Fiscal Year 2027 Budget and Five-Year Plan (Cash Basis)
July 01, 2025 - June 30, 2030

($ in thousands)	Actual Unaudited FY 2025	Adopted FY 2026	Modified [2] FY 2026	Proposed FY 2027	Proposed FY 2028	Proposed FY 2029	Proposed FY 2030
Receipts:							
Operating Receipts:							
Pledged:							
Tobacco Settlement Revenue (TSR) [1]	$ 58,128	$ 51,487	$ 53,540	$ 50,488	$ 49,866	$ 49,325	$ 48,772
Investment earnings	3,997	2,500	2,710	2,000	500	500	500
Sub-total	**62,125**	**53,987**	**56,250**	**52,488**	**50,366**	**49,825**	**49,272**
Additional Pledged TSR [3]	**11,782**	**15,672**	**12,480**	**17,517**	**18,402**	**-**	**-**
Unpledged:							
Tobacco Settlement Revenue (TSR) [1]	85,512	70,507	77,136	66,990	65,063	82,560	81,635
Investment earnings	-	-	-	-	-	-	-
Sub-total	**85,512**	**70,507**	**77,136**	**66,990**	**65,063**	**82,560**	**81,635**
Total Receipts	**159,419**	**140,166**	**145,866**	**136,995**	**133,831**	**132,385**	**130,907**
Disbursements:							
Transfers to Trust - Unpledged TSR	85,512	70,507	77,136	66,990	65,063	82,560	81,635
Debt Service:							
Principal payments	30,385	25,135	25,135	26,585	26,830	27,275	28,460
Interest payments	45,453	43,934	43,934	42,677	41,348	40,006	38,642
Sub-total	**75,838**	**69,069**	**69,069**	**69,262**	**68,178**	**67,281**	**67,102**
Administrative	673	590	555	743	590	591	591
Total Disbursements	**162,023**	**140,166**	**146,760**	**136,995**	**133,832**	**150,432**	**149,328**
Excess (Deficiency) of Receipts over Disbursements [3]	**$ (2,604)**	**$ (0)**	**$ (894)**	**$ (0)**	**$ (0)**	**$ (18,047)** [4]	**$ (18,421)** [4]
Cash Equivalent and Investment Holdings: [6]							
Beginning Balance	$ 73,278	N/A	$ 70,674	$ 69,780	$ 69,780	$ 69,780	$ 58,530
Ending Balance	$ 70,674	N/A	$ 69,780	$ 69,780	$ 69,780	$ 58,530 [5]	$ 58,530 [5]
Senior Reserve Balance			48,000	48,000	48,000	48,000	48,000
Subordinate Reserve Balance [7]			0	0	0	0	0

[1] Projections of TSRs in each of FY 2027 through FY 2030 assume a rate of decline based on the Menthol Ban Alternative 2 Forecast as defined in the Golden State Tobacco Securitization Corporation Official Statement dated December 8, 2022, with certain modifications. Additionally, the projections reflect a credit adjustment based on 165.9 million Tribal NPM Packs sold. The credit adjustment of 165.9 million Tribal Packs is based on an independent investigator's determination of the 2019 Tribal Packs sold and stipulated by the New York State Attorney General to underpin the TSRs received in FY 2021 and FY 2022. The New York State Attorney General has since stipulated the same credit adjustment to underpin the TSRs received in FY 2023 and FY 2024 and again to underpin the TSRs received in FY 2025 and FY 2026. 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] The modified FY 2026 budget includes actual amounts from July 1, 2025 through April 21, 2026, and projected amounts from April 22, 2026 through June 30, 2026.

[3] Pursuant to the Security Agreement, dated December 9, 2024, Unpledged TSRs, to the extent needed, may be used to cover projected operating and debt service expenses in excess of available funds. The Security Agreement may be terminated at any time, and otherwise expires on the earliest of June 1, 2028, or whenever the Fiscal 2017 Bonds are no longer outstanding. The 2017 Bonds are callable on June 1, 2027. TSASC continues to explore options including refinancings of its outstanding debt.

[4] The realization of assumptions discussed in Footnote 1 will result in TSASC's inability to fully meet its subordinate debt service funding in FY 2029 and FY 2030 unless additional revenues are received in excess of the assumed amounts above. Payment of unpaid subordinate debt service is deferred until subsequent years where there are excess funds available after those years' debt service requirements are met. TSASC continues to explore options including refinancings.

[5] The ending balances in FY 2029 and FY 2030 comprise the balance of the senior liquidity reserve and the balance of the senior debt service fund at the end of each fiscal year. Subordinate debt service payments that cannot be made because of insufficient funding do not impact the ending balance as those payments are deferred (as discussed in footnote 4).

[6] Cash equivalent and investments holdings are included at cost.

[7] In FY 2025, TSASC exhausted the remaining funds in the Subordinate Reserve.

TSASC, Inc.

Fiscal Year 2027 Administrative Budget (Cash Basis)

Description	Adopted FY 2025	Actual Disbursements FY 2025	Favorable vs (Unfavorable) %	Adopted FY 2026	Actual Disbursements 7/1/25 - 4/21/26	Projected Disbursements 4/22/26 - 6/30/26	Proposed Modified FY 2026	Proposed FY 2027
Management Fees (Salaries & Benefits)	$ 186,000	$ 155,406	16.45	$ 186,000	$ -	$ 155,000	$ 155,000	$ 195,000
Overhead (Rent, Telephone, etc.)	42,500	33,633	20.86	42,500	-	34,200	34,200	48,500
Audit Fees	16,000	14,000	12.50	20,775	20,775	2,000	22,775	21,195
Insurance Fees	307,319	307,319	0.00	308,000	293,319	14,000	307,319	308,000
Trustee Fees	2,000	2,000	0.00	2,000	2,000	-	2,000	2,000
Legal Fees	116,852	116,852	0.00	7,000	-	7,000	7,000	120,000
Arbitrage Rebate Services	1,250	1,250	0.00	1,250	-	1,250	1,250	1,250
Rating Agency Fees	20,000	20,000	0.00	20,000	20,000	-	20,000	20,000
Other Advisor Fees	22,788	22,788	0.00	-	-	-	-	25,000
Advisor - Swap & Financial	-	-	0.00	-	3,750	-	3,750	-
Other Administrative	2,000	-	100.00	2,000	-	2,006	2,006	2,055
Total	**$ 716,709**	**$ 673,247**	**6.06%**	**$ 589,525**	**$ 339,844**	**$ 215,456**	**$ 555,300**	**$ 743,000**