DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION

(A Component Unit of the County of Dutchess, New York)
Basic Financial Statements and Required
Supplementary Information for the
Year Ended December 31, 2017
and Independent Auditors' Reports

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A COMPONENT UNIT OF THE COUNTY OF DUTCHESS, NEW YORK)
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Dutchess Tobacco Asset Securitization Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of Dutchess Tobacco Asset Securitization Corporation ("DTASC"), a component unit of the County of Dutchess, New York, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise DTASC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

DTASC'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 DTASC, as of December 31, 2017, and the respective changes in its 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 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, 2018 on our consideration of DTASC'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 DTASC's internal control over financial reporting and compliance.

March 27, 2018

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Management's Discussion and Analysis
Year Ended December 31, 2017

As management of the Dutchess Tobacco Asset Securitization Corporation ("DTASC"), a blended component unit of the County of Dutchess (the "County"), we offer readers of DTASC's financial statements this narrative overview and analysis of the financial activities of DTASC for the fiscal year ended December 31, 2017. This document should be read in conjunction with additional information that we have furnished in DTASC's financial statements, which follow this narrative.

Financial Highlights

- Total government-wide liabilities and deferred inflows of resources of DTASC exceeded government-wide assets by $65,245,810 at December 31, 2017. This compares DTASC's total government-wide liabilities and deferred inflows of resources exceeding government-wide assets by $65,531,073 at December 31, 2016.

- DTASC's net position increased by $285,263 for the year ended December 31, 2017.

- At the close of the current year, DTASC's governmental funds reported combined fund balances of $3,380,662, a decrease of $146,880 in comparison with the prior year. Approximately 1.6 percent of this amount, $52,857, is available for spending at DTASC's discretion (unassigned fund balance). The remainder is reserved for debt service.

- DTASC's total Tobacco Settlement Bonds decreased by $175,000 as a result of principal payments made during the year, while Subordinate Turbo Capital Appreciation Bonds ("CABs") increased by $382,939 as a result of annual net interest accretion.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to DTASC's basic financial statements. DTASC's basic financial statements comprise of 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 DTASC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of DTASC'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 DTASC is improving or deteriorating.

The *statement of activities* presents information showing how DTASC'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. DTASC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Both of DTASC'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 assessing 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*.

DTASC 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 14-23 of this report.

Government-Wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of DTASC, liabilities and deferred inflows of resources exceeded assets by $65,245,810 at December 31, 2017, as compared to $65,531,073 at December 31, 2016. Table 1, shown below, presents the condensed statements of net position for DTASC at December 31, 2017 and December 31, 2016.

Table 1—Condensed Statements of Net Position

	December 31,	
	2017	2016
Current assets	$ 6,674,805	$ 6,874,277
Total assets	6,674,805	6,874,277
Current liabilities	224,347	526,948
Noncurrent liabilities	58,873,865	58,678,869
Total liabilities	59,098,212	59,205,817
Deferred inflows of resources	12,822,403	13,199,533
Net position	$ (65,245,810)	$ (65,531,073)

A portion of DTASC's net position, $6,621,948, represents resources that are subject to external restrictions on how they may be used. Therefore, the unrestricted deficit totals $71,867,758 at December 31, 2017 which compares to $72,365,149 at December 31, 2016. The unrestricted net position deficit must be financed from future operations. The deficit results from long-term obligations that are greater than currently available resources.

At December 31, 2017, total DTASC assets were $6,674,805 compared to $6,874,277 at December 31, 2016. The largest asset held by DTASC at December 31, 2017 and December 31, 2016 represents restricted cash and cash equivalents. DTASC reported no noncurrent assets at December 31, 2017 or December 31, 2016.

Total liabilities at December 31, 2017 were $59,098,212, compared to $59,205,817 at December 31, 2016. The largest portion of the liabilities is outstanding debt totaling $58,873,865 and $58,678,869 at December 31, 2017 and 2016, respectively.

DTASC's deferred inflows of resources, which resulted from a deferred gain on refunding bonds, totaled $12,822,403 and $13,199,533 at December 31, 2017 and 2016, respectively.

During the current year, net position for governmental activities increased $285,263 from the prior fiscal year for an ending net position of $(65,245,810). The statement of activities presents revenues received and expenses paid by DTASC. Table 2, shown below, presents the condensed statement of activities for the years ended December 31, 2017 and 2016.

