2025 ANNUAL MEETINGS OF THE SOLE MEMBER AND BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION

March 19, 2025

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ERIE TOBACCO ASSET SECURITIZATION CORPORATION

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Agenda
of the
March 19, 2025
Annual Meeting
of the
Sole Member

AGENDA OF THE ANNUAL MEETING OF THE SOLE MEMBER OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

1. <u>Call Meeting to Order</u>.

County Executive Poloncarz, as Sole Member, to call the Annual Meeting of the Sole
Member to order and waive notice of the Annual Meeting of the Sole Member by his
attendance at such Annual Meeting.

2. Adopt Minutes.

• County Executive Poloncarz, as Sole Member, to adopt for filing the Minutes of the Sole Member's March 20, 2024 Annual Meeting, enclosed in <u>Item 3</u> of the Board package.

3. Acknowledgement of 2024 Audited Financial Statements.

• County Executive Poloncarz, as Sole Member, to acknowledge receipt of a report of the Corporation's independent certified public accountants for the Corporation's fiscal year ended December 31, 2024, enclosed in <u>Item 6</u> of the Board package, and to accept same for filing in the records of the Corporation and entry into the minutes of the Minutes of the Annual Meeting of the Sole Member pursuant to Article II, Section 13 of the Corporation's By-Laws, conditioned upon the approval of same by the Board of Directors.

4. Action Item 1 – Resolution to Elect One Designated Director (Attached Hereto).

• County Executive Poloncarz, as Sole Member, to adopt attached Resolution Number 1 electing Bryan R. Bingel to serve as the Designated Director of the Corporation.¹

5. Acknowledgement of Designation of Two Independent Directors (Attached Hereto).

• Sole Member to acknowledge the designation of David Zaleski and Patricia Johnson, as so designated by County Executive Poloncarz, County Comptroller Hardwick, and Designated Director Bryan R. Bingel as Independent Directors of the Corporation in accordance with Article II, Section 2(b)(II) of the Corporation's By-Laws.

¹ **Note:** Pursuant to Article II, Section 2(b)(II) of the Corporation's By-Laws, the Designated Director shall be designated jointly by the Chairperson of the Erie County Legislature and the Minority Leader of the Erie County Legislature, and on February 27, 2025, Bryan R. Bingel was designated by Timothy J. Meyers, the Chairperson of the Erie County Legislature, and John J. Mills, the Minority Leader of the Erie County Legislature.

6. Action Item 2 – Resolution to Elect Two Independent Directors (Attached Hereto).

• County Executive Poloncarz, as Sole Member, to adopt attached Resolution Number 2 electing David Zaleski and Patricia Johnson to serve as Independent Directors of the Corporation.²

7. Other Business.

• Sole Member to consider and discuss other business which may come before the Annual Meeting.

8. Meeting Adjourned.

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² **Note:** Pursuant to Article II, Section 2(b)(II) of the Corporation's By-Laws, two Independent Directors shall be designed jointly by a majority of the other three directors, said other three directors being the director position held by the Erie County Executive, the director position held by the Designated Director. On March 19, 2025, David Zaleski and Patricia Johnson were so designated by County Executive Poloncarz, County Comptroller Hardwick, and Designated Director Bryan R. Bingel, being a majority of the three aforementioned directors.

ANNUAL MEETING OF THE SOLE MEMBER OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 1
Election of Designated Director

BE IT RESOLVED, that Bryan R. Bingel is hereby elected to serve as the Designated Director of the Corporation, based on the designation of Timothy J. Meyers, the Chairperson of the Erie County Legislature, and John J. Mills, the Minority Leader of the Erie County Legislature, which is attached hereto, pursuant to Article II, Section 2(b)(II) of the By-Laws of the Corporation.

DESIGNATION OF ERIE COUNTY LEGISLATURE

[Attached]

DESIGNATION OF DIRECTOR

OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

The undersigned, being the Chairperson of the Erie County Legislature and the Minority Leader of the Erie County Legislature, respectively, acting pursuant to Article II, Section 2(b) of the By-laws of Erie Tobacco Asset Securitization Corporation, a corporation organized under and pursuant to the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), **DO HEREBY JOINTLY DESIGNATE**

BRYAN R. BINGEL

to serve as the Designated Director of the Corporation until such time as his successor has been elected and qualified.

IN WITNESS WHEREOF, we have set our hands hereto as of the <u>27</u> day of February, 2025.

Timothy J. Meyers

Chair of the Erie County Legislature

John J. Mills

Minority Leader of the Erie County Legislature

DESIGNATION OF INDEPENDENT DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Designation of Independent Directors

The undersigned, constituting all three of the Corporation's Directors and constituting a majority of the Corporation's Directors in accordance with Article II, Section 2(b)(II) of the Corporation's By-Laws, **DO HEREBY DESIGNATE**:

DAVID ZALESKI AND PATRICIA JOHNSON

to be elected by the Sole Member of the Corporation as Independent Directors of the Corporation.

Mark C. Poloncarz	
Kevin R. Hardwick, PhD	
Bryan R. Bingel	

ANNUAL MEETING OF THE SOLE MEMBER OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 2
Election of Independent Directors

BE IT RESOLVED, that David Zaleski and Patricia Johnson are hereby elected to serve as the Independent Directors of the Corporation, based on the designation of all or a majority of the non-Independent and Designated Directors of the Corporation, a copy of which approval is annexed hereto.

Agenda
of the
March 19, 2025
Annual Meeting
of the
Board of Directors

AGENDA OF THE ANNUAL MEETING OF THE

BOARD OF DIRECTORS (THE "BOARD") OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

- 1. <u>Call Meeting to Order</u>.
- The Chairman of the Board to call the Annual Meeting of the Board to order.
- 2. Adopt Minutes of Corporation.
- The Board to adopt for filing the minutes of the meetings of the Board on:
 - March 20, 2024
 - October 25, 2024

enclosed in <u>Items 3 and 4</u> of the Board package, respectively.

- 3. Acknowledge Receipt of Minutes of Audit and Governance Committees.
- The Board to acknowledge receipt of copies of the minutes and Reports of the Board's Audit Committee's 2024 meetings and 2024 activities, respectively, enclosed in Item 5 of the Board package.
- 4. <u>Action Item 1 Resolution to Accept and Approve Audited Financial Statements and Authorize Filing of Same (Attached Hereto).</u>
- The Board to adopt attached Resolution Number 1:
 - (A) accepting and approving the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2024, including the Report of the Corporation's Independent Auditors for the Year Ended December 31, 2024 (the "2024 Financial Statements"), enclosed in Item 6 of the Board package, which has been accepted by the Sole Member of the Corporation, and copies of which have been distributed to all Board members in accordance with Article II, Section 13 of the Corporation's By-Laws; and
 - (B) directing and authorizing the Corporation's Treasurer or their designee to file the 2024 Financial Statements with the New York State Authorities Budget Office, the Chief Executive Officer and the Chief Fiscal Officer of the Corporation and the Chairman of the Erie County Legislature, within ninety (90) days of the end of the Corporation's fiscal year.

5. <u>Action Item 2 – Resolution to Authorize Mission Statement, Annual Assessment of Internal Controls, and Annual Report (Attached Hereto).</u>

• The Board of Directors to adopt attached Resolution Number 2 accepting, approving, and authorizing the filing by the Corporation's Treasurer or their designee of the Corporation's Mission Statement, Annual Assessment of Internal Controls, and Annual Report, enclosed in Items 7 and 8 of the Board package, respectively, with the New York State Authorities Budget Office.

6. <u>Action Item 3 – Resolution to Accept Board Performance Evaluations (Attached Hereto).</u>

• The Board of Directors to adopt attached Resolution Number 3 accepting the Aggregate Results of its Confidential Evaluation of the Board's Performance during 2024, enclosed in <u>Item 9</u> of the Board package, and directing its Treasurer or their designee to file same with the New York State Authorities Budget Office.

7. <u>Action Item 4 – Resolution to Elect Officers (Attached Hereto).</u>

• The Board to adopt attached Resolution Number 4 electing officers of the Corporation to continue to serve until the next Annual Meeting of the Corporation and until their respective successors are elected and qualified and delegating to the Chairman the Board's power to appoint and remove the Assistant Treasurer and Assistant Secretary of the Corporation from time to time.

8. <u>Action Item 5 – Resolution to Re-Adopt Policies of the Corporation and Elect Additional Officers in Accordance with Same (Attached Hereto).</u>

• The Board to adopt attached Resolution Number 5 adopting and approving certain policies of the Corporation annexed thereto, designating the Chairman of the Corporation to serve as the Contracting Officer pursuant to the Disposition of Property Guidelines and Record Management Officer pursuant to the Record Retention Policy, and further authorizing the Chairman to hold a public hearing for the purpose of obtaining public comment with respect to the Corporation's contemplated adoption of a videoconferencing policy pursuant to Section 103-a of the New York State Public Officer's Law.

9. <u>Action Item 6 – Resolution to Authorize Annual Stipends for Independent Directors and Designated Director (Attached Hereto).</u>

• The Board to adopt attached Resolution Number 6 accepting, approving and authorizing an annual stipend for Independent Directors and Designated Director in the amount of \$2,500.00

10. Acknowledgement of Fiduciary Duty.

• The Board, on an individual basis, shall execute attached Acknowledgement of Fiduciary Duty, upon recitation of the Mission Statement in accordance with the Public Authorities Law, which shall be distributed to the members of the Board.

11. Other Business.

• The Board to consider and discuss any other business which may come before it.

12. Meeting Adjourned.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 1 Approval of 2024 Audited Financial Statements

WHEREAS, the Corporation's Treasurer or their designee, has presented to the Sole Member of Corporation, the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2024, including the Report of the Corporation's Independent Auditors; and

BE IT RESOLVED, that the Corporation hereby accepts and approves the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2024, including the Report of the Corporation's Independent Auditors; and

BE IT FURTHER RESOLVED, the Treasurer or their designee is hereby authorized and directed to submit to the President of the Corporation, the Chairperson of the Erie County Legislature and the New York State Authorities Budget Office, within ninety (90) days after the end of the Corporation's 2024 fiscal year, the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2024, including the Report of the Corporation's Independent Auditors, and necessary related documentation for the Corporation's 2024 fiscal year.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 2
Filing of Corporation Reports

BE IT RESOLVED, that the Board of Directors hereby accepts and approves the Corporation's Mission Statement and Performance Measurements, Annual Report, and Annual Assessment of Internal Controls; and

BE IT FURTHER RESOLVED, that the Treasurer of the Corporation or their designee is hereby authorized and directed to file and post the Corporation's Mission Statement and Performance Measurements, Annual Report, and Annual Assessment of Internal Controls in a timely manner with the New York State Authorities Budget Office and others consistent with the New York State Public Authorities Law.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 3 Confidential Evaluation of Board's Performance

BE IT RESOLVED, that the Board of Directors accepts the Aggregate Results of its Confidential Evaluation of the Board's performance by the Corporation's directors, a copy of which is attached hereto; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes and directs the Corporation's Treasurer or their designee to file same with the New York State Authorities Budget Office.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 4
Election of Officers

BE IT RESOLVED, that the following individuals are elected to serve or continue to serve as officers of the Corporation until the next Annual Meeting of the Board of Directors of the Corporation and until their respective successors are elected and qualified:

Mark Cornell Chairman and President;

Timothy Callan Vice President;
Bryan Bingel Vice President;
Patricia Johnson Vice President;
David Zaleski Vice President;
Kimberly Kajdasz Jeremy Toth Secretary;

Aaron Rubin Assistant Secretary; and

BE IT FURTHER RESOLVED, that Article III, Section 12 of the Corporation's By-Laws, the Board of Directors hereby delegate to the Chairman of the Board of Directors' the power to appoint and remove the Assistant Treasurer and Assistant Secretary of the Corporation from time to time.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 5 Approval of Policies and Designation of Officers in Accordance with Policies

BE IT RESOLVED, that the following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Amended and Restated Code of Ethics and Conflicts of Interest Policy attached hereto as **Exhibit A**; (Amended 2025)
- (b) The Amended and Restated Procurement Policy attached hereto as **Exhibit B**; (No Changes 2025)
- (c) The Defense and Indemnification Policy attached hereto as **Exhibit C**; (No Changes 2025)
- (d) The Real Property Acquisition Policy attached hereto as **Exhibit D**; (No Changes 2025)
- (e) The Disposition of Property Guidelines attached hereto as **Exhibit E**; (No Changes 2025)
- (f) The Investment Policy attached hereto as **Exhibit F**; (No Changes 2025)
- (g) The Board Member Compensation, Reimbursement and Attendance Policy attached hereto as **Exhibit G**; (No Changes 2025)
- (h) The Amended and Restated Travel and Discretionary Funds Policy attached hereto as **Exhibit H**; (No Changes 2025)
- (i) The Whistleblower Policy attached hereto as **Exhibit I**; (No Changes 2025)
- (j) The Amended and Restated Sexual Harassment and Prevention Policy attached hereto as **Exhibit J**; (Amended 2025)
- (k) The Continuity of Operations Plan Policy attached hereto as **Exhibit K**; (**No Changes 2025**)
- (l) The Amended and Restated Public Access to Records Policy attached hereto as **Exhibit L**; and **(Amended 2025)**
- (m) The Record Retention Policy, attached hereto as **Exhibit M**. (New 2025)

BE IT FURTHER RESOLVED, that the Chairman shall serve as the Contracting Officer pursuant to the Disposition of Property Guidelines; and

BE IT FURTHER RESOLVED, that the Chairman shall serve as the Record Management Officer pursuant to the Record Retention Policy; and

BE IT FURTHER RESOLVED, that the Chairman is hereby authorized and empowered to hold a public hearing for the purpose of obtaining public comment with respect to the Corporation's contemplated adoption of a videoconferencing policy pursuant to Section 103-a of the New York State Public Officer's Law.

Exhibit A

Amended and Restated Code of Ethics and Conflicts of Interest Policy [Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

AMENDED AND RESTATED CODE OF ETHICS AND CONFLICTS OF INTEREST POLICY

This Amended and Restated Code of Ethics and Conflicts of Interest Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation").

The members of the board (the "Board") of the Corporation, with the officers and staff of the Corporation, shall comply with and adhere to the provisions of this Amended and Restated Code of Ethics and Conflicts of Interest Policy ("Code") adopted pursuant to and in accordance with Section 2824 of the Public Authorities Law.

ARTICLE I Conflicts of Interest

A conflict of interest is a situation in which the financial, familial, or personal interests of a member, director, officer or employee come into "actual" or "perceived" conflict with their duties and responsibilities with the Corporation.

"Perceived" conflicts of interest are situations where there is the appearance that a member, director, officer or employee can personally benefit from actions or decisions made in their official capacity, or where a member, director, officer or employee may be influenced to act in a manner that does not represent the best interests of the Corporation. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a member, director, officer or employee may have a conflict.

"Actual" conflicts of interest are situations where a member, director, officer or employee can personally benefit from actions or decisions made in their official capacity, or where a member, director, officer or employee is influenced to act in a manner that does not represent the best interests of the Corporation.

Perceived and Actual conflicts of interest should be treated in the same manner for purposes of disclosure under Article III herein.

ARTICLE II Standards of Conduct

- 1. No member, director, officer or employee of the Corporation should accept other employment which will impair their independence of judgment in the exercise of their official duties.
- 2. No member, director, officer or employee of the Corporation should accept employment or engage in any business or professional activity which will require them to disclose confidential information which they have gained by reason of their official position or authority.

- 3. No member, director, officer or employee of the Corporation should disclose confidential information acquired by them in the course of their official duties nor use such information to further their personal interests.
- 4. No member, director, officer or employee of the Corporation should use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.
- 5. No member, director, officer or employee of the Corporation should engage in any transaction as representative or agent of the Corporation with any business entity in which they have a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of their official duties.
- 6. No member, director, officer or employee of the Corporation should by their conduct give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position or influence of any party or person.
- 7. Each member, director, officer and employee of the Corporation should abstain from making personal investments in enterprises which they have reason to believe may be directly involved in decisions to be made by them or which will otherwise create substantial conflict between their duty in the public interest and their private interest.
- 8. Each member, director, officer or employee of the Corporation should endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of his or her trust.

ARTICLE III Procedures for Disclosing a Conflict of Interest

All members, directors, officers or employees of the Corporation shall adhere to the following procedures:

- 1. All members, directors, officers and employees shall examine their specific facts and circumstances giving rise to the question of a conflict in order to determine:
 - (i) whether such member, director, officer or employee can personally benefit from the actions or decisions made in their official capacity (i.e. Actual Conflict); or
 - (ii) whether a member, director, officer or employee is influenced to act in a manner that does not represent the best interests of the Corporation (i.e. Actual Conflict); or
 - (iii) whether a reasonable person would conclude that such member, director, officer or employee may have a conflict (i.e. Perceived Conflict). In determining whether a

reasonable person would conclude that there is a conflict, such member, director, officer or employee must assess the materiality within the context of the specific facts and circumstances. Provided that the event giving rise to the question of a conflict is material within the context of the specific facts and circumstances, then it would be reasonable for a person to conclude that there may be a conflict.

- 2. All Actual and Perceived conflicts of interest shall be disclosed in writing to the Ethics Officer as soon as practicable after learning of the Actual or Perceived conflict of interest. The written disclosure must (i) identify the matter before the Corporation, (ii) identify the Standard of Conduct in question and (iii) contain sufficient facts and circumstances in order to accurately convey the extent of the member's, director's, officer's or employee's interest in such matter. In addition, in the event a member of the board of directors of the Corporation has a conflict, he or she shall verbally disclose the conflict during a public session of a board meeting at which the matter creating the conflict appears on the agenda. Such verbal disclosure shall be recorded in the minutes of the meeting and be made part of the public record.
- 3. The member, director, officer or employee with the conflict of interest shall recuse themselves and refrain from participating in all discussions or decisions on the matter creating the conflict. In addition, in the event a member of the board of directors of the Corporation has a conflict, he or she shall, in addition to the foregoing, abstain from voting on such matter creating the conflict.
- 4. The member, director, officer or employee with the conflict of interest shall refrain from directly or indirectly attempting to influence the discussions, decisions, deliberations or vote on the matter giving rise to such conflict.

ARTICLE V

Penalties

Any employee that fails to comply with this Policy may be subject to termination. In addition, any member, director, officer or employee that fails to comply with this Policy may be penalized in a manner provided for in law.

ARTICLE VI Ethics Officer

The President shall serve as the Ethics Officer of the Corporation. In the event of a vacancy, the Vice President shall serve as the Ethics Officer until such time as the Corporation's Board appoints a successor. In the event the (i) President and Chairman positions are held by the same person, and (ii) the President/Chairman has an Actual or Perceived conflict of interest, then the President/Chairman shall disclose same in writing to the general counsel of the Corporation and the general counsel shall thereafter act and serve as Ethics Officer with respect to actions required to be undertaken as related thereto and as described within this Policy.

The Ethics Officer shall report to the Board. The Ethics Officer shall have the powers and duties set forth below, and such other powers and duties as may be prescribed by the Board:

- 1. Advise in confidence each member, director, officer or employee of the Corporation who seeks guidance regarding ethical behavior and conflicts of interest.
- 2. Review matters concerning ethics and conflicts of interest and advise the Corporation accordingly.
 - 3. Receive and record disclosures of conflicts of interest.
- 4. Receive and investigate complaints about possible violations of this Code of Ethics. Dismiss complaints found to be without substance.
 - 5. Report to the governance committee.
- 6. Prepare investigative reports when deemed appropriate of his or her findings to be submitted for action by the President or the Board.
- 7. Seek consultation and guidance from counsel to the Corporation, the Corporation's governance committee, or any appropriate New York State Corporation.

ARTICLE VII Whistleblower Policy

In accordance with Title 12 of Article 9 of the Public Authorities Law, the Corporation adopted a Whistleblower Policy to afford certain protections to individuals who, in good faith, report violations of the Corporation's Code of Ethics or other instances of potential wrongdoing within the Corporation. The Policy provides Corporation members, directors, officers and employees with a confidential means to report credible allegations of misconduct, wrongdoing, or unethical behavior and to protect those individuals, when acting in good faith, from personal or professional retaliation. The Policy is provided and is accessible to all members, directors, officers and employees of the Corporation and is reviewed annually by the Corporation's Governance Committee. For additional information on this Policy, see "Whistleblower Policy & Procedures" on the Corporation's website.

