2015 ANNUAL REPORT
Onondaga Tobacco Asset Securitization Corporation

This report is being submitted in compliance with the Public Authorities Accountability Act of 2005 (Chapter 766 of the Laws of 2005). It is not intended to be a substitute for or to replace the Onondaga Tobacco Asset Securitization Corporation's (herein referred to as either "OTASC" or the "Corporation") Financial Statements prepared as of December 31, 2015.

1. Operations and Accomplishments.
   The Corporation received sufficient Tobacco Settlement Revenues (the "TSRs") to make its scheduled $1,100,000 Principal Payment and an additional super-sinker payment of $940,000 for a total of $2,040,000 against its Series 2001 Bonds.

2. The Corporation's revenues and expenditures for 2015 as reported in its 2015 Financial Statements are as follows:

Functions/Programs	Expenses	Program Revenues	Net (Expense) Revenue and Changes in Net Assets Governmental Activities
Primary Government:			
Governmental activities:			
General government support	150,921	-	(150,921)
Interest	8,193,875	-	(8,193,875)
Total governmental activities	8,344,796	-	(8,344,796)
	General revenues:		
	Interest earnings		451,579
	Tobacco settlement revenues		11,946,032
	Total general revenues		12,397,611
	Change in net position		4,052,815
	Net position – beginning		(127,909,510)
	Net position – ending		(123,856,695)

3. The Corporation's Assets and Liabilities as of December 31, 2015 as reported in its 2015 Financial Statements are as follows:

ASSETS	
Cash and investments	8,820,576
Accounts Receivable	5,346,000
Bond discount fees**	762,583
Total assets	14,929,159
LIABILITIES	
Accrued interest payable	405,617
Due within one year - bonds	1,260,000
Due after one year - bonds	137,120,237
Total liabilities	138,785,854
NET POSITION (DEFICIT)	
Restricted for:	
Debt service	8,691,378
Unrestricted	(132,548,073)
Total net position (deficit)	(123,856,695)

**Net of accumulated amortization

4. Bonds and notes of the Corporation outstanding as of December 31, 2015 are as follows:

	Balance 1/1/2015	Increases	Decreases	Balance 12/31/2015	Due Within One Year
Tobacco Settlement Bonds:					
Series 2001A	85,975,000	-	2,040,000	83,935,000	1,260,000
Subordinate Turbo CABs:					
Series 2005 - Original Principal	28,525,438	-	-	28,525,438	-
Accreted Interest	22,536,506	3,383,293	-	25,919,719	-
Net Long Term Debt	137,036,944	3,383,293	2,040,000	138,380,237	1,260,000

A. Series 2001A - In 2001, OTASC issued $111,470,000 of Tobacco Settlement Asset Backed Bonds, Series A pursuant to an indenture dated as of December 1, 2001. The net proceeds of the Series A Bonds were used to purchase from the County all of the County's right, title and interest, under the MSA and the Decree, including the Tobacco Settlement Revenues ("TSR").

The payment of the Series A Bonds is dependent on the receipt of TSR's. The amount of TSR's actually collected is dependent on many factors including cigarette consumption and the continued operations of the Original Participating Manufactures (OPM's). Such bonds are secured by and payable solely from TSR's and investment earnings pledged under the bond indenture, and amounts established and held in accordance with the bond indenture.

In the event sufficient funds are not available to meet Planned Payment Maturities, Rated Maturity dates will be used.

Each Series A Bond has a Rated Maturity Date and a Planned Principal Payment Date. Planned Principal Payment Dates are based upon a maturity of debt that began June 1, 2002 extending through 2043 at variable rates. Interest is payable June 1 and December 1 of each year. Planned Principal Payments and Rate Maturities are scheduled only on June 1 of each year although principal could be paid semiannually if actual principal payments are slower than Planned Principal Payments. Failure to pay interest on the Series A Bonds when due or principal of the Series A Bonds when due on a Rated Maturity Date will constitute a default.

Debt service requirements for the Series 2001A bonds, based upon planned principal payments, are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	1,260,000	4,724,931	5,984,931
2017	-	4,687,131	4,687,131
2018	-	4,687,131	4,687,131
2019	-	4,687,131	4,687,131
2020		4,687,131	4,687,131
2021-2025	4,535,000	23,256,500	27,791,500
2026-2030	17,530,000	19,818,594	37,348,594
2031-2035	17,675,000	14,872,391	32,547,391
2036-2040	23,910,000	9,107,425	33,017,425
2041-2043	19,025,000	1,688,056	20,713,056
Total	$ 83,935,000	$92,216,421	$176,151,421

B. **Series 2005** - In 2005, OTASC participated in the New York Counties Tobacco Trust V ("NYCTT V"), along with 23 other New York County Tobacco Corporations, and issued subordinate Capital Appreciation Bonds (Subordinate Turbo CABs) in various series for the purpose of securitizing additional future tobacco settlement revenues. Net proceeds of the 2005 series, after closing costs, amounted to $30,565,586.

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 accrued interest on the Subordinate Turbo CABS is reflected as long-term accreted interest payable.

Redemption of the Subordinate Turbo CABs as outlined in the original official statement totals $31,402,144 with interest ranging from 6.0% to 7.15% and with anticipated payment from 2038 through 2060, although early payment is allowed. As of December 31, 2015, OTASC had made $2,876,706 total redemption payments. Any debt service amounts not paid in accordance with the Subordinated Turbo CAB's redemption payments schedule will be due and payable on the following maturity dates:

Series	Principal	Interest	Maturity Date	Interest Rate
2005 S1	6,127,360	34,716,541	June 1, 2038	6.00%
2005 S2	9,604,046	126,233,419	June 1, 2050	6.10%
2005 S3	4,963,972	130,489,947	June 1, 2055	6.85%
2005 S4A	7,830,060	342,240,747	June 1, 2060	7.15%
	28,525,438	633,680,654		

5. The Corporation's compensation schedule.
   No salary or compensation was paid to any officer or director of the Corporation during 2015. The Corporation did not have any paid employees in 2015.

6. Projects undertaken by the Corporation during 2015.
   The Corporation did not undertake any projects during 2015.

7. Real property owned and or disposed of by the Corporation.
   The Corporation did not own or sell any real property during 2015 and does not currently own any real property.

8. The Corporation's code of ethics is as follows:

   This Code of Ethics shall apply to all officers and employees of the Onondaga Tobacco Asset Securitization Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Authority's directors and employees and to preserve public confidence in the Authority's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.

2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.

3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Authority.

4. Directors and employees shall not use or attempt to use their official position with the Authority to secure unwarranted privileges for themselves, members of their family or others, including employment with the Authority or contracts for materials or services with the Authority.

5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.

6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the Authority's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Authority without bias and shall support the Authority's mission to the fullest.

8. Directors and employees shall not use Authority property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Authority's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before the Authority for two (2) years following employment with the Authority, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics
This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The board may designate an Ethics Officer, who shall report to the board and shall have the following duties:

Confidentially counsel Authority directors and employees who seek advice about ethical behavior.

Receive and investigate complaints about possible ethics violations.

Dismiss complaints found to be without substance.

Prepare an investigative report of their findings for action by the Chief Executive Officer or the board.

Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

Penalties
In addition to any penalty contained in any other provision of law, an Authority director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior
Employees and directors are required to report possible unethical behavior by a director or employee of the Authority to the Ethics Officer. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Authority.

9. Assessment of the effectiveness of the Corporation's internal control structure and procedures.

The financial statements of OTASC for the year ended December 31, 2015 are the responsibility of management. The financial statements were prepared in accordance with accounting principles generally accepted in the United States of America. Financial information contained elsewhere in this annual report is consistent with the financial statements.

OTASC has established an internal control structure. The objectives of an internal control structure are to provide reasonable assurance as to the protection of and accountability for assets, compliance with applicable laws and regulations, proper authorization and recording of transactions, and the reliability of financial records for preparing financial statements. The internal control structure is subject to periodic review by management and the independent auditors.

Bonadio & Co., LLP Certified Public Accountants have audited OTASC financial statements. Management has made available to Bonadio & Co. all the financial records and related data of OTASC, as well as providing access to all the minutes of the meetings of the Board of OTASC. The role of the auditors is to provide an independent review of management's responsibility to present fairly in the financial statements the financial position, changes in its financial position and cash flows in accordance with accounting principles generally accepted in the United States of America. The independent audit included a review of the internal control structure, tests of accounting records, and other procedures, which the independent auditors considered necessary in order to express an opinion on the fairness of the presentation of the financial statements.

CERTIFICATE OF THE CHIEF EXECUTIVE OFFICER
AND THE CHIEF FINANCIAL OFFICER
ONONDAGA TOBACCO ASSET SECURITIZATION CORPORATION

The undersigned chief executive officer and chief financial officer of Onondaga Tobacco Asset Securitization Corporation, a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby certify, pursuant to subdivision 3 of Section 2800 of the Public Authorities Law, as follows:

The financial information provided within the Annual Report of the Onondaga Tobacco Asset Securitization Corporation (the "Corporation"), dated as of March 9, 2016, (the "Annual Report"), is accurate, correct and does not contain any untrue statement of material fact. The Annual Report does not omit any material fact which, if omitted, would cause the report to be misleading in the light of the circumstances under which the report and any such statements made therein are made. The Annual Report fairly represents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in said report.

The Annual Report is hereby approved.

IN WITNESS WHEREOF, the undersigned chief executive officer and chief financial officer have executed this Certificate as of this __9th_ day of _March__, 2016.

Steven Morgan
President/CEO

Lori Pietruniak
Treasurer/CFO