Table 2—Condensed Statements Activities

	Year Ended December 31,	
	2017	2016
General revenues	$ 2,986,875	$ 3,649,857
Expenses—governmental activities	(2,701,612)	(5,529,651)
Transfer to County	-	(1,000,000)
Special item—liquidity reserve termination payment	-	2,242,000
Special item—premium exchange fee	-	2,628,454
Change in net position	285,263	1,990,660
Net position—beginning	(65,531,073)	(67,521,733)
Net position—ending	$ (65,245,810)	$ (65,531,073)

Total general revenues for the years ended December 31, 2017 and 2016 were $2,986,875 and $3,649,857, respectively. Revenues for the years ended December 31, 2017 and 2016 consisted of $2,950,058 (98.7 percent) and $3,486,863 (95.5 percent), respectively, of tobacco settlement revenues, $35,050 (1.2 percent) and $159,489 (4.4 percent), respectively, of interest and net earnings from investments and $1,767 (0.1 percent) and $3,505 (0.1 percent) of miscellaneous revenue. In addition, during the year ended December 31, 2016, DTASC reported two special items related to the refunding of certain Tobacco Settlement Bonds and Subordinate Turbo CABs. These include a liquidity reserve termination payment of $2,242,000 and a premium exchange fee of $2,628,454.

A summary of sources of general revenues for the years ended December 31, 2017 and December 31, 2016 is shown on the following page.

Table 3—Sources of general revenues

	Year Ended December 31,		Increase/(Decrease)	
	2017	2016	Dollars	Percent (%)
Tobacco settlement revenues	$ 2,950,058	$ 3,486,863	$ (536,805)	(0.2)
Interest and net earnings from investments	35,050	159,489	(124,439)	(78.0)
Miscellaneous	1,767	3,505	(1,738)	(49.6)
Total general revenues	$ 2,986,875	$ 3,649,857	$ (662,982)	(18.2)

Total expenses for the years ended December 31, 2017 and 2016 were $2,701,612 and $5,529,651, respectively. The decrease in expenses of $2,828,039 is primarily due to expenses related to the refunding of certain debt occurring during the year ended December 31, 2016. Expenses for the years ended December 31, 2017 and 2016 primarily consisted of $2,642,915 (97.8 percent) and $5,461,352 (98.8 percent), respectively, of interest and fiscal charges, and $58,697 and $68,299 respectively, of general government support expenses incurred in connection with the operations of the DTASC.

A summary of operating expenses for the years ended December 31, 2017 and December 31, 2016 is presented below in Table 4.

Table 4—Operating expenses

	Year Ended December 31,		Increase/(Decrease)	
	2017	2016	Dollars	Percent (%)
General government support	$ 58,697	$ 68,299	$ (9,602)	(14.1)%
Interest and fiscal charges	2,642,915	5,461,352	(2,818,437)	(51.6)%
Total operating expenses	$ 2,701,612	$ 5,529,651	$ (2,828,039)	(51.1)%

Financial Analysis of Governmental Funds

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

Governmental Funds—The focus of DTASC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing DTASC'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, DTASC itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by DTASC's Board.

At December 31, 2017, DTASC's governmental funds reported combined fund balances of $3,380,662, a decrease of $146,880 in comparison with the prior year. Approximately 1.6 percent of this amount, $52,857, constitutes unassigned fund balance, which is available for spending at DTASC's discretion. The remainder of the fund balance, $3,327,805, is restricted for debt service.

The General Fund is the chief operating fund of DTASC. During the year ended December 31, 2017, the General Fund fund balance increased $12,656, due to normal operations of the fund and a transfer in of $44,000 from the Debt Service Fund. At the end of the current fiscal year, total fund balance of the General Fund included unassigned fund balance in the amount of $52,857.

The Debt Service Fund, the remaining major governmental fund, had a decrease in fund balance during the current year of $159,536 to bring the year end fund balance to $3,327,805. Principal and interest in the amount of $3,127,650 and general government expenditures of $25,510 were paid. Additionally, the Debt Service Fund transferred $44,000 to the General Fund. These expenditures were partially offset by revenues totaling $3,037,624.

