

**RENSSELAER TOBACCO ASSET
SECURITIZATION CORPORATION**

*(A Component Unit of the County of Rensselaer, New York)
Basic Financial Statements and Required
Supplementary Information for the
Year Ended December 31, 2013
And Independent Auditors' Reports*

RENSSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSSELAER, NEW YORK)
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Year Ended December 31, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Rensselaer Tobacco Asset Securitization Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rensselaer Tobacco Asset Securitization Corporation (the "RTASC"), a component unit of the County of Rensselaer, New York, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the RTASC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

RTASC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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 Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of RTASC, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2014 on our consideration of RTASC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RTASC's internal control over financial reporting and compliance.

Drescher & Malecki LLP

March 27, 2014

RENSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSELAER, NEW YORK)
Management's Discussion and Analysis
Year Ended December 31, 2013

As management of the Rensselaer Tobacco Asset Securitization Corporation ("RTASC"), a blended component unit of the County of Rensselaer, New York (the "County"), we offer readers of RTASC's financial statements this narrative overview and analysis of the financial activities of RTASC for the fiscal year ended December 31, 2013. Certain items from the year ended December 31, 2012 have been reclassified to conform to the current year presentation. We encourage readers to consider the information presented here in conjunction with additional information contained in the financial statements and notes to the financial statements.

Financial Highlights

- ◆ Total government-wide liabilities of RTASC exceeded government-wide assets by \$42,262,709 at December 31, 2013. This compares to total government-wide liabilities of RTASC exceeding government-wide assets by \$41,642,308 at December 31, 2012.
- ◆ RTASC's net position decreased by \$620,401, which increased its net deficit, for the year ended December 31, 2013. The change in RTASC's net deficit was largely due to accreted interest costs and the declining cigarette sales which may be attributed to recent increases in cigarette taxes.
- ◆ At the close of the current year, RTASC's governmental funds reported combined fund balances of \$2,680,289, an increase of \$11,786 in comparison with the prior year. Approximately 2.3 percent of this amount, \$62,672, is available for spending at RTASC's discretion (unassigned fund balance).

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the RTASC's basic financial statements. RTASC's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of RTASC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all RTASC's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of RTASC is improving or deteriorating.

The *statement of activities* presents information showing how RTASC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements can be found on pages 8-9 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. RTASC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Both of RTASC’s funds are classified as governmental funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

RTASC maintains two individual governmental funds, the General Fund and the Debt Service Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for both funds.

The basic governmental fund financial statements can be found on pages 10-13 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-24 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of RTASC, liabilities exceeded assets by \$42,262,709 at December 31, 2013, as compared to \$41,642,308 at December 31, 2012. Table 1, shown below, presents the condensed statements of net position for RTASC at December 31, 2013 and December 31, 2012.

Table 1—Condensed Statements of Net Position

	December 31,	
	2013	2012
Current assets	\$ 4,857,981	\$ 4,887,677
Total assets	<u>4,857,981</u>	<u>4,887,677</u>
Current liabilities	127,840	128,388
Noncurrent liabilities	<u>46,992,850</u>	<u>46,401,597</u>
Total liabilities	<u>47,120,690</u>	<u>46,529,985</u>
Net position	<u>\$ (42,262,709)</u>	<u>\$ (41,642,308)</u>

A portion of RTASC's net position, \$2,617,617, represents resources that are subject to external restrictions on how they may be used. The remaining deficit net position is considered to be an unrestricted deficit.

At December 31, 2013, total RTASC assets were \$4,857,981; and, \$4,887,677 at December 31, 2012. The largest asset held by RTASC was cash and cash equivalents of \$2,669,626 at December 31, 2013 and of \$2,658,233 at December 31, 2012. The second largest asset held by RTASC was an amount due from New York State of \$2,177,692 at December 31, 2013 and of \$2,219,174 at December 31, 2012.

