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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Greene Tobacco Asset Securitization Corporation:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Greene Tobacco Asset Securitization Corporation (the "Corporation") as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise Greene Tobacco Asset Securitization Corporation's basic financial statements, and have issued our report thereon dated March 25, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Greene Tobacco Asset Securitization Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Greene Tobacco Asset Securitization Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of Greene Tobacco Asset Securitization Corporation's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our 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 that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as item 2020-01 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Greene Tobacco Asset Securitization Corporation's financial statements are free from 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 under *Government Auditing Standards*.

Greene Tobacco Asset Securitization Corporation's Response to Findings

Greene Tobacco Asset Securitization Corporation's response to findings identified in our audit are described in the accompanying schedule of findings and responses. Greene Tobacco Asset Securitization Corporation's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

UHY LLP

Catskill, New York
March 25, 2021

**GREENE TOBACCO ASSET SECURITIZATION CORPORATION
SCHEDULE OF FINDINGS AND RESPONSES**

Findings 2020-01

Material Weakness in Internal Control Over Financial Reporting – Recording of Principal Payments on Bonds Payable

Criteria:

Payments made during the year against outstanding principal of bonds payable should be recorded against the outstanding bond liability and not be recorded as expenses.

Condition:

During the audit, a material adjustment was required to ensure the Corporation's bond liability reflected actual payment activity made during the year ended December 31, 2020.

Cause:

Management's review and reconciliation procedures were not sufficient to ensure activity and transactions made during the year were properly reflected on the Corporation's financial statements.

Effect or Potential Effect:

Non-routine and material audit adjustments were necessary to ensure the Corporation's bond liability at the end of the year properly reflect the outstanding principal balance based on the transactions that occurred during the year ended December 31, 2020.

Recommendation:

Management should discuss with its auditors the proper entries to record on their general ledger to correctly reflect bond principal payments made during the year.

Responsible Official's Response:

Management will discuss these transactions with its auditors in order to ensure the general ledger is correctly reflected.

Status of Prior year Findings

Finding 2020-01 is a repeat finding.

Finding 2019-02 was corrected.