Originally adopted the 22nd day of February, 2012 Amended and Restated the 23rd day of March, 2023 Amended and Restated the 20th day of March, 2024 Amended and Restated this 19th day of March, 2025

Exhibit B

Amended and Restated Procurement Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

AMENDED AND RESTATED PROCUREMENT POLICY

A. <u>Introduction</u>.

- 1. Applicability This Amended and Restated Procurement Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation") upon approval by the respective Board of Directors or Members of the Corporation.
- 2. Scope In accordance with Section 104-b of the New York General Municipal Law (the "GML") and the Public Authorities Accountability Act of 2005, the Corporation is required to adopt procurement policies which will apply to the procurement of goods and services paid for by the Corporation for its own use and account.
- 3. Purpose Pursuant to Section 104-b of the GML, the primary objectives of this Policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of the County of Erie, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

B. <u>Procedures</u>.

- 1. <u>Solicitation Procedures for the Purchase of Commodities, Equipment, Goods or Services.</u>
 - a. Up to \$5,000 per instance The discretion of the President of the Corporation or authorized designee.
 - b. Greater than \$5,000 to \$20,000 per instance Documented verbal quotations or written/fax/email quotations from at least three vendors.
 - c. Greater than \$20,000 per instance Written Request for Proposal.
- 2. <u>Exceptions</u>. Alternative proposals or quotations shall not be required for procurements made through or with respect to:
 - a. New York State or Erie County Contracts when the Corporation is able to procure commodities, equipment, goods or services through New York State or Erie County contracts, it is unnecessary to obtain quotations or bids;
 - b. State Finance Law Section 175-b (from agencies for the blind or severely handicapped);

- c. Correction Law Section 186 (articles manufactured in correctional institutions);
- d. Emergency Procurements as also described in Section E(2), below, an emergency exists if the delay caused by soliciting quotes would endanger health, welfare, property or an economic development opportunity. Approval of the President is necessary, which shall be documented and shall also include a description of the facts giving rise to the emergency.
- e. Sole Source Procurements A "sole source" means a situation where (i) there is only one possible source from which to produce goods and/or services available in the marketplace, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to the Corporation is reasonable.
- f. Utilities and Affiliate Transactions The purchase of utilities and inter-affiliate transactions are excepted from alternative proposal/quotation requirements.
- g. Unavailability of three (3) vendors who are able or willing to provide a quote.

3. Basis for the Award of Contracts.

Contracts will be awarded to the lowest responsible dollar offeror who meets the specifications therefor, except in circumstances that the Corporation determines justify an award to other than the lowest responsible dollar offeror. In making any such determination, the Corporation may consider relevant factors including, without limitation:

- a. Delivery requirements
- b. Quality requirements
- c. Quantity requirements
- d. Past vendor performance and/or experience
- e. The unavailability of three or more vendors who are able or willing to quote on a procurement.
- f. It may be in the best interests of the Corporation to consider only one vendor who has previous expertise with respect to a particular
- g. Any procurement excepted from the alternative proposal/quotation requirements as set forth in subdivision 2 of this Section B, and the procurement of professional services in Section F of this Policy.

4. Documentation.

- a. A record of all solicitations for alternative proposals or quotations, the response (if applicable), and any determinations pursuant thereto shall be maintained in the procurement file.
- b. For each procurement by the Corporation the President of the Corporation or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.
- c. Whenever an award is made to other than the lowest responsible dollar offeror the reasons for doing so shall be set forth in writing and maintained in the procurement file.
- d. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

C. Preferred Source Procurement.

In accordance with Section 162(4) of State Finance Law, the Corporation seeks to purchase goods and services from veterans, not-for-profit organizations that serve and employ people who are blind and severely handicapped, and from correctional industry programs if they meet the Corporation's needs.

D. Effect on Other Procurement Requirements.

Where the procurement of a specific good or service is to be accomplished using funds other than the funds of the Corporation and such funding sources specify different or more restrictive procurement requirements than are provided for in this Policy, the procurement requirements of the funding source will supersede the requirements of this Policy. Toward this end, the Corporation will follow the procurement standards as set forth in 2 CFR Part 200 for any procurements utilizing federal funds unless otherwise superseded by the specific federal award agreement.

E. <u>Circumstances where Solicitations of Alternative Proposals and Quotations not in the Best Interest of the Corporation</u>.

Pursuant to Section 104-b(2)(g) of the New York General Municipal Law, this Policy may contain circumstances when, or types of procurements for which, in the sole discretion of the members of the Board of Directors of the Corporation, the solicitation of alternative proposals or quotations will not be in the best interest of the Corporation. In the following circumstances, it may not be in the best interests of the Corporation to solicit quotations or document the basis for not accepting the lowest bid:

1. <u>Professional Services</u>. Professional services are services requiring special or technical skill, licensing, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of

interests, reputation, education and training, judgement, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided to the Corporation, e.g., legal and accounting services, impact liability issues of the Corporation and its members, including securities liability in circumstances where the Corporation is issuing bonds. These qualifications and the concerns of the Corporation regarding its liability and the liability of its members are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement procedures.

In determining whether a service fits into this category, the Corporation shall take into consideration the following guidelines: (a) whether the services are subject to state licensing or testing requirements; (b) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (c) whether the services require a personal relationship between the individual and the members of the Corporation. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); technical services of an engineer or architect engaged to prepare plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; management of Corporation-owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

2. <u>Emergency Purchases</u>. Emergency purchases pursuant to Section 103(4) of the General Municipal Law. Due to the nature of this exception, these goods or services must be purchased immediately and a delay in order to seek alternate proposals may threaten the life, health, safety or welfare of the public. This section does not preclude alternate proposals if time permits.

F. Procurement of Insurance.

Procurement of Insurance Brokerage services is subject to this Policy as a professional service. Notwithstanding the foregoing actual insurance policies procured are not subject to requirements of this Policy.

G. Procurement Lobbying Law.

In accordance with Chapter 1 of the Laws of 2005, generally referred to as the "Procurement Lobbying Law", the Corporation shall implement the provision of such Procurement Lobbying Law for any contract or other agreement for an article of procurement involving an estimated annualized expenditure in excess of \$15,000.

H. Unintentional Failure to Comply.

The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Corporation or any officer thereof.

Originally adopted the 22nd day of February, 2012 Amended and Restated the 23rd day of March, 2023 Readopted this 19th day of March, 2025

Exhibit C

Defense and Indemnification Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION DEFENSE AND INDEMNIFICATION POLICY

This Defense and Indemnification Policy (the "Policy") is adopted pursuant to Section 2824(1)(f) of Title Two of Article 9 of the Public Authorities Law (the "Regulatory Act") and applies to all members, directors, committee members, officers and employees of the Corporation.

The Corporation shall defend and indemnify all members and directors of the Board of the Corporation and each committee member, officer and employees thereof, in the performance of their duties, and to the extent authorized by the Board, each other person authorized to act for the Corporation or on its behalf, in accordance with the By-Laws or to the extent permitted by law.

Adopted the 23rd day of March, 2023

Readopted this 19th day of March, 2025

Exhibit D

Real Property Acquisition Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

REAL PROPERTY ACQUISITION POLICY

This Real Property Acquisition Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation").

SECTION 1. PURPOSE AND AUTHORITY

The purpose of this property acquisition policy (the "Policy") is to implement Section 2824(1)(e) of Title Two of Article 9 of the Public Authorities Law (the "Regulatory Act"), which requires that the members of the Corporation establish written policies and procedures applicable to the acquisition of real property by the Corporation.

SECTION 2. DEFINITIONS

- (A) "Acquire" or "acquisition" shall mean acquisition of title or any other beneficial interest in real property by the Corporation, but shall not include the acquisition of any interest in property to secure a loan or other financial obligation of another party.
- (B) "Contracting Officer" shall mean the President of the Corporation or such other officer or employee of the Corporation who shall be appointed by resolution of the members of the Corporation to be responsible for the acquisition of real property by the Corporation.

SECTION 3. DUTIES

- (A) <u>Inventory Controls.</u> The Corporation shall maintain adequate inventory controls and accountability systems for all real property owned by the Corporation and under its control.
- (B) Property List. The Corporation shall prepare, not less frequently than annually, a report listing all real property owned by the Corporation. Such report shall consist of a list and full description of all real and personal property acquired during such period. The report shall contain the price paid by the Corporation and the name of the seller for all such real property acquired by the Corporation during such period.

SECTION 4. ACQUISITION OF PROPERTY

- (A) <u>Supervision and Direction.</u> Except as otherwise provided herein, the duly appointed Contracting Officer shall have supervision and direction over the acquisition of real property of the Corporation. The Corporation shall have the right to acquire its real property for any valid corporate purpose.
- (B) Appraisal Report. An independent appraiser shall be hired to provide an opinion of fair market value before the Corporation shall make an offer with respect to the acquisition of the real property. The appraiser should have a professional affiliation with a national appraisal organization and must not have an interest in the property (or be retained as an agent to sell the property). The appraisal report shall be in form and substance satisfactory to the Corporation and shall be included in the record of the transaction.

Notwithstanding the foregoing, the preparation of an appraisal report shall not be required where the Corporation is acquiring the real property pursuant to a donation, or if the valuation of the real property is uncomplicated in the reasonable judgment of the Corporation and the fair market value is determined to be less than \$10,000.

SECTION 5. METHOD OF ACQUISITION

Unless otherwise permitted by applicable law or this Policy, the Corporation shall acquire real property for not more than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the acquisition of title or other interest in real property and take such other action as it deems necessary or proper to acquire such real property under the provisions of this Policy. Provided, however, the Corporation may acquire real property for more than its fair market value, as described in an appraisal report reviewed by the Corporation, upon a finding by the Corporation pursuant to a resolution of the members of the Corporation that the acquisition of such real property at such price is necessary for the Corporation to further its corporate purpose.

SECTION 6. VALIDITY OF DEED, BILL OF SALE, LEASE, OR OTHER INSTRUMENT

A deed, bill of sale, lease, or other instrument executed by or on behalf of the seller of the real property and accepted by the Corporation, purporting to transfer title or any other interest in the real property of the seller to the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of this Policy and all applicable law insofar as concerns title or other interest of any bona fide grantor or transferor who has received valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to closing.

Adopted the 23rd day of March, 2023

Readopted this 19th day of March, 2025

$\underline{\textbf{Exhibit E}}$ Disposition of Property Guidelines

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

DISPOSITION OF PROPERTY GUIDELINES ADOPTED PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

This Disposition of Property Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation"). The Corporation, pursuant to Section 2896 of the Public Authorities Law of the State of New York, sets forth the following policies and internal controls for disposition of property.

SECTION 1. DEFINITIONS

- A. "Contracting officer" shall mean the officer or employee of the Corporation who shall be appointed by resolution to be responsible for the disposition of property.
- B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.
- C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

SECTION 2. DUTIES

- A. The Corporation shall:
- (i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
- (ii) periodically inventory such property to determine which property shall be disposed of;
- (iii) produce a written report of such property in accordance with subsection B herewith; and
- (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.
 - B. The Corporation shall
- (i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and

(ii) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

- A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.
- B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.
- C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and provided further, that no disposition of any other property, which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.
- D. Sales by the Commissioner of General Services (the "Commissioner"). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.
- E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

- F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.
- (i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.
- (ii) Whenever public advertising for bids is required under subsection (i) of this Section F:
- (A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;
- (B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and
- (C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.
- (iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:
- (A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity, or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;
- (B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);
- (C) bid prices after advertising therefor are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
- (D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;
 - (E) under those circumstances permitted by subsection (v) below; or

- (F) such action is otherwise authorized by law.
- (iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:
- (1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);
- (2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;
- (3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of fifteen thousand dollars (\$15,000); or
- (4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.
- (B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under Section 2(B) above not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.
 - (v) Disposal of Property for less than Fair Market Value ("FMV").
 - (A) No assets owned, leased or otherwise in the control of the Corporation may be sold, leased, or otherwise alienated for less than its FMV except if:
 - (1) the transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or
 - (2) the purpose of transfer is within purpose, mission of the Corporation; or
 - (3) the Corporation provides written notification to the Governor, the Speaker of the Assembly, and the Temporary President of the Senate; provided, however, that such notification is subject to denial by the Governor, the Speaker of the Assembly, and the Temporary President of the Senate pursuant to the PAAA.
- (B) If the Corporation proposes to make a transfer below FMV, the following information is required to be provided to the Corporation's Board of Directors and the public:
 - (1) a full description of the asset;
 - (2) an appraisal of the FMV of the asset;

- (3) a description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
 - (4) a statement of the value to be received compared to FMV;
- (5) the names of any private participating in the transfer, and, if different than the information required by paragraph 4 immediately above, a statement of the value to the private party;
- (6) the names of other private parties that have made an offer for the asset being transferred, the value offered, and the purpose for which the asset would have been used.
- (C) The Board of Directors of the Corporation must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

The guidelines are subject to modification and amendment at the discretion of the Corporation board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is the President.

Adopted the 23rd day of March, 2023

Readopted this 19th day of March, 2025

Exhibit F Investment Policy [Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION INVESTMENT POLICY

This Investment Policy of the Erie Tobacco Asset Securitization Corporation (the "Corporation") shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy. This Investment Policy is intended to comply with the Not-for-Profit Corporation Law of New York, the Public Authorities Law of New York, and any other applicable laws of New York State.

Delegation of Authority

The responsibility for conducting investment transactions involving the Corporation resides with the President of the Corporation under the direction and oversight of the Treasurer of the Corporation. Only the President and those authorized by resolution or the Corporation's By-Laws may invest Corporation funds.

All contracts or agreements with outside persons investing Corporation funds, advising on the investment of Corporation funds, directing the deposit of Corporation funds or acting in a fiduciary capacity for the Corporation, shall require the outside person to notify the Corporation in writing, within thirty (30) days of receipt of all communication from its auditor of the outside person or any regulatory authority, of the existence of material weakness in the internal control structure of the outside person or regulatory orders or sanctions regarding the type of services being provided to the Corporation by the outside person.

The records of investment transactions made by or on behalf of the Corporation are public records and are the property of the Corporation whether in the custody of the Corporation or in the custody of a fiduciary or other third party.

The President of the Corporation under the direction and oversight of the Treasurer shall establish a written system of internal controls and investment practices. The controls shall be designed to prevent losses of Corporation funds, to document those officers and employees of the Corporation responsible for elements of the investment process and to address the capability of investment management. The controls shall provide for receipt and review of the audited financial statements and related reports on internal control structure of all outside persons performing any of the following for the Corporation:

- (i) investing funds of the Corporation;
- (ii) advising on the investment of funds of the Corporation;
- (iii) directing the deposit or investment of funds of the Corporation; or
- (iv) acting in a fiduciary capacity for the Corporation.

A bank, savings and loan association or credit union providing only depository services shall not be required to provide an audited financial statement and related report on its internal control structure.

Objectives

The primary objectives, in order of priority, of all investment activities involving the financial assets of the Corporation shall be the following:

- (i) <u>Safety</u>: Safety and preservation of principal in the overall portfolio is the foremost investment objective;
- (ii) <u>Liquidity</u>: Maintaining the necessary liquidity to match expected liabilities and expenses is the second investment objective;
 - (iii) Return: Obtaining a reasonable return is a third investment objective

Operative Policy

The Corporation shall conduct its investment activities involving all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Corporation in a manner that complies with the Not-for-Profit Corporation Law and the Public Authorities Law of New York State.

Prior to making an investment of any operating funds, bond proceeds and other funds of the Corporation, other than those associated with a bank, savings and loan association or credit union involving a depository relationship only, the Corporation shall obtain at least three (3) bids and award the contract to the most responsible bidder whose bid most closely meets the objectives of this Investment Policy.

The President, the Treasurer and all officers and employees of the Corporation involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

The President/Treasurer shall submit to the Board an investment report that summarizes recent market conditions and investment strategies employed since the last investment report. The report shall set out the current portfolio in terms of maturity, rates of return and other features and summarize all investment transactions that have occurred during the reporting period and compare the investment results with budgetary expectations, if any.

Investments & Deposits

A. Investments

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law ("N-PCL"), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

a. Special time deposit accounts;*

- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**
- e. Obligations of the State of New York;*

*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are collateralized in the same manner as set forth in paragraph (B) below for deposits of public funds.

**All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Chairman or Chairperson of the Board of Directors is responsible for evaluating the financial position and maintaining a listing of proposed depositaries, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

B. Deposits

1. Collateralization of Deposits

All deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

a. By pledge of "eligible securities" with an aggregate "market value" as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.

- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

Adopted the 23 of March, 2023 Re-adopted this 19th day of March, 2025

EXHIBIT A

SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".

Exhibit G

Board Member Compensation, Reimbursement and Attendance Policy
[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

BOARD MEMBER COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY

This Compensation, Reimbursement and Attendance Policy is adopted in accordance with Section 2824 of the Public Authorities Law and applies to all directors of the Erie Tobacco Asset Securitization Corporation (the "Corporation").

Pursuant to and in accordance Article II, Section 12 of the Corporation's By-Laws, the members of the board the Corporation (the "Board") may receive such compensation for their services as may be approved by a majority of the Board of Directors and may be reimbursed for reasonable expenses incurred in the performance of Corporation duties. The officers of the Corporation may be reimbursed for reasonable expenses incurred in the performance of Corporation duties. Reimbursements for any expenses shall be reviewed and approved by the Chairman. Provided, however, if the Chairman is seeking the reimbursement allowed herein then such reimbursement shall be subject to the approval by the Chair of the Audit Committee.

The members of the Board shall be available as required to perform the operations of the Corporation and as set forth within the By-Laws of the Corporation, as may be amended, restated or revised by the Board from time to time. Said members of the Board shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Corporation and any other directives of the Board relating to same.

Adopted the 23rd day of March, 2023

Readopted this 19th day of March, 2025

Exhibit H

Amended and Restated Travel and Discretionary Funds Policy [Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION AMENDED AND RESTATED TRAVEL & DISCRETIONARY FUNDS POLICY

Section 1. PURPOSE & APPLICABILITY

A. INTRODUCTION

Applicability – This Travel and Discretionary Funds Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation").

The purpose of this policy is to implement a provision of the Public Authorities Accountability Act requiring the adoption of certain policies and to adhere to the recommended practices of the NYS Authorities Budget Office (the "ABO") to protect against the use of discretionary funds for purposes that do not advance the Corporation's mission and public purposes. Public Authorities Law §2824 requires the Corporation to adopt a policy to govern business travel and the ABO, by and through its Recommended Practice entitled Written Policies Governing the Use of Authority Discretionary Funds (November 2012), that specifically recommends adoption by the Corporation a policy on the proper use of discretionary funds that incorporates the legal principals set forth in NYS Attorney General in opinion #2007-F4. This Policy shall apply to the Corporation, along with every member of the board (the "Board") of the Corporation and all officers and employees thereof.

Section 2. TRAVEL

A. APPROVAL OF TRAVEL

All official travel for which a reimbursement will be sought must be approved by the President prior to such travel. Provided, however, in the instance where the President will seek reimbursement for official travel, such travel must be pre-authorized by the Chair.

B. PAYMENT OF TRAVEL

The Corporation will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the Corporation. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

C. TRAVEL EXPENSES

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at a standard mileage reimbursement rate.

Meals will be reimbursed at actual expense or a per diem rate, whichever is less. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis talking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case by case basis. Mileage rates, per diem allowances and lodging caps will be established and from time to time amended by the President or his or designee. All expense reimbursement determinations made pursuant to this paragraph C. shall be made by the President or his or her designee.

Section 3. DISCRETIONARY FUNDS

A. USE OF DISCRETIONARY FUNDS

The expenditure of Corporation funds must relate directly to an enumerated power, duty or purpose of the Corporation. Therefore, the use of discretionary funds shall be limited to expenditures that directly benefit the Corporation in advancing its mission and public purposes. Discretionary funds shall not be used in a manner that primarily benefits the individual board member, officer or employee.

B. PRIOR APPROVAL

All expenditures of discretionary funds shall be approved by the President prior to such expenditure. Provided, however, in the instance where the President will seek an expenditure of discretionary funds, such expenditure shall be pre-authorized by the Vice President of the Corporation. The President or the Vice President, as the case may be, shall review the proposed use of funds and reasonably determine whether such use (i) primarily benefits the Corporation as opposed to an individual board member, officer or employee and (ii) directly advances the mission and public purpose of the Corporation. Scrutiny of all expenses will be guided by judgement relating to the relevance of such costs and the benefits which may accrue from such activities.

C. APPROPRIATE EXPENDITURE GUIDANCE

- (i) Membership Dues Membership dues paid for the Corporation to belong to a professional peer organization is a permissible use of Corporation funds. However, individual membership costs for board members, officers and employees to belong to a professional, social or fraternal organization whereby the membership is of and the primary benefit is to, the individual rather than the Corporation, should not be an Corporation expenditure.
- (ii) Food & Beverages With the exception of food and beverages purchased during business travel as provided herein, expenditures of food and beverages for the personal consumption of board members, officers and employees should not be considered an appropriate use of Corporation discretionary funds. Provided, however, expenditures for food and beverages purchased for or during the conduct of Corporation business with persons that do business with the Corporation may be an appropriate expenditure of Corporation discretionary funds, provided

that the expense is reasonable in light of the circumstances surrounding the Corporation activity and is pre-approved as set forth herein.

- (iii) Professional Training, Certification and Licensing Paying the costs to attend training to maintain certifications or licenses, or to attend professional conferences may be an appropriate expenditure of Corporation discretionary funds.
- (iv) Marketing Expenses incurred in the course of marketing the Corporation's area to prospects and relations with existing industries and businesses and supporting partners in the furtherance of the Corporation's mission and purpose may be an appropriate expenditure of Corporation discretionary funds.