RTASC's liabilities totaled \$47,120,690 at December 31, 2013; and, \$46,529,985 at December 31, 2012. The largest portion of the liabilities is outstanding debt totaling \$46,992,850 and \$46,401,597 at December 31, 2013 and 2012, respectively.

Governmental Activities. During the current year, net position for governmental activities decreased \$620,401 from the prior fiscal year for an ending net position deficit of \$(42,262,709). The statement of activities presents revenues received and expenses paid by RTASC. Presented as Table 2, is the condensed statement of activities for the years ended December 31, 2013 and 2012.

Table 2—Condensed Statements Activities

	<u>Year Ended December 31,</u>	
	<u>2013</u>	<u>2012</u>
General revenues	\$ 2,311,544	\$ 2,348,415
Expenses and transfers	<u>2,931,945</u>	<u>2,892,140</u>
Change in net position	(620,401)	(543,725)
Net position—beginning	<u>(41,642,308)</u>	<u>(41,098,583)</u>
Net position—ending	<u>\$ (42,262,709)</u>	<u>\$ (41,642,308)</u>

General revenues are received from the tobacco settlement and from interest on investments. Expenses are associated with meeting debt service requirements and the administrative and maintenance costs associated with operating RTASC.

A summary of sources of revenues for the years ended December 31, 2013 and December 31, 2012 is presented below in Table 3.

Table 3—Sources of revenues

	<u>Year Ended December 31,</u>		Dollar Change	Percentage Change
	<u>2013</u>	<u>2012</u>		
Tobacco settlement revenues	\$ 2,181,805	\$ 2,219,174	\$ (37,369)	(1.7)%
Interest earnings	<u>129,739</u>	<u>129,241</u>	<u>498</u>	0.4 %
Total revenues	<u>\$ 2,311,544</u>	<u>\$ 2,348,415</u>	<u>\$ (36,871)</u>	(1.6)%

For the year ended December 31, 2013, total general revenues decreased by 1.6%, due to a decrease in tobacco settlement revenues.

The most significant source of revenue, for both years, was tobacco settlement revenue, which was 94.4% and 94.5% of total revenues for the years ended December 31, 2013 and 2012, respectively. The next largest source of revenue each year was interest earnings which comprised 5.6% and 5.5% of total revenues in the years ended December 31, 2013 and 2012, respectively.

A summary of expenses for the years ended December 31, 2013 and 2012 is presented below in Table 4.

Table 4—Operating expenses

	<u>Year Ended December 31,</u>		Dollar Change	Percentage Change
	<u>2013</u>	<u>2012</u>		
General government support	\$ 61,472	\$ 76,092	\$ (14,620)	(19.2)%
Interest and fiscal charges	<u>2,870,473</u>	<u>2,816,048</u>	<u>54,425</u>	1.9 %
Total expenses	<u>\$ 2,931,945</u>	<u>\$ 2,892,140</u>	<u>\$ 39,805</u>	1.4 %

RTASC's most significant expense items are interest and fiscal charges and general government support, which comprised 97.9% and 2.1%, respectively, of total expenses for the year ended December 31, 2013 and 97.4% and 2.6%, respectively for the year ended December 31, 2012.

RTASC total operating expenses for the year ended December 31, 2013, increased by 1.4% from the previous year. The increase was primarily due to an increase in interest and fiscal charges paid on long term debt.

Financial Analysis of Governmental Funds

As noted earlier, RTASC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of RTASC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing RTASC's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, RTASC itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by RTASC's Board.

At December 31, 2013, RTASC's governmental funds reported combined fund balances of \$2,680,289, an increase of \$11,786 in comparison with the prior year. Approximately 2.3% of this amount, \$62,672, constitutes unassigned fund balance, which is available for spending at RTASC's discretion. The remainder of the fund balance, \$2,617,617, is restricted to indicate that it is restricted for a particular purpose.

The General Fund is the chief operating fund of RTASC. At the end of the current fiscal year, total fund balance of the General Fund was unassigned fund balance in the amount of \$62,672. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance

to total general fund expenditures. Both unassigned fund balance and total fund balance represent approximately 102.4% of total general fund expenditures.

