

# WARREN TOBACCO ASSET SECURITIZATION CORPORATION

1340 State Route 9  
Lake George, NY 12845

President: Kevin B. Geraghty  
Telephone: (518) 761-6379

## MINUTES OF MEETING HELD April 21, 2023

### ANNUAL MEETING OF DIRECTORS OF THE WARREN COUNTY LOCAL DEVELOPMENT CORPORATION

All Directors, Kevin B. Geraghty, Michael Swan, Craig Leggett, Michael Wild and James Brock, Being present waived prior notice of the meeting. President Geraghty brought the meeting to order at 8:59am.

#### Others present:

Robert Lynch, Treasurer/Chief Financial Officer  
Kara Lais, Attorney  
Ben Driscoll  
Frank Thomas

#### Election of Officers:

Kevin B. Geraghty indicated that Michael Wild has replaced Frank Thomas in the corporation due to his position, as he is the Chairman of Personnel Committee.

#### Approval of Minutes

ON THE MOTION OF Michael Swan, SECONDED BY Craig Leggett; Michael Wild abstained and ALL OTHERS BEING IN FAVOR, IT IS RESOLVED that the Minutes from the Annual Meeting of the Corporation dated October 20, 2022 are hereby approved as presented.

#### Budget

The Directors discussed the proposed budget for 2023 presented at this meeting. After due deliberation thereon, the following motion was made:

ON THE MOTION OF Craig Leggett, SECONDED BY Michael Wild, ALL BEING IN FAVOR, IT IS RESOLVED that the proposed 2023 Budget of the Corporation, a copy of which is attached hereto and incorporated herein by reference, is hereby approved and the same shall be submitted to New York State, as required by law.

**PARIS reporting**

Michael Swan stated that the PARIS report has been prepared and is ready to be submitted.

ON THE MOTION OF Michael Wild, SECONDED BY Craig Leggett, ALL BEING IN FAVOR, IT IS RESOLVED that:

WHEREAS, pursuant to the Public Authorities Accountability Act, the PARIS report has been prepared by the Corporation and presented to the Directors for review.

NOW, THEREFORE, the Board of Directors hereby approves of the PARIS report as presented and hereby approve and direct Michael Swan to certify and submit the PARIS Report as required by law.

**Old Business**

None

**Adjournment**

There was no further business to come before the Board of Directors of the Corporation.

ON THE MOTION BY Craig Leggett, SECONDED BY James Brock, ALL BEING IN FAVOR, IT IS RESOLVED that the Annual Meeting of the Board of Directors of the Corporation is hereby adjourned at 9:14am.

Dated: 12-14-2023

  
\_\_\_\_\_  
Craig Leggett, Secretary

# WARREN COUNTY TOBACCO ASSET SECURITIZATION CORPORATION

Kevin B. Geraghty, President  
1340 State Route 9, Lake George, N.Y. 12845

## Administration Budget for Corporate year 2023

### Revenue:

\$59,000.00

### Expenses:

Corporate Audit: \$11,000.00

Legal Services: \$ 400.00

Officers Insurance: \$ 5,200.00

Wire Transfer Fees: \$ 2,700.00

Warren County Treasurer: \$30,000.00

Total: \$49,300.00

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Certified Public Accountants

February 14, 2022

Michael R. Swan, County Treasurer  
Warren Tobacco Asset Securitization Corporation  
1340 State Route 9  
Lake George, New York 12845

Dear Mr. Swan:

The following represents our understanding of the services we will provide the Warren Tobacco Asset Securitization Corporation (the "Corporation").

You have requested that we audit the governmental activities and each major fund of the Corporation, as of December 31, 2021, and for the year then ended and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents. We are pleased to confirm our acceptance and our understanding of this audit engagement by means of this letter.

The objectives of our audit 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 auditor's report that includes our opinion. 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 auditing standards generally accepted in the United States of America ("US GAAS") and in accordance with *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and 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.

Accounting principles generally accepted in the United States of America, ("U.S. GAAP"), as promulgated by the Government Accounting Standards Board ("GASB") require that supplementary information, such as management's discussion and analysis, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, 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. As part of our engagement, we will apply certain limited procedures to the required supplementary information ("RSI") in accordance with US GAAS. These limited procedures will consist primarily of inquiries of management regarding their methods of measurement and presentation, and comparing the information for consistency with management's responses to our inquiries. We will not express an opinion or provide any form of assurance on the RSI. The following RSI is required by US GAAP. This RSI will be subjected to certain limited procedures but will not be audited:

- Management's Discussion and Analysis

## **Auditor's Responsibilities**

We will conduct our audit in accordance with US GAAS and *Government Auditing Standards*. As part of an audit in accordance with US GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the entity's internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk that some material misstatements may not be detected exists, even though the audit is properly planned and performed in accordance with US GAAS and *Government Auditing Standards*.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to any other periods.

