

Greene Tobacco Asset Securitization Corporation
2019 Public Authority Annual Report

1. Operations and Accomplishments of the Authority.

Received distributed monies from Tobacco Settlement Revenues and dispersed in accordance with applicable law.

2. Receipts, Disbursements During the Fiscal Year and Assets and Liabilities Bond Schedule to Include Refinancings, Refundings and Defeasements and Bond Issuance Costs.

See annual audited financial statements.

3. Compensation Schedule.

Stipend – Edward I. Kaplan – President - \$2,000.00
Stipend – Deborah A. Gallo – Treasurer - \$2,000.00
No paid employees in 2019

4. Projects undertaken by the Authority During the Past Year.

None.

5. Listing of Real Property and Price Received. Name of the Purchaser for Property Sold.

None.

6. Internal Control Assessment.

UHY LLP, CPA's audited the financial statements of the governmental activities and major fund of Greene Tobacco Asset Securitization Corporation (the Corporation), a blended component unit of Greene County, New York, as of and for the year ended December 31, 2019, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated March 28, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States.

7. Mission Statement and Performance Measurement Report.

Mission Statement is on the website and copy attached. No performance measurement report prepared.

8. Financial Reports: Audited Financials in Accordance with GAAP per section 2 (10) of State Finance Law.

See Annual Audited Reports.

9. Grant and Subsidy Programs.

None.

10. Operating and Financial Risks.

None.

11. Current Ratings for Bonds and Changes in Ratings.

See BONDLOGISTIX Report as Administrative Agent.

12. Long-Term Liabilities, Leases and Employee Benefit Plans.

None.

13. Biographical information for All Members and Specified Employees.

Edward I Kaplan – County Attorney – President
Deborah A. Gallo – Executive Fiscal Administrator – Vice President/Treasurer
Patrick Linger – Chairman Greene County Legislature – Sole Member
Peter J. Markou – Greene County Treasurer – Board Member – Director
Donald E. Gibson – President, Bank of Greene County – Independent Director
Mary Jo Jaeger – Deputy Budget Officer, Greene County – Secretary – Director

14. Description of All Real Property Exceeding \$15,000 Acquired or Disposed.

None.

15. The Price Paid and Name of the Seller for all Property Bought by the Authority.

None.

16. Authority's Enabling Legislation.

Section 1411 of the NYS Not-for-Profit Law.

17. Description of the Authority, Major Authority Units and Subsidiaries.

Greene Tobacco Asset Securitization Corporation exists solely to manage the proceeds of the bonds sold to generate revenue to Greene County in connection with settlement of tobacco litigation.

18. Number of Employees.

None.

19. Authority's Charter and By-Laws.

Authority has no Charter. By-Laws are on website and attached.

20. List of Material Operations and Programs Changes During the Reporting Year.

None.

21. A 4-Year Financial Plan.

None.

22. Current and Projected Capital Budget.

None.

23. Operating Budget Report Including an Actual Versus Estimated Budget.

Projected Operating Budget for 2019 on website.

Actual Operating Budget in Annual Audit.

No major discrepancies.

24. Analysis and Measurement of Financial and Operating Performance.

UHY LLP, CPA's audited the financial statements of the governmental activities and major fund of Greene Tobacco Asset Securitization Corporation (the Corporation), a blended component unit of Greene County, New York, as of and for the year ended December 31, 2019, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated March 28, 2020. The report on the financial statements described above was qualified because certain required supplemental information was now presented. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standard*, issued by the Comptroller General of the United States.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Two deficiencies in internal control over financial reporting considered to be material weaknesses, were identified and are described in the accompanying schedule of the financial statements. These weaknesses have been corrected and will be continuously monitored going forward.

25. Description of Its Board Structure, Names of Committees and Committee Members.

Board – Peter J. Markou, Donald E. Gibson, Mary Jo Jaeger
Audit & Finance Committee – Peter J. Markou, Donald E. Gibson, Mary Jo Jaeger
Governance Committee - Peter J. Markou, Donald E. Gibson, Mary Jo Jaeger

26. List of Board Meetings and Attendance.

One meeting annually usually in May or June because of scheduling conflicts with Board of Directors.

27. Board Performance Evaluations.

Completed.

28. Description of Assets and Services Bought or Sold Without Competitive Bidding, Their Nature, Names of Parties Involved, Contract Price Compared to Fair Market Value, a Detailed Explanation Justifying the Purchase or Sale Without competitive Bidding, Certification by CEO and CFO That Terms of Purchase or Sale Were Reviewed and Comply With Procurement Guidelines.

Accounting services were not competitively bid because UHY LLP, CPA's is intimately familiar with Greene Tobacco Asset Securitization Corporation's history and policies, has a wealth of information that goes into preparing our accounting/audit and reduced price last year to achieve fair market value. Same is true for Harris Beach, Attorneys at Law and Marshall and Sterling Insurance Company.

29. Description of Material Pending Litigation.

None.

30. Compliance and Other Matters.

As part of obtaining reasonable assurance about whether the Corporation's financial Statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported to be reported under *Government Auditing Standards*.

31. Investments.

The Greene Tobacco Asset Corporation did not have investments in the 2019 period.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.

SO CERTIFIED:



Deborah A. Gallo, Vice-President