

Indicated below are the Performance Goals for the Onondaga Tobacco Asset Securitization Corporation (OTASC) and the 2014 actual performance:

Monitor and review at least annually the payments made under the Master Settlement Agreement, the receipt of those payments by the Trustee, and the application of those payments for the uses intended by the Corporation.

- **OTASC's 2014 tobacco revenues were \$7,712,439 higher than 2013 level of \$6,817,145 because of a disputed amount being settled. Unfortunately, OTASC has no direct ability to affect the revenues remitted to the TASC. The revenues were sufficient to meet the scheduled principal (\$1,005,000) and interest payments and to pay an additional \$2,090,000 towards the super-sinker principal.**

Review the monthly bank statements to ensure that escrowed debt payments are being made in accordance with the schedule and that payments for services are in line with the annual budgeted amounts.

- **Escrowed debt payments are made several times during the year from the 2001 and 2005 Escrowed accounts. The statements are reviewed monthly and confirmed for both principal and interest payments. The amounts are actually confirmed in advance with the contacts at M&T Bank, serving as escrow agent and Trustee.**

Quarterly reports from management to the Board to keep them updated on recent financial activity.

- **The quarterly reports were prepared and emailed/mailed to the OTASC directors, its Bond Counsel, auditors and internal comptroller's office.**

Annual meeting of the Corporation Board to review and affirm the Corporation's activities, policies and financial statements.

- **The 2014 Annual meeting was held in Syracuse in the County Executives Conference Room on May 20, 2014.**

Review opportunities to increase the value received from the Master Settlement Agreement payments, and thereby increase the benefit to Onondaga County, by refunding existing Corporation debt payable from the payments under the Master Settlement Agreement or by other means.

- **Opportunities for possible refunding are examined regularly by underwriters experienced in municipal financing. With rates at such historically low levels, a structure for refinancing began to be evaluated in 2014. Conditions have warranted further exploration of refunding and an underwriter has been retained by the Board of Directors in 2015 to further explore a refinancing of its outstanding bonds.**

Annually monitor the performance of accounting, legal, banking and other service providers to the Corporation for quality of services and cost effectiveness.

- **Response to our timely audit requirements have been adhered to by the OTASC external auditors to enable the on-time submission of the Annual Financial Statements to the NYS Authorities Budget Office. Since the 2011 audit, OTASC's President and Treasurer prepare the statements, which are then audited by Testone Marshall & Discenza (TMD), which is now a part of Bonadio and Co. In 2013, a competitive RFP for audit services was issued and TMD which is now part of Bonadio Group, was appointed auditors for the years 2013-2017.**
- **The legal firm of Harris Beach has expertise in LDC's and conducts the annual Board of Director's meeting.**

- **M&T Bank, as escrow agent and Trustee, is always available and knowledgeable of the recent and upcoming transactions and payments.**