

CAYUGA TOBACCO ASSET SECURITIZATION CORPORATION

2021 ANNUAL REPORT

Dated as of March 21, 2022

This report has been prepared pursuant to the Public Authorities Accountability Act of 2005 (Chapter 766 of the Laws of 2005), as amended by the Public Authorities Reform Act of 2009 (Chapter 506 of the Laws of 2009). It is not intended to be a substitute for, or to replace the Cayuga Tobacco Asset Securitization Corporation's (herein referred to as the "Corporation") Financial Statements as of December 31, 2021.

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 Cayuga County Tobacco Asset Securitization Corporation's (herein referred to as "Cayuga TASC" or the "Corporation") financial statements prepared as of December 31, 2021.

1) Operations & Accomplishments for 2021.

The annual meeting of the Corporation was held virtually and in person on March 22, 2022, where the budget and financial plan were reviewed. In accordance with the rules of the Corporation, monies are available for general operating expenses. The Corporation left the monies in the general fund for use at a later date.

2) Projects Undertaken by the Corporation during 2021.

There were no projects undertaken by the Corporation and no assets or services were bought or sold in 2021.

3) The Corporation's 2021 Financial Reports.

The Corporation received sufficient Tobacco Settlement Revenues (TRS's) to make a principal payment of **\$525,000** on Trust I in 2021. The Corporation did NOT receive sufficient Tobacco Settlement Revenues (TRS's) to make any principal payment and paid interest only on Trust V in 2021.

4) Mission Statement & Measurement.

The Mission Statement and Measurement of the Corporation were readopted at the virtual March 22, 2022 meeting and are as follows:

CAYUGA TOBACCO ASSET SECURITIZATION CORPORATION

MISSION STATEMENT

Re-Adopted As of March 22, 2022

CORPORATION MISSION STATEMENT

The Corporation was established by the County as a single-purpose financing vehicle to maximize revenues available to the County under the MSA, with the resulting public purpose of benefiting the taxpayers of the County through current and future budget relief and revenue maximization. This public purpose and mission has been accomplished by the Corporation through participation in New York Counties Tobacco Trust I and New York Counties Tobacco Trust V. The Corporation's continuing public purpose and mission is to satisfy its obligations under Trust Indentures associated with New York Counties Tobacco Trust I and New York Counties Tobacco Trust V and from time to time assess additional MSA revenue securitization opportunities. Additional Corporation purposes and mission include compliance with applicable provisions of PAAA and PARA, along with periodic reporting and audit responsibilities associated with New York Counties Tobacco Trust I and New York Counties Tobacco Trust V.

The Corporation's Sole member shall be the Chairman of the Legislature of the County, ex-officio or his or her designee, who pursuant to the Corporation's By-laws appoints a Board of Directors which Board shall include three directors who shall serve ex-officio, they being the Chairman of the Legislature, the Majority Leader of the Legislature and the Chairman of the Ways & Means Committee and one director of which shall be an Independent Director. The Corporation is managed by Officers appointed by the Board of Directors, including a President, Vice President, Treasurer and Secretary. The Corporation's stakeholders are therefore the County itself, acting by and through the County Legislature, who in his/her respective elected and appointed capacities serve the citizens and taxpayers of the County.

The Corporation's goals include continued compliance with current obligations and responsibilities associated with its participation in New York Counties Tobacco Trust I and New York Counties Tobacco Trust V. In addition, the Corporation's goals further include collaborative review with the County of future MSA revenue maximization opportunities. In furtherance of these stated goals, the Corporation will endeavor to comply with all applicable provisions of PAAA and PARA. With these stated goals established, the Corporation's values are to maintain the highest ethical standards applicable to the Corporation in furtherance of the Corporation's purpose and powers, as set forth within the Certificate.

5) The Corporation's compensation schedule.

The officers of the Corporation, to include the chief executive officer and other senior management, shall serve without salary at the pleasure of the Board but may be reimbursed for reasonable expenses incurred in the performance of corporate duties at the approval of the Board.

In 2021 the Corporation paid out \$6,803 in salary reimbursement to the Cayuga County Attorney.

6) Real property owned and or disposed of by the Corporation.

There was no real property owned or disposed of by the Corporation in 2021.

7) The Corporation's code of ethics as adopted and approved by the Board of Directors at the March 22, 2022 hybrid meeting.

The Corporation's Code of Ethics 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 will 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 personal interests; (4) use or attempt to use his or her official 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 or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicions among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

8) Assessment of the effectiveness of the Corporation's internal control structure.

The Corporation has established an internal control structure. The objectives of an internal control structure are to provide reasonable assurances to the protection and accountability for assets, compliance with applicable laws and regulations, proper authorization of the recording transactions and the reliability of financial records for preparing financial statements.

For the year ending December 31, 2021, management's assessment of the effectiveness of the Corporation's internal control structure has been found to be adequate.

9) Enabling Legislation.

There has been no new enabling legislation nor material pending litigation for the year 2021.

Additional Comments:

I certify that this annual report submission is complete and to the best of my knowledge after reasonable inquiry, the information provided in this submission is accurate and correct. This information will be presented to and accepted by the Authority Board at its annual meeting.