The Debt Service Fund, the remaining major governmental fund, had a decrease in fund balance during the current year of \$2,037 to bring the year end fund balance to \$2,617,617. The decrease results from expenditures and transfers out outweighing operating revenues during the current year. Tobacco settlement revenue in the amount of \$2,223,287 was received and total interest earnings of \$129,732 were collected. The total increase in fund balance from these two amounts is \$2,353,019. These revenues were offset by expenditures and transfers out totaling \$2,355,056.

Debt Administration

Long-Term Debt. At the end of the current fiscal year, RTASC had Tobacco Settlement Bonds outstanding of \$26,775,000 and Subordinate Turbo CABs outstanding of \$20,217,850. During the year ended December 31, 2013, RTASC made principal payments of \$745,000 on its Tobacco Settlement Bonds while interest accreted \$1,336,253 on its Subordinate Turbo CABs.

Requests for Information

This financial report is designed to provide a general overview of RTASC's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Rensselaer Tobacco Asset Securitization Corporation, c/o Rensselaer County Bureau of Finance, 1600 Seventh Avenue, Troy, New York, 12180.

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BASIC FINANCIAL STATEMENTS

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RENSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSELAER, NEW YORK)
Statement of Net Position
December 31, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,669,626
Due from New York State	2,177,692
Accrued interest receivable	<u>10,663</u>
Total assets	<u>4,857,981</u>
LIABILITIES	
Current liabilities:	
Accrued interest payable	127,840
Non-current liabilities:	
Due within one year—bonds	2,115,000
Due within more than one year—bonds	24,660,000
Subordinate Turbo CABs	<u>20,217,850</u>
Total liabilities	<u>47,120,690</u>
NET POSITION	
Restricted for debt service	2,617,617
Unrestricted	<u>(44,880,326)</u>
Total net position	<u>\$ (42,262,709)</u>

The notes to the financial statements are an integral part of this statement.

RENSSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSSELAER, NEW YORK)
Statement of Activities
Year Ended December 31, 2013

Functions/Programs	Expenses	Program Revenues	Net (Expenses) and Changes in Net Position
Governmental activities:			
General government support	\$ 61,472	\$ -	\$ (61,472)
Interest and fiscal charges	<u>2,870,473</u>	<u>-</u>	<u>(2,870,473)</u>
Total governmental activities	<u>\$ 2,931,945</u>	<u>\$ -</u>	<u>(2,931,945)</u>
General revenues:			
Interest earnings			129,739
Tobacco settlement revenues			<u>2,181,805</u>
Total general revenues			<u>2,311,544</u>
Change in net position			(620,401)
Net position—beginning			<u>(41,642,308)</u>
Net position—ending			<u>\$ (42,262,709)</u>

The notes to the financial statements are an integral part of this statement.

RENSSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSSELAER, NEW YORK)
Balance Sheet—Governmental Funds
December 31, 2013

	Governmental Fund Types		Total
	General	Debt Service	
ASSETS			
Cash and cash equivalents	\$ 62,672	\$ 2,606,954	\$ 2,669,626
Interest receivable	-	10,663	10,663
Total assets	\$ 62,672	\$ 2,617,617	\$ 2,680,289
LIABILITIES AND FUND BALANCES			
Fund balances:			
Restricted for debt service	-	2,617,617	2,617,617
Unassigned	62,672	-	62,672
Total fund balances	62,672	2,617,617	2,680,289
Total liabilities and fund balances	\$ 62,672	\$ 2,617,617	\$ 2,680,289

The notes to the financial statements are an integral part of this statement.

RENSSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSSELAER, NEW YORK)
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2013

Amounts reported for governmental activities in the statement of net position (page 8) are different from those reported in the balance sheet for governmental funds because:

Total fund balances—governmental funds (page 10)	\$ 2,680,289
Other long-term assets representing amounts due from New York State, 2,177,692, are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	2,177,692
Long-term liabilities, including bonds payable and accumulated interest on capital appreciation bonds, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(47,120,690)</u>
Total net position—governmental activities	<u>\$ (42,262,709)</u>

The notes to the financial statements are an integral part of this statement.

RENSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSSELAER, NEW YORK)
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2013

	Governmental Fund Types		Total
	General	Debt Service	
REVENUES			
Tobacco settlement revenue	\$ -	\$ 2,223,287	\$ 2,223,287
Interest earnings	7	129,732	129,739
Total revenues	<u>7</u>	<u>2,353,019</u>	<u>2,353,026</u>
EXPENDITURES			
Current:			
General government support	61,184	288	61,472
Debt service:			
Principal	-	745,000	745,000
Interest	-	1,534,768	1,534,768
Total expenditures	<u>61,184</u>	<u>2,280,056</u>	<u>2,341,240</u>
Excess (deficiency) of revenues over expenditures	<u>(61,177)</u>	<u>72,963</u>	<u>11,786</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	75,000	-	75,000
Transfers out	-	(75,000)	(75,000)
Total other financing sources (uses)	<u>75,000</u>	<u>(75,000)</u>	<u>-</u>
Net change in fund balances	13,823	(2,037)	11,786
Fund balances—beginning	<u>48,849</u>	<u>2,619,654</u>	<u>2,668,503</u>
Fund balances—ending	<u>\$ 62,672</u>	<u>\$ 2,617,617</u>	<u>\$ 2,680,289</u>

The notes to the financial statements are an integral part of this statement.

RENSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSELAER, NEW YORK)
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended December 31, 2013

Amounts reported for governmental activities in the statement of activities (page 9) are different from those reported in the statement of revenues, expenditures and changes in fund balances of governmental funds because:

Net change in fund balances—total governmental funds (page 12)	\$ 11,786
Revenues providing current financial resources exceed the revenues reported in the statement of activities.	(41,482)
The issuance of long-term debt (e.g., bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	<u>(590,705)</u>
Change in net position of governmental activities	\$ <u>(620,401)</u>

The notes to the financial statements are an integral part of this statement.

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RENSELAER TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF RENSELAER, NEW YORK)
Notes to the Financial Statements
December 31, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Rensselaer Tobacco Asset Securitization Corporation (“RTASC”) have been prepared in conformity with accounting principles generally accepted in the United States of America applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of RTASC’s accounting policies are described below.

Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all the nonfiduciary activities of RTASC. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. RTASC reports no business-type activities.

Reporting Entity

The Rensselaer Tobacco Asset Securitization Corporation (“RTASC”) is a special purpose, bankruptcy remote, local development corporation organized under the Not-for-Profit Corporation Law of the State of New York. RTASC is an instrumentality of, but separate and apart from, the County of Rensselaer, New York (the “County”). Although legally separate from the County, RTASC is a component unit of the County. Based on the nature and significance of RTASC’s relationship with the County and the criteria set forth by GASB, RTASC is included within the County basic financial statements as a blended component unit.

The board of directors of RTASC has five members, one of which must meet certain requirements of independence: (i) one who must be the Chief Fiscal Officer of the County, *ex officio*; (ii) one as nominated by the Majority of the County Legislature of the County; (iii) one as nominated by the Minority of the County Legislature of the County; (iv) one Independent Director as recommended by the County Executive; and, (v) one additional Director as recommended by the County Executive.

The RTASC was incorporated on November 27, 2001 for the purpose of issuing Asset Backed Bonds in order to provide funds to purchase from the County all of the County’s right, title and interest under the Master Settlement Agreement (the “MSA”) and the Consent Decree and Final Judgment (the “Decree”) as described herein. RTASC has issued bonds in two series: 1) the initial Senior Bonds issued in 2001 and 2) Subordinate Capital Appreciation Bonds issued in 2005.

