

Wyoming Tobacco Asset Securitization Corporation
2022 Annual Report
February 24, 2023

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 Wyoming Tobacco Asset Securitization Corporation's (herein referred to as either "WTASC" or the "Corporation") financial statements prepared as of December 31, 2022.

1. Operations and Accomplishments:

The Corporation received sufficient Tobacco Settlement Revenues (TSRs) to make a \$345,000 principal payment on the Series 2000 Bonds.

WTASC total operating expenses for the year ended December 31, 2022, increased by 0.2% from the previous year.

2. The Corporation's revenues and expenses for December 31, 2022 which will be reported in its 2022 financial statements are as follows:

Revenues:

Tobacco settlement revenue	\$ 709,186
Interest income	9,302
Miscellaneous income	<u>90</u>
Total revenues	<u>718,578</u>

Expenses

Interest accretion	709,922
Amortization expense	2,364
Insurance expense	4,506
Interest expense	218,038
Legal and professional services	10,850
Miscellaneous expense	24,945
Rent	5,000
Utilities	<u>333</u>
Total expenses	975,958

Change in Net Position: \$ (257,380)

3. The Corporation's assets and liabilities for December 31, 2022 which will be reported in its 2022 financial statements are as follows:

Assets:	
Cash and cash equivalents	\$ 851,999
Accounts receivable	608,543
Prepaid expenses	<u>6,804</u>
Total Assets	<u>1,467,346</u>
 Current Liabilities:	
Accrued interest	<u>17,236</u>
Total current liabilities	<u>17,236</u>
 Long-Term Liabilities:	
Current portion of bonds payable	2,370,000
Bonds payable	<u>11,537,822</u>
Total Liabilities	<u>13,925,058</u>
 Net Position:	
Restricted for Debt Service	626,795
Unrestricted	<u>(13,084,507)</u>
Total Net Position	<u>\$ (12,457,712)</u>

4. The bonds payable of the Corporation for December 31, 2022 as reported in its 2022 financial statements are as follows:

WTASC issued \$7,740,000 of Tobacco Settlement Pass-Through Bonds, Series 2000, pursuant to an indenture dated December 7, 2000. The net proceeds of the Series 2000 Bonds were used by WTASC to fund an initial debt service fund in the amount of \$617,430, and to finance the cash portion of the purchase price of WTASC's interest in the Tobacco Settlement Revenues (TSRs) in the amount of \$6,699,185, which was paid to the County.

On November 15, 2005, WTASC issued \$3,524,499 of Tobacco Settlement Pass-Through Bonds, Series 2005, the proceeds of which were used to pay down a portion of the County's debt. The TASC's Series 2005 bonds are subordinate to the bonds previously issued and subject to the rights of the holders of all prior bonds and any bonds issued on parity with the prior bonds to refund the prior bonds under the TASC indenture.

The payment of the Series 2000 and 2005 Bonds is dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors including cigarette consumption and the continued operations of the OPMs. Such bonds are secured by and payable solely from TSRs and investment earnings pledged under the Bond Indenture and amounts established and held in accordance with the Bond Indenture.

In the event sufficient funds are not available to meet planned payment maturities, rated maturity dates will be used.

Changes in bonds payable for the Tobacco Settlement Bonds, Series 2000 for the year ended December 31, 2022 are as follows:

<u>Description</u>	<u>Year of Maturity</u>	<u>Yield</u>	<u>Beginning Balance 1/1/2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 12/31/2022</u>	<u>Amount* Due Within One Year</u>
Tobacco Settlement Bonds:							
Series 2000	2025	various	<u>\$3,480,000</u>	<u>\$ -</u>	<u>\$345,000</u>	<u>\$3,135,000</u>	<u>\$2,370,000</u>

*Actual amounts due within one year may vary based on the receipt of TSRs and WTASC's ability to make the payment of principal and interest.

WTASC debt service requirements, based upon planned principal payments, for Tobacco Settlement Bonds, Series 2000 are currently estimated as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$2,370,000	\$128,754	\$2,498,754
2024	625,000	29,979	654,979
2025	<u>140,000</u>	<u>4,638</u>	<u>144,638</u>
Total	<u>\$3,135,000</u>	<u>\$163,371</u>	<u>\$3,298,371</u>

Subordinate Turbo CABs—Interest on the Subordinate Turbo CABs is compounded semiannually on June 1 and December 1, but is not payable until bond maturity. Interest accretes until both principal and accreted interest are paid. Future interest accretion has been recorded as bond discount and amortized as the current interest accretes. The accreted interest on the Subordinate Turbo CABs is reflected within the Subordinate Turbo CABs payable liability.

A summary of the Subordinate Turbo CABs net bond balance activity for the year ended December 31, 2022 is as follows:

	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Beginning Balance 1/1/2022</u>	<u>Annual Net Interest Accretion</u>	<u>Turbo Redemption Payments/ Amortization</u>	<u>Ending Balance 12/31/2022</u>
Subordinate Turbo CABs	6.00% - 7.85%	\$3,624,303	\$10,122,510	\$709,922	\$-	\$10,832,432
Less:						
Bond discount		<u>(99,804)</u>	<u>(61,974)</u>	<u>-</u>	<u>2,364</u>	<u>(59,610)</u>
Net Subordinate Turbo CABs		<u>\$3,524,499</u>	<u>\$10,060,536</u>	<u>\$709,922</u>	<u>\$2,364</u>	<u>\$10,772,822</u>

The discount received upon issuance of the Series 2005 (TASC V) bonds is amortized over the life of the refunding bonds on a straight-line basis. Subordinate Turbo CABs payable are reported net of related discount.

Redemption of the Subordinate Turbo CABs as outlined in the original official statement totaled \$3,624,303 with interest ranging between 6.00% and 7.85%. During the year ended December 31, 2022, WTASC did not make any redemption payments. Any debt service amounts not paid in accordance with the Turbo Redemption Payments schedule will be due and payable on the following maturity dates:

Series 2005 S1	June 1, 2038
Series 2005 S2	June 1, 2050
Series 2005 S3	June 1, 2055
Series 2005 S4B	June 1, 2060

5. The Corporation's compensation schedule:

No salary or compensation was paid to any officer or director of the Corporation during 2022. The Corporation did not have any paid employees in 2022.

6. Projects undertaken by the Corporation during 2022:

The Corporation did not undertake any projects during 2022.

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

The Corporation did not own or sell any real property during 2022 and does not currently own any real property.

8. The Corporation's code of ethics as adopted and approved by the Board of Directors at its April 11, 2012 meeting is as follows:

No director, officer, or employee of the Corporation shall (1) accept other employment which shall impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative of the Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

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

The financial statements of WTASC for the year ended December 31, 2022 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.

WTASC 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.

WTASC financial statements were audited by Drescher & Malecki, LLP, independent auditors. Management has made available to Drescher & Malecki, LLP all the financial records and related data of WTASC, as well as providing access to all the minutes of the meetings of the Board of WTASC. 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 consideration 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.

Janis A. Cook
President/CEO

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

WYOMING TOBACCO ASSET SECURITIZATION CORPORATION

The undersigned, being the duly appointed chief executive officer and chief fiscal officer of the Wyoming 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 February 24, 2023 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 24th day of February, 2023.

Janis A. Cook
President/CEO