## **Compliance with Laws and Regulations**

As previously discussed, as part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of the Corporation's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

## **Management Responsibilities**

Our audit will be conducted on the basis that management and those charged with governance acknowledge and understand that they have responsibility:

1. For the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America;
2. For the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of basic financial statements that are free from material misstatement, whether due to fraud or errors;

3. To provide us with:
  - a. Access to all information of which management is aware that is relevant to the preparation and fair presentation of the basic financial statements such as records, documentation, and other matters;
  - b. Additional information that we may request from management for the purpose of the audit; and
  - c. Unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence.
  - d. A written acknowledgement of all the documents that management expects to issue that will be included in the annual report and the planned timing and method of issuance of that annual report; and
  - e. A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
4. For including the auditor's report in any document containing basic financial statements that indicates that such basic financial statements have been audited by the entity's auditor;
5. For identifying and ensuring that the Corporation complies with the laws and regulations applicable to its activities;
6. For adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the current year period(s) under audit are immaterial, both individually and in the aggregate, to the financial statements as a whole;
7. For acceptance of nonattest services, including identifying the proper party to oversee nonattest work;
8. For maintaining adequate records, selecting and applying accounting principles, and safeguarding assets;
9. For informing us of any known or suspected fraud affecting the entity involving management, employees with significant roles in internal controls and others where fraud could have a material effect on compliance; and
10. For the accuracy and completeness of all information provided.

With regard to the supplementary information referred to above, you acknowledge and understand your responsibility: (a) for the preparation of the supplementary information in accordance with the applicable criteria; (b) to provide us with the appropriate written representations regarding supplementary information; (c) to include our report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information; and (d) to present the supplementary information with the audited basic financial statements, or if the supplementary information will not be presented with the audited financial statements, to make the audited basic financial statements readily available to the intended users of the supplementary information no later than the date of issuance by you of the supplementary information and our report thereon.

As part of our audit process, we will request from management and those charged with governance, written confirmation concerning representations made to us in connection with the audit.

## **Nonattest Services**

In addition to the audit services described above, based on information in the Corporation's trial balance, we will also provide certain nonattest services including:

- Propose adjusting or correcting journal entries to be reviewed and approved in the Corporation's management.
- Assist the Corporation in the preparation of the basic financial statements for the year ending December 31, 2021.
- Review and provide editorial comments to the Corporation's Management Discussion and Analysis.
- Assist the Corporation with its annual filing of financial information in the Public Authorities Reporting Information System ("PARIS").
- Address routine accounting and auditing inquiries throughout the year, including applicability of GASB pronouncements to the Corporation.

We will not assume management responsibilities on behalf of the Corporation. However, we will provide advice and recommendations to assist management of the Corporation in performing its responsibilities.

The Corporation's management is responsible for (a) making all management decisions and performing all management functions; (b) assigning a competent individual to oversee the services; (c) evaluating the adequacy of the services performed; (d) evaluating and accepting responsibility for the results of the services performed; and (e) establishing and maintaining internal controls, including monitoring ongoing activities.

Our responsibilities and limitations of the nonattest services are as follows:

- We will perform the services in accordance with applicable professional standards.
- The nonattest services are limited to the services previously outlined. Our firm, in its sole professional judgment, reserves the right to refuse to do any procedure or take any action that could be construed as making management decisions or assuming management responsibilities, including determining account coding and approving journal entries.

## **Reporting**

We will issue a written report upon completion of our audit of the Corporation's basic financial statements. Our report will be addressed to the governing body of the Corporation. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add emphasis-of-matter or other-matter paragraph(s) to our auditor's report, or if necessary, or withdraw from the engagement. If our opinions on the basic financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

In accordance with the requirements of *Government Auditing Standards*, we will also issue a written report describing the scope of our testing over internal control over financial reporting and over compliance with laws, regulations, and provisions of grants and contracts, including the results of that testing. However, providing an opinion on internal control and compliance will not be an objective of the audit and, therefore, no such opinion will be expressed.

## Other

We understand that your employees will prepare all confirmations we request and will locate any documents or support for any other transactions we select for testing

If you intend to publish or otherwise reproduce the basic financial statements and make reference to our firm, you agree to provide us with printers' proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed.

Regarding the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Professional standards prohibit us from being the sole host and/or the sole storage for your financial and non-financial data. As such, it is your responsibility to maintain your original data and records and we cannot be responsible to maintain such original information. By signing this engagement letter, you affirm that you have all the data and records required to make your books and records complete.

## Provisions of Engagement Administration, Timing and Fees

During the course of the engagement, we may communicate with you or your personnel via fax or e-mail, and you should be aware that communication in those mediums contains a risk of misdirected or intercepted communications.

The timing of our audit will be scheduled for performance and completion as follows:

	<u>Begin</u>	<u>Targeted for Completion</u>
Audit Performance Schedule:		
Planning audit procedures	February 2022	February 2022
Year-end audit procedures	February 2022	February 2022
Audit Communications and Audit Report:		
Report on audit (including communications to the Corporation's Board of Directors)		March 2022
Significant deficiencies or material weaknesses, if any		March 2022
Other management comments		March 2022
Issue audit report		March 2022

The aforementioned schedule is based on our prior discussions, should you wish to schedule differently, we believe we can accommodate you. Assistance to be supplied by the Corporation's personnel, including preparation of schedules and analyses of accounts, will be described in a separate communication. Timely completion of the Corporation's work will facilitate the completion of our audit by the targeted completion dates. Appendix A provides a description of circumstances that could significant change the targeted completion dates.