Adopted the 23rd day of March, 2023 Amended and Restated the 20th day of March, 2024 Readopted this 19th day of March, 2025

Exhibit I

Whistleblower Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION WHISTLEBLOWER POLICY AND PROCEDURES

I. Introduction

- <u>a.</u> <u>Applicability</u>: This Whistleblower Policy ("Policy") Erie Tobacco Asset Securitization Corporation (the "Corporation").
- <u>b.</u> <u>Scope</u>: In accordance with Title 12 of Article 9 of the Public Authorities Law, the Corporation is required to adopt a policy to afford certain protections to individuals who, in good faith, report violations of the Corporation's Code of Ethics or other instances of potential wrongdoing within the Corporation.
- <u>c.</u> <u>Purpose</u>: This Policy provides Corporation members, directors, committee members, officers, and employees with a confidential means to report credible allegations of misconduct, wrongdoing, or unethical behavior and to protect those individuals, when acting in good faith, from personal or professional retaliation.

II. Definitions

- <u>a.</u> "Good Faith": Information concerning potential wrongdoing is disclosed in "good faith" when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.
- <u>b.</u> "<u>Corporation Employee</u>": All members, directors, committee members, officers, and staff employed at the Corporation whether employed full-time or part-time, employed pursuant to a contract, employed temporarily, or employees who are on probation.
- <u>c.</u> "Whistleblower": Any Corporation employee (as defined herein) who in good faith discloses information concerning wrongdoing by another Corporation employee, or concerning the business of the Corporation itself.
- d. "Wrongdoing": Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by an Corporation employee (as defined herein) that relates to the Corporation.
- <u>e.</u> <u>"Personnel action"</u>: Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

III. Reporting Wrongdoing

All Corporation employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of the Corporation; or a person having

business dealings with the Corporation; or concerning the Corporation itself, shall report such activity in accordance with the following procedures:

- a. The Corporation Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to the Corporation's ethics officer, general counsel, or human resources representative.
- b. All Corporation Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
- c. The identity of the whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
- d. The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Office or an appropriate law enforcement Corporation where applicable.
- e. Should an Corporation Employee believe in good faith that disclosing information within the Corporation pursuant to Section 3(a) above would likely subject him or her to adverse personnel action or be wholly ineffective, the Corporation Employee may instead disclose the information to the Authorities Budget Office or to an appropriate law enforcement Corporation, if applicable. The Authorities Budget Office's toll free number (1-800-560-1770) should be used in such circumstances.

IV. No Retaliation or Interference

No Corporation Employee shall retaliate against any whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no Corporation Employee shall interfere with the right of any other Corporation employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:

- a. No Corporation Employee who, in good faith, discloses potential violations of the Corporation's Code of Ethics or other instances of potential wrongdoing shall suffer harassment, retaliation or adverse personnel action.
- b. All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by the Corporation.
- c. Any Corporation Employee who retaliates against or attempts to interfere with any individual for having in good faith disclosed potential violations of the Corporation's Code of Ethics or other instances of potential wrongdoing is subject to disciplinary action, which may include termination of employment.

d. Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

V. Other Legal Rights Not Impaired

The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

- a. Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the "False Claims Act"), and Executive Law § 55(1).
- b. With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall, prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law § 75-b[2][b]; Labor Law § 740[3]).

VI. Implementation

This Whistleblower Policy shall be provided to all members, directors, officers, and employees of the Corporation.

Adopted the 23rd day of March, 2023

Readopted this 18th day of March, 2025

Exhibit J

Amended and Restated Sexual Harassment and Prevention Policy [Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION AMENDED AND RESTATED SEXUAL HARASSMENT PREVENTION POLICY

Introduction

This Sexual Harassment Prevention Policy ("Policy") shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation") upon approval by the respective Board of Directors or Members of the Corporation.

The Corporation is committed to maintaining a workplace free from sexual harassment. Sexual harassment is a form of workplace discrimination. All employees are required to work in a manner that prevents sexual harassment in the workplace. This Policy is one component of the Corporation commitment to a discrimination-free work environment. Sexual harassment is against the law¹ and all employees have a legal right to a workplace free from sexual harassment and employees are urged to report sexual harassment by filing a complaint internally with Corporation. Employees can also file a complaint with a government Corporation or in court under federal, state or local antidiscrimination laws.

Policy:

- 1. Corporation's policy applies to all employees, applicants for employment, interns, whether paid or unpaid, contractors and persons conducting business, regardless of immigration status, with Corporation. In the remainder of this document, the term "employees" refers to this collective group.
- 2. Sexual harassment will not be tolerated. Any employee or individual covered by this policy who engages in sexual harassment or retaliation will be subject to remedial and/or disciplinary action (e.g., counseling, suspension, termination).
- 3. <u>Retaliation Prohibition</u>: No person covered by this Policy shall be subject to adverse action because the employee reports an incident of sexual harassment, provides information, or otherwise assists in any investigation of a sexual harassment complaint. Corporation will not tolerate such retaliation against anyone who, in good faith, reports or provides information about suspected sexual harassment. Any employee of Corporation who retaliates against anyone involved in a sexual harassment investigation will be subjected to disciplinary action, up to and including termination. All employees, paid or unpaid interns, or non-employees² working in the workplace who believe they have been subject to such retaliation should inform a supervisor, manager, or the President. All employees, paid or unpaid interns or non-

¹ While this policy specifically addresses sexual harassment, harassment because of and discrimination against persons of all protected classes is prohibited. In New York State, such classes include age, race, creed, color, national origin, sexual orientation, military status, sex, disability, marital status, domestic violence victim status, gender identity and criminal history.

² A non-employee is someone who is (or is employed by) a contractor, subcontractor, vendor, consultant, or anyone providing services in the workplace. Protected non-employees include persons commonly referred to as independent contractors, "gig" workers and temporary workers. Also included are persons providing equipment repair, cleaning services or any other services provided pursuant to a contract with the employer.

Adoption of this policy does not constitute a conclusive defense to charges of unlawful sexual harassment. Each claim of sexual harassment will be determined in accordance with existing legal standards, with due consideration of the particular facts and circumstances of the claim, including but not limited to the existence of an effective anti-harassment policy and procedure.

- employees who believe they have been a target of such retaliation may also seek relief in other in other available forums, as explained below in the section on Legal Protections.
- 4. Sexual harassment is offensive, is a violation of our policies, is unlawful, and may subject Corporation to liability for harm to targets of sexual harassment. Harassers may also be individually subject to liability. Employees of every level who engage in sexual harassment, including managers and supervisors who engage in sexual harassment or who allow such behavior to continue, will be penalized for such misconduct.
- 5. Corporation will conduct a prompt and thorough investigation that ensures due process for all parties, whenever management receives a complaint about sexual harassment, or otherwise knows of possible sexual harassment occurring. Corporation will keep the investigation confidential to the extent possible. Effective corrective action will be taken whenever sexual harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of sexual harassment.
- 6. All employees are encouraged to report any harassment or behaviors that violate this policy. Corporation will provide all employees a complaint form for employees to report harassment and file complaints.
- 7. Managers and supervisors are **required** to report any complaint that they receive, or any harassment that they observe or become aware of, to the President.
- 8. This policy applies to all employees, paid or unpaid interns, and non-employees and all must follow and uphold this policy. This policy must be provided to all employees and should be posted prominently in all work locations to the extent practicable (for example, in a main office, not an offsite work location) and be provided to employees upon hiring.

What Is "Sexual Harassment"?

Sexual harassment is a form of sex discrimination and is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity and the status of being transgender.

Sexual harassment includes unwelcome conduct which is either of a sexual nature, or which is directed at an individual because of that individual's sex when:

- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment, even if the reporting individual is not the intended target of the sexual harassment;
- Such conduct is made either explicitly or implicitly a term or condition of employment; or

• Submission to or rejection of such conduct is used as the basis for employment decisions affecting an individual's employment.

A sexually harassing hostile work environment includes, but is not limited to, words, signs, jokes, pranks, intimidation or physical violence which are of a sexual nature, or which are directed at an individual because of that individual's sex. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory statements or sexually discriminatory remarks made by someone which are offensive or objectionable to the recipient, which cause the recipient discomfort or humiliation, which interfere with the recipient's job performance.

Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions or privileges of employment. This is also called "quid pro quo" harassment.

Any employee who feels harassed should report so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can be addressed under this policy.

Examples of sexual harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited:

- Physical acts of a sexual nature, such as:
 - O Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee's body or poking another employee's body;
 - o Rape, sexual battery, molestation or attempts to commit these assaults.
- Unwanted sexual advances or propositions, such as:
 - Requests for sexual favors accompanied by implied or overt threats concerning the target's job performance evaluation, a promotion or other job benefits or detriments;
 - o Subtle or obvious pressure for unwelcome sexual activities.
- Sexually oriented gestures, noises, remarks or jokes, or comments about a person's sexuality or sexual experience, which create a hostile work environment.
- Sex stereotyping occurs when conduct or personality traits are considered inappropriate simply because they may not conform to other people's ideas or perceptions about how individuals of a particular sex should act or look.
- Remarks regarding an employee's gender expression, such as wearing a garment typically associated with a different gender identity; or
- Asking employees to take on traditionally gendered roles, such as asking a woman to serve meeting refreshments when it is not part of, or appropriate to, her job duties.
- Sexual or discriminatory displays or publications anywhere in the workplace, such as:

- Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity and the status of being transgender, such as:
 - o Interfering with, destroying or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - o Sabotaging an individual's work;
 - o Bullying, yelling, name-calling.

Who can be a target of sexual harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. New York Law protects employees, paid or unpaid interns, and non-employees, including independent contractors, and those employed by companies contracting to provide services in the workplace. Harassers can be a superior, a subordinate, a coworker or anyone in the workplace including an independent contractor, contract worker, vendor, client, customer or visitor.

Where can sexual harassment occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are traveling for business or at employer sponsored events or parties. Calls, texts, emails, and social media usage by employees can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices or during non-work hours. Sexual harassment can occur when employees are working remotely from home as well. Any behaviors outlined above that leave an employee feeling uncomfortable, humiliated, or unable to meet their job requirements constitute harassment even if the employee or covered individual is at home when the harassment occurs. Harassment can happen on virtual meeting platforms, in messaging apps, and after working hours between personal cell phones.

Retaliation

Unlawful retaliation can be any action that could discourage a worker from coming forward to make or support a sexual harassment claim. Adverse action need not be job-related or occur in the workplace to constitute unlawful retaliation (e.g., threats of physical violence outside of work hours).

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in "protected activity." Protected activity occurs when a person has:

- made a complaint of sexual harassment, either internally or with any anti-discrimination Corporation;
- testified or assisted in a proceeding involving sexual harassment under the Human Rights Law or other anti-discrimination law;

- opposed sexual harassment by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of harassment;
- reported that another employee has been sexually harassed; or
- encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

Bystander Intervention

Any employee witnessing harassment as a bystander is encouraged to report it. There are five standard methods of bystander intervention that can be used when anyone witnesses harassment or discrimination and wants to help.

- 1. A bystander can interrupt the harassment by engaging with the individual being harassed and distracting them from the harassing behavior;
- 2. A bystander who feels unsafe interrupting on their own can ask a third party to help intervene in the harassment;
- 3. A bystander can record or take notes on the harassment incident to benefit a future investigation;
- 4. A bystander might check in with the person who has been harassed after the incident, see how they are feeling and let them know the behavior was not ok; and
- 5. If a bystander feels safe, they can confront the harassers and name the behavior as inappropriate. When confronting harassment, physically assaulting an individual is never an appropriate response.

Though not exhaustive, and dependent on the circumstances, the guidelines above can serve as a brief guide of how to react when witnessing harassment in the workplace. Any employee witnessing harassment as a bystander is encouraged to report it.

Reporting Sexual Harassment

Preventing sexual harassment is everyone's responsibility. The Corporation cannot prevent or remedy sexual harassment unless it knows about it. Any employee, paid or unpaid intern or non-employee who has been subjected to behavior that may constitute sexual harassment is encouraged to report such behavior to a supervisor, manager or the President. Anyone who witnesses or becomes aware of potential instances of sexual harassment should report such behavior to a supervisor, manager or the President.

Reports of sexual harassment may be made verbally or in writing. A form for submission of a written complaint is attached to this Policy, and all employees are encouraged to use this complaint

form. Employees who are reporting sexual harassment on behalf of other employees should use the complaint form and note that it is on another employee's behalf.

Employees, paid or unpaid interns or non-employees who believe they have been a target of sexual harassment may also seek assistance in other available forums, as explained below in the section on Legal Protections.

Supervisory Responsibilities

All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing behavior or for any reason suspect that sexual harassment is occurring, **are required** to report such suspected sexual harassment to the President

In addition to being subject to discipline if they engaged in sexually harassing conduct themselves, supervisors and managers will be subject to discipline for failing to report suspected sexual harassment or otherwise knowingly allowing sexual harassment to continue.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

Complaint and Investigation of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. Investigations will be conducted in a timely manner, and will be confidential to the extent possible.

An investigation of any complaint, information or knowledge of suspected sexual harassment will be prompt and thorough, commenced immediately and completed as soon as possible. The investigation will be kept confidential to the extent possible. All persons involved, including complainants, witnesses and alleged harassers will be accorded due process, as outlined below, to protect their rights to a fair and impartial investigation. Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. The Corporation will not tolerate retaliation against employees who file complaints, support another's complaint or participate in an investigation regarding a violation of this policy.

While the process may vary from case to case, investigations should be done in accordance with the following steps:

- Upon receipt of complaint, the President will conduct an immediate review of the allegations, and take any interim actions (e.g., instructing the respondent to refrain from communications with the complainant), as appropriate. If complaint is verbal, encourage the individual to complete the "Complaint Form" in writing. If he or she refuses, prepare a Complaint Form based on the verbal reporting.
- If documents, emails or phone records are relevant to the investigation, take steps to obtain and preserve them.

- Request and review all relevant documents, including all electronic communications.
- Interview all parties involved, including any relevant witnesses;
- Create a written documentation of the investigation (such as a letter, memo or email), which contains the following:
 - A list of all documents reviewed, along with a detailed summary of relevant documents:
 - A list of names of those interviewed, along with a detailed summary of their statements;
 - o A timeline of events:
 - o A summary of prior relevant incidents, reported or unreported; and
 - The basis for the decision and final resolution of the complaint, together with any corrective action(s).
- Keep the written documentation and associated documents in a secure and confidential location.
- Promptly notify the individual who reported and the individual(s) about whom the complaint was made of the final determination and implement any corrective actions identified in the written document.
- Inform the individual who reported of the right to file a complaint or charge externally as outlined in the next section.

Legal Protections And External Remedies

Sexual harassment is not only prohibited by the Corporation but is also prohibited by state, federal, and, where applicable, local law.

Aside from the internal process at the Corporation, employees may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental Corporation, you may seek the legal advice of an attorney.

In addition to those outlined below, employees in certain industries may have additional legal protections.

State Human Rights Law (HRL)

The Human Rights Law (HRL), codified as N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State with regard to sexual harassment, and protects employees, paid or unpaid interns and non-employees, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints with DHR may be filed any time **within three years** of the harassment. If an individual did not file at DHR, they can sue directly in state court under the HRL, **within three years** of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to the Corporation does not extend your time to file with DHR or in court. The three years is counted from date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases are forwarded to a public hearing before an administrative law judge. If sexual harassment is found after a hearing, DHR has the power to award relief, which varies but may include requiring your employer to take action to stop the harassment, or redress the damage caused, including paying of monetary damages, attorney's fees and civil fines.

DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400 or visit: www.dhr.ny.gov.

Contact DHR at (888) 392-3644 or visit <u>dhr.ny.gov/complaint</u> for more information about filing a complaint. The website has a complaint form that can be downloaded, filled out, notarized and mailed to DHR. The website also contains contact information for DHR's regional offices across New York State.

Civil Rights Act of 1964

The United States Equal Employment Opportunity Commission ("EEOC") enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act (codified as 42 U.S.C. § 2000e et seq.). An individual can file a complaint with the EEOC anytime within 300 days from the harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint, and determine whether there is reasonable cause to believe that discrimination has occurred, at which point the EEOC will issue a Right to Sue letter permitting the individual to file a complaint in federal court.

The EEOC does not hold hearings or award relief, but may take other action including pursuing cases in federal court on behalf of complaining parties. Federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at <u>www.eeoc.gov</u> or via email at <u>info@eeoc.gov</u>.

If an individual filed an administrative complaint with DHR, DHR will file the complaint with the EEOC to preserve the right to proceed in federal court.

Local Protections

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law

exists. For example, employees who work in New York City may file complaints of sexual harassment with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 40 Rector Street, 10th Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml.

Contact the Local Police Department

If the harassment involves unwanted physical touching, coerced physical confinement or coerced sex acts, the conduct may constitute a crime. Contact the local police department.

Adopted the 23rd day of March, 2023

Amended and Restated this 19th day of March, 2025

Erie Tobacco Asset Securitization Corporation Harassment Reporting Form

If you believe that you have been subjected to harassment, you are encouraged to complete this form and submit it to management. This form may be used for reporting either sexual harassment or characteristic-based harassment.

You may also submit complaints via email, telephone, or in person. You will not be retaliated against for filing a complaint.

If you are more comfortable reporting verbally or in another manner, Erie Tobacco Asset Securitization Corporation management will complete this form on your behalf, provide you with a copy and follow our Policy by investigating the claims as outlined at the end of this form.

COMPLAINANT INFORMATION			
Name:			
Work Address:	Work Phone:		
Job Title:	Email:		
Select Preferred Communication Metl	hod:Email _ Phone _ In person		
SUPERVISORY INFORMATION			
Immediate Supervisor's Name:			
Title:			
Work Phone:	Work Address:		
COMPLAINT INFORMATION	WOIK Address.		
1. Your complaint of harassment is ma	ade about:		
Name:			
Title:			

Work Address:	Wor	rk Phone:		
Relationship to you	:_Supervisor _ Subor	rdinateCo-Worker	Other	
			and your work. Please use nt documents or evidence.	
3. Date(s) harassm	ent occurred:			
Is the harassment co	ontinuing? Yes No			
	ame and contact inform n related to your comp		s or individuals who may	
5. Have you previously complained or provided information (verbal or written) about related incidents? If yes, when and to whom did you complain or provide information?				
If you have retained contact information	•	ould like us to work wi	th them, please provide their	
Signature:		Date:		

Investigation Procedure

An investigation involves:

- Speaking with implicated employees
- Interviewing witnesses
- Collecting and reviewing any related documents

Complaints will be investigated promptly and resolved as quickly as possible. The investigation will be kept confidential to the fullest extent possible. As a reminder, Erie Tobacco Asset Securitization Corporation will <u>not</u> permit retaliation against anybody making a good-faith report of harassment. If you believe you have been retaliated against after submitting a complaint, notify management immediately.

Exhibit K

Continuity of Operations Plan Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

CONTINUITY OF OPERATIONS PLAN FOR A STATE DISASTER EMERGENCY INVOLVING A COMMUNICABLE DISEASE

Purpose

Pursuant to Chapter 168 of the Laws of 2020, and to ensure the continuation of services provided by the State of New York and the health and safety of the public sector workforce, the Erie Tobacco Asset Securitization Corporation (the "Corporation") must prepare a plan for the continuation of operations in the event that the Governor declares a state disaster emergency involving a communicable disease.

This plan must be posted in (1) a clear and conspicuous location (e.g., bulletin boards or other similar location where employees normally view information posted by the employer), (2) in the Corporation's employee handbook if it has one, and (3) on either their intranet or internet website.

Individual(s) Responsible for Maintaining this Plan: President Erie Tobacco Asset Securitization Corporation

A. Essential Personnel

Essential shall refer to a designation made that a public employee is or may be required to be physically present at a worksite to perform his or her job. Such designation may be changed at any time at the sole discretion of the employer. The Corporation's President is designated as essential.

B. Telecommuting

All employees will receive guidance from their supervisors on if/when they must transition to a telecommute status. The President will develop and implement remote work schedules as needed.

C. Work Shifts/Schedules

The President will ensure that essential employees can continue to fulfill their work responsibilities within the confines of what is advisable by the Center for Disease Control (CDC) and/or required by New York State (NYS) or its Department of Health (DOH). In a future communicable disease event, current procedures and guidelines for workplace safety protocols will be adjusted to fit the specific threat and be distributed to all involved employees.

D. Personal Protective Equipment

The Corporation follows Infection Control Procedures in accordance with the Center for Disease Control and the New York State Department of Health in the development of all internal protocols and guidance relative to responding to communicable disease. During a response to a communicable disease outbreak, procuring, distributing and inventory control of PPE will be centralized and prioritized. Protocols for the cleaning, disposal, training and signage related to PPE will follow the guidance established by the CDC and NYS Health Department.

