
CTASC

CHAUTAUQUA TOBACCO ASSET SECURITIZATION CORPORATION

Vincent W. Horrigan
Kitty Crow
John E. Anderson
Directors

Darin Schulz
Executive Director

To: Vincent W. Horrigan, Chautauqua County Executive
Kitty Crow, Director of Finance
John Anderson, Director
David Himelein, Chairman, County Legislature

From: Darin Schulz, CTASC Executive Director

Date: March 23, 2017

ANNUAL REPORT FOR 2016

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 2016

During 2016 CTASC received tobacco settlement revenue of \$2,189,892 and \$2,034,372 for the non-participating manufacturers' (NPM) settlement. CTASC paid debt service to bond holders in an amount of \$4,104,103 which included retiring the 2022 Turbo Bond that was set to mature in 2020 utilizing the NPM settlement. The actual operating expenses covering general and administrative expense and liability insurance were \$81,184.

2. Revenue and Expenses during 2016

Revenue

Tobacco Settlement Revenue	\$2,189,892
NYS NPM Settlement	\$2,034,372
Investment Income	<u>\$ 82,747</u>
Total Revenue	\$4,224,264

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Expenses

General and Administrative	\$ 81,184
Interest Expense	\$1,612,721
Bond Accretion	\$ 473,794
Bond Issuance Cost	<u>\$ 32,546</u>
Total Expenses	\$2,200,245

3. Assets and Liabilities at 12-31-16

Assets

Restricted Cash and Cash Equivalents	\$ 107,187
Restricted Investments	\$ 2,349,854

Unamortized Bond Discounts

Series 2005 Turbo Capital	
Appreciation Bonds	\$ 78,137,771
Series 2014/2005 Bonds	<u>\$ 451,798</u>
Total assets	\$ 81,046,610

Liabilities

Bonds payable:

Due and payable within one year	\$ 350,000
Due and payable after one year	\$ 31,715,000
Turbo capital appreciation bonds payable	\$ 84,714,716
Accrued Interest	<u>\$ 129,187</u>
Total liabilities	\$116,908,903

Deferred Inflows of Resources

Deferred Gain on Refunding	\$ 3,614,618
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Net Deficit

Restricted for debt service	\$ 2,225,258
Restricted for capital program	\$ 231,783
Deficit	<u>(\$41,933,952)</u>
Total Net Deficit	(\$39,476,911)

4. Schedule of Bonds and Notes Outstanding at 12-31-16

Bonds Payable 2014 Issue	\$ 32,065,000
Bonds Payable 2005 Issue	<u>\$ 37,116,614</u>
Total Liabilities	\$ 69,181,614

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

None

6. Project Undertaken During 2016

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 2016 was issued by Johnson, Mackowiak and Associates, LLP in March 2017.