



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, 2014**

Release Date: February 5, 2015

FINDINGS THIS AUDIT:	0
FINDINGS LAST AUDIT:	0

INTRODUCTION

The Railsplitter Tobacco Settlement Authority (Authority) was established on July 1, 2010 as a special purpose corporation to sell revenue bonds, repayment of which is supported solely by future tobacco settlement revenues (TSRs) (pledged revenues). The Authority received no appropriations from the Illinois General Assembly, and funds were not held in the State Treasury.

There were no material findings of noncompliance disclosed during our examination.

AUDITORS' OPINION

We conducted a financial audit and compliance examination of the Authority as required by the Illinois State Auditing Act. Our auditors stated that the Authority's financial statements as of and for the years ended June 30, 2013 and June 30, 2014 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:CD

AUDITORS ASSIGNED

This audit was performed by the Office of the Auditor General's staff.

{Financial information is summarized on next page.}

RAILSPLITTER TOBACCO SETTLEMENT AUTHORITY
FINANCIAL AUDIT AND COMPLIANCE EXAMINATION
For the Two Years Ended June 30, 2014

Statement of Revenues, Expenditures and Changes in Fund Balances	FY 2014	FY 2013	FY 2012
PROGRAM REVENUES			
Tobacco settlement revenues (TSRs).....	\$ 271,222,345	\$ 273,496,175	\$ 273,126,658
Total Program Revenues.....	<u>271,222,345</u>	<u>273,496,175</u>	<u>273,126,658</u>
EXPENDITURES			
Excess residual payments to State.....	123,917,311	131,266,931	133,160,074
Amortization of deferred charges - TSRs.....	98,431,442	99,741,806	100,393,132
Professional fees.....	49,500	52,000	58,000
Attorney General.....	2,500,047	7,500,211	-
Debt service - principal retirement.....	70,860,000	63,550,000	59,375,000
Debt service - interest.....	74,938,131	77,480,131	79,598,931
Total Expenditures.....	<u>370,696,431</u>	<u>379,591,079</u>	<u>372,585,137</u>
GENERAL REVENUES.....	<u>262,222</u>	<u>431,376</u>	<u>774,557</u>
Changes in Fund Balance.....	<u>\$ (99,211,864)</u>	<u>\$ (105,663,528)</u>	<u>\$ (98,683,922)</u>
Balance Sheet			
ASSETS			
Cash and cash equivalents.....	\$ 189,731,303	\$ 147,415,757	\$ 100,746,903
Investments.....	-	44,087,512	91,097,989
Receivables (TSRs).....	135,611,172	136,748,087	136,563,329
Deferred charges - payment to State.....	-	-	1,103,165,362
Total Assets.....	<u>325,342,475</u>	<u>328,251,356</u>	<u>1,431,573,583</u>
DEFERRED OUTFLOW OF RESOURCES.....			
Payment to State.....	<u>904,992,115</u>	<u>1,003,423,556</u>	<u>-</u>
LIABILITIES			
Due to Attorney General.....	5,000,258	5,500,211	-
Deferred revenues - TSRs.....	-	-	136,563,329
Due to State - residual TSRs.....	58,636,879	59,128,469	59,048,581
Total Liabilities.....	<u>63,637,137</u>	<u>64,628,680</u>	<u>195,611,910</u>
DEFERRED INFLOW OF RESOURCES.....			
Deferred TSRs.....	<u>\$ 135,611,172</u>	<u>\$ 136,748,087</u>	<u>\$ -</u>
TOTAL FUND BALANCE.....	<u>\$ 1,031,086,281</u>	<u>\$ 1,130,298,145</u>	<u>\$ 1,235,961,673</u>

BOARD CHAIRPERSON	
During Examination Period:	Mr. Jerome Stermer (6/20/12 to 12/18/14)
Currently:	Vacant