E. Exposure Protocol

Minimal Controls During an Outbreak: During an airborne infectious disease outbreak, the following minimum controls will be used:

- 1. **General Awareness:** Individuals may not be aware that they have the infectious disease and can spread it to others. Employees will:
 - Maintain physical distancing
 - Exercise coughing/sneezing etiquette
 - Wear face coverings and utilize PPE as appropriate
 - Individuals limit what they touch
 - Stop social etiquette behaviors such as hugging and hand shaking, and
 - Wash hands properly and often
- 2. "Stay at Home Policy": If an employee develops symptoms of the infectious disease, the employee should not be in the workplace. The employee should inform their supervisor of their health status and follow New York State Department of Health (NYSDOH)and Centers for Disease Control and Prevention (CDC) guidance regarding obtaining medical care and isolating.
- 3. Health Screening: Employees will be screened for symptoms of the infectious disease at the beginning of their shift. Employees are to self-monitor throughout their shift and report any new or emerging signs or symptoms of the infectious disease to the designated contact. An employee showing signs or symptoms of the infectious disease should leave the workplace immediately and should contact a healthcare professional for instructions. The health screening elements will follow NYSDOH and CDC guidance, if available.
- **4. Face Coverings:** Consistent with New York State Department of Health and the Centers for Disease Control and Prevention applicable guidance, appropriate face coverings may be required.
- 5. Physical Distancing: Consistent with New York State Department of Health and the Centers for Disease Control and Prevention applicable guidance, physical distancing may be required. In situations where prolonged close contact with other individuals is likely, the Corporation will use the following control methods as applicable:
 - restricting or limiting customer or visitor entry to any building
 - limiting occupancy within the building
 - allowing only one person at a time inside small, enclosed spaces

- reconfiguring workspaces
- physical barriers
- signage in public areas to inform employees and visitors
- floor markings
- recommend telecommuting and remote meetings
- preventing gatherings of employees
- restricting travel
- creating new work shifts and/or staggering work hours
- adjusting break times and lunch periods
- delivering services remotely for Corporation board members and clients
- 6. **Hand Hygiene:** To prevent the spread of infection, employees should wash hands with soap and water for at least twenty (20) seconds or use a hand sanitizer with at least sixty percent (60%) alcohol to clean hands BEFORE and AFTER:
 - Touching your eyes, nose, or mouth
 - Touching your mask
 - Entering and leaving a public place including the Corporation's facility
 - Touching an item or surface that may be frequently touched by other people
- 7. Cleaning and Disinfection: Objects that are touched repeatedly by multiple individuals, such as door handles, light switches, control buttons/levers, water faucet handles, computers, phones, or handrails will be cleaned frequently with an appropriate disinfectant. Surfaces that are handled less often, or by fewer individuals, may require less frequent disinfection.
- **8. Events/Meetings:** Corporation leadership will review scheduled events and meetings which may be temporarily suspended or cancelled or otherwise held remotely. A log of every person, including employees and visitors, who may have close contact with other individuals at the worksite or area, excluding deliveries that are performed with appropriate PPE or through contactless means, shall be maintained.
- 9. Contact Tracing: The Corporation will deploy contact tracers who interview any person who may have had a suspected exposure. They will determine if there were other individuals that may have been exposed and what areas may have been contaminated. Identified exposed individuals will also be interviewed. Working within the New York State Department of Health guidelines, determinations will be made regarding isolation, quarantine, or other notifications. Maintenance will be notified of areas that require disinfection and cleaning.

F. Other

The Corporation will comply with all executive orders and emergency regulations related to the state disaster emergency.

Adopted the 23rd day of March, 2023 Readopted this 19th day of March, 2025

Exhibit L

Amended and Restated Public Access to Records Policy [Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION AMENDED AND RESTATED PUBLIC ACCESS TO RECORDS POLICY

Introduction

This Public Access to Records Policy ("Policy)" shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation").

Purpose:

- 1. Designation of records access officer
- 2. Requests for public access to records
- 3. Denial of access to records
- 4. Fees

Section 1. Purpose

(a) This policy provides information concerning the procedures by which records may be obtained from the Corporation in accordance with the Freedom of Information Law ("FOIL").

Section 2. Designation of records access officer

- (a) The Assistant Treasurer is designated as the records access officer; however, the President may from time to time designate another person as the records access person as he/she may deem necessary or desirable.
- (b) The records access officer is responsible for insuring appropriate Corporation response to public requests for access to records.

The records access officer shall insure that Corporation personnel:

- (1) Maintain an up-to-date subject matter list reasonably detailing all records in the possession of the Corporation, whether or not available under FOIL.
- (2) Maintain a record setting forth the name, public office address, title, and salary of every officer or employee of the Corporation.

Section 3. Requests for public access to records

(a) A written request for a record shall be made to the Record Access Officer. In addition, a written request for a record may be submitted in the form of electronic mail and the Authority shall respond to such requests by electronic mail, using forms, to the extent practicable, consistent with the form(s) developed by the Committee on Open Government.

- (b) A response shall be given within five business days of receipt of a request by:
- (1) informing a person requesting records that the request or portion of the request does not reasonably describe the records sought, including direction, to the extent possible, that would enable that person to request records reasonably described;
 - (2) granting or denying access to records in whole or in part;
- (3) acknowledging the receipt of a request in writing, including an approximate date when the request will be granted or denied in whole or in part, which shall be reasonable under the circumstances of the request and shall not be more than twenty business days after the date of the acknowledgment, or if it is known that circumstances prevent disclosure within twenty business days from the date of such acknowledgment, providing a statement in writing indicating the reason for inability to grant the request within that time and a date certain, within a reasonable period under the circumstances of the request, when the request will be granted in whole or in part; or
- (4) if the receipt of request was acknowledged in writing and included an approximate date when the request would be granted in whole or in part within twenty business days of such acknowledgment, but circumstances prevent disclosure within that time, providing a statement in writing within twenty business days of such acknowledgment specifying the reason for the inability to do so and a date certain, within a reasonable period under the circumstances of the request, when the request will be granted in whole or in part.
- (c) In determining a reasonable time for granting or denying a request under the circumstances of a request, personnel shall consider the volume of a request, the ease or difficulty in locating, retrieving or generating records, the complexity of the request, the need to review records to determine the extent to which they must be disclosed, the number of requests received by the Corporation, and similar factors that bear on the ability to grant access to records promptly and within a reasonable time.

Section 4. Denial of access to records.

- (a) Denial of access to records shall be in writing stating the reason therefor and advising the requester of the right to appeal to the individual established to determine appeals, who shall be identified by name, title, business address and business phone number.
- (b) The Chairman shall determine appeals regarding denial of access to records under the Freedom of Information Law.
 - (c) Any person denied access to records may appeal within thirty days of a denial.
- (d) The time for deciding an appeal by the individual to determine appeals shall commence upon receipt of a written appeal identifying:
 - (1) the date and location of requests for records;

- (2) a description, to the extent possible, of the records that were denied; and
- (3) the name and return address of the person denied access.
- (e) A failure to determine an appeal within ten business days of its receipt by granting access to the records sought or fully explaining the reasons for further denial in writing shall constitute a denial of the appeal.
- (f) The person designated to determine appeals shall transmit to the Committee on Open Government copies of all appeals upon receipt of appeals. Such copies shall be addressed to:

Committee on Open Government Department of State 41 State Street Albany, NY 12231

(g) The person designated to determine appeals shall inform the appellant and the Committee on Open Government of its determination in writing within ten business days of receipt of an appeal. The determination shall be transmitted to the Committee on Open Government in the same manner as set forth subdivision (f) of this section.

Section 5. Fees.

- (a) Fees for reproduction may be charged as follows:
- (1) 25 cents per page for photocopies not exceeding 9 by 14 inches. If the paper copies requested are larger than 9"x14" the Authority can charge the actual cost of making the copies; or
 - (2) The actual cost of reproducing a record, which may include:
 - (a) An amount equal to the hourly salary attributed to the lowest paid Corporation employee who has the necessary skill required to prepare a copy of the requested record if more than 2 hours of time is required;
 - (b) The actual cost of the storage devices
- (c) The actual cost to the Corporation of engaging an outside professional service to prepare a copy of a record in the event the Corporation's information technology equipment is inadequate to prepare a copy.

Section 6 Employee Notification of Release of Disciplinary Records

(a) For the purposes of this Section 6, the term "Disciplinary Record" shall mean and refer to those records set forth by Section 86(6) of the Public Officers Law, including any record created in furtherance of a law enforcement disciplinary proceeding, including, but not limited to:

- (1) the complaints, allegations, and charges against an Employee;
- (2) the name of the Employee complained of or charged;
- (3) the transcript of any disciplinary trial or hearing, including any exhibits introduced at such trial or hearing;
 - (4) the disposition of any disciplinary proceeding; and
- (5) the final written opinion or memorandum supporting the disposition and discipline imposed including the Corporation's complete factual findings and its analysis of the conduct and appropriate discipline of the covered Employee.
- (b) Pursuant to and in accordance with the requirements of Section 87(6) of FOIL, in the event the Corporation is responding to a request for the Disciplinary Record of a current or former employee of the Corporation (in each instance, an "Employee") pursuant to this Policy and/or FOIL, the Corporation shall provide written notification of said response to such Employee (the "Employee Notice") at the same time the response is released to the submitter of such request.

Adopted the 23rd day of March, 2023

Amended and Restated this 19th day of March, 2025

Exhibit M

Record Retention Policy

[Attached]

ERIE TOBACCO ASSET SECURITIZATION CORPORATION RECORD RETENTION POLICY

This Record Retention Policy ("Policy") is adopted in accordance with Article 57-A of the New York State Arts and Cultural Affairs Law and Part 185 of 8-CRR-NY Records of Public Corporations. This Policy shall apply to the Erie Tobacco Asset Securitization Corporation (the "Corporation").

The Corporation will adhere to the Records Retention and Disposition Schedule for New York Local Government Records (LGS-1), as may be amended from time to time. In accordance with LGS-1, no records will be disposed of and/or destroyed, until and unless they have met the minimum retention periods set forth therein. Records that do not have sufficient administrative, fiscal, legal or historical value to merit retention beyond the applicable minimum retention period shall be disposed of. In all cases, the Corporation will retain records for a minimum period of no less than 7 years. Corporation records are the property of the Corporation, and no individual Corporation member, officer or employee has, by virtue of his or her position, any personal or property rights to such records.

The Corporation shall designate a Records Management Officer ("RMO"), who will be responsible for the administration and management of the Corporation's records. Appointment of the RMO shall be made by the Corporation's Board of Directors.

Adopted this 19th day of March, 2025

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 19, 2025

Resolution Number 6
Approving Annual Stipend for Independent Directors and Designated Director

WHEREAS, pursuant to Article II, Section 12 of the Corporation's By-Laws and the Board Member Compensation, Reimbursement and Attendance Policy, the members of the Board of Directors may receive such compensation for their services as may be approved by a majority of the Board of Directors.

BE IT RESOLVED, that the non-Independent and Designated Directors of the Corporation, as defined in Article II, Section 2(b)(II) of the Corporation's By-Laws and constituting a majority of the Board of Directors, hereby approve an annual stipend of \$2,500.00 for each of the Independent Directors and Designated Director of the Corporation.

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

ACKNOWLEDGEMENT OF FIDUCIARY DUTIES AND RESPONSIBILITIES

As a member of the Board of Directors of the Erie Tobacco Asset Securitization Corporation (the "Corporation"), I understand that I have a fiduciary obligation to perform my duties and responsibilities to the best of my abilities, in good faith and with proper diligence and care, consistent with the enabling statute, mission, and By-Laws of the Corporation (as amended) and the laws of New York State. The requirements set forth in this acknowledgement are based on the provisions of New York State law, including but not limited to the Public Authorities Reform Act of 2005, as amended by Chapter 506 of the Laws of 2009 of the State of New York, Public Officers Law, and General Municipal Law. As a member of the Board of Directors:

I. Mission Statement

I have read and understand the mission of the Corporation; and the mission is designed to achieve a public purpose on behalf of the State of New York. I further understand that my fiduciary duty to this Corporation is derived from and governed by its mission. I agree that I have an obligation to become knowledgeable about the mission, purpose, functions, responsibilities, and statutory duties of the Corporation and, when I believe it necessary, to make reasonable inquiry of management and others with knowledge and expertise so as to inform my decisions.

II. Deliberation

I understand that my obligation is to act in the best interests of the Corporation and the people of the State of New York whom the Corporation serves. I agree that I will exercise independent judgment on all matters before the Board of Directors. I understand that any interested party may comment on any matter or proposed resolution that comes before the Board of Directors consistent with the laws governing procurement policy and practice, be it the general public, an affected party, a party potentially impacted by such matter or an elected or appointed public official. However, I understand that the ultimate decision is mine and will be consistent with the mission of the Corporation and my fiduciary duties as a member of the Corporation's Board of Directors. I will participate in training sessions, attend Board and committee meetings, and engage fully in the Board's and committee's decision-making process.

III. Confidentiality

I agree that I will not divulge confidential discussions and confidential matters that come before the Board of Directors for consideration or action.

IV. Conflict of Interest

I agree to disclose to the Board any conflicts, or the appearance of a conflict, of a personal, financial, ethical, or professional nature that could inhibit me from performing my duties in good faith and with due diligence and care. I do not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of my duties in the public interest.

Signature:	
Print Name:	
Corporation Name:	ERIE TOBACCO ASSET SECURITIZATION CORPORATION
Date:	

MISSION STATEMENT OF THE CORPORATION

Mission Statement: The mission of the Erie Tobacco Asset Securitization Corporation (ETASC) is to acquire, hold, sell, pledge and otherwise dispose of all or a portion of the rights of Erie County to receive payments from certain cigarette manufacturers under a 1998 Master Settlement Agreement (MSA) of a class action entitled State of New York, et al. v. Philip Morris Incorporated, et al. for the benefit of its bondholders and the County. The Corporation's mission is to satisfy its obligations under Trust Indentures associated with its outstanding bonds and from time to time, if appropriate, assess additional MSA revenue securitization opportunities. This public purpose and mission has been accomplished in part by ETASC through the issuance of bonded indebtedness in the years 2000, 2005 and 2006.

Copies of the Minutes of the March 20, 2024 Annual Meetings of the Sole Member And Board of Directors

MINUTES OF THE ANNUAL MEETING OF THE SOLE MEMBER OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

1. <u>Call Meeting to Order</u>.

County Executive Poloncarz, as Sole Member, called the Annual Meeting of the Sole Member to order at 3:00 PM and waived notice of the Annual Meeting of the Sole Member by his attendance at such Annual Meeting. Also present were County Comptroller and Vice Chairman Kevin Hardwick, Directors Patricia Johnson, Bryan Bingel, and David Zaleski, and Officers Robert Keating, Timothy Callan, Mark Cornell, Kim Kajdasz, Jeremy Toth, and Richard Stanton. Legal counsel to the Board Robert Murray, and Andrew Pawenski were also present.

2. Adopt Minutes.

County Executive Poloncarz, as Sole Member, resolved to adopt for filing the Minutes of the Sole Member's March 23, 2023 Annual Meeting and ordered the Secretary to receive a copy of the minutes and place them in the Corporation's Minute Book.

3. Acknowledgement of 2023 Audited Financial Statements.

County Executive Poloncarz, as Sole Member, acknowledged receipt of a report of the Corporation's independent certified public accountants for the Corporation's fiscal year ended December 31, 2023 and to accept same for filing in the records of the Corporation and entry into the minutes of the Annual Meeting of the Sole Member pursuant to Article II, Section 13 of the Corporation's By-Laws, conditioned upon the approval of same by the Board of Directors, and directed the Secretary to acknowledge receipt and place a copy in the Corporation's Minute Book upon passage by the Board of Directors.

4. Action Item 1 – Resolution to Elect Designated Director.

County Executive Poloncarz, as Sole Member, resolved to adopt Resolution Number 1, electing Bryan R. Bingel to serve as the Designated Director of the Corporation, based upon the designation by April Baskin, the Chairperson of the Erie County Legislature and John J. Mills, the Minority Leader of the Erie County Legislature, a copy of which was attached to Resolution Number 1.

5. Acknowledgement of Designation of Independent Directors.

County Executive Poloncarz, as Sole Member, acknowledged the designation of David Zaleski and Patricia Johnson, as designated by County Executive Poloncarz, County Comptroller Hardwick, and Designated Director Bryan R. Binge(as Independent Directors of the Corporation in accordance with Article II, Section 2(b)(II) of the Corporation's By-Laws.

6. **Action Item 2 - Resolution to Elect Independent Directors.**

County Executive Poloncarz, as Sole Member, resolved to adopt Resolution Number 2, electing David Zaleski and Patricia Johnson to serve as Independent Directors of the Corporation.

7. Adjournment.

County Executive Poloncarz, as Sole Member, adjourned the Annual Meeting of the Sole Member at 3:04 PM.

Secretary

ANNUAL MEETING OF THE SOLE MEMBER OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 1 Election of Designated Director

BE IT RESOLVED, that Bryan R. Bingel is hereby elected to serve as the Designated Director of the Corporation, based on the designation of April N. M. Baskin, the Chairperson of the Erie County Legislature, and John J. Mills, the Minority Leader of the Erie County Legislature, which is attached hereto, pursuant to Article II, Section 2(b)(II) of the By-Laws of the Corporation.

DESIGNATION OF DIRECTOR

OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

The undersigned, being the Chairperson of the Erie County Legislature and the Minority Leader of the Erie County Legislature, respectively, acting pursuant to Article II, Section 2(b) of the By-laws of Erie Tobacco Asset Securitization Corporation, a corporation organized under and pursuant to the Not-For-Profit Corporation Law of the State of New York (the "Corporation"), **DO HEREBY JOINTLY DESIGNATE**

BRYAN R. BINGEL

to serve as the Designated Director of the Corporation until such time as his successor has been elected and qualified.

IN WITNESS WHEREOF, we have set our hands hereto as of the 19th day of March, 2024.

April N.M. Baskin

Chair of the Erie County Legislature

John J. Mils

Minority Leader of the Erie County Legislature

ANNUAL MEETING OF THE SOLE MEMBER OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 2
Election of Independent Directors

BE IT RESOLVED, that David Zaleski and Patricia Johnson are hereby elected to serve as the Independent Directors of the Corporation, based on the designation of all or a majority of the non-Independent and Designated Directors of the Corporation, a copy of which approval is annexed hereto.

MINUTES OF THE ANNUAL MEETING OF THE

BOARD OF DIRECTORS (THE "BOARD") OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

1. Call Meeting to Order.

Board President Robert Keating called the Annual Meeting of the Board to order at 3:05 p.m. Roll was taken by the Secretary Jeremy Toth, Present were Chairman Mark Poloncarz, Vice Chairman Kevin Hardwick, Directors Patricia Johnson, Bryan Bingel, and David Zaleski, who together constituted the entirety of the Board. Also present were Officers Robert Keating, Timothy Callan, Mark Cornell, Kim Kajdasz, and Richard Stanton. Legal counsel to the Board Robert Murray, and Andrew Pawenski were also present. The Chairman then turned over the direction of the meeting to ETASC President Robert Keating to run through the Agenda.

2. <u>Adopt Minutes of Corporation.</u>

The Board on the Motion of Chair, seconded by Bryan Bingel, unanimously adopted for filing the minutes of the meeting of the Board on:

- March 23, 2023
- May 11, 2023
- October 26, 2023

3. Acknowledge Receipt of Minutes of Audit and Governance Committees.

The Board to acknowledge receipt of copies of the minutes and Reports of the Board's Audit and Governance Committees' 2023 meetings and 2023 activities, respectively.

4. <u>Action Item 1 – Resolution to Accept and Approve Audited Financial Statements</u> and Authorize Filing of Same.

The Board on motion of Kevin Hardwick, seconded by Patricia Johnson unanimously adopted Resolution Number 1, accepting and approving the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2023, including the Report of the Corporation's Independent Auditors for the Year Ended December 31, 2023 (the "2023 Financial Statements"), which had been accepted by the Sole Member of the Corporation, copies of which were distributed to all Board members, in accordance with Article II, Section 13 of the Corporation's By-Laws; and

The Board Chair then directed and authorized the Corporation's Treasurer or their designee to file the 2023 Financial Statements with the New York Authorities Budget Office, the

Chief Executive Officer and the Chief Fiscal Officer of the Corporation and the Chairman of the Erie County Legislature, within ninety (90) days of the end of the Corporation's fiscal year.

5. Action Item 2 – Resolution to Authorize Mission Statement, Annual Assessment of Internal Controls, and Annual Report.

The Board of Directors reviewed and corrected a typo in the reporting of net assets in the Annual Report, and then on motion of the Chair, seconded by Kevin Hardwick, unanimously adopted Resolution Number 2 accepting, approving, and authorizing the filing by the Corporation's Treasurer or their designee of the Corporation's Mission Statement, Annual Assessment of Internal Controls, and Annual Report with the Authorities Budget Office.

Chairman Poloncarz excused himself from the meeting at 3:12 p.m. A quorum of four members remained.

6. Action Item 3 – Resolution to Accept Board Performance Evaluations.

The Board of Directors on motion of Kevin Hardwick, seconded by Patricia Johnson and a vote of 4-0 adopted Resolution Number 3 accepting the Aggregate Results of its Confidential Evaluation of the Boards Performance during 2023 and directing its Treasurer or their designee to file same with the New York State Authorities Budget Office.

7. Action Item 4 – Resolution to Elect Officers.

The Board on motion of Bryan Bingel, seconded by Kevin Hardwick, on a 4-0 vote, adopted Resolution Number 4 electing the slate of officers set forth to serve until the next Annual Meeting of the Corporation and until their respective successors are elected and qualified.

8. <u>Action Item 5 – Resolution to Re-Adopt Policies of the Corporation and Elect</u> Additional Officers in Accordance with Same.

