

COUNTY OF SULLIVAN TOBACCO ASSET SECURITIZATION CORPORATION

2011 Annual Report

Operations and Accomplishments

Successful audit with no findings

Paid off all debt on time

Compensation Schedule

The officers of the corporation are not compensated.

Projects undertaken during the past fiscal year

There were no projects undertaken during the past fiscal year.

Listing of real property owned

There is no real property owned by the Corporation.

Authority's code of ethics

Policy in place with no known violations of the code of ethics policy.

An assessment of the effectiveness of internal controls

This statement certifies that management has assessed the internal control structure and procedures of the Sullivan Tobacco Asset Securitization Corporation for the year ending December 31st, 2011. This assessment found the authority's internal controls to be adequate, and to the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Receipts and disbursements

See financial statements

Assets and Liabilities

See financial statements

Schedule of Bond and Notes Outstanding

See financial statements

Procurement Report

There were no procurement transactions during the reporting period.

Investment Report

Restricted investments at December 31, 2011 consisted of the following:

Commercial paper, at cost, which approximates fair value, due in June 2012, interest at .50% -- \$1,242,547

Mission Statement and Performance Goals

Authority Mission Statement and Performance Measurements

Name of Public Authority: SULLIVAN TOBACCO ASSET SECURITIZATION CORPORATION

Public Authority's Mission Statement: To collect receipts from the tobacco master settlement agreement and service debt in connection with the issuance of tobacco settlement bonds.

Date First Adopted: September 28, 2010

List of Performance Goals (If additional space is needed, please attach):

Collection of receipts from the tobacco master settlement agreement

On time payment of the tobacco settlement bonds