Debt Administration

Long-Term Debt—As of December 31, 2017, DTASC had $49,345,000 of tobacco settlement asset backed bonds outstanding, which are combined with unamortized premium on the sale of bonds of $3,649,691 in the statement of net position. Additionally, as of December 31, 2017, DTASC had accreted Subordinate Turbo CABs outstanding of $5,879,174, which are reported in the statement of net position.

Principal payments of $175,000 and $5,355,000 were made during the years ended December 31, 2017 and 2016, respectively. Additional information on DTASC's long-term debt can be found in Note 4 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of DTASC's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Dutchess Tobacco Asset Securitization Corporation, c/o Dutchess County, 22 Market Street, Poughkeepsie, New York 12601.

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BASIC FINANCIAL STATEMENTS

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DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Statement of Net Position
December 31, 2017

	Primary Government
	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	$ 52,857
Restricted cash and cash equivalents	3,327,805
Due from New York State	3,294,143
Total assets	6,674,805
LIABILITIES	
Current liabilities:	
Accrued interest payable	224,347
Non-current liabilities:	
Due within one year—Net Tobacco Settlement Bonds payable	1,557,246
Due within more than one year—Net Tobacco Settlement Bonds payable	51,437,445
Subordinate Turbo CABs payable	5,879,174
Total liabilities	59,098,212
DEFERRED INFLOWS OF RESOURCES	
Deferred gain on refunding	12,822,403
Total deferred inflows of resources	12,822,403
NET POSITION	
Restricted for debt service	6,621,948
Unrestricted	(71,867,758)
Total net position	$ (65,245,810)

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

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Statement of Activities
Year Ended December 31, 2017

Functions/Programs	Expenses	Net (Expenses) and Changes in Net Position — Primary Government — Governmental Activities
Primary government:		
Governmental activities:		
General government support	$ 58,697	$ 58,697
Interest and fiscal charges	2,642,915	2,642,915
Total primary government	$ 2,701,612	2,701,612
General revenues:		
Tobacco settlement revenues		2,950,058
Interest earnings		35,050
Miscellaneous		1,767
Total general revenues		2,986,875
Change in net position		285,263
Net position—beginning		(65,531,073)
Net position—ending		$ (65,245,810)

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

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Balance Sheet—Governmental Funds
December 31, 2017

	General	Debt Service	Total
ASSETS			
Cash and cash equivalents	$ 52,857	$ -	$ 52,857
Restricted cash and cash equivalents	-	3,327,805	3,327,805
Total assets	$ 52,857	$ 3,327,805	$ 3,380,662
FUND BALANCES			
Restricted for debt service	$ -	$ 3,327,805	$ 3,327,805
Unassigned	52,857	-	52,857
Total fund balances	$ 52,857	$ 3,327,805	$ 3,380,662

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

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2017

Amounts reported for governmental activities in the statement of net position (page 8) are different because:

Total fund balances—governmental funds (page 10)		$ 3,380,662
A long-term asset, due from New York State, $3,294,143, is not available to pay for current period expenditures and, therefore, is not reported as revenue in the funds.		3,294,143
Certain current liabilities, long-term liabilities, and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Accrued interest payable	$ (224,347)	
Due within one year—Net Tobacco Settlement Bonds payable	(1,557,246)	
Due within more than one year—Net Tobacco Settlement Bonds payable	(51,437,445)	
Subordinate Turbo CABs payable	(5,879,174)	
Deferred gain on refunding	(12,822,403)	(71,920,615)
Net position of governmental activities		$ (65,245,810)

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

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended December 31, 2017

	General	Debt Service	Total
REVENUES			
Tobacco settlement revenue	$ -	$ 3,002,650	$ 3,002,650
Interest earnings	76	34,974	35,050
Miscellaneous	1,767	-	1,767
Total revenues	1,843	3,037,624	3,039,467
EXPENDITURES			
Current:			
General government support	33,187	25,510	58,697
Debt service:			
Principal	-	175,000	175,000
Interest	-	2,952,650	2,952,650
Total expenditures	33,187	3,153,160	3,186,347
Excess (deficiency) of revenues over expenditures	(31,344)	(115,536)	(146,880)
OTHER FINANCING SOURCES (USES)			
Transfers in	44,000	-	44,000
Transfers out	-	(44,000)	(44,000)
Total other financing sources (uses)	44,000	(44,000)	-
Net change in fund balances	12,656	(159,536)	(146,880)
Fund balances—beginning	40,201	3,487,341	3,527,542
Fund balances—ending	$ 52,857	$ 3,327,805	$ 3,380,662