The MSA was entered into on November 23, 1998, among the attorneys general of 46 states (including New York), the District of Columbia, the Commonwealth of Puerto Rico, Guam, the U.S. Virgin Islands, American Samoa and the Territory of the Northern Marianas and for the four largest United States tobacco manufacturers: Philip Morris Incorporated, R.J. Reynolds Tobacco Company, Brown and Williamson Tobacco Company and Lorillard Tobacco Company (collectively the “Original Participating Manufacturers” or “OPMs”) in settlement of certain smoking-related litigation

and the Decree entered in New York Supreme Court, including the County's right to receive certain initial and annual payments to be made by the OPMs under the MSA.

In 2001, the County dedicated the discounted net proceeds of the sale of the bonds as a source of funds for certain capital expenditures and the defeasance of debt. RTASC disbursed the net proceeds of the sale of bonds on behalf of the County as follows: \$27,520,954 to the Escrow Agent to defease certain County general obligation bonds; \$3,004,413 to the County to finance certain capital projects, and \$2,518,565 to the Liquidity Reserve Account held by the Indenture Trustee.

During the year ended December 31, 2005, RTASC participated in the New York Counties Tobacco Trust V ("NYCTT V"), along with twenty-three other New York County Tobacco Corporations, and issued subordinate Capital Appreciation Bonds ("CABs") in various series for the purpose of securitizing additional future tobacco settlement revenues. Net proceeds of the 2005 series, after closing costs, amounted to \$12,225,328. The County set these proceeds aside in their entirety for capital projects. With the issuance of the 2005 CAB, the County is no longer entitled to any residual cash receipts until such time that the 2005 CAB is retired.

Subsequent to the initial sale of the Bonds, the County has the right to receive net proceeds of future bond issuances and the revenues of RTASC that are in excess of RTASC's expenses, debt service and contractual obligations, pursuant to the Indenture. In the current year, there were no payments to the County resulting from these excess revenues.

In accordance with the Bond Indenture and to the extent contained in the MSA Report, as of the next distribution date, three trapping events have occurred. One is still occurring, while the others, the NPM Trapping Event and the Downgrade Trapping Event as defined in the Bond Indenture and the Official Statement, respectively, are no longer occurring.

A Consumption Decline Trapping Event occurs when shipments of cigarettes in or to the 50 United States, the District of Columbia and Puerto Rico as measured under the MSA, are less in any year preceding a deposit date than the amount opposite such year under the "Consumption Decline Trapping Event" definition, which number for the year 2012 is 292,716,107,931. According to the MSA Report, the amount shown as relevant shipments for the year 2012 was less than the shipment amount specified above, and therefore, a Consumption Decline Trapping Event has occurred.

The following *acronyms* that have been used throughout this report:

"Decree"	Consent Decree and Final Judgment
CAB	Capital Appreciation Bond
FDIC	Federal Depository Insurance Corporation
FHLMC	Federal Home Loan Mortgage Corporation
FNMA	Federal National Mortgage Association
GASB	Governmental Accounting Standards Board
MSA	Master Settlement Agreement
NPM	Non-Participating Manufacturers
RTASC	Rensselaer Tobacco Asset Securitization Corporation
NYCTT	New York Counties Tobacco Trust V
OPMs	Original Participating Manufacturers
TSR	Tobacco Settlement Revenues

Basis of Presentation – Government-Wide Financial Elements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds. Separate financial statements are provided for governmental funds.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about RTASC's funds, and separate statements for governmental funds are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column in the fund financial statements.

RTASC reports the following major governmental funds:

- *General Fund*—This fund is RTASC's primary operating fund. It accounts for all financial resources associated with RTASC except for those accounted for in another fund.
- *Debt Service Fund*—This fund is used to account for the accumulation of resources that are restricted for the payment principal and interest on long-term obligations of governmental funds.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling states in exchange for their agreement to release the tobacco companies from present and future litigation. Under the terms of the MSA, the tobacco companies have agreed to make annual payments in perpetuity. The MSA includes a schedule of projected annual base payments, subject to certain adjustments based on future events or circumstances. The most

significant factor affecting the annual payments is a *volume adjustment*, which creates a direct relationship between domestic shipments of cigarettes and the annual payments. Based on the MSA, the tobacco companies have no obligation to make settlement payments until cigarettes are shipped.

