

**Wyoming Tobacco Asset Securitization Corporation**  
**2015 Annual Report**  
**March 25, 2016**

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, 2015.

1. Operations and Accomplishments:

The Corporation received sufficient Tobacco Settlement Revenues (TSRs) to make a \$135,000 principal payment on the Series 2000 Bonds.

WTASC total operating expenses for the year ended December 31, 2015, increased by 4.8% from the previous year.

2. The Corporation's revenues and expenditures for December 31, 2015 which will be reported in its 2015 financial statements are as follows:

<b>Revenues:</b>	
Tobacco settlement revenue	\$ 997,566
Interest income	<u>41</u>
Total revenues	<u>997,607</u>
 <b>Expenses:</b>	
Accretion	439,454
Amortization expense	2,364
Insurance expense	4,614
Interest expense	348,866
Legal and professional services	15,900
Miscellaneous expense	13,684
Rent	2,500
Office expenses	12,589
Utilities	<u>257</u>
Total expenses	<u>840,228</u>
 <b>Change In Net Position</b>	 <u><u>\$ 157,379</u></u>

3. The Corporation's assets and liabilities for December 31, 2015 which will be reported in its 2015 financial statements are as follows:

<b>Assets:</b>	
Cash and cash equivalents	\$ 798,236
Accounts receivable	1,088,226
<b>Total Assets</b>	<u>1,886,462</u>
 <b>Current Liabilities:</b>	
Accrued interest	28,789
Current portion of bonds payable	1,095,000
Total current liabilities	<u>1,123,789</u>
 <b>Long-Term Liabilities:</b>	
Bonds payable	<u>10,870,824</u>
<b>Total Liabilities</b>	<u>11,994,613</u>
 <b>Net Deficit:</b>	
Restricted for Debt Service	628,486
Unrestricted	<u>(10,736,637)</u>
<b>Total Net Deficit</b>	<u>\$ (10,108,151)</u>

4. The bonds payable of the Corporation for December 31, 2015 as reported in its 2015 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 are dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors, including cigarette consumption. 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 maturities, rated maturity dates will be used to extend the maturity schedule of the bonds.

Bonds payable for Series 2000 (TASC I) consists of the following at December 31, 2015:

Term Bonds - Redeemable in annual installments of various amounts beginning June 1, 2016 through June 1, 2019. Interest is payable in semi-annual installments at 6.300%.	\$ 510,000
Flexible Amortization Bonds - Redeemable in annual installments of various amounts beginning June 1, 2024 through June 1, 2028. Interest is payable in semi-annual installments at 6.250%.	760,000
Flexible Amortization Bonds - Redeemable in annual installments of various amounts beginning June 1, 2029 through June 1, 2035. Interest is payable in semi-annual installments at 6.500%.	1,585,000
Flexible Amortization Bonds - Redeemable in annual installments of various amounts beginning June 1, 2036 through June 1, 2042. Interest is payable in semi-annual installments at 6.625%.	<u>2,440,000</u>
Total	5,295,000
Less, current portion	<u>1,095,000</u>
Long-term portion	<u><u>\$ 4,200,000</u></u>

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

Year ended	Principal	Interest	Total
December 31,			
2016	\$ 1,095,000	\$ 310,335	\$ 621,004
2017	345,000	264,074	609,074
2018	445,000	238,649	683,649
2019	465,000	209,414	674,414
2020	500,000	178,226	3,336,502
2021 and beyond	<u>2,445,000</u>	<u>357,914</u>	<u>144,638</u>
Total	<u><u>\$ 5,295,000</u></u>	<u><u>\$ 1,558,612</u></u>	<u><u>\$ 6,069,281</u></u>

Bonds payable for Subordinate Turbo CABs (TASC V) consists of the following at December 31, 2015:

Subordinate Turbo CABs - Redeemable in installments of estimated amounts to begin on June 1, 2015 based upon the estimated collections of the payments under the MSA. Interest is accrued at 6.000%. Final payment of principal and accrued interest is due June 1, 2038.	\$ 1,257,232
Subordinate Turbo CABs - Redeemable in installments of estimated amounts to begin on June 1, 2024 based upon the estimated collections of the payments under the MSA. Interest is accrued at 6.100%. Final payment of principal and accrued interest is due June 1, 2050.	716,046
Subordinate Turbo CABs - Redeemable in installments of estimated amounts to begin on June 1, 2026 based upon the estimated collections of the payments under the MSA. Interest is accrued at 6.850%. Final payment of principal and accrued interest is due June 1, 2055.	428,273
Subordinate Turbo CABs - Redeemable in installments of estimated amounts to begin on June 1, 2028 based upon the estimated collections of the payments under the MSA. Interest is accrued at 7.850%. Final payment of principal and accrued interest is due June 1, 2060.	<u>1,222,752</u>
Sub-total	3,624,303
Less, bond discount	<u>(76,160)</u>
Total	3,548,143
Less, current portion	<u>-</u>
Long-term portion	<u><u>\$ 3,548,143</u></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 \$17,458,995 and is scheduled to be paid from 2015 through 2039, while early payment is allowed. During the year ended December 31, 2015, WTASC did not make any redemption payments.

A summary of the Subordinate Turbo CABs net bond balance activity for the year ended December 31, 2015 is presented on the following page.

	Interest Rate	Original Principal	Beginning Balance 1/1/2015	Annual Net Interest Accretion	Turbo Redemption Payments	Ending Balance 12/31/2015
Subordinate	6.00% -					
Turbo CABs	7.85%	<u>\$ 3,524,499</u>	<u>\$ 6,307,530</u>	<u>\$ 439,454</u>	<u>\$ -</u>	<u>\$ 6,746,984</u>

5. The Corporation's compensation schedule:

No salary or compensation was paid to any officer or director of the Corporation during 2015. The Corporation did not have any paid employees in 2015.

6. Projects undertaken by the Corporation during 2015:

The Corporation did not undertake any projects during 2015.

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

The Corporation did not own or sell any real property during 2015 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, 2015 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 are currently being audited by Drescher & Malecki, LLP, independent auditors. The audit is in process at the date of this report. 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 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.

Janis A. Cook  
*President/CEO*

Cheryl D. Mayer  
*Treasurer/CFO*

**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 March 25, 2016, 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 25 day of March, 2016.

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Janis A. Cook  
*President/CEO*

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Cheryl D. Mayer  
*Treasurer/CFO*