

**CHEMUNG TOBACCO ASSET SECURITIZATION CORPORATION**  
**2025 Annual Report**  
**March 17, 2026**

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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, 2025.

1. Operations and Accomplishments:

The Corporation did not receive sufficient Tobacco Settlement Revenues (TSR's) to make the flexible principal payments on the Series 2000 Bonds. Total principal payments of \$350,000 were made during the year ended December 31, 2025. During the year ended December 31, 2025, it was determined sufficient funds would not be available to meet the previous flexible amortization schedule and therefore the rated maturity dates will be used to extend the maturity date on the bonds to June 1, 2042. Interest rates on the extended amortization schedule range from 6.250% to 6.625%. Under the terms of the rated maturity dates, the Corporation has the option to pay down principal ahead of schedule to shorten the term of the bond. This decision is subject to review and approval of the Board of Directors.

2. The Corporation's revenues and expenses for December 31, 2025, which will be reported in its 2025 financial statements are as follows:

**Revenues**

Tobacco settlement proceeds	\$ 360,955
Interest and investment income	<u>32,612</u>
Total revenues	<u>393,567</u>

**Expenses**

Bank fees	242
Insurance expense	5,142
Interest expense	139,050
Investment fees	12,328
Professional fees	9,200
Transfer to Chemung County	<u>10,000</u>
Total expenses	<u>175,962</u>

<b>Change in Net Position</b>	<b>\$ <u>217,605</u></b>
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3. The Corporation's assets and liabilities for December 31, 2025, which will be reported in its 2025 financial statements are as follows:

<b>Assets</b>	
Cash and cash equivalents	\$ 473,893
Tobacco settlement proceeds receivable	483,333
Restricted cash - liquidity reserve	<u>644,520</u>
<b>Total Assets</b>	<b>\$ <u>1,601,746</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 2,775
Bonds payable - net	<u>1,874,424</u>
<b>Total Liabilities</b>	<b><u>1,877,199</u></b>
<b>Net Position</b>	
Restricted	1,728,852
Unrestricted	<u>(2,004,305)</u>
<b>Total Net Position</b>	<b><u>(275,453)</u></b>
<b>Total Liabilities and Net Position</b>	<b>\$ <u>1,601,746</u></b>

4. The bonds payable of the Corporation for December 31, 2025, as reported in its 2025 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 was 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 was based on the flexible amortization payments which accelerates the maturity date. In the event sufficient funds were not available to meet maturities, rated maturity dates were used to extend the maturity schedule of the bonds.

During the year ended December 31, 2025, sufficient funds were not available to meet maturities, therefore, principal payments only amounted to \$350,000 for the year ended December 31, 2025.

During the year ended December 31, 2025, it was determined sufficient funds would not be available to meet the previous flexible amortization schedule and therefore the rated maturity dates will be used to extend the maturity date on the bonds to June 1, 2042. Interest rates on the extended amortization schedule range from 6.250% to 6.625%. Under the terms of the rated maturity dates, the Corporation has the option to pay down principal ahead of schedule to shorten the term of the bond. This decision is subject to review and approval of the Board of Directors.

At December 31, 2025, the face value of the bonds was \$1,900,000 with a remaining unamortized discount of \$25,576. Future extended maturities of the bonds payable consisted of the following at December 31, 2025:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ -	\$ 125,875	\$ 125,875
2027	-	125,875	125,875
2028	-	125,875	125,875
2029	-	125,875	125,875
2030	-	125,875	125,875
2031 - 2035	-	629,375	629,375
2036 - 2040	1,080,000	523,706	1,603,706
2041 - 2042	<u>820,000</u>	<u>54,656</u>	<u>874,656</u>
Total maturities	<u>\$ 1,900,000</u>	<u>\$ 1,837,112</u>	<u>\$ 3,737,112</u>

5. The Corporation's compensation schedule:

No salary or compensation was paid to any officer or director of the Corporation during 2025. The Corporation did not have any paid employees in 2025.

6. Projects undertaken by the Corporation during 2025:

The Corporation did not undertake any projects during 2025.

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

The Corporation did not own or sell any real property during 2025 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, 2025, 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.

9. The following represents the annual investment report as required by Section 2925(3)(f) of Public Authorities Law:

### **Permitted Investments**

Pursuant to GML Section 11, the Corporation is authorized to invest moneys not required for immediate expenditures for terms not to exceed its projected cash flow needs in the following type of investments:

- Obligations of the United States of America;
- Obligations guaranteed by the United States of America where payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Special time deposit accounts;
- Certificates of deposit;
- Obligations of public authorities, public housing authorities, urban renewal agencies, and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments; and
- Obligations issued pursuant to New York State Local Finance Law Section 24.00 and 25.00 (with approval of the New York State Comptroller) by any municipality, school district or district corporation other than the Corporation.
- Eligible investments, as defined in the Indenture between the Corporation and Manufacturers and Traders Trust Company, as Trustee as amended from time to time.

### **Amendments Made to Investment Guidelines**

Amendments to the investment guidelines include the following updated guidelines for authorization and authorized financial institutions and dealers:

#### **Authorization**

The Corporation shall enter into written contracts pursuant to which investments are made, unless the Corporation shall by resolution determine that a written contract is not practical or that there is not a regular business practice of written contracts with respect to a specific investment or transaction, in which case the Corporation shall adopt procedures covering such investment or transaction.

#### **Authorized Financial Institutions and Dealers**

The Corporation shall maintain a list of financial institutions and dealers approved for investment purposes. All financial institutions with which the Corporation conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Treasurer is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

#### **Safeguards**

Eligible securities used for collateralizing deposits shall be held by a third party bank, trust company or trust department of the bank subject to security and collateral agreements at the discretion of the Corporation.

The security and custodial agreements shall provide that securities held by the bank or trust company or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company.

The security and collateral agreement shall provide that eligible securities are being pledged to secure the Corporation deposits and investments together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default.

### **Provisions for Reporting on Investments**

The Corporation retains an independent auditor to provide report on investment compliance and report on internal controls over compliance required by the investment guidelines. No findings were reported for the year ended December 31, 2025.

### **Income and Fees Related to Investment Service**

The Corporation paid \$12,328 in fees related to investment services for the year ended December 31, 2025. In addition, the Corporation reported \$32,612 in interest and dividend income for the year ended December 31, 2025.

### **Investments**

Investments included cash and cash equivalents amounted to \$667,382 as of December 31, 2025.

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 17, 2026, 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 17th day of March, 2026.

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Christopher Moss  
*President/CEO*

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Jennifer Furman  
*Treasurer/CFO*