The event that results in the recognition of an asset and revenue by a settling government is the domestic shipment of cigarettes (sales). Therefore, the County recognizes a receivable and revenue for tobacco settlement revenues when that event occurs. Because annual tobacco settlement revenue payments are based on cigarette sales from the preceding calendar year, the County estimates accrued tobacco settlement revenues that derive from sales from January 1 to their respective fiscal year ends. Under the modified accrual basis of accounting, revenue should be recognized to the extent that the event occurs and resources become *available*.

The governmental fund statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, RTASC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when the payment is due. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when case is received by the government.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents—Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date acquired by RTASC.

Investments—Investments for RTASC are reported at fair value (generally based on quoted market prices).

Deferred outflows/inflows of resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

RTASC does not have any deferred outflows or inflows of resources at December 31, 2013.

Net position flow assumption—Sometimes RTASC will fund outlays for a particular purpose from both restricted (e.g., restricted bond proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is RTASC’s policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund balance flow assumption—Sometimes RTASC will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. If RTASC must use funds for emergency expenditures it shall expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds as classified by GASB will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available RTASC will use unassigned fund balance.

Fund balance policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. RTASC itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of RTASC’s highest level of decision-making authority (RTASC Board). The governing board is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The governing board (RTASC Board) has by resolution authorized the sole Member to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and Expenditures/Expenses

Program and General Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. Items not properly included among program revenues are reported instead as *general revenues*.

Expenditures/Expenses—Expenditures are recorded on a modified accrual basis of accounting. Payments to the County are recorded when the obligation is incurred. General administration costs consist of operating expenses for professional service fees and are paid from General Fund revenues. *Direct expenses* are those that are clearly identifiable with a specific function. Indirect expenses have been included as part of the program expenses reported for the various functional activities.

Reconciliation of Government-Wide and Fund Financial Statements

Explanation of Certain Differences between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position—The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$47,120,690 difference are as follows:

Tobacco settlement bonds payable	\$ 26,775,000
Subordinate Turbo CABs payable	20,217,850
Accrued interest payable	<u>127,840</u>
 Net adjustment to reduce <i>fund balance - total governmental funds</i> to arrive at <i>net position - governmental activities</i>	 <u>\$ 47,120,690</u>

Explanation of Certain Differences between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities—The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statements of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.” The details of this \$590,705 difference are as follows:

Debt issued or incurred:	
Accreted interest on subordinate Turbo CABs	\$ 1,336,253
Change in accrued interest payable	(548)
Principal repayments:	
Tobacco settlement bonds	<u>(745,000)</u>
 Net adjustment to decrease <i>changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	 <u>\$ 590,705</u>

Stewardship, Compliance and Accountability

Adoption of New Accounting Pronouncements—During the year ended December 31, 2013, RTASC implemented GASB Statements No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, and No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62*. GASB Statement No. 61 clarifies the manner in determining whether or not an organization should be included as a component unit, and GASB Statement No. 66 improves accounting and financial reporting for a governmental entity by resolving conflicting guidance that resulted from the issuance of Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB Statements No. 61 and No. 66 did not have a material impact on RTASC’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—RTASC has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*; No. 69, *Government Combinations and Disposals of Government Operations*; and No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the year ending December 31, 2014; and No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*; and No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—and amendment of GASB Statement No. 68*, effective for the year ending December 31, 2015. RTASC is, therefore, unable to disclose the impact that adopting GASB Statements Nos. 67, 68, 69, 70 and 71 will have on its financial position and results of operations.