The Board's legal counsel Robert Murray gave a brief review of the Board's existent policy. An amendment to expenditures authorization was made that to the extent the Board Chair, who is also the Board President seeks approval of an expense involving himself he will obtain approval of the Sole Member. Motion to Amend made by Bryan Bingel, seconded by Kevin Hardwick approved by a vote of 4-0. Then the Board on motion by Kevin Hardwick, seconded by Patricia Johnson, and by a vote of 4-0 approved Resolution Number 5, as amended, adopting and approving the policies of the Corporation annexed thereto, which included designating the Chairman of the Corporation to serve as the FOIL Appeals Officer pursuant to the Public Access to Records Policy and Contracting Officer pursuant to the Disposition of Property Guidelines.

10. Action Item 6 - Resolution to Authorize Annual Stipends for Independent Directors.

The Board reviewed history of paying stipends to Independent and Designated Directors. Then Bryan Bingel, made a motion seconded by Kevin Hardwick to approve Item. After further discussion a motion was then made by Bingel seconded by Hardwick to amend the Item to authorize stipend to Independ Director as well as Designated Directors and was approved 4-0. The motion to approve Resolution Number 6 accepting, approving and authorizing the continuation of the annual stipend for Designated and Independent Directors in the amount of \$2,500.00

11. Action Item 7 - Resolution to Authorize the Issuance of Requests for Proposals for Professional Audit, Accounting and Banking Services.

The Board on motion of Kevin Hardwick, seconded by Patricia Johnson, by a 4-0 vote adopted attached Resolution Number 7 authorizing the issuance of Requests for Proposals for Professional Audit, Accounting and Banking Services on behalf of the Corporation

12. Acknowledgement of Fiduciary Duty.

After instruction by Board Counsel each member of the Board reviewed the Mission Statement, and their Acknowledgment of Fiduciary Duty, and then executed the Acknowledgement of Fiduciary Duty, and provided executed originals to the Treasurer.

13. Other Business.

The Board then opened the floor to discuss any other business which may come before it. No new matters were introduced.

14. Meeting Adjourned.

A motion was made by Bryan Bingel, seconded by David Zaleski to adjourn. The motion was passed 4-0 and the meeting was adjourned at 3:26 p.m.

Jeremy C. Toth

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 1 Approval of 2023 Audited Financial Statements

WHEREAS, the Corporation's Treasurer or their designee, has presented to the Sole Member of Corporation, the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2023, including the Report of the Corporation's Independent Auditors; and

BE IT RESOLVED, that the Corporation hereby accepts and approves the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2023, including the Report of the Corporation's Independent Auditors; and

BE IT FURTHER RESOLVED, the Treasurer or their designee is hereby authorized and directed to submit to the President of the Corporation, the Chairperson of the Erie County Legislature and the Authorities Budget Office of the State of New York, within ninety (90) days after the end of the Corporation's 2023 fiscal year, the Corporation's Basic Financial Statements and Required Supplementary Information for the Year Ended December 31, 2023, including the Report of the Corporation's Independent Auditors, and necessary related documentation for the Corporation's 2023 fiscal year.

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 2
Filing of Corporation Reports

BE IT RESOLVED, that the Board of Directors hereby accepts and approves the Corporation's Mission Statement and Performance Measurements, Annual Report, and Annual Assessment of Internal Controls; and

BE IT FURTHER RESOLVED, that the Treasurer of the Corporation or their designee is hereby authorized and directed to file and post the Corporation's Mission Statement and Performance Measurements, Annual Report, and Annual Assessment of Internal Controls in a timely manner with the New York State Authorities Budget Office and others consistent with the New York State Public Authorities Law.

SEPECIAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 3 Confidential Evaluation of Board's Performance

BE IT RESOLVED, that the Board of Directors accepts the Aggregate Results of its Confidential Evaluation of the Board's performance by the Corporation's directors that a copy of which is attached hereto; and

BE IT FURTHER RESOLVED, that the Board of Directors authorizes and directs the Corporation's Treasurer or their designee to file same with the New York State Authorities Budget Office.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 4
Election of Officers

BE IT RESOLVED, that the following individuals are elected to serve or continue to serve as officers of the Corporation until the next Annual Meeting of the Board of Directors of the Corporation and until their respective successors are elected and qualified:

Mark Cornell Chairman and President;

Timothy Callan

Bryan Bingel
Patricia Johnson
David Zaleski
Kimberly Kajdasz
Jeremy Toth

Vice President;

Vacant Assistant Treasurer; and Richard Stanton Assistant Secretary.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF

ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 5 Approval of Policies and Designation of Officers in Accordance with Policies

BE IT RESOLVED, that the following policies, as presented at this meeting, are hereby adopted and approved:

- (a) The Amended and Restated Code of Ethics and Conflicts of Interest Policy attached hereto as **Exhibit A**;
- (b) The Amended and Restated Procurement Policy attached hereto as **Exhibit B**;
- (c) The Defense and Indemnification Policy attached hereto as **Exhibit C**;
- (d) The Real Property Acquisition Policy attached hereto as **Exhibit D**;
- (e) The Disposition of Property Guidelines attached hereto as **Exhibit E**;
- (f) The Investment Policy attached hereto as **Exhibit F**:
- (g) The Compensation, Reimbursement and Attendance Policy attached hereto as **Exhibit G**;
- (h) The Travel and Discretionary Funds Policy attached hereto as **Exhibit H**;
- (i) The Whistleblower Policy attached hereto as **Exhibit I**;
- (j) The Sexual Harassment and Prevention Policy attached hereto as **Exhibit J**;
- (k) The Continuity of Operations Plan Policy attached hereto as **Exhibit K**:
- (l) The Public Access to Records Policy attached hereto as **Exhibit L**; and

BE IT FURTHER RESOLVED, that the Chairman shall serve as the FOIL Appeals Officer of the Corporation pursuant to the Public Access to Records Policy; and

BE IT FURTHER RESOLVED, that the Chairman shall serve as the Contracting Officer pursuant to the Disposition of Property Guidelines.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 6
Approving Annual Stipend for Independent Directors

WHEREAS, pursuant to Article II, Section 12 of the Corporation's By-Laws and the Board Member Compensation, Reimbursement and Attendance Policy, the members of the Board of Directors may receive such compensation for their services as may be approved by a majority of the Board of Directors.

BE IT RESOLVED, that the non-Independent and Designated Directors of the Corporation, as defined in Article II, Section 2(b)(II) of the Corporation's By-Laws and constituting a majority of the Board of Directors, hereby approve an annual stipend of \$2,500.00 for each of the Independent Directors of the Corporation.

ANNUAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

March 20, 2024

Resolution Number 7
Authorizing Issuance of Requests for Proposals

BE IT RESOLVED, that the Board hereby authorizes the issuance of Requests for Proposals for Audit, Accounting and Banking Professional Services in accordance with the Amended and Restated Procurement Policy of the Corporation.

Copy of the Minutes of the October 25, 2024 Meeting of the Board of Directors

MINUTES

SPECIAL MEETING

of the

ERIE TOBACCO ASSET SECURITIZATION CORPORATION BOARD OF DIRECTORS

October 25, 2024

Erie County Division of Budget and Management Conference Room

DIRECTORS PRESENT

Designated Director Bryan Bingel and Independent Directors David Zaleski and Patricia Johnson.

ALSO PRESENT

Mark Cornell (Chairman and President), Timothy Callan (Vice President), Kimberly Kajdasz (Treasurer), Jeremy Toth (Secretary), and Aaron Rubin.

A. CALL TO ORDER

Mark Cornell called the meeting to order at 1:59 PM. Quorum present.

B. MINUTES FROM PRIOR MEETINGS

None.

C. OLD BUSINESS

None.

D. NEW BUSINESS

Action Item 1. Resolution to Approve 2025 Corporation Budget Report and Authorize Filing of Same.

Patricia Johnson moved that the Board of Directors adopt the attached <u>Resolution Number 1</u> accepting, approving, and authorizing the filing by the Corporation's Treasurer or their designee of the Corporation's 2025 Budget Report with the New York State Authorities Budget Office, seconded by Bryan Bingel. Motion approved unanimously and Resolution Number 1 adopted.

Action Item 2. Resolution to Enter a Contract for the Performance of Independent Auditing Services.

- i. The Audit Committee reviewed two proposals to provide independent auditing services to the Corporation for a 5-year contract and recommended that the Board of Directors accept the proposal of Drescher & Malecki LLP.
- ii. The Board of Directors reviewed the two proposals and recommends that the Corporation retain the services of Drescher & Malecki LLP.
- iii. Bryan Bingel moved that the Board of Directors approve the attached <u>Resolution</u> Number 2 authorizing the President of the Corporation or his designee to negotiate

and execute a contract with Drescher & Malecki LLP for independent auditing services for a five-year engagement too commence with the preparation of the Corporation's financial statements for fiscal year 2024, seconded by Patricia Johnson. Motion approved unanimously and Resolution Number 22 adopted.

E. ADJOURNMENT

David Zaleskii moved to adjourn, seconded by Bryam Bingell. Mution umanimously approved and the Board of Directors meeting adjourned at 22007 PM.

Jeremy C. Toth Secretary

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

October 25, 2024

Resolution Number 1
Approval of Corporation's 2025 Budget Report

BE IT RESOLVED, that the Board of Directors hereby accepts and approves the Corporation's 2025 Budget Report attached as Exhibit A; and

BE IT FURTHER RESOLVED, that the Treasurer of the Corporation or their designee is hereby authorized and directed to file and post the Corporation's 2025 Budget Report in a timely manner with the New York State Authorities Budget Office and others consistent with the New York State Public Authorities Law.

Erie Tobacco Asset Securitzation Corporation (ETASC) 2025 Budget Report

	2023 Actual	2024 Budget (Estimated)	2025 Budget (Proposed)	2026 Budget (Proposed)	2027 Budget (Proposed)	2028 Budget (Proposed)
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges for services	\$0	\$0	\$0	\$0	\$0	\$0
Rental & financing income	\$0	\$0	\$0	\$0	\$0	\$0
Other operating revenues	\$16,254,266	\$14,019,307	\$13,750,000	\$13,500,000	\$13,250,000	\$13,000,000
Nonoperating Revenues						
Investment earnings	\$167	\$10	\$10	\$10	\$10	\$10
State subsidies/grants	\$0	\$0	\$0	\$0	\$0	\$0
Federal subsidies/grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies/grants	\$0	\$0	\$0	\$0	\$0	\$0
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other nonoperating revenues	\$671,958	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Proceeds from the issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
Total revenues & financing sources	\$16,926,391	\$14,219,317	\$13,950,010	\$13,700,010	\$13,450,010	\$13,200,010
EXPENDITURES						
Operating expenses						
Salaries and wages	\$0	\$0	\$0	\$0	\$0	\$0
Other employee benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional services contracts	\$109,149	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Supplies and materials	\$0	\$0	\$0	\$0	\$0	\$0
Other operating expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Nonoperating expenses						
Payment of principal on bonds and financing arrangements	\$7,165,000	\$3,820,317	\$3,551,010	\$3,301,010	\$3,051,010	\$2,801,010
Interest and other financing charges	\$10,412,540	\$10,289,000	\$10,289,000	\$10,289,000	\$10,289,000	\$10,289,000
Subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$0	\$0	\$0	\$0	\$0	\$0
Grants and donations	\$0	\$0	\$0	\$0	\$0	\$0
Other nonoperating expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$17,686,689	\$14,219,317	\$13,950,010	\$13,700,010	\$13,450,010	\$13,200,010
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues and capital contributions over expenditures	-\$760,298	\$0	\$0	\$0	\$0	\$0

Exhibit A

Note: ETASC has not, and does not plan to have any capital construction expense or revenue or related activities in 2024, 2025 or future years.

This 2025 Budget report was approved by the current ETASC Board of Directors at a meeting held on ______.

ACTION ITEM 2

SPECIAL MEETING OF THE BOARD OF DIRECTORS OF ERIE TOBACCO ASSET SECURITIZATION CORPORATION ("CORPORATION")

October 25, 2024

Resolution Number 2
Entry into a Contract with
Drescher Malecki LLP
for the Performance of Independent Audit Services
on behalf of the Corporation

WHEREAS, the Erie Tobacco Asset Securitization Corporation (the "Corporation") is required to have an annual independent audit of its financial statements performed annually by a certified public accounting firm; and

WHEREAS, the Corporation issued a Request for Proposals ("RFP") to provide independent auditing services on behalf of the Corporation; and

WHEREAS, the Corporation received two proposals in response to the RFP; and

WHEREAS, the Board of Directors has reviewed the proposals in accordance with the Procurement Policy of the Corporation, and recommends that the Corporation retain the services of Drescher & Malecki LLP to conduct the annual independent audit of financial statements for the Corporation.

NOW, THEREFORE, BE IT RESOLVED that based upon a review of the RFP response by Patricia Johnson (Audit Committee Chair & Independent Director), Bryan Bingel (Designated Director), David Zaleski (Independent Director), Mark Cornell (President), Timothy Callan (Vice President), Kim Kajdasz (Treasurer) and Richard Stanton (Assistant Secretary), and in accordance with the Procurement Policy of the Corporation, the Board of Directors hereby determines that the Corporation retains the services of Drescher & Malecki LLP to conduct the annual independent audit of financial statements for the Corporation; and be it further

RESOLVED, that subject to the terms of this Resolution, the President or his designee, in consultation with the Board of Directors, is hereby authorized, on behalf of the Corporation, to negotiate and execute a contract with Drescher & Malecki LLP for independent audit services on behalf of the Corporation, and any appropriate changes or additions as approved by the Board of Directors; and be it further

RESOLVED, that the officers, employees, and agents of the Corporation are hereby authorized and directed for and in the name and on behalf of the Corporation to do all acts and

things required and to execute and deliver all such checks, certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent so acting, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the Corporation with all of the terms, covenants and provisions of the documents executed for and on behalf of the Corporation for a five-year engagement to commence with the preparation of the financial statements for fiscal year 2024.

Copies of the
Minutes
of the
February 13, 2024,
March 5, 2024
And
October 25, 2024 Meetings
of the
Audit Committee

Erie Tobacco Asset Securitization Corporation Audit Committee

Minutes of the Meeting February 13, 2024

Comptroller's Conference Room

Corporation Members Present: David Zaleski, Bryan Bingel, Patricia Johnson and Hon. Kevin Hardwick.

Also present were Robert Keating, Mark Cornell, Tim Callan, Dannette Drennan and Sarah Dayton of Lumsden and McCormick, and Drescher & Malecki, LLP (Matt Montalbo, Alex Cooke, and Corey Sveinsson-Skobel present via teleconference).

I. CALL TO ORDER

Meeting Called to Order by Patricia Johnson at 10:34 am.

II. ACTION ITEMS

- A. Draft Audit Approach presented by Drescher and Malecki team of Corey Sveinsson-Skobel Alex Cooke, and Matt Montalbo.
- B. Discussed review of potential RFP for new bank to serve as trustee of ETASC funds, and also history of RFP of audit firm.

III. ADJOURNMENT

Adjournment of Audit Committee on motion by Johnson, seconded by Zaleski, Unanimous approval. Meeting adjourned at11:29 am.

MINUTES

MEETING

of the

ERIE TOBACCO ASSET SECURITIZATION CORPORATION AUDIT COMMITTEE

March 5, 2024

Erie County Division of Budget and Management Conference Room

DIRECTORS PRESENT

County Comptroller Kevin Hardwick, Designated Director Bryan Bingel, and Independent Directors David Zaleski and Patricia Johnson.

ALSO PRESENT

Timothy Callan (Vice President), Mark Cornell (Treasurer), Kimberly Kajdasz (Assistant Treasurer), Richard Stanton (Assistant Secretary); Matthew Montalbo and Corey Sveinsson-Skobel of Drescher & Malecki LLP.

A. CALL TO ORDER

Independent Director Patricia Johnson called the meeting to order at 10:34 AM. Quorum present.

B. MINUTES FROM PRIOR MEETINGS

Minutes of the February 13, 2024 meeting of the Audit Committee were adopted and approved upon motion by Designated Director Bryan Bingel, seconded by Independent Director David Zaleski and approved unanimously.

C. OLD BUSINESS

None.

D. NEW BUSINESS

- 1. Review of the Corporation's Draft Audited Financial Statement for 2023 with Independent Auditors.
 - i. Matthew Montalbo reviewed Drescher & Malecki LLP's Audit Summary, during and after which the following comments were made regarding Drescher & Malecki LLP's 2023 Independent Auditor's Report and required communications:
 - a. The audit proceeded as standard with no exceptions, difficulties, or scope limitations
 - b. Significant accounting policies are impacted by new governmental accounting standards; none of the new standards had an impact on the Corporation's reporting or accounting.
 - c. Significant accounting estimates have been consistent with prior years and trends.

- d. There was nothing to impair the auditor's independence from the Corporation and compliance with the professional standards of independence.
- ii. Matthew Montallbo and Corey Sweimsson-Skobbelreviewedthe Corporation's Draft Audited Financial Statements for 2023 and discussed trends impacting the Corporation.
- iii. The meeting adjourned at 10.50AWM for the required private interies we between the Independent Auditors and IDesignated Director Byyar Briggel, Independent Director David Zaleski, and Independent Director Platricia Johnson; the meeting was reconvened at 11:00 AM with County Computabler Kevin Hardwick excused and the full Audit Committee present.
- iv. The Audit Committee resolved to acceptant recommends ubmission of the Audited Financial Statements for 22023 as speesented to the Committee on motion by Bryan Bingel, seconded by David Zaleski and approved unanimously.

E. ADJOURNMENT

Bryan Bingel moved to adjourn, seconded by David Zaleski. Motion unanimously approved and the Audit Committee meeting adjourned at 111:003 ANM.

i Chickard Stanton
Assistant Secretary

MINUTES

MEETING

of the

ERIE TOBACCO ASSET SECURITIZATION CORPORATION AUDIT COMMITTEE

October 25, 2024

Erie County Division of Budget and Management Conference Room

COMMITTEE MEMBERS PRESENT

Designated Director Bryan Bingel and Independent Directors David Zaleski and Patricia Johnson.

ALSO PRESENT

Mark Cornell (Chairman and President), Timothy Callan (Vice President), Kimberly Kajdasz (Treasurer), Jeremy Toth (Secretary), and Aaron Rubin.

A. CALL TO ORDER

Independent Director Patricia Johnson called the meeting to order at 1:05 PM. Quorum present.

B. MINUTES FROM PRIOR MEETINGS

Minutes from prior meetings of the Audit Committee are to be considered at a subsequent meeting.

C. OLD BUSINESS

None.

D. NEW BUSINESS

- 1. Review of the Corporation's 2025 Budget and Multi-Year Plan.
 - i. The Corporation received the Master Settlement Agreement payment notice from New York State in April of 2024, which indicated actual revenue of \$14,019,307, which is lower than the previous estimate of approximately \$16.1 million. Based on the audited financials the Corporation will be paying \$10,289,000 in interest with the remaining funds going toward principal. Numbers going forward will depend on updated interest figures, actual settlement funds received, nonoperating revenues, and professional services expenses.
 - ii. A discussion was held regarding the Corporation's revenues and expenditures.
- 2. Review of Proposals for Independent Auditing Services
 - i. Proposals were submitted by Bonadio & Co., LLP and Drescher & Malecki LLP.
 - ii. Discussion was held on the merits and of each proposal, the relative benefits to the Corporation, and the Corporation's options for moving forward.

iii. Bryan Bingel moved that having reviewed the twoppoposals the Committee recommend to the Board of Directorsiitaaceepttheeppoposabbof Directorsiitaaceepttheepp Malecki LLP to provide imdependent auditing services for the fire disscally ears 2024 through 2028, seconded by David Zaleski. Whoton unanimously approved.

E. ADJOURNMENT

David Zaleski moved to adjourn, seconded by Bryan Bingel. Motion unanimously approved and the Audit Committee meeting adjourned at 1:58 PM.

Jeremy C. Toth Secretary

Corporation's Basic Financial **Statements And** Required Supplementary Information for the Year Ended December 31, 2024, including the Report of the Corporation's Independent **Auditors for the** Year Ended December 31, **2024** (the "2024 Financial Statements")

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111 Elma, New York 14059

Telephone: 716.565.2299

Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

To the Board of Directors Erie Tobacco Asset Securitization Corporation:

We have audited, 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, the financial statements of the governmental activities and each major fund of Erie Tobacco Asset Securitization Corporation ("ETASC"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise ETASC's basic financial statements, and have issued our report thereon dated March 12, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that ETASC failed to comply with Section 2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ETASC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

Drescher & Malechi LLP

March 12, 2025

DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111 Elma, New York 14059

Telephone: 716.565.2299

Fax: 716.389.5178



March 12, 2025

Board of Directors Erie Tobacco Asset Securitization Corporation Erie County Office Building 95 Franklin Street Room 1600 Buffalo, New York 14202

To the Board of Directors:

We have audited the financial statements of the Erie Tobacco Asset Securitization Corporation ("ETASC"), a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and have issued our report thereon dated March 12, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 24, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of ETASC solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by ETASC is included in Note 1 to the financial statements. Except for the matter discussed below, there have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended December 31, 2024.