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

DUTCHESS TOBACCO ASSET SECURITIZATION CORPORATION
(A Component Unit of the County of Dutchess, New York)
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance—Governmental Funds to the Government-wide Statement of Activities
Year Ended December 31, 2017

Amounts reported for governmental activities in the statement of activities (page 9) are different because:

Net change in fund balances—total governmental funds (page 12)		$ (146,880)
Certain revenues are not recognized in governmental funds because they are not available soon enough after year end to pay for the current period's expenditures. On the statement of activities, however, revenues are recognized regardless of when collected.		(52,592)
The issuance of long-term debt and activity recognized related to certain deferred inflows of resources provide 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. Governmental funds report interest expense when paid, whereas interest is accrued in the statement of activities. 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. The net effect of these differences in the treatment of long-term debt and the related items is as follows:		
Change in accrued interest payable	$ 302,601	
Principal repayments on Tobacco Settlement Bonds	175,000	
Amortization of premium on Tobacco Settlement Bonds	12,943	
Accreted interest on Subordinate Turbo CABs	(382,939)	
Change in deferred gain on refunding	377,130	484,735
Change in net position of governmental activities		$ 285,263

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Dutchess Tobacco Asset Securitization Corporation ("DTASC") 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 (the "GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of DTASC'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 changes in net position) report information on all the nonfiduciary activities of DTASC. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally 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. DTASC reports no business-type activities.

Reporting Entity

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

DTASC was incorporated on December 1, 2003 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. DTASC has issued bonds in three series: 1) the New York Counties Tobacco Trust III issued in 2003, 2) Subordinate Capital Appreciation Bonds issued in 2005 and 3) the New York Counties Tobacco Trust VI issued in 2016.

The Board of Directors of DTASC has three members, one appointed by the County Executive, one appointed by the Chairman of the Dutchess County Legislature, and one jointly appointed by the County Executive and Chairman of the County Legislature.

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.

During the year ended December 31, 2005, DTASC 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 $26,236,279. The County set these proceeds, after the deduction of $736,279 in bond issuance costs and underwriter costs, aside 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 DTASC that are in excess of DTASC's expenses, debt service and contractual obligations, pursuant to the Bond 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 Master Settlement Agreement ("MSA") Report, a trapping event has occurred. 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 2016 was 261,174,858,073. According to the MSA Report, the amount shown as relevant shipments for the year 2016 was less than the shipment amount specified above, and therefore a Consumption Decline Trapping Event has occurred.

The following ***acronyms*** are 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
DTASC	Dutchess 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 DTASC's funds. 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.

DTASC reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of DTASC and includes all operations not required to be recorded in another fund.

- *Debt Service Fund*—The Debt Service 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 so that only the net amount is included as internal balances in the governmental activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In 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 so that only the net amount is included as transfers in the governmental activities column.

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, DTASC 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, DTASC 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 financial 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, DTASC 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 revenue 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 of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by DTASC.

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

Cash, Cash Equivalents and Investments—DTASC's cash and cash equivalents consist of cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of six months or less from the date of acquisition. At December 31, 2017, DTASC does not report any investments; however, when DTASC does have investments they are recorded at fair value in accordance with GASB. Restricted cash and cash equivalents represent amounts to support fund balance restricted for debt service.

Due from New York State—Represents an estimate of DTASC's portion of the Master Settlement Agreement and is recorded as revenue in the government-wide statements.

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. At December 31, 2017, DTASC does not have any deferred outflows of resources.

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. At December 31, 2017, DTASC reports a deferred inflow of resources of $12,822,403 related to a deferred gain on refunding, which will be amortized over the life of the Tobacco Settlement Asset Backed Refunding Bonds, Series

2016. A deferred gain or loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price.

Net position flow assumption—Sometimes DTASC 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 DTASC's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumption—Sometimes DTASC 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 DTASC 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 DTASC 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. DTASC 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 DTASC's highest level of decision-making authority (DTASC 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 (DTASC 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 Expenses/Expenditures

Program 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. There are no program revenues in the current year. Items not properly included among program revenues are reported instead as *general revenues*.

