



Report Highlights

Tobacco Settlement Financing Corporation

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Why We Conducted This Audit

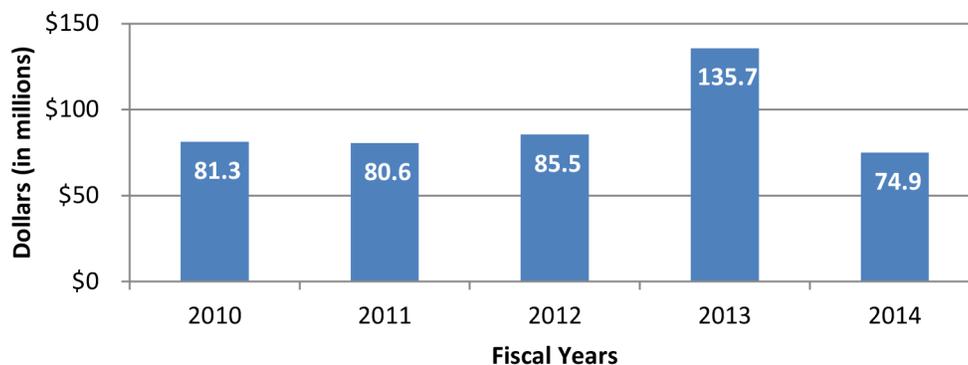
We conducted a financial statement audit of the Tobacco Settlement Financing Corporation (Corporation) for the year ended June 30, 2014, as required by the Corporation’s bond requirements and to provide accountability over public funds for the period July 1, 2013 through June 30, 2014.

What We Found

In July 2013, the Corporation refunded its outstanding bonds totaling approximately \$738 million. The refunding is expected to provide up to \$83.5 million to the state of Louisiana through May 2016, including an initial \$59.7 million that was transferred to the state’s Millennium Trust Fund during fiscal year 2014. The new bonds are secured by the Corporation’s claim to 60% of future tobacco settlement revenues.

- The financial statements, as adjusted, are fairly stated for the year ended June 30, 2014.
- We did not report any weaknesses in controls or violations of laws.
- As shown below, tobacco settlement revenues in FY2014 were fairly consistent with levels prior to FY2013. The spike in tobacco settlement revenues in FY2013 was caused by a one-time \$41.7 million legal settlement between the state and some non-participating manufacturers.

Tobacco Settlement Revenues



■ Tobacco Settlement Revenues
Source: Tobacco Settlement Audit Reports

View the full report at www.la.gov.