During the year ended December 31, 2024, ETASC implemented Government Accounting Standards Board (GASB) Statement No. 99 *Omnibus 2022*; GASB Statements No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*. GASB Statement 99 enhances comparability in the application of accounting and financial reporting requirements and improves the consistency of authoritative literature related to Statement No. 53. GASB Statement No. 100 improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. GASB Statement No. 101 provides a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. The implementation GASB Statements No. 100, 101 and No. 99 did not have a material impact on ETASC's financial position or results from operations.

No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements for the year ended December 31, 2024 were the recognition of tobacco settlement revenues as a receivable within governmental activities and the fair value of the swap valuation.

Management's estimate of recognition of tobacco settlement revenues is based on a combination of recent trends and historical data of tobacco settlement revenue received by ETASC. Management's estimate of the swap is based on a valuation performed by a professional third party. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting ETASC's financial statements relate to investments, derivatives, long-term debt, and contingencies as described in Notes 3, 5, 6, and 8 to the financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. We encountered no significant unusual transactions throughout our audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The proposed adjusting journal entry for the year ended December 31, 2024 was brought to the attention of, and corrected by, management, is attached to the management representation letter dated March 12, 2025 as Exhibit I (copy attached).

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to ETASC's financial statements or the auditors' report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated March 12, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. During the year ended December 31, 2024, ETASC consulted with Lumsden & McCormick, LLP, a hired outside accounting firm, regarding day to day operations and bookkeeping assistance. Management informed us that, and to our knowledge, none of their consultations with other accountants regarding auditing and accounting matters were significant to our performance of the audit of the financial statements.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with ETASC, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as ETASC's auditors.

* * * * *

This report is intended solely for the information and use of the ETASC Board and management of the ETASC and is not intended to be and should not be used by anyone other than these specified parties.

Drescher & Malecki LLP

March 12, 2025

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

Edward A. Rath County Office Building 95 Franklin Street, Room 1605 Buffalo, NY 14202

March 12, 2025

Drescher & Malecki LLP 2721 Transit Road Suite 111 Elma, NY 14059

This representation letter is provided in connection with your audit of the governmental activities and each major fund of the Erie Tobacco Asset Securitization Corporation ("ETASC"), a component unit of the County of Erie, New York, as of December 31, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the basic financial statements present fairly, in all material respects, the financial position and results of operations of the various opinion units of ETASC in accordance with accounting principles generally accepted for governments in the United States of America ("U.S. GAAP").

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of March 12, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 24, 2025, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions
 of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.

- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of U.S. GAAP.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- There are no identified material uncorrected misstatements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, GASB Statement No. 37, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended, and GASB Statement No. 65, Items Previously Reported as Assets and Liabilities, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense/expenditure is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues or general revenues.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- All required supplementary information is measured and presented within the prescribed guidelines.

- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our evaluation of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our evaluation of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose
 effects should be considered when preparing the financial statements and we have not
 consulted legal counsel concerning litigation, claims, or assessments.
- We have disclosed to you the identity of all the entity's related parties and the nature of all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- ETASC has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which ETASC is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, Accounting and Financial Reporting for Nonexchange Financial Guarantees, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 ("GASB-62"), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

• There are no:

- Violations or possible violations of laws or regulations, or provisions of contracts or grant
 agreements whose effects should be considered for disclosure in the financial statements
 or as a basis for recording a loss contingency, including applicable budget laws and
 regulations.
- Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
- Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- ETASC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements, including Management's Discussion and Analysis:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period and the basis for our assumptions and interpretations, underlying those measurements or presentations, are responsible and appropriate in the circumstances.

Other Specific Representations

- We have not completed the process of evaluating the impact that will result from adopting GASB Statement No. 102, Certain Risk Disclosures, effective for the year ending December 31, 2025; GASB Statement No. 103, Financial Reporting Model Improvements; and GASB Statement No. 104, Disclosure of Certain Capital Assets effective for the year ending December 31, 2026. ETASC is, therefore, unable to disclose the impact that adopting GASB Statements No. 102, 103, and 104 will have on its financial position and results of operations when such statements are adopted..
- ETASC management agrees with the proposed adjusting journal entry as presented in Exhibit I.
- Management has disclosed whether, subsequent to December 31, 2024, any changes in
 internal control or other factors that might significantly affect internal control, including any
 corrective action taken by management with regard to significant deficiencies or material
 weaknesses have occurred.
- In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management uses estimates. We are responsible for making the accounting estimates. ETASC has disclosed in the financial statements all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- ETASC reports nonspendable, restricted and unassigned fund balances. ETASC has nonspendable balances of \$15,000, restricted balances of \$20,234,264, and an unassigned fund balance of \$170,133 within its governmental funds for the year ended December 31, 2024. Amounts of fund balance reported as restricted represent ETASC funds that are to be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- ETASC maintains procedures and provisions to fully secure the entity's financial interest in investments. ETASC has entered into written contracts pursuant to which investments are made within the guidelines established by authoritative bodies.

- We agree with the work of specialists in evaluating the value of our derivative instrument and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- Based on an estimate of recent trends and historical data of tobacco revenue received by ETASC, we estimate the tobacco settlement receivable to be \$14,912,196.
- Based on available information as provided by ETASC's Bank Trustee, ETASC reports \$0 in net cash flows related to the TASC's forward purchase agreement as of December 31, 2024.
 Management believes any adjustment or reclassification of net cash flows related to the year ended December 31, 2024 will be immaterial to the financial statements as a whole.
- ETASC management is responsible for the calculation of the accreted value of the Subordinate Turbo CABs. Management believes the accreted value of \$180,065,333 is appropriate at December 31, 2024.
- ETASC management believes the entire balance of due from New York State will be used for debt service and, therefore, has classified that portion of net position as restricted for debt service.
- With respect to the preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions.
 - Assigned a competent individual to oversee the services.
 - Evaluated the adequacy of the services performed.
 - Evaluated and accepted responsibility for the results of the services performed.
 - Established and maintained controls, including a process to monitor the system of internal control.
- ETASC management understands the Drescher & Malecki LLP has not performed any management functions or made management decisions on behalf of ETASC. Any nonattest services were performed in accordance with the applicable professional standards issued by the American Institute of Certified Public Accountants.

Mark Cornell, President

Erie Tobacco Asset Securitization Corporation Proposed Adjusting Journal Entry Year Ended December 31, 2024

Account	Description	Debit			Credit
	ing Journal Entry JE # 1 seivable per management.				
DS4050	Tobacco Settlement Revenue	\$	1,237,871	\$	-
GF1330	Due from New York State		-		1,237,871
Total		\$	1,237,871	\$	1,237,871

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

(A Component Unit of the County of Erie, New York)
Basic Financial Statements and Required
Supplementary Information for the
Year Ended December 31, 2024
and Independent Auditors' Reports

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

(A Component Unit of the County of Erie, New York) Table of Contents

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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

DRESCHER & MALECKI LLP

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors Erie Tobacco Asset Securitization Corporation:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Erie Tobacco Asset Securitization Corporation ("ETASC"), a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise ETASC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of ETASC, as of December 31, 2024, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ETASC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ETASC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ETASC's internal control. Accordingly, no
 such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ETASC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.

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 is the responsibility of management and, 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 12, 2025 on our consideration of ETASC'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 solely 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 the effectiveness of 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 ETASC's internal control over financial reporting and compliance.

Drescher & Malechi LLP

March 12, 2025

ERIE TOBACCO ASSET SECURITIZATION CORPORATION

(A Component Unit of the County of Erie, New York)
Management's Discussion and Analysis
Year Ended December 31, 2024

As management of the Erie Tobacco Asset Securitization Corporation ("ETASC"), a blended component unit of the County of Erie, New York (the "County"), we offer readers of ETASC's financial statements this narrative overview and analysis of the financial activities of ETASC for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in ETASC's financial statements, which follow this narrative.

Financial Highlights

- Total government-wide liabilities of ETASC exceeded total government-wide assets and deferred outflows of resources by \$327,312,562 (net position) at December 31, 2024. This consists of \$35,146,460 restricted for debt service, offset by an unrestricted net position of \$(362,459,022).
- ETASC's net position decreased by \$9,335,217 for the year ended December 31, 2024.
- At the close of the current year, ETASC's governmental funds reported combined ending fund balances of \$20,419,397, an increase of \$400,927 in comparison with the prior year. Fund balance consists of \$20,234,264 restricted for debt service, \$15,000 reported as nonspendable for prepaid items, and the remaining fund balance of \$170,133 is available for spending at ETASC's discretion (unassigned fund balance).
- ETASC's total Tobacco Settlement Bonds decreased by \$4,200,000 as a result of principal payments made during the year, while its Subordinate Turbo Capital Appreciation Bonds ("CABs") increased by \$11,819,137 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 ETASC's basic financial statements. ETASC's basic financial statements are comprised 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 ETASC's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how ETASC'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 9-10 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. ETASC, like other governmental entities, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 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*.

ETASC 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 11-14 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 15-28 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 ETASC, liabilities exceeded assets and deferred outflows of resources by \$327,312,562 at December 31, 2024, as compared to \$317,977,345 at December 31, 2023. Table 1, shown on the following page, presents the condensed statements of net position for ETASC at December 31, 2024 and December 31, 2023.

Table 1—Condensed Statements of Net Position

	December 31,					
	2024 2023					
Current assets	\$ 35,331,593 \$ 36,168,537					
Total assets	35,331,593 36,168,537					
Deferred outflows of resources	11,867,481 15,111,786					
Current liabilities	840,000 857,000					
Noncurrent liabilities	373,671,636 368,400,668					
Total liabilities	374,511,636 369,257,668					
Net position	\$ (327,312,562) \$ (317,977,345)					

A portion of ETASC's net position, \$35,146,460 and \$35,978,981 at December 31, 2024 and 2023, respectively, represents resources that are subject to external restrictions on how they may be used. Therefore, the unrestricted net position totals \$(362,459,022) and \$(353,956,326) at December 31, 2024 and 2023, respectively. The unrestricted deficit net position must be financed by future operations. The deficit net position results from long-term obligations that are greater than currently available resources.

At December 31, 2024, total assets were \$35,331,593 compared to \$36,168,537 at December 31, 2023. The largest asset held by ETASC at December 31, 2024 and December 31, 2023 represents restricted investments of \$19,228,190 and \$19,156,898, respectively. ETASC reports no noncurrent assets at December 31, 2024 or December 31, 2023.

ETASC's deferred outflows of resources, which resulted from a deferred loss on defeasance and a forward purchase agreement swap, totaled \$11,867,481 and \$15,111,786 at December 31, 2024 and 2023, respectively.

Total liabilities at December 31, 2024 were \$374,511,636 compared to \$369,257,668 at December 31, 2023. The largest portion of the liabilities was net outstanding debt totaling \$372,971,091 and \$365,219,018 at December 31, 2024 and 2023, respectively.

During the current year, net position for governmental activities decreased \$9,335,217 from the prior fiscal year to an ending net position of \$(327,312,562). The statement of activities presents revenues earned and expenses incurred by ETASC. Table 2, shown on the following page, presents the condensed statements of activities for the years ended December 31, 2024 and 2023.

Table 2—Condensed Statements of Activities

	Year Ended December 31,					
		2024		2023		
General revenues	\$	13,651,594	\$	17,002,818		
Expenses—governmental activities	_	22,986,811	_	22,611,209		
Change in net position		(9,335,217)		(5,608,391)		
Net position—beginning		(317,977,345)		(312,368,954)		
Net position—ending	\$	(327,312,562)	\$	(317,977,345)		

Total revenues for the years ended December 31, 2024 and 2023 were \$13,651,594 and \$17,002,818, respectively. The net decrease of \$3,351,224 is primarily due to the decrease in tobacco settlement revenues. Revenues for the years ended December 31, 2024 and 2023 consisted of \$12,781,436 (93.6 percent) and \$16,330,693 (96.1 percent), respectively, of tobacco settlement revenues, and \$870,158 (6.4 percent) and \$672,125 (3.9 percent), respectively, of interest and net earnings from investments.

A summary of sources of revenues for the years ended December 31, 2024 and December 31, 2023 is presented below in Table 3.

Table 3—Sources of Revenues

	Year Ended December 31,			Increase/(Decrease)			
	2024		2023		Dollars		Percent (%)
Tobacco settlement revenues	\$	12,781,436	\$	16,330,693	\$	(3,549,257)	(21.7)
Interest and net earnings from investments		870,158		672,125		198,033	29.5
Total revenues	\$	13,651,594	\$	17,002,818	\$	(3,351,224)	(19.7)

Total expenses for the years ended December 31, 2024 and 2023 were \$22,986,811 and \$22,611,209, respectively. Expenses for the years ended December 31, 2024 and 2023 primarily consisted of \$22,882,273 (99.5 percent) and \$22,502,060 (99.5 percent), respectively, of interest and fiscal charges, and \$104,538 (0.5 percent) and \$109,149 (0.5 percent) respectively, of general government support expenses incurred in connection with the operations of ETASC.

A summary of expenses for the years ended December 31, 2024 and December 31, 2023 is presented below in Table 4.

Table 4—Expenses

	Year Ended December 31,					Increase/(Decrease)			
	2024		2023		Dollars		Percent (%)		
General government support	\$	104,538	\$	109,149	\$	(4,611)	(4.2)		
Interest and fiscal charges		22,882,273		22,502,060		380,213	1.7		
Total expenses	\$	22,986,811	\$	22,611,209	\$	375,602	1.7		

Financial Analysis of Governmental Funds

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

Governmental Funds—The focus of ETASC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing ETASC's financing requirements.

At December 31, 2024, ETASC's governmental funds reported combined fund balances of \$20,419,397, an increase of \$400,927 in comparison with the prior year. Approximately 0.8 percent of this amount, \$170,133, constitutes unassigned fund balance, which is available for spending at ETASC's discretion. The remainder of the fund balance is either nonspendable or restricted to indicate that it is not in spendable form, \$15,000, or restricted for debt service, \$20,234,264.

The General Fund is the chief operating fund of ETASC. During the year ended December 31, 2024, the General Fund fund balance decreased \$4,423, primarily due to operating expenses in excess of operating transfers. At the end of the current fiscal year, total fund balance of the General Fund was \$185,133, of which \$170,133 was considered to be unassigned.

The Debt Service Fund had an increase in fund balance during the current year of \$405,350, resulting in an ending fund balance of \$20,234,264. The increase in fund balance is a result of a decrease in debt payments.

Debt Administration

Long-Term Debt—As of December 31, 2024, ETASC had \$201,580,000 of tobacco settlement asset-backed bonds outstanding, which are reported in the statement of net position net of unamortized discount on the sale of bonds of \$8,674,242. Additionally, as of December 31, 2024, ETASC had accreted subordinate capital appreciation bonds ("CABs") of \$181,382,615, which are reported in the statement of net position net of unamortized discount on the sale of bonds of \$1,317,282. At December 31, 2024, ETASC's net tobacco settlement asset-backed bonds outstanding and net Subordinate Turbo CABs were \$192,905,758 and \$180,065,333, respectively, while at December 31, 2023, ETASC's net tobacco settlement asset-backed bonds outstanding and net Subordinate Turbo CABs were \$196,994,356 and \$168,224,662, respectively.

Principal payments of \$4,200,000 and \$7,165,000 were made during the years ended December 31, 2024 and 2023, respectively. Additional information on ETASC's long-term debt can be found in Note 6 to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of ETASC's finances for all those with an interest in ETASC's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Erie Tobacco Asset Securitization Corporation, President, 95 Franklin Street, Room 1600, Buffalo, NY 14202.







(A Component Unit of the County of Erie, New York)
Statement of Net Position
December 31, 2024

		Primary Government
	(Governmental Activities
ASSETS		
Current assets:		
Cash and cash equivalents	\$	170,133
Restricted cash and cash equivalents		1,006,074
Restricted investments		19,228,190
Due from New York State		14,912,196
Prepaid items		15,000
Total assets		35,331,593
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on forward purchase agreement swap		700,545
Deferred outflows on loss on defeasance		11,166,936
Total deferred outflows of resources		11,867,481
LIABILITIES		
Current liabilities:		
Accrued interest payable		840,000
Noncurrent liabilities:		
Tobacco Settlement Bonds payable, net		192,905,758
Derivative instruments		700,545
Subordinate Turbo CABs payable, net		180,065,333
Total liabilities		374,511,636
NET POSITION		
Restricted for debt service		35,146,460
Unrestricted		(362,459,022)
Total net position	\$	(327,312,562)

(A Component Unit of the County of Erie, New York) Statement of Activities Year Ended December 31, 2024

			á	et (Expenses) and Changes a Net Position	
				Primary Government	
Functions/Programs		Expenses	G	overnmental Activities	
Primary government:					
Governmental activities:					
General government support	\$	104,538	\$	(104,538)	
Interest and fiscal charges		22,882,273		(22,882,273)	
Total governmental activities	\$	22,986,811		(22,986,811)	
General revenues:					
Tobacco settlement revenue				12,781,436	
Interest earnings				115	
Net earnings on investments				870,043	
Total general revenues				13,651,594	
Change in net position				(9,335,217)	
Net position—beginning				(317,977,345)	
Net position—ending			\$	(327,312,562)	

(A Component Unit of the County of Erie, New York) Balance Sheet—Governmental Funds December 31, 2024

AGGETTG	 General	 Debt Service	Go	Total overnmental Funds
ASSETS Cash and cash equivalents Restricted cash and cash equivalents Restricted investments Prepaid items Total assets	\$ 170,133 - - 15,000 185,133	 1,006,074 19,228,190 - 20,234,264	\$ <u>\$</u>	170,133 1,006,074 19,228,190 15,000 20,419,397
FUND BALANCES Nonspendable Restricted for debt service Unassigned Total fund balances	\$ 15,000 - 170,133 185,133	 - 20,234,264 - 20,234,264	\$	15,000 20,234,264 170,133 20,419,397

(A Component Unit of the County of Erie, New York)
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2024

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

Total fund balances—governmental funds (page 11)		\$ 20,419,397
A long-term asset, due from New York State, \$14,912,196 current period expenditures and, therefore, is not reporte statements.		14,912,196
Deferred charges associated with refunding of bonds are not funds. The charge is reported as a deferred outflow of resources position and is recognized as a component of interest expensions.	11,166,936	
Long-term liabilities are not due and payable in the current preported in the fund statements. The effects of these items are	erefore, are not	
Accrued interest payable	\$ (840,000)	
Tobacco Settlement Bonds payable		
Discount on Tobacco Settlement Bonds payable		
Subordinate Turbo CABs payable	(181,382,615)	
Discount on Subordinate Turbo CABs payable	 1,317,282	 (373,811,091)

\$ (327,312,562)

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

Net position of governmental activities

(A Component Unit of the County of Erie, New York) Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds Year Ended December 31, 2024

	General	Debt Service	Total Governmental Funds
REVENUES			
Tobacco settlement revenue	\$ -	\$ 14,019,307	\$ 14,019,307
Interest earnings	115	-	115
Realized gains		870,043	870,043
Total revenues	115	14,889,350	14,889,465
EXPENDITURES			
Current:			
General government support	104,538	-	104,538
Debt service:			
Principal	-	4,200,000	4,200,000
Interest		10,184,000	10,184,000
Total expenditures	104,538	14,384,000	14,488,538
(Deficiency) of revenues			
over expenditures	(104,423)	505,350	400,927
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	-	100,000
Transfers out	-	(100,000)	(100,000)
Total other financing sources (uses)	100,000	(100,000)	
Net change in fund balances	(4,423)	405,350	400,927
Fund balances—beginning	189,556	19,828,914	20,018,470
Fund balances—ending	\$ 185,133	\$ 20,234,264	\$ 20,419,397

(A Component Unit of the County of Erie, 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, 2024

Amounts reported for governmental activities in the statement of activities (page 10) are different because:

Net change in fund balances—total governmental funds (page 13) \$\\$400,927

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.

(1,237,871)

Expenses related to the deferred charge on refunding (i.e. loss on defeasance) in the statement of activities do not require the use of certain financial resources and, therefore, are not reported as expenditures in the governmental funds. (763,200)

The issuance of long-term debt (i.e., 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. The net effect of these differences in the treatment

Change in accrued interest payable

Principal repayments on Tobacco Settlement Bonds payable

Amortization of discount on Tobacco Settlement Bonds payable

Accreted interest on Subordinate Turbo CABs payable

Amortization of discount on Subordinate Turbo CABs payable

(11,819,137)

(7,735,073)

Change in net position of governmental activities
\$ (9,335,217)

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

of long-term debt and related items is as follows:



(A Component Unit of the County of Erie, New York)
Notes to the Financial Statements
Year Ended December 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Erie Tobacco Asset Securitization Corporation ("ETASC") have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental 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 ETASC'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 ETASC. 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. ETASC reports no fiduciary or business-type activities.

Reporting Entity

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

ETASC was incorporated on August 15, 2000, for the purpose of issuing tobacco settlement asset-backed bonds (the "2000 Series 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 ("MSA") and the Consent Decree and Final Judgment (the "Decree") as described herein.