Tobacco Settlement Revenues—During the year ended December 31, 2017, DTASC recognized tobacco settlement revenues in accordance with a settlement agreement. Payments are made according to a set formula based on tobacco sales.

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.

Other

Estimates—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2017, DTASC implemented GASB Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68;* No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans;* No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*; No. 81, *Irrevocable Split-Interest Agreements*; and No. 82, *Pension Issues; an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for the year ending December 31, 2017. GASB statement No. 73 improves the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. GASB statement No. 74 improves the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. GASB statement No. 80 improves financial reporting by clarifying the financial statement presentation requirements for certain component units. GASB statement No. 81 improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. GASB statement No. 82 addresses certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. GASB Statement Nos. 73, 74, 80, 81, and 82 did not have a material impact on DTASC's financial position or results from operations.

Future Impacts of Accounting Pronouncements—DTASC has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other Than Pensions;* No. 85, *Omnibus 2017;* and No. 86, *Certain Debt Extinguishment Issues*, effective for the year ending December 31, 2018, and No. 83, *Certain Asset Retirement Obligations*; and No. 84, *Fiduciary Activities,* effective for the year ending December 31, 2019, and No. 87, *Leases*, effective for the year ending December 31, 2020. DTASC is, therefore, unable to disclose the impact that adopting GASB Statements No. 75, 83, 84, 85, 86, and 87 will have on its financial position and results of operations.

Deficit Net Position—At December 31, 2017, DTASC reported a net position of $(65,245,810). The deficit is caused by long-term obligations that are greater than currently available resources.

Tax Status—The Corporation is exempt from federal income tax under section 501(a) of the Internal Revenue Code (IRC) as an organization described in section 501 (c)(3).

2. CASH AND CASH EQUIVALENTS

DTASC's investment policies are governed by New York State statutes. All deposits are carried at fair value. Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit not covered by Federal deposit insurance. DTASC has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Cash and cash equivalents at December 31, 2017, are as follows:

	General Fund	Debt Service Fund	Total
Deposits	$ 52,857	$ -	$ 52,857
Money market funds	-	17,592	17,592
Discount notes	-	3,310,213	3,310,213
Total	$ 52,857	$ 3,327,805	$ 3,380,662

Deposits—All deposits of cash in the bank are carried at fair value, and are classified by custodial credit risk at December 31, 2017 as follows:

	Bank Balance	Carrying Amount
FDIC insured	$ 61,804	$ 52,857

Cash equivalents—Cash equivalents held by DTASC include money market accounts and discount notes with a maturity date of May 31, 2018. These cash equivalents are carried at amortized cost.

Restricted cash and cash equivalents—DTASC reports restricted cash and cash equivalents in the Debt Service Fund of $3,327,805 to support restricted fund balance.

Custodial Credit Risk—Deposits—In the case of deposits, this is the risk that in the event of a bank failure, DTASC's deposits may not be returned to it. As noted above, by New York State statute all deposits in excess of FDIC insurance coverage must be collateralized. At December 31, 2017, DTASC's deposits were FDIC insured.

Custodial Credit Risk—Cash Equivalents—For cash equivalents, this is the risk that, in the event of the failure of the counterparty, DTASC will not be able to recover the value of its cash equivalents or collateral securities that are in the possession of an outside party. For cash equivalents, this is the risk that in the event of a bank failure, DTASC's cash equivalents may not be returned to it.

Interest Rate Risk As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is DTASC's practice to generally limit investments to 180 days or less.

3. RECEIVABLES

Due from New York State—Represents amounts owed to DTASC for tobacco settlement revenue earned in 2017. DTASC has accrued $3,294,143 within the governmental activities only, as it is not recognized on the modified accrual basis of accounting.

4. LONG-TERM DEBT

In 2003, DTASC issued $47,815,000 of the New York Counties Tobacco Trust III Tobacco Settlement Pass-Through Bonds, Series 2003 ("Series 2003 Term Bonds") pursuant to an indenture dated as of December 18, 2003. The issue value of the bonds was $45,912,363, net of a bond discount of $1,902,637. Net proceeds were paid to the County for deposit to an escrow fund as a purchase from the County of all of the County's right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues ("TSR"). On September 22, 2016, DTASC issued $49,520,000 of Tobacco Settlement Asset Backed Refunding Bonds, Series 2016. The Series 2016 bonds and additional consideration received as a result of the refunding transaction were used to redeem or exchange all of DTASC's Series 2003 Term Bonds outstanding in the aggregate principal amount of $22,250,000. As a result the Series 2003 Term Bonds have been removed from the financial statements. Additionally, the Series 2016 Bonds' proceeds were used to acquire by negotiated purchase the initial principal amount of outstanding NYCTT Subordinate Bonds component S4B attributable to DTASC, to cancel the related NYCTT Subordinate Bonds component S2, and redeem NYCTT Subordinate Bonds component S1 bonds.

