

Tobacco Settlement Financing Corporation
November 25, 2013
Minutes of the Meeting

A Tobacco Settlement Financing Corporation meeting was held in the Controller's Conference Room on the 4th floor of the Department of Administration Building, One Capitol Hill, Providence, on Monday, November 25, 2013.

At 9:15 a.m., Thomas Mullaney, Executive Director/State Budget Office, Department of Administration called the meeting to order. Corporation members present were: Thomas Mullaney (Chair), James Thorsen and Robert Cusack. Corporation member absent was Andrew Reilly. Other attendees were: James D. Wilkinson of Braver P.C. and Suzanne Amerault of the State Budget Office.

The first order of business was to approve the minutes of the August 20, 2013 meeting. After review of the minutes, a motion was made to approve the August 20, 2013 minutes by Chairman Thomas Mullaney with the incorporation of one change agreed upon by the Board. The motion was seconded by Mr. Cusack and approved unanimously.

The next item on the agenda was to review and approve the 2013 Financial Statements of the Corporation. James Wilkinson of Braver P.C. was in attendance to review the financial statements with the Board and answer any questions.

Mr. Thorsen asked that a few formatting issues be taken care of. Mr. Wilkinson pointed out that on the Statement of Net Position, receivables were added new this year, after a discussion with the State Controller's office. Receivables were also added to the Fund Statement. The other Statements are consistent with previous years.

While reviewing the Notes to Financial Statements, Section 4 – Derivatives, Mr. Cusack noted that the Board adopted an investment policy 2-3 years ago. The Trustee has the duty to manage these reserves and they are held in the name of the Trustee. Chairman Mullaney stated that he will look at the Investment Policy to make sure the investments are diversified.

Mr. Thorsen noted that the Bonds will be maturing shortly.

Mr. Thorsen noted to Mr. Wilkinson of Braver that it would nice to have a "score sheet" type of presentation with the financials showing an overview so that it would be easier for the Board to understand.

Chairman Mullaney asked the Board if there were any further questions on the financials.

Chairman Mullaney made a motion to approve the draft financials, subject to final edits. Mr. Wilkinson noted that if there were any significant changes in the final version, he would report to the board. Mr. Thorsen seconded the motion, all approved.

Next item on the agenda was other business. Chairman Mullaney informed the Board that they went out to bid through the RFP process for potential refunding for Bond Counsel, Disclosure Counsel, Financial Advisor and Investment Bankers. The Financial Advisor bids are due in

December 5, 2013. Chairman Mullaney noted that he was hoping to secure the Financial Advisor first.

Mr. Cusack noted that the Board may want to get some advisability from either the Attorney General or the Governor's Chief Legal Counsel of engaging a company that the State is currently in litigation with. Chairman Mullaney said he would follow up with legal counsel and report back to the Board with their recommendation.

A motion was made to adjourn by Chairman Mullaney. The motion was seconded by Mr. Cusack and approved unanimously.

Respectfully submitted,

Robert Cusack
Secretary