2. CASH AND CASH EQUIVALENTS

At December 31, 2013, RTASC’s cash was insured by either the Federal Depository Insurance Corporation (“FDIC”) or collateralized by securities held in the pledging bank’s trust department in RTASC’s name. RTASC’s investment policy provides for eligible investments in defeasance collateral, obligations of FHLMC, FNMA, or the Federal Farm Credit System, demand and time deposit accounts and certificates of deposit, general obligations of states and guaranteed state obligations, commercial or finance company paper, repurchase obligations, corporate securities bearing interest or sold at discount, taxable money market funds, investment agreements or guaranteed investment contracts, and other obligations or securities that are non-callable.

At December 31, 2013, RTASC’s cash and cash equivalents consisted of the following:

Description	Maturity Date	Fair Value at 12/31/2013
Cash on deposit		\$ 62,672
Cash equivalents:		
Money market funds		78,024
Discount note	1/2/2014	<u>2,528,930</u>
Total cash and cash equivalents		<u>\$ 2,669,626</u>

Deposits – All deposits including cash in bank and certain investments (i.e. certificates of deposit) are carried at fair value.

	Carrying Amount	Bank Balance
Insured (FDIC)	\$ 62,672	\$ 62,672
Total deposits	<u>\$ 62,672</u>	<u>\$ 62,672</u>

Cash Equivalents – Include money market accounts and a discount note with a maturity date within three months of year end and are, therefore, considered to be cash equivalents. These investments are carried at fair value.

	Carrying Amount	Bank Balance
Money market funds	\$ 78,024	\$ 78,024
Discount note	<u>2,528,930</u>	<u>2,528,930</u>
Total cash equivalents	<u>\$ 2,606,954</u>	<u>\$ 2,606,954</u>

Custodial Credit Risk – Deposits—In the case of deposits, this is the risk that in the event of a bank failure, RTASC’s deposits may not be returned to it. As noted above, by State statute all deposits in excess of FDIC insurance coverage must be collateralized. As of December 31, 2013, the RTASC’s deposits were FDIC insured or collateralized.

3. RECEIVABLES

Due from New York State—Represents amounts owed to RTASC for tobacco settlement revenue earned in 2012. RTASC has accrued \$2,177,692 within the government-wide statements only, as it is not recognized on the modified accrual basis of accounting.

4. LONG-TERM DEBT

In 2001, the RTASC issued \$34,555,000 of Tobacco Settlement Asset Backed Bonds, Series 2001A pursuant to an indenture dated as of December 1, 2001. The net proceeds of the Series 2001A Bonds were used to purchase from the County all of the County’s right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues (“TSR”).

The payment of the Series 2001A 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.

Each Series 2001A Bond has a Rated Maturity Date and a Planned Principal Payment Date. Planned Principal Payment Dates are based upon a maturity of debt that began June 1, 2002 extending through 2027 at variable rates. Interest is payable June 1 and December 1 of each year. Planned Principal Payments and Rate Maturities are scheduled only on June 1 of each year although principal could be

paid semiannually if actual principal payments are slower than Planned Principal Payments. Failure to pay interest on the Series 2001A Bonds when due or principal of the Series 2001A Bonds when due on a Rated Maturity Date will constitute a default.

On November 15, 2005, RTASC participated in New York Counties Tobacco Trust V (“NYCTT”), along with 23 other New York County Tobacco Corporations, and issued Tobacco Settlement Pass-Through Bonds—Subordinate Turbo CABs in various series for the purpose of securitizing additional future tobacco settlement revenues. The net proceeds of the 2005 series, after closing costs, amounted to \$12,225,328, and were used to purchase tobacco settlement rights from the County. The issuance has four components and payments on the Subordinate Turbo CABs are subordinate to the Series 2001 Bonds.