The sole member of ETASC is the County Executive of the County. The Board of Directors of ETASC has five Directors. One Director shall be the County Executive, one Director shall be the County Comptroller, and one Director (the "Designated Director") shall be designated jointly by the Chairperson of the County Legislature and the Minority Leader of the County Legislature; two independent Directors shall be designated jointly by a majority of the other three Directors in accordance with the provisions of the by-laws of the Corporation.

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 product 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 conjunction with the sale of the 2000 Series Bonds, the County had dedicated the discounted net proceeds of the sale as a source of funds for certain capital expenditures and the defeasance of debt. ETASC allocated the net proceeds of the sale of bonds on behalf of the County as follows: \$211,722,302 was allocated to the County to finance certain capital projects and \$25,046,347 was disbursed to the Liquidity Reserve Accounts and Debt Service Accounts held by the Indenture Trustee. Tobacco proceeds of \$151,722,302 allocated to the County were disbursed to the County in 2000. The remaining \$60,000,000 was deposited by ETASC in eligible investments on behalf of the County. All cash and investments remaining of the original \$60,000,000 had been remitted to the County in 2005.

In August 2005, ETASC entered into an agreement (the "2005 Bonds") to defease the original 2000 Series Bonds and to securitize additional proceeds to be received under the MSA for years subsequent to 2016. The total debt issued in 2005 amounted to \$318,834,680. Net proceeds after issuance cost and discounts amounted to \$305,330,026, with \$265,013,936 used to fund a defeasance escrow account and enable the ETASC to release previously restricted funds for debt service and trapping events to the County. Trapping events are defined economic circumstances that trigger a mandatory deposit of all residual payments into a trapping account.

In January 2006, ETASC issued \$17,694,720 Tobacco Settlement Asset-Backed Bonds, Series 2006A, subordinate to the 2005 Bonds. These bonds are payable from and secured by all Tobacco Settlement Revenues ("TSRs") allocated to the County under the MSA; investment earnings on amounts in certain funds and accounts established under the ETASC Indenture; any amounts on deposit in such funds and accounts held as security for the ETASC's Series 2006A bonds; and certain amounts expected to become available from funds and accounts created under the ETASC Indenture as security for prior bonds upon their retirement. The Series 2006A bonds are subject to mandatory redemption from amounts on deposit in the Turbo Redemption Account and ETASC with 100% of all surplus revenues, if any. A turbo redemption occurs when all excess revenues, after the payment of operation expenses, interest and rated principal, are used to retire term bonds early in order of maturity. Disbursements to the County from 2006 bond proceeds totaled \$15,673,077 for the year ended December 31, 2006. See Note 6 for additional information related to long-term debt.

Payments for principal and interest on the bonds (Series 2005 and Series 2006A) are contingent upon the receipt of TSRs which are driven by the consumption levels of the OPMs tobacco products. Additionally, as disclosed with the issuances, the bonds shall not be a debt of either the State of New York or the County, and neither the State of New York nor the County shall be liable thereon, nor shall they be payable out of any funds other than those of ETASC pledged therefor.

In accordance with the Bond Indenture and to the extent contained in the MSA Report, a trapping event is 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. For the year 2023 the relevant shipments was 178,613,916,298, which is less than the MSA Report shipment amount of 208,575,354,392, and therefore a Consumption Decline Trapping Event has occurred for the year ended December 31, 2024.

Basis of Presentation—Government-wide Financial Statements

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about ETASC'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.

ETASC reports the following major governmental funds:

- General Fund—The General Fund constitutes the primary operating fund of ETASC and includes all operations not required to be recorded in other funds.
- Debt Service Fund—The Debt Service Fund is used to account for the accumulation of resources that are restricted for the payment of 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, ETASC 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, ETASC 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, ETASC 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 leases are reported as other financing sources.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has 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 ETASC.

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

Cash and Cash Equivalents—ETASC's cash and cash equivalents consist of cash on hand, demand deposits, time deposits, and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition.

Restricted Cash and Cash Equivalents—Restricted cash and cash equivalents represents amounts to support fund balance restricted for debt service.

Restricted Investments—Investments for ETASC are reported at fair value in accordance with GASB.

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

Prepaid Items—Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

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, 2024, ETASC reported deferred outflows of resources in the amounts of \$700,545 and \$11,166,936 on the government-wide financial statements, relating to the accumulated change in fair value of its forward purchase agreement swap and deferred losses on the defeasance of debt, respectively.

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, 2024, ETASC reported no deferred inflows of resources.

Net Position Flow Assumption—Sometimes ETASC 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 ETASC's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumption—Sometimes ETASC 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 ETASC 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 ETASC 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. ETASC 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 ETASC's highest level of decision-making authority (ETASC 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 (ETASC 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 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. There are no program revenues in the current year. All tobacco settlement revenue and other internally dedicated resources are reported as *general revenues* rather than as program revenues.

Tobacco Settlement Revenues—During the year ended December 31, 2024, ETASC recognized tobacco settlement revenues in accordance with the Master Settlement Agreement. Payments are made according to a set formula based on tobacco sales.

Expenses/Expenditures—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. Expenditures are recorded on a modified accrual basis of accounting. Payments to the County are recorded when the obligation is incurred.

Transfers In/Out—Transfers are used to move resources from the Debt Service Fund to the General Fund to support operating expenditures.

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, expenses, assets, liabilities, deferred outflows of resources, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2024, ETASC implemented GASB Statement No. 99, Omnibus 2022 and GASB Statements No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62 and No. 101, Compensated Absences. GASB Statement No. 99 relates to financial guarantees and the classification and reporting of derivative instruments. GASB Statement No. 100 enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. GASB Statement No. 101 improves reporting related to compensated absences. The implementation of GASB Statements No. 99, 100, and 101 did not have a material impact on ETASC's financial position or results from operations.

Future Impacts of Accounting Pronouncements—ETASC has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 102, Certain Risk Disclosures, effective for the year ending December 31, 2025; and GASB Statement No. 103, Financial Reporting Model Improvements; and No. 104, Disclosure of Certain Capital Assets, effective for the year ending December 31, 2026. ETASC is, therefore, unable to disclose the impact that adopting GASB Statements No. 102, 103 and 104 will have on its financial position and results of operations when such statements are adopted.

Deficit Net Position—At December 31, 2024, ETASC reported a net position deficit of \$327,312,562. The deficit is caused by long-term obligations that are greater than currently available resources.

2. CASH AND CASH EQUIVALENTS

ETASC'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. ETASC 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, 2024 are as follows:

	(General	D	ebt Service			
		Fund	Fund		nd Fun		 Total
Deposits	\$	170,133	\$	1,006,074	\$ 1,176,207		

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at December 31, 2024 as shown below:

	Bank	Carrying
	Balance	Amount
FDIC insured	\$ 173,733	\$ 170,133
Cash held by investment bank's		
agent in ETASC's name	1,006,074	1,006,074
Total	\$ 1,179,807	\$ 1,176,207

Cash Equivalents—Cash equivalents held by ETASC include money market accounts and discount notes with original maturities of three months or less from the date acquired by ETASC. These cash equivalents are carried at amortized cost and include an accrued income component representing income payments accumulated with a security since the last payment date but not yet received.

Restricted Cash and Cash Equivalents—ETASC reports restricted cash and cash equivalents of \$1,006,074 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, ETASC'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, 2024, ETASC's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in ETASC's name.

Custodial Credit Risk—Cash Equivalents—For cash equivalents, this is the risk that, in the event of the failure of the counterparty, ETASC 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, ETASC'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 ETASC's practice to generally limit investments to 180 days or less.

3. INVESTMENTS

Investments are carried at fair value on a recurring basis as determined by quoted prices in active markets and held by a third party in ETASC's name.

Fair Value Measurements—ETASC reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

Level 1. Quoted prices for identical assets or liabilities in active markets to which ETASC has access at the measurement date.

Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in markets that are not active;

- Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
- Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

ETASC has the following fair value measurements as of December 31, 2024:

- Corporate commercial paper of \$19,228,190 is valued using quoted prices for identical assets in active markets (level 1 input).
- Forward purchase agreement of \$700,545 is valued using quoted prices for similar assets or liabilities in active markets (level 2 input). Additional information regarding the forward purchase agreement can be found within Note 5 to the financial statements.

Investments at December 31, 2024 are as follows:

			Fair Value Measurements Using						
			Q	ouoted Prices	Si	gnificant			
			in Active Markets for Identical			Other	Sign	ificant	
					Observable		Unob	servable	
Description	12/31/2024		Assets (Level 1)		Inputs (Level 2)		Inputs	(Level 3)	
Investments by fair value level:									
Debt securities:									
Corporate commercial paper	\$	19,228,190	\$	19,228,190	\$	-	\$	-	
Investment derivative instruments:									
Forward purchase agreement		700,545				700,545			
Total	\$	19,928,735	\$	19,228,190	\$	700,545	\$		

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

4. RECEIVABLES

Due from New York State—Represents amounts owed to ETASC for tobacco settlement revenue earned in 2024. ETASC has accrued \$14,912,196 within the government-wide statements only, as it is only recognized on the full accrual basis of accounting.

5. DERIVATIVE INSTRUMENT

In connection with the \$318,834,680 Series 2005 Bonds, ETASC entered into a forward purchase agreement and an effective swap of variable market rate returns with a fixed rate return with Merrill Lynch Capital Services, Inc. (MLCS) and The Bank of New York (the "Trustee"). Under the terms of such agreement, MLCS shall deliver to the Trustee qualified securities selected by MLCS or any dealer in eligible securities selected by MLCS (the "Qualified Dealer"). At the time of such delivery, the Trustee shall, out of the funds provided by ETASC, purchase such qualified security and pay to the Qualified Dealer or MLCS, an amount equal to the price which will produce a rate of return equal to a

fixed rate of 4.168% for the period commencing on either June 1 or December 1 and terminating on the following June 1 or December 1, respectively.

Concurrently with the delivery of any qualified securities, the Trustee shall pay the Qualified Dealer or MLCS the market value thereof. If the Qualified Dealer requires that the Trustee purchase qualified securities at a price higher than the fixed rate, MLCS shall pay to the Trustee an amount equal to the excess of the price at which the Qualified Dealer requires the Trustee to purchase such qualified securities over the fixed rate of such qualified securities.

The forward purchase agreement will expire by its terms on the final maturity of the asset-backed bonds on June 1, 2055. ETASC entered into this forward purchase agreement to facilitate investment of the monies in the Debt Service Reserve Fund while the 2005 ETASC bonds are outstanding.

From ETASC's perspective, the relevant risks associated with the forward purchase agreement are credit risks, termination risk, and market risk. The credit risks to ETASC, i.e., the risk that MLCS will not fulfill its obligations, will occur if MLCS becomes insolvent or fails to deliver qualified securities to the trustee as required. The credit rating for Bank of America Corporation, the parent company of MLCS at December 31, 2024 was A- as issued by Standard and Poor's. The termination risk to ETASC will occur if the agreement is terminated at a point of the securities purchase and sale process at which ETASC would be required to make a termination payment to MLCS. The market risk to ETASC will occur given the market gains or losses of the securities purchased under the agreement, resulting in a required forward purchase agreement fair value disclosure of the asset or liability position of the agreement at each period end date. These risks are mitigated by the credit rating of the counterparty and the level of eligible securities and guarantees contained in the agreement.

ETASC has evaluated the forward purchase agreement using the consistent critical terms method and deemed it to be effective. As of December 31, 2024, the notional amount of the agreement totals \$19,218,750, the fair value is \$700,545, and net cash flows during the year totaled \$0.

6. LONG-TERM DEBT

In 2000, ETASC issued \$246,325,000 of tobacco settlement asset-backed bonds, Series 2000, pursuant to an indenture dated as of September 1, 2000. The \$246,325,000 bond issuance was comprised of \$196,985,000 tobacco settlement asset-backed bonds Series 2000A and \$49,340,000 tobacco settlement asset-backed bonds Series 2000B. The net proceeds of the Series 2000 Bonds were used to purchase from the County all of the County's right, title, and interest to TSR to which the County would otherwise be entitled under the MSA and the Decree.

On August 15, 2005, ETASC issued \$318,834,680 in tobacco settlement asset-backed bonds (Series 2005A, E) and capital appreciation bonds ("CABs") (Series 2005B, C, D), with interest rates ranging from 5.00% to 6.75% to advance refund \$239,060,000 of outstanding Series 2000 Bonds bearing interest rates ranging from 5.0% to 6.5% originally issued in 2000. The net proceeds amounted to \$305,330,026 after original issuance discount and payment of \$13,504,654 for underwriting fees, insurance, and other issuance costs, of which \$267,037,311 was used to fund an irrevocable trust to defease the remaining original bonds. This transaction enabled ETASC to release \$55,231,709 in previously restricted funds for debt service and trapping events to the County. Series 2005E Taxable Bonds were redeemed in June 2022.

On September 15, 2005, ETASC entered into an agreement with the bondholders to replace the government securities in the irrevocable trust with government agency securities. This transaction generated a savings of \$2,802,806. Of this, \$1,331,893 was transferred to the County and the remainder less costs of sale was paid to the bondholders for their concessions. During 2010, the bonds were called and the balance in the irrevocable trust was used to satisfy all required debt payments.

On January 5, 2006, ETASC issued \$17,694,720 of tobacco settlement asset-backed CABs, Series 2006A, with an interest rate of 7.65%. ETASC entered into a purchase and sale agreement with the County on January 1, 2006, in which ETASC purchased the County's sole undivided beneficial interest in and to the trust established by ETASC pursuant to the Declaration and Agreement of Trust dated September 1, 2000, between ETASC and the Wilmington Trust Company ("2000 Residential Trust"), in its capacity as trustee, including the County's right to receive residual tobacco settlement revenues payable to the County, as sole beneficiary of the 2000 Residential Trust. The net proceeds of \$15,638,465 were transferred to the County.

The payment of the Series 2005 and Series 2006 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 Indenture and amounts established and held in accordance with the Indenture. ETASC has no financial assets other than the collections and reserves and amounts held in the other funds and accounts established under the Bond Indenture.

ETASC has covenanted to apply 100% of funds not used to make principal and interest payments, if any, in the turbo redemption account to the special mandatory redemption ("Turbo Redemption") of the authorized denominations of the Series 2005 Bonds in order of maturity and then to the Series 2006A Bonds to the extent that there exists excess funds. Any such surplus revenues shall be applied on each distribution date beginning on June 1, 2006.

Interest on the Series 2005A bonds are payable each June 1 and December 1. The 2005 Series B, C, and D and the Series 2006A are subordinate CABs and accrete interest throughout the life of the bonds but is payable at redemption. Series 2005B, C, and D CABs were subject to redemption at the option of ETASC beginning in years after 2016. The Series 2006A CABs were subject to redemption after May 31, 2017.

Details of long-term debt as of December 31, 2024 are as follows:

Series 2005 \$318,834,680 Term Bond

т.			Final
Issue			Redemption
Amount	Rate	Description	Date
\$ 30,330,000	5.000 %	Series 2005A Bonds due June 1, 2031, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2031
74,685,000	5.000	Series 2005A Bonds due June 1, 2038, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2038
111,480,000	5.000	Series 2005A Bonds due June 1, 2045, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2045
		•	(continued)

9,163,000	5.750	Series 2005B Bonds due June 1, 2047, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2047
12,565,080	6.250	Series 2005C Bonds due June 1, 2050, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2050
11,141,600	6.750	Series 2005D Bonds due June 1, 2055, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2055
69,470,000	6.000	Series 2005E Taxable Bonds due June 1, 2028, semiannual interest only payments through maturity, fully redeemed in June 2022. Series 2006	Fully redeemed June 2022
		\$17,694,720 Term Bond	
Issue Amount	Rate	Description	Final Turbo Redemption Date
\$ 17,694,720	7.650 %	Series 2006A Taxable Bonds due June 1, 2060, semiannual interest accrued but not payable until maturity, subordinate to the Series 2005A-E Bonds, subject to redemption at the option of ETASC anytime after June 1, 2016 at accreted values as follows: June 1, 2016 through May 31, 2017, 102%; June 1, 2017 through May 31, 2018, 101%; and June 1, 2018 and thereafter, 100%.	June 1, 2060

Changes in bonds payable for the year ended December 31, 2024 are as follows:

	Balance			Balance
Description	1/1/2024	Additions	Deletions	12/31/2024
Tobacco Settlement Bonds:				
2005A	\$ 205,780,000	\$ -	\$ 4,200,000	\$ 201,580,000
Less: Bond discount	(8,785,644)		(111,402)	(8,674,242)
Net Tobacco Settlement Bonds	\$ 196,994,356	\$ -	\$ 4,088,598	\$ 192,905,758

The ETASC's debt service requirements for the Series 2005A as of December 31, 2024 are as follows:

Year Ending			
December 31,	 Principal	 Interest	 Total
2025	\$ -	\$ 10,079,000	\$ 10,079,000
2026	-	10,079,000	10,079,000
2027	-	10,079,000	10,079,000
2028	-	10,079,000	10,079,000
2029	-	10,079,000	10,079,000
2030-2034	15,415,000	47,697,375	63,112,375
2035-2039	74,685,000	40,939,875	115,624,875
2040-2044	-	27,870,000	27,870,000
2045	 111,480,000	 2,787,000	114,267,000
Total	\$ 201,580,000	\$ 169,689,250	\$ 371,269,250

Subordinate Turbo CABs—Series 2005B, 2005C, 2005D and 2006A—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, 2024 follows:

	Balance				Balance
	1/1/2024	Additions	I	Deletions	12/31/2024
Subordinate Turbo CABs	\$ 169,563,478	\$ 11,819,137	\$	-	\$ 181,382,615
Less: Bond discount	 (1,338,816)	 		(21,534)	(1,317,282)
Net Subordinate Turbo CABs	\$ 168,224,662	\$ 11,819,137	\$	(21,534)	\$ 180,065,333

Amortization of Bond Discounts—ETASC issued serial bonds and CABs which included a bond discount. The discounts are being amortized using the effective interest rate and straight-line methods over the life of the bonds, with maturity dates ranging from 2028 to 2060. The total unamortized discount as of December 31, 2024 was \$9,991,524.

7. 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 ETASC. At December 31, 2024, the balance of this restriction was \$35,146,460.
- *Unrestricted Component of Net Position*—This component represents net position of ETASC not restricted for any other purpose.

In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by ETASC at December 31, 2024 includes:

• **Prepaid Items**—Represents amounts prepaid to the trustee for administration fees that are applicable to future accounting periods. The General Fund reported a nonspendable fund balance in the amount of \$15,000.

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, 2024, ETASC reported \$35,146,460 of fund balance restricted for debt service that must be used toward the future repayment of bonded debt. Under the Bond Indenture, the trustee will hold a segregated Liquidity Reserve Account totaling \$19,228,190 at December 31, 2024. The Liquidity Reserve Account will be terminated when no current interest bonds remain outstanding. Such amounts are not available to make turbo redemption payments.

As of December 31, 2024, ETASC reported no committed or assigned fund balances.

8. CONTINGENCIES

The ability of ETASC 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 ETASC 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 judgments could result in delays in, or reductions of amounts available for, payments on the bonds.

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 12, 2025, 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.

* * * * * *

DRESCHER & MALECKI LLP

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Telephone: 716.565.2299

Fax: 716.389.5178



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 Erie 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 Erie Tobacco Asset Securitization Corporation ("ETASC"), a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise ETASC's basic financial statements, and have issued our report thereon dated March 12, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ETASC's internal control over financial reporting ("internal control") as a basis for designing 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 ETASC's internal control. Accordingly, we do not express an opinion on the effectiveness of the ETASC'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 ETASC'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ETASC'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 financial statements. 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 ETASC'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 12, 2025

Corporation Mission Statement and Performance Measurements, Annual Assessment of Internal Controls, and Annual Report

Erie Tobacco Asset Securitization Corporation Annual Report

Fiscal Year End Date: 12/31/2024

Board Member Summary

Name	Term Start Date	Term Expiration Date	Training as per Sec 2824
Poloncarz, Mark C.	1/1/2012	Ex-Officio	. Y
Hardwick, Kevin R.	1/1/2022	Ex-Officio	Υ
Johnson, Patricia A.	1/1/2018	None	Υ
Bingel, Bryan R.	2/22/2012	None	Υ
Zaleski, David	3/23/2023	None	Υ

Staff Summary

The authority has no staff.

