

# TOMPKINS TOBACCO ASSET SECURITIZATION CORPORATION

## 2017 ANNUAL REPORT

March 19, 2018

This report is being submitted in compliance with the Public Authorities Accountability Act of 2005 (Chapter 766 of the Laws of 2005). It is not intended to be a substitute for or to replace the Tompkins Tobacco Asset Securitization Corporation (herein referred to as either "TTASC" or the "Corporation") financial statements prepared as of December 31, 2017.

### 1. Operations and Accomplishments

The Corporation received sufficient Tobacco Settlement Revenues (TSR's) to make a \$145,000 principal payment on the NY Counties Tobacco Trust I (NYCTTI) Tobacco Settlement Pass-Through Bonds – Series 2000.

2. The Corporation's revenues and expenditures for December 31, 2017, which will be reported in its 2017 Financial Statements, are as follows:

#### REVENUES:

Tobacco settlement revenues	\$460,450
Interest Income	<u>6,392</u>
Total Revenues	\$466,842

#### EXPENSES:

Insurance expense	\$ 4,236
Professional fees	27,364
Debt service	843,673
Other expenses	722
Rent paid to Tompkins County	2,000
Transfer to Tompkins County	<u>29,347</u>
Total Expenses	\$907,342

CHANGE IN NET ASSETS \$ (440,500)

3. The Corporation's compensation schedule:

No salary or compensation was paid to any officer or director of the Corporation during 2017. The Corporation did not have any paid employees in 2017.

4. Projects undertaken by the Corporation during 2017:

The Corporation did not undertake any projects during 2017.

5. Real property owned and/or disposed of by the Corporation:

The Corporation did not own or sell any real property during 2017 and does not currently own any real property.

6. The Corporation's code of ethics as adopted and approved by the Board of Directors is as follows:

No director, officer or employee of the Corporation shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her own personal interests; (4) use or attempt to use his or her own personal position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her which will otherwise create substantial conflict between his or duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

7. Assessment of the effectiveness of the Corporation's internal control structure and procedures:

The financial statements of TTASC for the year ended December 31, 2017 are the responsibility of management. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. Financial information contained elsewhere in this annual report is consistent with the financial statements.

TTASC has established an internal control structure. The objectives of an internal control structure are to provide reasonable assurance as to the protection of accountability for assets, compliance with applicable laws and regulations, proper authorization and recording of transactions,

and the reliability of financial records for preparing financial statements. The internal control structure is subject to periodic review by management and the independent auditors.

TTASC's financial statements are currently being audited by Insero & Co. CPAs, LLP, independent auditors. The audit was completed March 5, 2018. Management has made available to Insero & Co. CPAs, LLP, all the financial records and related data of TTASC, as well as providing access to all the minutes of the meetings of the Board of TTASC. The role of the auditors is to provide an independent review of management's responsibility to present fairly in the financial statements the financial position, changes in its financial position, and cash flows in accordance with accounting principles generally accepted in the United States of America.

The independent audit includes a review of the internal control structure, tests of accounting records, and other procedures which the independent auditors consider necessary in order to express an opinion on the fairness of the presentation of the financial statements.

**TOMPKINS TOBACCO ASSET SECURITIZATION CORPORATION**

 \_\_\_\_\_, President

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