

NIAGARA TOBACCO ASSET SECURITIZATION CORPORATION
ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS
DECEMBER 31, 2022

This statement certifies that Niagara Tobacco Asset Securitization Corporation followed a process that assessed and documented the adequacy of its internal control structure and polices for the year ending December 31, 2022. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risks.

Authority's Major Business Function

The primary operating responsibility of Niagara Tobacco Asset Securitization Corporation (NTASC) is to collect annual payments from the Tobacco Settlement Agreement by its Trustee, M&T Bank, Wilmington Trust, and to biannually pay principal and interest due on the Series 2014 Bonds.

Risks Associated with it Operations

Currently there is minimal risk of default on the Series 2014 Bonds as the settlement funds received from the Tobacco Settlement Agreement have been sufficient to pay the required biannual principal and interest payments due. The Series 2015 Bonds continue to accrual interest and the risk of repayment has not been evaluated.

Internal Control Systems in Place

The policies, practices, attitudes, guidelines and other actions are established by the 2000 Series Bond documents, 2015 Series Bond documents, and subsequent 2014 Series Bond documents. M&T Bank, Wilmington Trust handles the financial receipt of settlement funds while NTASC provide biannual direction upon the advice of Bond Logistic for the distribution of said funds.

Extent to Which the Internal Control System is Effective

This systems has been in effect since 2000 and modified accordingly through the years. It has proven effective

Corrective Action

No corrective action is necessary at this time.