

## FY 2022 Budget and Five-Year Plan (Cash Basis)

July 01, 2020 - June 30, 2025

	(\$ in thousands)							
	Actual			Proposed				
	Unaudited FY 2020	Adopted FY 2021	Modified <sup>1</sup> FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	
<b>Receipts:</b>								
Operating Receipts:								
Pledged:								
Tobacco Settlement Revenue (TSR) <sup>2</sup>	\$ 70,473	\$ 72,144	\$ 76,746	\$ 72,195	\$ 71,635	\$ 71,186	\$ 70,856	
Investment earnings	1,745	1,000	61	100	100	100	100	
<b>Sub-total</b>	<b>72,218</b>	<b>73,144</b>	<b>76,808</b>	<b>72,295</b>	<b>71,735</b>	<b>71,286</b>	<b>70,956</b>	
Unpledged:								
Tobacco Settlement Revenue (TSR) <sup>2</sup>	117,958	120,755	128,458	120,840	119,903	119,152	118,599	
Investment earnings	1	-	-	-	-	-	-	
<b>Sub-total</b>	<b>117,959</b>	<b>120,755</b>	<b>128,458</b>	<b>120,840</b>	<b>119,903</b>	<b>119,152</b>	<b>118,599</b>	
<b>Total Receipts</b>	<b>190,177</b>	<b>193,899</b>	<b>205,266</b>	<b>193,135</b>	<b>191,638</b>	<b>190,438</b>	<b>189,555</b>	
<b>Disbursements:</b>								
Transfers to Trust - Unpledged TSR	117,959	120,755	128,458	120,840	119,903	119,152	118,599	
Debt Service:								
Principal payments	29,375	30,570	30,570	26,675	27,835	29,050	30,385	
Interest payments	52,628	51,159	51,159	49,631	48,297	46,905	45,453	
<b>Sub-total</b>	<b>82,003</b>	<b>81,729</b>	<b>81,729</b>	<b>76,306</b>	<b>76,132</b>	<b>75,955</b>	<b>75,838</b>	
Administrative	452	682	548	542	543	543	544	
<b>Total Disbursements</b>	<b>200,415</b>	<b>203,166</b>	<b>210,734</b>	<b>197,688</b>	<b>196,578</b>	<b>195,650</b>	<b>194,981</b>	
<b>Excess (deficiency) of Receipts over Disbursements</b>	<b>\$ (10,237)</b>	<b>\$ (9,268)</b>	<b>\$ (5,469)</b>	<b>\$ (4,553)</b>	<b>\$ (4,939)</b>	<b>\$ (5,212)</b>	<b>\$ (5,426)</b>	
<b>Cash Equivalent and Investment Holdings:<sup>3</sup></b>								
Beginning Balance	\$ 96,882	N/A	\$ 86,645	\$ 81,176	\$ 76,623	\$ 71,684	\$ 66,472	
Ending Balance	\$ 86,645	N/A	\$ 81,176	\$ 76,623	\$ 71,684	\$ 66,472	\$ 61,046	
	Senior Reserve Balance		48,000	48,000	48,000	48,000	48,000	
	Subordinate Reserve Balance		12,408	6,939	2,386	0 <sup>4</sup>	0 <sup>4</sup>	

<sup>1</sup> Modified budget includes actual amounts from July 1, 2020 through February 28, 2021, and projected March through June 2021.

<sup>2</sup> Projections of TSR receipts in each of FY 2022 through FY 2025 assume a credit adjustment based on 165.9 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.

<sup>3</sup> Cash Equivalent and Investments are included at cost.

<sup>4</sup> The realization of assumptions discussed in Footnote 2 will result in TSASC's inability to meet its subordinate debt service funding requirements in 2024 and 2025 unless additional revenues are received in excess of the assumed amounts above. TSASC continues to explore options including refinancings.

TSASC, Inc.

**FY 2022 Administrative Budget (Cash Basis)**

Description	Adopted	Actual	Favorable vs	Adopted	Actual	Projected	Proposed	Proposed
		Disbursements	(Unfavorable)		Disbursements	Disbursements	Modified	
	FY 2020	FY 2020	%	FY 2021	7/1/20 - 2/28/21	3/1/21 - 6/30/21	FY 2021	
Management Fees (Salaries & Benefits)	\$ 163,500	\$ 174,530	-6.75	\$ 170,000	\$ -	\$ 221,000	\$ 221,000	\$ 221,000
Overhead (Rent, Telephone, etc.)	50,000	45,752	8.50	50,000	-	50,000	50,000	50,000
Audit Fees	15,500	15,500	0.00	14,000	12,000	2,000	14,000	14,500
Insurance Fees	181,473	181,473	0.00	200,000	196,185	14,000	210,185	220,000
Trustee Fees	748	748	0.00	800	1,010	-	1,010	800
Legal Fees	6,873	9,249	-34.57	7,000	22,353	-	22,353	7,000
Arbitrage Consultant	3,750	5,000	-33.33	4,000	-	4,000	4,000	4,000
Rating Agency Fees	20,000	20,000	0.00	215,000	20,000	-	20,000	20,000
Other Administrative	21,000	-	100.00	21,000	-	5,000	5,000	5,000
<b>Total</b>	<b>\$ 462,844</b>	<b>\$ 452,252</b>	<b>2.29%</b>	<b>\$ 681,800</b>	<b>\$ 251,548</b>	<b>\$ 296,000</b>	<b>\$ 547,548</b>	<b>\$ 542,300</b>