

Fiscal Year 2024 Budget and Five-Year Plan (Cash Basis)

July 01, 2022 - June 30, 2027

		Actual		Adopted		Modified ²		Proposed						
		Unaudited				FY 2023		FY 2024	FY 2025	FY 2026	FY 2027			
		FY 2022				FY 2023		FY 2024	FY 2025	FY 2026	FY 2027			
<u>Receipts:</u>														
Operating Receipts:														
Pledged:														
Tobacco Settlement Revenue (TSR) ¹	\$	78,202	\$	71,635	\$	73,897	\$	68,675	\$	62,497	\$	62,313	\$	62,237
Investment earnings		45		100		1,749		2,000		500		500		500
Sub-total		78,247		71,735		75,646		70,675		62,997		62,813		62,737
Unpledged:														
Tobacco Settlement Revenue (TSR) ¹		130,893		119,903		123,688		114,948		104,608		104,300		104,172
Investment earnings		24		-		-		-		-		-		-
Sub-total		130,917		119,903		123,688		114,948		104,608		104,300		104,172
Total Receipts		209,164		191,638		199,334		185,623		167,605		167,113		166,909
<u>Disbursements:</u>														
Transfers to Trust - Unpledged TSR		130,917		119,903		123,688		114,948		104,608		104,300		104,172
Debt Service:														
Principal payments		26,675		27,835		27,835		29,050		30,385		25,135		26,585
Interest payments		49,631		48,297		48,297		46,905		45,453		43,934		42,677
Sub-total		76,306		76,132		76,132		75,955		75,838		69,069		69,262
Administrative		533		564		573		579		589		600		610
Total Disbursements		207,756		196,599		200,393		191,482		181,035		173,968		174,044
<u>Excess (deficiency) of Receipts over Disbursements</u>														
	\$	1,408	\$	(4,961)	\$	(1,060)	\$	(5,858)	\$	(13,430)	\$	(6,855)	\$	(7,135)
Cash Equivalent and Investment Holdings: ³														
Beginning Balance	\$	80,683	N/A	\$	82,091	\$	81,031	\$	75,173	\$	61,743	\$	54,888	
Ending Balance	\$	82,091	N/A	\$	81,031	\$	75,173	\$	61,743	\$	54,888	\$	47,753	
Senior Reserve Balance					48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	
Subordinate Reserve Balance					9,592	8,532	2,674	0 ⁴	0 ⁴	0 ⁴	0 ⁴	0 ⁴	0 ⁴	

¹ Projections of TSRs in each of FY 2024 through FY 2027 assume a rate of decline in consumption consistent with the Menthol Ban Alternative 2 Forecast as defined in the Golden State Tobacco Securitization Corporation Official Statement dated December 8, 2022. Additionally, the projections reflect a credit adjustment based on 165.9 million Tribal NPM Packs sold. The credit adjustment of 165.9 million Tribal NPM Packs underpinned the TSRs received in FY 2021 and FY 2022 and was stipulated by the New York State Attorney General to continue to underpin the TSRs to be received in FY 2023 and FY 2024. This analysis will be revisited thereafter. Actual TSRs are expected to differ from these projections and may be higher or lower based on various factors, including actual consumption and the results of future independent investigator determinations with respect to Tribal NPM Packs sold.

² Modified FY 2023 budget includes actual amounts from July 1, 2022 through April 20, 2023, and projected April 21 through June 30, 2023.

³ Cash Equivalent and Investments are included at cost.

⁴ The realization of assumptions discussed in Footnote 1 will result in TSASC's inability to meet its subordinate debt service funding requirements in FY 2026 and FY 2027 unless additional revenues are received in excess of the assumed amounts above. TSASC continues to explore options including refinancings.

TSASC, Inc.

Fiscal Year 2024 Administrative Budget (Cash Basis)

Description	Adopted	Actual	Favorable vs	Adopted	Actual	Projected	Proposed	Proposed
		Disbursements	(Unfavorable)		Disbursements	Disbursements	Modified	
	FY 2022	FY 2022	%	FY 2023	7/1/22 - 4/20/23	4/21/23 - 6/30/23	FY 2023	FY 2024
Management Fees (Salaries & Benefits)	\$ 210,000	\$ 200,942	4.31	\$ 210,000	\$ -	\$ 205,000	\$ 205,000	\$ 205,000
Overhead (Rent, Telephone, etc.)	45,000	47,272	-5.05	45,000	-	50,000	50,000	50,000
Audit Fees	14,500	12,500	13.79	15,000	15,000	-	15,000	15,500
Insurance Fees	250,732	250,732	0.00	260,000	271,153	-	271,153	275,000
Trustee Fees	978	978	0.00	1,200	670	-	670	2,500
Legal Fees	7,000	1,073	84.67	7,000	-	7,000	7,000	7,000
Arbitrage Consultant	4,000	-	100.00	4,000	1,250	1,250	2,500	1,500
Rating Agency Fees	20,000	20,000	0.00	20,000	20,000	-	20,000	20,000
Other Administrative	2,000	-	100.00	2,000	-	2,000	2,000	2,000
Total	\$ 554,210	\$ 533,497	3.74%	\$ 564,200	\$ 308,073	\$ 265,250	\$ 573,323	\$ 578,500