Summary Financial Information

Assets

Current Assets			
Cash and cash equivalents	\$	170,133	
Investments	\$	19,228,190	
Receivables, net	\$	0	
Other assets	\$	15,000	
Total Current Assets	\$	19,413,323	
Noncurrent Assets			
Restricted cash and investments	\$	1,006,074	
Long-term receivables, net	\$	14,912,196	
Other assets	\$	11,867,481	
Capital Assets			
Land and other non-depreciable property	\$	0	
Buildings and equipment	\$ \$	0	
Infrastructure		0	
Accumulated depreciation	\$	0	
Net capital assets	\$	0	
Total Noncurrent Assets	\$	27,785,751	
Total Assets	\$	47,199,074	

Liabilities

Current Liabilities		
Accounts payable	\$	0
Pension contribution payable	\$ \$ \$ \$ \$ \$	0
Other post-employment benefits	\$	0
Accrued liabilities	\$	840,000
Deferred revenues	\$	0
Bonds and notes payable	\$	0
Other long-term obligations due within one year	\$	0
Total Current Liabilities	\$	840,000
Noncurrent Liabilities		
Pension contribution payable	\$	0
Other post-employment benefits	\$	0
Bonds and notes payable	\$192	,905,758
Long Term Leases	\$	0
Other long-term obligations	\$180	,765,878
Total Noncurrent Liabilities	\$373	,671,636
Total Liabilities	\$374	,511,636
Not Acces (Deficial)		
Net Asset (Deficit)		
Net Assets		
Invested in capital assets, net of related debt	5	0
Restricted	35,3	146,460
		459,022)
Total Net Assets (\$	327,	312,562)
Total Liabilities & Net Assets \$	47,3	199,074

SUMMARY STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS

Operating Revenues		1 6
Charges for services	\$	0
Rental & financing income	\$ \$ \$	0
Other operating revenues	\$	12,781,436
Total Operating Revenue	\$	12,781,436
Operating Expenses		
Salaries and wages	\$	0
Other employee benefits	\$ \$ \$ \$ \$ \$ \$ \$	0
Professional services contracts	\$	104,538
Supplies and materials	\$	0
Depreciation & amortization	\$	0
Other operating expenses	\$	0
Total Operating Expenses	\$	104,538
Operating Income (Loss)	\$	12,676,898
Nonoperating Revenues		
Investment earnings	\$	115
State subsidies/grants	\$ \$ \$ \$ \$ \$	0
Federal subsidies/grants	\$	0
Municipal subsidies/grants	\$	0
Public authority subsidies	\$	0
Other non-operating revenues	\$	870,043
Total Non-operating Revenue	\$	870,158
Non-operating Expenses		
Interest and other financing charges	\$	22,882,273
Subsidies to other public authorities	\$	0
Grants and donations	\$ \$ \$	0
Other non-operating expenses	\$	0
Total Non-operating Expenses	\$	22,882,273
Income (Leca) Before Contributions	14	0.225.247\
Income (Loss) Before Contributions	(\$	9,335,217)
Capital Contributions	\$	0
Change in net assets	(\$	9,335,217)
Net assets, (deficit) beginning of year	(\$3	17,977,345)
Other net assets changes	\$	0
Net assets, (deficit) at end of year	(\$3	27,312,562)

Schedule of Debt

Authority Debt - Other Begin Amount Total	\$365,219,018
New Debt Issuance (<u>Debt Increase – not Issuance</u>)	\$ 11,819,137
Amount Retired	(\$ 4,067,064)
End Amount Total	\$372,971,091

Real Property Transactions Summary

This authority had no real property transactions in excess of \$15,000.

Grant Information Summary

This authority did not award any grants during the reporting period.

Loan Information Summary

This authority had no outstanding loans during the reporting period.

Procurement Summary

Number of Current Contracts

7 (2 Banking, 2 Legal, 2 Accounting, Ratings)

Total Value of Contracts

As necessary based on hourly rate for services provided \$94,294.50

To the best of my knowledge, the information contained in this Annual Report of the Erie Tobacco Asset Securitization Corporation for the period ended December 31, 2024: (i) is accurate and correct and does not contain any untrue statement of material fact; (ii) does not omit any material fact which, if admitted, would cause the financial statements or the Annual Report to be misleading in light of circumstances under which the statements were issued; and (iii) fairly represents in all material respects, financial conditions and operations of the Erie Tobacco Asset Securitization Corporation as of and for the periods presented in the financial statements and this Annual Report.

Kimberly Kajdasz

Treasurer

Erie Tobacco Asset Securitization Corporation

Authority Mission Statement and Performance Measurements For the Fiscal Year 2024 Erie Tobacco Asset Securitization Corporation

Mission Statement: The mission of the Erie Tobacco Asset Securitization Corporation (ETASC) is to acquire, hold, sell, pledge and otherwise dispose of all or a portion of the rights of Erie County to receive payments from certain cigarette manufacturers under a 1998 Master Settlement Agreement (MSA) of a class action entitled State of New York, et al. v. Philip Morris Incorporated, et al. for the benefit of its bondholders and the County. The Corporation's mission is to satisfy its obligations under Trust Indentures associated with its outstanding bonds and from time to time, if appropriate, assess additional MSA revenue securitization opportunities. This public purpose and mission has been accomplished in part by ETASC through the issuance of bonded indebtedness in the years 2000, 2005 and 2006.

List of Performance Goals: ETASC's Performance goals include, but are not limited to:

- Conducting annual, committee, and/or special meetings of ETASC's Board of Directors and Sole Member, to review and affirm the Corporation's activities, policies and if appropriate audited financial statements.
- Review if appropriate, in conjunction with Erie County, opportunities to increase the value received
 of 1998 Master Settlement Agreement (MSA) payments, and thereby increase the benefit to Erie
 County by issuing additional bonded indebtedness or refunding existing ETASC bonded indebtedness
 payable from the payments under the MSA or by other means.
- Review opportunities to reduce the financial liability and indebtedness of ETASC.
- Engaging in such other activities required by New York State Law and/or ETASC's By-Laws and Certificate of Incorporation.

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Yes. The ETASC mission statement was developed with the concurrence of the three independent directors and the two County directors, one of whom is the Sole Member.

2. Who has the power to appoint the management of the public authority?

ETASC has no staff. Services are provided as needed by the officers of the corporation as follows:

- President of the corporation, who is the County's Budget Director;
- Treasurer of the corporation, who is the County's Deputy Budget Director;
- Vice President of the corporation, who is the County's Deputy Comptroller;
- Secretary of the corporation, who is the County Attorney;
- Assistant Secretary of the corporation, who is an Assistant County Attorney; and
- Assistant Treasurer of the corporation, who is a management consultant for the County's Division of Budget and Management.

The officers are determined by the ETASC by-laws; see http://www2.erie.gov/etasc/sites/www2.erie.gov/etasc/files/uploads/ETASC%20By-Laws.PDF

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority?

As explained above, the appointment of the officers follows the process in the adopted by-laws.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The board and Sole Member meet as necessary, at least annually, and as necessary for the annual audit committee review of the audited financial statements and to make decisions regarding ETASC's operations. In 2024, the board and its committees met multiple times in person to review ETASC operations, the annual financial audit and to conduct governance. Services are performed as needed by the officers (President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary) working in conjunction with the corporation's outside accountant, the independent auditor, and the outside legal counsel.

The independent directors also occasionally interact with the outside auditor and outside legal counsel separately from the officers, providing another layer of director independence and oversight.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions?

Yes. The ETASC Treasurer has provided the 2024 Performance Measurement filing to the five board members for their review and concurrence before its submission to the Authorities Budget Office.

Corporation's Draft 2024 Public Authorities Reporting Information System Report (the "2024 PARIS Report")

Annual Report for Erie Tobacco Asset Securitization Corporation

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Authority-Related)

Question		Response	URL (if Applicable)
1.	Has the Authority prepared its annual report on operations and accomplishments for the reporting period as required by section 2800 of PAL?	Yes	https://www3.erie.gov/etasc/sites/www3.erie.gov.etasc/files/2025- 03/etasc-2024-annual-report-final.pdf
2.	As required by section 2800(9) of PAL, did the Authority prepare an assessment of the effectiveness of its internal controls?	Yes	https://www3.erie.gov/etasc/mission-statementperformance-goals
3.	Has the lead audit partner for the independent audit firm changed in the last five years in accordance with section 2802(4) of PAL?	No	N/A
4.	Does the independent auditor provide non-audit services to the Authority?	No	N/A
5.	Does the Authority have an organization chart?	No	
6.	Are any Authority staff also employed by another government agency?	No	
7.	Has the Authority posted their mission statement to their website?	Yes	https://www3.erie.gov/etasc/mission-statementperformance-goals
8.	Has the Authority's mission statement been revised and adopted during the reporting period?	No	N/A
9.	Attach the Authority's measurement report, as required by section 2824-a of PAL and provide the URL.		chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https: //www3.erie.gov/etasc/sites/www3.erie.gov.etasc/files/2024- 03/etasc-2023-performance-measurements.pdf

Annual Report for Erie Tobacco Asset Securitization Corporation

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Governance Information (Board-Related)

Question		Response	URL (If Applicable)
1.	Has the Board established a Governance Committee in accordance with Section 2824(7) of PAL?	Yes	N/A
2.	Has the Board established an Audit Committee in accordance with Section 2824(4) of PAL?	Yes	N/A
3.	Has the Board established a Finance Committee in accordance with Section 2824(8) of PAL?	Yes	N/A
4.	Provide a URL link where a list of Board committees can be found (including the name of the committee and the date established):		https://www3.erie.gov/etasc/board-directorsofficers-corporation-information
5.	Does the majority of the Board meet the independence requirements of Section 2825(2) of PAL?	Yes	N/A
6.	Provide a URL link to the minutes of the Board and committee meetings held during the covered fiscal year		https://www3.erie.gov/etasc/board-and-committee-meetings
7.	Has the Board adopted bylaws and made them available to Board members and staff?	Yes	https://www3.erie.gov/etasc/board-directorsofficers-corporation-information
8.	Has the Board adopted a code of ethics for Board members and staff?	Yes	https://www3.erie.gov/etasc/board-directorsofficers-corporation-information
9.	Does the Board review and monitor the Authority's implementation of financial and management controls?	Yes	N/A
10.	Does the Board execute direct oversight of the CEO and management in accordance with Section 2824(1) of PAL?	Yes	N/A
11.	Has the Board adopted policies for the following in accordance with Section 2824(1) of PAL?		
	Salary and Compensation	Yes	N/A
	Time and Attendance	No	N/A
	Whistleblower Protection	Yes	N/A
	Defense and Indemnification of Board Members	Yes	N/A
12.	Has the Board adopted a policy prohibiting the extension of credit to Board members and staff in accordance with Section 2824(5) of PAL?	No	N/A
13.	Are the Authority's Board members, officers, and staff required to submit financial disclosure forms in accordance with Section 2825(3) of PAL?	Yes	N/A
14.	Was a performance evaluation of the board completed?	Yes	N/A
15.	Was compensation paid by the Authority made in accordance with employee or union contracts?	No	N/A
16.	Has the board adopted a conditional/additional compensation policy governing all employees?	No	

Annual Report for Erie Tobacco Asset Securitization Corporation

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Board of Directors Listing

Name	Bingel, Bryan R	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	2/12/2012	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	Pleasure of Authority	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Name	Hardwick, Kevin R	Nominated By	Ex-Officio
Chair of the Board	No	Appointed By	Ex-Officio
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	1/1/2022	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	Ex-Officio	Complied with Training Requirement of Section 2824?	Yes
Title	Comptroller	Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?	No	Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	Yes
Designee Name		Ex-Officio	Yes

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

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Name	Johnson, Patricia A	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	1/1/2018	Has the Board Member/Designee	Yes
		Signed the Acknowledgement of Fiduciary Duty?	
Term Expiration Date	Pleasure of Authority	Complied with Training	Yes
		Requirement of Section 2824?	
Title		Does the Board Member/Designee	No
		also Hold an Elected or Appointed	
		State Government Position?	
Has the Board Member Appointed		Does the Board Member/Designee	No
a Designee?		also Hold an Elected or Appointed	
		Municipal Government Position?	
Designee Name		Ex-Officio	

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Name	Poloncarz, Mark C	Nominated By	Ex-Officio
Chair of the Board	Yes	Appointed By	Ex-Officio
If yes, Chair Designated by	By Virtue of Position	Confirmed by Senate?	N/A
Term Start Date	1/1/2012	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	Ex-Officio	Complied with Training Requirement of Section 2824?	Yes
Title	Sole Member	Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?	No	Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	Yes
Designee Name		Ex-Officio	Yes

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

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Name	Zaleski, David D	Nominated By	Other
Chair of the Board	No	Appointed By	Other
If yes, Chair Designated by		Confirmed by Senate?	N/A
Term Start Date	3/23/2023	Has the Board Member/Designee Signed the Acknowledgement of Fiduciary Duty?	Yes
Term Expiration Date	Pleasure of Authority	Complied with Training Requirement of Section 2824?	Yes
Title		Does the Board Member/Designee also Hold an Elected or Appointed State Government Position?	No
Has the Board Member Appointed a Designee?		Does the Board Member/Designee also Hold an Elected or Appointed Municipal Government Position?	No
Designee Name		Ex-Officio	

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Staff Listing

Name	Title	Group	Department/	Union	Bargaining	Full Time/	Exempt	Base	Actual	Overtime	Performance	Extra Pay	Other	Total	Individual	If yes, Is
			Subsidiary	Name	Unit	Part Time		Annualized	salary paid	paid by	Bonus		Compensati	Compensat	also paid by	the
								Salary	to the	Authority			on/Allowanc	ion paid	another	payment
									Individual				es/Adjustme	by	entity to	made by a
													nts	Authority	perform the	State or
															work of the	local
															Authority	governme
																nt

This Authority has indicated that it has no staff during the reporting period.

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Benefit Information

During the fiscal year, did the Authority continue to pay for any of the above mentioned benefits for former staff or individuals affiliated	No
With the Authority after those individuals left the Authority?	

Board Members

Name	Title	Severance Package	Payment for Unused Leave	Club Member- ships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Benefits	Other
Bingel,	Board of													X
Bryan R	Directors													
Hardwick,	Board of												X	
Kevin R	Directors													
Johnson,	Board of													X
Patricia A	Directors													
Poloncarz,	Board of												Х	
Mark C	Directors													
Zaleski,	Board of													X
David D	Directors													

Staff

Name	Title	Severance	Payment	Club	Use of	Personal	Auto	Transportation	Housing	Spousal /	Tuition	Multi-Year	None of	Other
		Package	for	Member-	Corporate	Loans			Allowance	Dependent	Assistance	Employment	these	
		_	Unused	ships	Credit					Life			Benefits	
			Leave		Cards					Insurance				

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Subsidiary/Component Unit Verification

Is the list of subsidiaries, as assembled by the Office of the State Comptroller, correct?	Yes							
Are there other subsidiaries or component units of the Authority that are active, not include Authority and not independently filing reports in PARIS?	No							
Name of Cultaidian/Commonant Unit	64-	itus						
Name of Subsidiary/Component Unit								
Request Subsidiary/Component Unit Change	_		_					
Name of Subsidiary/Component Unit	Sta	itus	Requested	ted Changes				
Request Add Subsidiaries/Component Units								
Name of Subsidiary/Component Unit Establishment Date Purpose of Subsidiary/Component Unit								
Request Delete Subsidiaries/Component Units								
Name of Subsidiary/Component Unit	Reason for Terr	mination		Proof of Termination Document Name				

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Summary Financial Information SUMMARY STATEMENT OF NET ASSETS

			Amount
Assets			
Current Assets			
	Cash and cash equivalents		\$170,133.00
	Investments		\$19,228,190.00
	Receivables, net		\$0.00
	Other assets		\$15,000.00
	Total current assets		\$19,413,323.00
Noncurrent Assets			
	Restricted cash and investments		\$1,006,074.00
	Long-term receivables, net		\$14,912,196.00
	Other assets		\$11,867,481.00
	Capital Assets		
		Land and other nondepreciable property	\$0.00
		Buildings and equipment	\$0.00
		Infrastructure	\$0.00
		Accumulated depreciation	\$0.00
		Net Capital Assets	\$0.00
	Total noncurrent assets		\$27,785,751.00
Total assets			\$47,199,074.00
Liabilities			
Current Liabilities			
	Accounts payable		\$0.00
	Pension contribution payable		\$0.00
	Other post-employment benefits		\$0.00
	Accrued liabilities		\$840,000.00
	Deferred revenues		\$0.00
	Bonds and notes payable		\$0.00
	Other long-term obligations due within one year		\$0.00
	Total current liabilities		\$840,000.00
Noncurrent Liabilities	1		

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

	Pension contribution payable	\$0.00
	Other post-employment benefits	\$0.00
	Bonds and notes payable	\$192,905,758.00
	Long term leases	\$0.00
	Other long-term obligations	\$180,765,878.00
	Total noncurrent liabilities	\$373,671,636.00
Total liabilities		\$374,511,636.00
Net Asset (Deficit)		
Net Assets		
	Invested in capital assets, net of related debt	\$0.00
	Restricted	\$35,146,460.00
	Unrestricted	(\$362,459,022.00)
	Total net assets	(\$327,312,562.00)

SUMMARY STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

-		Amount
Operating Revenues		
	Charges for services	\$0.00
	Rental and financing income	\$0.00
	Other operating revenues	\$12,781,436.00
	Total operating revenue	\$12,781,436.00
Operating Expenses		
	Salaries and wages	\$0.00
	Other employee benefits	\$0.00
	Professional services contracts	\$104,538.00
	Supplies and materials	\$0.00
	Depreciation and amortization	\$0.00
	Other operating expenses	\$0.00
	Total operating expenses	\$104,538.00
Operating income (loss)		\$12,676,898.00
Nonoperating Revenues		
	Investment earnings	\$115.00
	State subsidies/grants	\$0.00
	Federal subsidies/grants	\$0.00
	Municipal subsidies/grants	\$0.00
	Public authority subsidies	\$0.00

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Certified Date: N/A

	Other nonoperating revenues	\$870,043.00
	Total nonoperating revenue	\$870,158.00
Nonoperating Expenses		
	Interest and other financing charges	\$22,882,273.00
	Subsidies to other public authorities	\$0.00
	Grants and donations	\$0.00
	Other nonoperating expenses	\$0.00
	Total nonoperating expenses	\$22,882,273.00
	Income (loss) before contributions	(\$9,335,217.00)
Capital contributions		\$0.00
Change in net assets		(\$9,335,217.00)
Net assets (deficit) beginning of		(\$317,977,345.00)
year		
Other net assets changes		\$0.00
Net assets (deficit) at end of year		(\$327,312,562.00)

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Certified Date: N/A

Current Debt

Question		Response
1.	Did the Authority have any outstanding debt, including conduit debt, at any point during the reporting period?	Yes
2.	If yes, has the Authority issued any debt during the reporting period?	Yes

New Debt Issuances

Type of Debt: Authority Debt - Other

Program:

Project	Amounts	Bond Closing Date	Issue Process	True Interest Cost	Interest type	Term (Yrs)	Cost Of Issuance
Debt Increase - Not	Refunding \$0.00	1/1/2013	Competitive	0%	Fixed	20	\$0.00
Issuance	New \$11,819,137.00						
	Total \$11,819,137.00						

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Certified Date: N/A

Schedule of Authority Debt

Type of Debt			Statutory Authorization(\$)	Outstanding Start of Fiscal Year(\$)	New Debt Issuances(\$)		Outstanding End of Fiscal Year(\$)
State Obligation	State Guaranteed						
State Obligation	State Supported						
State Obligation	State Contingent Obligation						
State Obligation	State Moral Obligation						
Other State-Funded	Other State-Funded						
Authority Debt - General Obligation	Authority Debt - General Obligation						
Authority Debt - Revenue	Authority Debt - Revenue						
Authority Debt - Other	Authority Debt - Other		0.0	365,219,018.00	11,819,137.0	0 4,067,064.00	372,971,091.00
Conduit		Conduit Debt					
Conduit		Conduit Debt - Pilot Increment Financing					
TOTALS			0.0	365,219,018.00	11,819,137.0	0 4,067,064.00	372,971,091.00

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Certified Date: N/A

Real Property Acquisition/Disposal List

This Authority has indicated that it had no real property acquisitions or disposals during the reporting period.

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Certified Date: N/A

Personal Property

This Authority has indicated that it had no personal property disposals during the reporting period.

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Property Documents

Question		Response	URL (If Applicable)
1.	In accordance with Section 2896(3) of PAL, the Authority is required to prepare a report at least annually	No	
	of all real property of the Authority. Has this report been prepared?		
2.	Has the Authority prepared policies, procedures, or guidelines regarding the use, awarding, monitoring,	No	
	and reporting of contracts for the acquisition and disposal of property?		
3.	In accordance with Section 2896(1) of PAL, has the Authority named a contracting officer who shall be	No	N/A
	responsible for the Authority's compliance with and enforcement of such guidelines?		

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Certified Date: N/A

Grant Information

This Authority has indicated that it did not award any grants during the reporting period.

Fiscal Year Ending: 12/31/2024

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Certified Date: N/A

Loan Information

This Authority has indicated that it did not have any outstanding loans during the reporting period.

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Bond Information

This Authority has indicated that it did not have any outstanding bonds during the reporting period.

Fiscal Year Ending: 12/31/2024

Run Date: 03/13/2025 Status: UNSUBMITTED

Certified Date: N/A

Additional Comments

2024 Aggregate Results of Confidential Evaluation of Board Performance

Erie Tobacco Asset Securitization Corporation

Aggregate Results of Five (5) Directors'
Confidential Evaluation of Board Performance
2024

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree	N/A
Board members have a shared understanding of the mission and purpose of the Authority.	5				
The policies, practices and decisions of the Board are always consistent with this mission.	5				
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	5				
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	5				
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	3	2			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	5				
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	5				
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	5				
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	5				
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law	4	1			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5				
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	3	2			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	3	2			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	3	2			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	5				
Board members demonstrate leadership and vision and work respectfully with each other.	5				

Date Completed: March 13, 2025