On November 15, 2005, DTASC 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 proceeds of these bonds, $25,500,000 (after the deduction of $736,279 in bond issuance and underwriter costs), were used to purchase tobacco settlement rights from the County. The issuance had four components and payments on the Subordinate Turbo CABs were subordinate to the Series 2003 Term Bonds. As a result of the Tobacco Asset Back Refunding Bonds, Series 2016 transaction as described above, only the Series 2005 S3 Subordinate Turbo CABs remain.

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 year ended December 31, 2017 are as follows:

Description	Year of Maturity	Yield	Beginning Balance 1/1/2017	Additions	Deletions	Ending Balance 12/31/2017	Amount Due Within One Year
Series 2016 Tobacco Settlement Bonds	2035	various	$ 49,520,000	$	$ 175,000	$ 49,345,000	$ 1,450,000
Plus:							
Bond premium			3,662,634		12,943	3,649,691	107,246
Net Tobacco Settlement Bonds			$ 53,182,634	$	$ 187,943	$ 52,994,691	$ 1,557,246

DTASC debt service requirements based upon planned principal payments for Tobacco Settlement Bonds, Series 2016 are as follows:

Year ending December 31,	Principal	Interest	Total
2018	$ 1,450,000	$ 2,598,000	$ 4,048,000
2019	1,185,000	2,518,950	3,703,950
2020	1,775,000	2,430,150	4,205,150
2021	1,885,000	2,320,350	4,205,350
2022	1,990,000	2,204,100	4,194,100
2023-2027	12,025,000	9,024,075	21,049,075
2028-2032	16,070,000	5,338,750	21,408,750
2033-2035	12,965,000	1,043,375	14,008,375
Total	$ 49,345,000	$ 27,477,750	$ 76,822,750

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, 2017 follows:

	Interest Rate	Original Principal	Beginning Balance 1/1/2017	Annual Net Interest Accretion	Reductions	Ending Balance 12/31/2017
Subordinate Turbo CABs	6.00% - 7.85%	$ 26,236,279	$ 5,496,235	$ 382,939	$ -	$ 5,879,174

Redemption of the Subordinate Turbo CABs as outlined in the New York Counties Tobacco Trust VI Tobacco Settlement Pass-Through Bonds, Series 2016 official statement totals $22,446,736 and is scheduled to be paid from 2035 to 2040, while early payment is allowed. During the year ended December 31, 2017, DTASC did not make any redemption payments. Outstanding Subordinate Turbo CABs consist of one installment, Series 2005 S3. Any debt service amounts not paid in accordance with the Turbo Redemption Payments schedule will be due and payable on June 1, 2055.

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 DTASC. At December 31, 2017, the balance of this restriction was $6,621,948.
- ***Unrestricted Component of Net Position***—This component represents net position of DTASC 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, 2017, DTASC reported $3,327,805 of fund balance restricted for debt service that must be used toward the future repayment of bonded debt.

As of December 31, 2017, DTASC reported no nonspendable, committed, or assigned fund balances.

6. CONTINGENCIES

The ability of DTASC 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 OPMs under the MSA and the amounts available to DTASC 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, taxpayers, 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 OPMs 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. RELATED PARTY TRANSACTIONS

The County provides DTASC with administrative services. The cost of these services has been included as expenses on DTASC's statements of activities. DTASC paid the County $8,947 and $15,945 for administrative expenses for the years ended December 31, 2017 and December 31, 2016, respectively.

8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 27, 2018, 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.

* * * * *

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
Dutchess 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 Dutchess Tobacco Asset Securitization Corporation ("DTASC") as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise DTASC's basic financial statements, and have issued our report thereon dated March 27, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered DTASC'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 DTASC's internal control. Accordingly, we do not express an opinion on the effectiveness of the DTASC'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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 DTASC'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.

March 27, 2018