
CTASC

CHAUTAUQUA TOBACCO ASSET SECURITIZATION CORPORATION

George M. Borrello
Kitty Crow
John E. Anderson
Directors

Darin Schulz
Executive Director

To: George M. Borrello, Chautauqua County Executive
Kitty Crow, Director of Finance
John Anderson, Director
P.J. Wendell, Chairman, County Legislature

From: Darin Schulz, CTASC Executive Director

Date: March 20, 2018

ANNUAL REPORT FOR 2017

CTASC was formed on August 29, 2000 to securitize the tobacco settlement revenues due to Chautauqua County. Bonds were issued on September 15, 2000 in an amount of \$30,115,000. In 2005 Chautauqua County joined with other counties and issued an additional amount of bonds, \$9,476,371, based on the residual from the 2000 bond issue. On November 6, 2015 CTASC refunded the 2000 Series Bonds and the S4B tranche of the 2005 Series Bonds. The 2014 Senior Bond Principal was \$34,765,000 and the remaining 2005 Series Bond Principal is reduced to \$3,858,931.

1. Operations and accomplishments during 2017

During 2017 CTASC received tobacco settlement revenue of \$1,849,632. CTASC paid debt service to bond holders in an amount of \$1,923,275. The actual operating expenses covering general and administrative expense and liability insurance were \$81,692.

2. Revenue and Expenses during 2017

Revenue

Tobacco Settlement Revenue	\$1,849,632
Investment Income	<u>\$ 377,553</u>
Total Revenue	\$2,227.185

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Expenses

General and Administrative	\$ 81,692
Interest Expense	\$1,572,124
Bond Accretion	\$ 504,808
Bond Issuance Cost	<u>\$ 32,546</u>
Total Expenses	\$2,191,170

3. Assets and Liabilities at 12-31-17

Assets

Restricted Cash and Cash Equivalents	\$ 84,354
Restricted Investments	\$ 2,417,837

Unamortized Bond Discounts

Series 2005 Turbo Capital	
Appreciation Bonds	\$ 77,622,387
Series 2014/2005 Bonds	<u>\$ 429,828</u>
Total assets	\$ 80,554,406

Liabilities

Bonds payable:

Due and payable within one year	\$ 350,000
Due and payable after one year	\$ 31,365,000
Turbo capital appreciation bonds payable	\$ 84,714,716
Accrued Interest	<u>\$ 128,036</u>
Total liabilities	\$116,557,752

Deferred Inflows of Resources

Deferred Gain on Refunding	\$ 3,437,550
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Net Deficit

Restricted for debt service	\$ 2,290,160
Restricted for capital program	\$ 212,031
Deficit	<u>(\$41,943,087)</u>
Total Net Deficit	(\$39,440,896)

4. Schedule of Bonds and Notes Outstanding at 12-31-17

Bonds Payable 2014 Issue	\$ 31,715,000
Bonds Payable 2005 Issue	<u>\$ 37,116,614</u>
Total Liabilities	\$ 68,831,614

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5. Compensation Schedule for Officers, Directors or Employees with Salaries in Excess of \$100,000

None

6. Project Undertaken During 2017

None

7. Real Property Having and Estimated FMV in Excess of \$15,000

None (No additions or depositions of such property during the year)

8. Code of Ethics

CTASC has adopted the code of ethics utilized by the County of Chautauqua

9. Assessment of the Effectiveness of Internal Control Structure and Procedures

The internal control structure is effective. In accordance with the New York State Public Authorities Accountability Act CTASC established an audit committee of the Board of Directors in 2006 and periodically review CTASC bank statements and accounts. An audit report covering 2017 was issued by Johnson, Mackowiak and Associates, LLP in March 2018.

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CERTIFICATION OF ANNUAL REPORT

The 2017 Annual Report of CTASC was approved by the Board of Directors of CTASC by Resolution dated March 20, 2017. It is hereby certified by the undersigned that based on our knowledge:

- a) The information provided in the 2017 Annual Report is accurate, correct and does not contain any untrue statement of material fact;
- b) Does not omit any material fact which, if omitted, would cause the financial statements to be untrue; and
- c) Fairly presents in all material respects, the financial condition and results of operations of the authority as of, and for the periods presented in the financial statements.

George M. Borrello, CTASC President

Kitty Crow, CTASC Treasurer

John Anderson, CTASC Director

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Chautauqua Tobacco Asset Securitization Corporation ("CTASC")

Resolution of the Board of Directors March 20, 2017

WHEREAS, the New York State Legislature has enacted the Public Authorities Accountability Act of 2005 ("the Act"), and CTASC is deemed a "local authority" under the provisions of the Act, and

WHEREAS, the Act requires local authorities such as CTASC to adopt and submit an annual report to the New York State Authority Budget Office, therefore be it

RESOLVED, that the Board of Directors of CTASC hereby approves the 2017 Annual Report prepared by and Darin R. A. Schulz, and authorizes submission of the annual report to the New York State Authority Budget Office.

Approved: _____
George M. Borrello, CTASC President

Approved: _____
Kitty Crow, CTASC Treasurer

Approved: _____
John Anderson, CTASC Director

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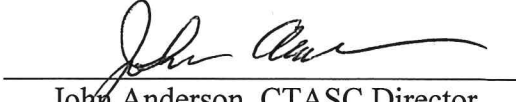
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