

# Seneca Tobacco Asset Securitization Corporation

2018 Annual Report

March 18, 2019

The Seneca Tobacco Asset Securitization Corporation (“STASC”) is a local development corporation created under Section 1411 of the New York State Not-for-Profit Corporation Law. The organization was formed to raise funds by issuing bonds, use those funds to acquire rights to future proceeds from the settlement agreement with various tobacco companies payable to Seneca County and remain in existence during the term of the bonds to collect the tobacco settlement proceeds and service the debt. The organization is an instrumentality of, but separate and apart from Seneca County, New York.

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 Seneca County Tobacco Asset Securitization Corporation’s (herein referred to as “Seneca TASC” or the “Corporation”) financial statements prepared for the year ending December 31, 2018.

## 1. Operations and Accomplishments:

The corporation received sufficient Tobacco Settlement Revenues (TRS’s) to make a principal payment of \$165,000.00 in 2018.

## 2. The Corporation’s compensation schedule:

Although it is allowable by the By-Laws to reimburse directors for reasonable expenses incurred in the performance of corporate duties and/or to compensate the Independent Director for his/her services in an amount fixed from time to time as voted on by the majority of the Board of Directors other than the Directors other than the Independent Director, no salary or compensation was paid to any officer or director of the Corporation during 2018.

The Corporation had paid no employees in 2018.

## 3. There were no projects undertaken by the Corporation in 2018, other than the continuing operations of the STASC.

## 4. Real Property owned and disposed of by the Corporation:

The Corporation did not acquire or dispose of any real property during 2018.

The Corporation does not currently own any real property.

## 5. Procurement transactions during 2018.

The Corporation had three vendors receive over \$5,000 throughout the course of 2018. Bonadio & Co., LLP received \$8300.00 in 2018, Harris Beach, PLLC was paid \$5,250 and the Town of Waterloo was paid \$50,000.00 in 2018.

6. The financial statements for the Seneca Tobacco Asset Securitization Corporation for the year ended December 31, 2018 are the responsibility of management. The financial statements were prepared in accordance with auditing standards generally accepted in the United States of America. Financial information contained elsewhere in this annual report are consistent with the financial statements.

7. The Corporation has an established an internal control structure. The objectives of an internal control structure are to provide reasonable assurance as to the protection of 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, 2018, management has documented and assessed the internal control structure and procedures of the Seneca Tobacco Asset Securitization Corporation; this assessment found the authority's internal controls to be adequate.

8. The Corporation reported that there is no material pending litigation in which the entity was involved during 2018.