,645,595</u>
Balance Sheet		
	FY 2012	FY 2011
ASSETS		
Cash and cash equivalents.....	\$ 100,746,903	\$ 47,861,146
Investments.....	91,097,989	141,570,328
Receivables (TSRs).....	136,563,329	134,221,883
Deferred charges - payment to State.....	1,103,165,362	1,203,250,285
Total Assets.....	<u>\$ 1,431,573,583</u>	<u>\$ 1,526,903,642</u>
LIABILITIES		
Deferred revenues - TSRs.....	\$ 136,563,329	\$ 134,221,883
Due to state - residual TSRs.....	59,048,581	58,036,164
Total Liabilities.....	<u>195,611,910</u>	<u>192,258,047</u>
FUND BALANCE.....	<u>1,235,961,673</u>	<u>1,334,645,595</u>
TOTAL LIABILITIES AND FUND DEFICITS.....	<u>\$ 1,431,573,583</u>	<u>\$ 1,526,903,642</u>

BOARD CHAIRPERSON	
During Examination Period:	Mr. David Vaught (10/29/10 to 6/7/2012) Mr. Jerome Stermer (6/20/12 to current)
Currently:	Mr. Jerome Stermer