Matthew J. Montalbo is the engagement partner for the audit services specified in this letter. His responsibilities include supervising Drescher & Malecki, LLP's ("D&M") services performed as part of this engagement and signing or authorizing another qualified firm representative to sign the audit report.

Our fees will be billed as work progresses and are based on the anticipated amount of time required to complete. Our fees for the aforementioned audit services will not exceed \$10,345 inclusive of expenses for the audit of the year ending December 31, 2021. Our fees will be payable as work is performed. To the extent that certain circumstances, as listed in Appendix A, arise during the engagement, our fee estimate may be affected and additional fees may be necessary. Additional services provided beyond the described scope of services will be billed separately.

If it should become necessary for the Corporation to request D&M to render any additional services, such services would be submitted to the County Administrator and County Treasurer for approval prior to D&M commencing such services. Our 2022 hourly rates for those services would be as follows: Partner \$200/hr.; Manager \$175/hr.; Supervisory Staff \$125/hr.; and, Staff \$100/hr.

### **Other Matters**

During the course of the audit we may observe opportunities for economy in, or improved controls over, your operations. We will bring such matters to the attention of the appropriate level of management, either orally or in writing.

You agree to inform us of the facts that may affect the financial statements of which you may be aware during the period from the date of the auditor's report to the date of the financial statements are issued.

We agree to retain our audit documentation or work papers for a period of at least five years from the date of our report.

At the conclusion of our audit engagement, we will communicate to the Corporation's Board of Directors the following significant findings from the audit:

At the conclusion of our audit engagement, we will communicate to the Corporation's Board of Directors the following significant findings from the audit:

- Our view about the qualitative aspects of the entity's significant accounting practices;
- Significant difficulties, if any, encountered during the audit;
- Uncorrected misstatements, other than those we believe are trivial, if any;
- Disagreements with management, if any;
- Other findings or issues, if any, arising from the audit that are, in our professional judgment, significant and relevant to those charged with governance regarding their oversight of the financial reporting process;
- Material, corrected misstatements that were brought to the attention of management as a result of our audit procedures;
- Representations we requested from management;
- Management's consultations with other accountants, if any; and
- Significant issues, if any, arising from the audit that were discussed, or the subject of correspondence, with management.

The audit documentation for this engagement is the property of D&M and constitutes confidential information. However, we may be requested to make certain audit documentation available to a federal agency or the Comptroller General of the United States pursuant to authority given to them by law or regulation, or to peer reviewers. If requested, access to such audit documentation will be provided under the supervision of D&M's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to a federal agency or the Comptroller General of the United States. The federal agency or the Comptroller General of the United States may intend, or decide, to distribute the copies of information contained therein to others, including other governmental agencies.

In accordance with the requirements of *Government Auditing Standards*, we have attached a copy of our latest external peer review report of our firm for your consideration and files.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our audit of the financial statements including our respective responsibilities.

We appreciate the opportunity to be your financial statement auditors and look forward to working with you and your staff.

Respectfully,

*Drescher & Malecki LLP*

\* \* \* \* \*

RESPONSE:

This letter correctly sets forth our understanding.

Warren Tobacco Asset Securitization Corporation

Acknowledged and agreed on behalf of the Corporation by:

By: *[Signature]*

Title: *Trustee*

Date: *2/22/22*

**Exhibit A**

\_\_\_\_\_, 2021

Wilmington Trust Company,  
not in its individual capacity  
but solely as Delaware Trustee  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890-0001  
Attention: Corporate Trust Administration

Re: Warren TASC Residual Trust

Ladies and Gentlemen:

We refer to the Amended and Restated Declaration and Agreement of Trust of Warren TASC Residual Trust, dated as of August 1, 2001 (the "Trust Agreement"), among Warren Tobacco Asset Securitization Corporation, Wilmington Trust Company, as Delaware Trustee, and the other trustees named therein. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in or by reference in the Trust Agreement.

The undersigned hereby requests and directs you, as Delaware Trustee, to (i) deposit into the TASC Residual Trust Distribution Account (the "Distribution Account") proceeds received by wire transfer from Manufacturers and Traders Trust Company relating to the Residual Certificate and, (ii) forward four hundred thirty one thousand, eight hundred ninety-three, and 77/100 Dollars (\$431,893.77) of such proceeds by wire to Glens Falls National Bank & Trust Company, ABA# 021302554, Account # 0000936006.

In order to induce you to take the foregoing action, we hereby agree to indemnify Wilmington Trust Company, its directors, officers, employees, and agents (individually, an "Indemnitee") for, and agree to hold each Indemnitee harmless against, any liability, loss or expense (including, without limitation legal and other professional fees and expenses) incurred by an Indemnitee in connection with or arising out of the taking by Wilmington Trust Company, as Delaware Trustee, of the foregoing requested action, in accordance with Section 8.2 of the Trust Agreement.

Very truly yours,

WARREN TOBACCO ASSET  
SECURITIZATION CORPORATION

By: \_\_\_\_\_  
Name:  
Title: