

FY 2021 Budget and Five-Year Plan (Cash Basis)

July 01, 2019 - June 30, 2024

(\$ in thousands)	<u>Actual</u>			<u>Proposed</u>			
	<u>Unaudited</u>	<u>Adopted</u>	<u>Modified</u> ¹				
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>
<u>Receipts:</u>							
Operating Receipts:							
Pledged:							
Tobacco Settlement Revenue (TSR) ²	\$ 61,437	\$ 72,754	\$ 70,473	\$ 72,144	\$ 71,433	\$ 70,846	\$ 70,370
Investment earnings	2,238	1,000	1,505	1,000	1,000	1,000	1,000
Sub-total	63,675	73,754	71,978	73,144	72,433	71,846	71,370
Unpledged:							
Tobacco Settlement Revenue (TSR) ²	102,834	121,775	117,958	120,755	119,564	118,581	117,784
Investment earnings	203	-	-	-	-	-	-
Sub-total	103,037	121,775	117,958	120,755	119,564	118,581	117,784
Total Receipts	166,712	195,529	189,936	193,899	191,996	190,428	189,154
<u>Disbursements:</u>							
Cost of Issuance							
	-	-	-	-	-	-	-
Transfers to Trust - Unpledged TSR							
	103,037	121,775	117,958	120,755	119,564	118,581	117,784
Debt Service:							
Principal payments	18,355	29,375	29,375	30,570	26,675	27,835	29,050
Interest payments	53,369	52,628	52,628	51,159	49,631	48,297	46,905
Sub-total	71,724	82,003	82,003	81,729	76,306	76,132	75,955
Administrative							
	422	661	463	682	487	488	488
Total Disbursements	175,184	204,439	200,424	203,166	196,357	195,202	194,228
<u>Excess (deficiency) of Receipts over Disbursements</u>							
	\$ (8,471)	\$ (8,910)	\$ (10,489)	\$ (9,268)	\$ (4,359)	\$ (4,774)	\$ (5,074)
<u>Cash and Investment Holdings:</u> ³							
Beginning Balance	\$ 105,353	N/A	\$ 96,882	\$ 86,394	\$ 77,126	\$ 72,766	\$ 67,992
Ending Balance	\$ 96,882	N/A	\$ 86,394	\$ 77,126	\$ 72,766	\$ 67,992	\$ 62,918
	Senior Reserve Balance		48,000	48,000	48,000	48,000	48,000
	Subordinate Reserve Balance		22,844	12,355	3,087	0 ⁴	0 ⁴

¹ Modified budget includes actual amounts from July 1, 2019 through February 29, 2020, and projected March through June 2020.

² Projections of TSR receipts in each of FY 2021 through FY 2024 assume a credit adjustment based on 175 million Tribal NPM Packs sold and reflect other assumptions set forth in TSASC, Inc.'s Offering Circular, dated January 11, 2017, including cigarette shipment declines, OPM and SPM market shares, and the annual inflation factor. Actual TSR receipts will differ from these projections and may be higher or lower based on final determinations of such factors, including the results of future independent investigator determinations with respect to Tribal NPM Packs sold.

³ Cash Equivalent and Investments are included at cost.

⁴ The realization of assumptions discussed in Footnote 2 will result in TSASC's inability to meet its subordinate debt service funding requirements in 2023 and 2024 unless additional revenues are received in excess of the assumed amounts above. TSASC continues to explore options including refinancings.

TSASC, Inc.

FY 2021 Administrative Budget (Cash Basis)

Description	Adopted	Actual	Favorable vs	Adopted	Actual	Projected	Proposed	Proposed
		Disbursements	(Unfavorable)		Disbursements	Disbursements	Modified	
	FY 2019	FY 2019	%	FY 2020	7/1/19 - 2/29/20	3/1/20 - 6/30/20	FY 2020	
Management Fees (Salaries & Benefits)	\$ 170,000	\$ 148,632	12.57	\$ 170,000	\$ -	\$ 163,500	\$ 163,500	\$ 170,000
Overhead (Rent, Telephone, etc.)	50,000	40,772	18.46	50,000	-	50,000	50,000	50,000
Audit Fees	15,000	15,000	0.00	15,500	13,500	2,000	15,500	14,000
Insurance Fees	174,652	174,652	0.00	200,000	167,473	14,000	181,473	200,000
Trustee Fees	400	400	0.00	500	748	-	748	800
Legal Fees	5,000	2,523	49.54	5,000	6,873	-	6,873	7,000
Arbitrage Consultant	3,500	-	100.00	3,500	3,750	-	3,750	4,000
Rating Agency Fees	40,000	40,000	0.00	215,000	20,000	-	20,000	215,000
Other Administrative	948	-	100.00	1,000	-	21,000	21,000	21,000
Total	\$ 459,500	\$ 421,979	8.17%	\$ 660,500	\$ 212,344	\$ 250,500	\$ 462,844	\$ 681,800