

**CHEMUNG TOBACCO ASSET SECURITIZATION CORPORATION**  
**2023 Annual Report**  
**March 12, 2024**

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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 Chemung Tobacco Asset Securitization Corporation's (herein referred to as either "CTASC" or the "Corporation") financial statements prepared as of December 31, 2023.

1. Operations and Accomplishments:

The Corporation did not receive sufficient Tobacco Settlement Revenues (TSR's) to make the flexible principal payments of \$2,260,000 on the Series 2000 Bonds. Total principal payments of \$385,000 were made during the year ended December 31, 2023. The unpaid principal of \$1,875,000 will be added to the required maturities for the year ended December 31, 2024. Original principal payments scheduled for December 31, 2024, amounted to \$655,000. The terms of the agreement allows the Corporation to alter the payment schedule should sufficient funds not be available.

2. The Corporation's revenues and expenses for December 31, 2023, which will be reported in its 2023 financial statements are as follows:

| <b>Revenues</b>                |                   |
|--------------------------------|-------------------|
| Tobacco settlement proceeds    | \$ 628,685        |
| Interest and investment income | <u>39,463</u>     |
| Total revenues                 | <u>668,148</u>    |
| <b>Expenses</b>                |                   |
| Bank fees                      | 32                |
| Insurance expense              | 5,142             |
| Interest expense               | 185,938           |
| Investment fees                | 9,553             |
| Professional fees              | 7,810             |
| Transfer to Chemung County     | <u>10,000</u>     |
| Total expenses                 | <u>218,475</u>    |
| <b>Change in Net Position</b>  | <u>\$ 449,673</u> |

3. The Corporation's assets and liabilities for December 31, 2023, which will be reported in its 2023 financial statements are as follows:

| <b>Assets</b>                             |                     |
|---|---------------------|
| Cash and cash equivalents                 | \$ 396,450          |
| Tobacco settlement proceeds receivable    | 620,708             |
| Restricted cash - liquidity reserve       | <u>663,081</u>      |
| <b>Total Assets</b>                       | <u>\$ 1,680,239</u> |
| <b>Liabilities</b>                        |                     |
| Bonds payable - net                       | \$ 2,561,018        |
| <b>Net Position</b>                       |                     |
| Restricted                                | 1,680,239           |
| Unrestricted                              | <u>(2,561,018)</u>  |
| <b>Total Net Position</b>                 | <u>(880,779)</u>    |
| <b>Total Liabilities and Net Position</b> | <u>\$ 1,680,239</u> |

4. The bonds payable of the Corporation for December 31, 2023, as reported in its 2023 financial statements are as follows:

The bonds were issued on December 7, 2000, as part of the New York State Counties Tobacco Trust/Tobacco Settlement Pass-Through Bond Series 2000. Face value of the bonds issued was \$8,090,000. The bonds were sold at a discount of \$116,695, for a net issue price of \$7,973,305. The discount will be amortized over the maturity period of the bonds. The weighted average maturity period of the bonds is 15.914 years with a final maturity date of June 1, 2025. Interest on the bonds ranges from 5.000% to 6.300%. The repayment schedule is based on the flexible amortization payments which accelerates the maturity date. In the event sufficient funds are not available to meet maturities, rated maturity dates will be used to extend the maturity schedule of the bonds.

During the year ended December 31, 2023, sufficient funds were not available to meet maturities, therefore, principal payments only amounted to \$385,000 for the year ended December 31, 2023. The terms of the agreement allows the Corporation to alter the payment schedule should sufficient funds not be available. Required maturities for the year ended December 31, 2023, called for \$2,260,000 in principal payments. The unpaid principal of \$1,875,000 will be added to the required maturities for the year ended December 31, 2024. At December 31, 2023, the face value of the bonds was \$2,590,000 with a remaining unamortized discount of \$28,982.

Bonds payable consisted of the following at December 31, 2023:

|      | <u>Principal</u>    | <u>Interest</u>  | <u>Total</u>        |
|------|---------------------|------------------|---------------------|
| 2024 | \$ 2,530,000        | \$ 87,766        | \$ 2,617,766        |
| 2025 | <u>60,000</u>       | <u>1,988</u>     | <u>61,988</u>       |
|      | <u>\$ 2,590,000</u> | <u>\$ 89,754</u> | <u>\$ 2,679,754</u> |

5. The Corporation's compensation schedule:

No salary or compensation was paid to any officer or director of the Corporation during 2023. The Corporation did not have any paid employees in 2023.

6. Projects undertaken by the Corporation during 2023:

The Corporation did not undertake any projects during 2023.

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

The Corporation did not own or sell any real property during 2023 and does not currently own any real property.

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

The financial statements of CTASC for the year ended December 31, 2023, 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.

CTASC has 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 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.

CTASC financial statements were audited by EFPR Group, CPAs, PLLC, independent auditors. Management has made available to EFPR Group, CPAs, PLLC all the financial records and related data of CTASC, as well as providing access to all the minutes of the meetings of the Board of CTASC. 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.

Christopher Moss  
*President/CEO*

Jennifer Furman  
*Treasurer/CFO*

**CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER  
AND THE CHIEF FINANCIAL OFFICER**

**CHEMUNG TOBACCO ASSET SECURITIZATION CORPORATION**

The undersigned, being the duly appointed chief executive officer and chief fiscal officer of the Chemung County Tobacco Asset Securitization Corporation (the "Corporation"), hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Corporation, dated as of March 12, 2024, is accurate, correct, and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned chief executive officer and chief fiscal officer have executed this Certificate as of the 12th day of March, 2024.

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Christopher Moss  
*President/CEO*

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Jennifer Furman  
*Treasurer/CFO*