Changes in Tobacco Settlement Bonds, Series 2001, for the year ended December 31, 2013 is as follows:

Description	Year of Maturity	Yeild	Beginning Balance 1/1/2013	Additions	Deletions	Ending Balance 12/31/2013
Tobacco Settlement Bonds:						
Series 2001A	2027	various	\$ 27,520,000	\$ -	\$745,000	\$ 26,775,000

RTASC debt service requirements based upon planned principal payments for Tobacco Settlement Bonds, Series 2001A are as follows:

Year ended December 31,	Principal	Interest	Total
2014	\$ 2,115,000	\$ 1,459,026	\$ 3,574,026
2015	1,170,000	1,370,219	2,540,219
2016	1,265,000	1,302,188	2,567,188
2017	1,325,000	1,229,584	2,554,584
2018	1,685,000	1,144,928	2,829,928
2019 - 2023	9,995,000	4,141,868	14,136,868
2024 - 2027	9,220,000	1,014,874	10,234,874
	<u>\$ 26,775,000</u>	<u>\$ 11,662,687</u>	<u>\$ 38,437,687</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 accrued interest on the Subordinate Turbo CABS is reflected as long-term accreted interest payable.

	Interest Rate	Original Principal	Beginning Balance 1/1/2013	Annual Net Interest Accretion	Turbo Redemption Payments	Ending Balance 12/31/2013
Subordinate	6.00% -					
Turbo CABs	7.85%	<u>\$ 11,653,100</u>	<u>\$ 18,881,597</u>	<u>\$ 1,336,253</u>	<u>\$ -</u>	<u>\$ 20,217,850</u>

Redemption of the Subordinate Turbo CABs as outlined in the original official statement totals \$67,955,251 with interest ranging from 6.00% to 7.85% and are scheduled to be paid from 2017 through 2040, while early payment is allowed. During the year ended December 31, 2013 funds were not available to make redemption payments. Any debt service amounts not paid in accordance with the Subordinated Turbo CAB's 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 4B	June 1, 2060

5. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as restricted and unrestricted components.

- ◆ ***Restricted for Debt Service***—This category restricts a portion of net position for payment of the debt service obligations of RTASC. At December 31, 2013, the balance of this restriction was \$2,617,617.
- ◆ ***Unrestricted Component of Net Position***—This component represents net position of RTASC not restricted for any other purpose.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. At December 31, 2013, RTASC reported \$2,617,617 of fund balance restricted for debt service that must be used toward the future repayment of bonded debt.

As of December 31, 2013, RTASC reported no nonspendable, committed, or assigned fund balances.

6. CONTINGENCIES

The ability of the Corporation to meet debt service payments of bonds is contingent upon the receipt of TSRs. TSRs are principally dependent upon future levels of domestic consumption. A significant decline in the overall consumption of cigarettes could have a material adverse effect on the payments by the OPM's under the MSA and the amounts available to RTASC to make payments of principal and interest on their bonds.

Certain smokers, smokers' rights organizations, consumer groups, cigarette importers, cigarette distributors, cigarette manufacturers, Native American tribes, taxpayer, taxpayers' groups and other parties have filed actions against some, and in certain cases all, of the signatories to the MSA. In the event of an adverse court ruling in such types of litigation, Bondholders could incur a complete loss of their investment.

Additionally, the OPM's are also exposed to liability from various lawsuits including individual lawsuits, class action lawsuits and health care cost recovery litigation. Ultimately, the outcome of these and any other pending or future lawsuits is uncertain. One or more adverse judgment could result in delays in, or reductions of amounts available for, payments on the bonds.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2014, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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**INDEPENDENT AUDITORS' 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**

To the Board of Directors
Rensselaer Tobacco Asset Securitization Corporation

We have audited, in accordance with the 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 the governmental activities and each major fund of Rensselaer Tobacco Asset Securitization Corporation ("RTASC") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise RTASC's basic financial statements, and have issued our report thereon dated March 27, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RTASC'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RTASC's internal control. Accordingly, we do not express an opinion on the effectiveness of the RTASC'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 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RTASC'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*.

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.

Drescher & Malecki LLP

March 27, 2014