

Buckeye Tobacco Settlement Financing Authority
Fiscal Year 2019 Continuing Disclosure Annual Report
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Date: January 31, 2020

To: Digital Assurance Certification
(MSRB and the Ohio SID)

Subject: Post Fiscal Year 2019 Annual Information Pursuant to a Continuing Disclosure Agreement Under SEC Rule 15c2-12 relating to the following bonds of the Buckeye Tobacco Settlement Financing Authority:

\$5,531,594,541 Buckeye Tobacco Settlement Financing Authority Tobacco Settlement Asset-Backed Bonds, Series 2007 (the Bonds) Issuer CUSIP No. 118217

The Buckeye Tobacco Settlement Financing Authority (Authority), by the State of Ohio's Office of Budget and Management (OBM), provides the attached annual information consisting of annual financial information and data of appropriate types, pursuant to the Continuing Disclosure Agreement under SEC Rule 15c2-12 entered into and relating to Bonds of the Authority identified above.

The Offering Circular relating to the original issuance of the Tobacco Settlement Asset Backed Bonds, Series 2007 (the Offering Circular) is dated October 24, 2007.

As required by the terms of the Continuing Disclosure Agreement, this filing includes the operating data for the "Total Annual Payments to the Trustee" for Fiscal Year 2019 and the actual debt service coverage ratio for Calendar (Revenue) Year 2019. The Authority's audited financial statements for Fiscal Year 2019 were filed on January 31, 2020.

Since filing the last Annual Report on January 11, 2019, the specified events filings disclosed to the MSRB and Ohio SID related to ratings changes by Moody's Investor Service and S&P Global Ratings on certain bonds, notices of partial optional redemptions, and a notice of potential refunding. There has been no amendment or waiver of any portion of any of the Continuing Disclosure Agreement for the Bonds.

Respectfully submitted,

/s/ Kimberly Murnieks
Kimberly Murnieks, Secretary of the Buckeye Tobacco Settlement Financing Authority and Director of Budget and Management

Copy w/attachments:
Squire Patton Boggs (US) LLP
U.S. Bank, National Association, Trustee

**CONTINUING DISCLOSURE ANNUAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2019***

\$5,531,594,541 Buckeye Tobacco Settlement Financing Authority
Tobacco Settlement Asset-Backed Bonds, Series 2007

(1) Annual Payments Received by the Trustee for Fiscal Year 2019. During Fiscal Year 2019, the net payments received by the Trustee totaled \$297,690,111. The following table shows the total Annual and Strategic Contribution Fund payments (less portions attributable to prior year late payments that do not constitute 2007 Sold Tobacco Receipts) made to the Trustee during Fiscal Year 2019:

Fiscal Year	Total Annual Payments to Trustee	Total Strategic Contribution Fund Payments to Trustee¹	Receipts from 2009 and Prior Year Payments (Tobacco Receipts not sold)	Net Payments to Trustee
2019	\$297,811,631	n.a.	(\$121,520)	\$297,690,111

(2) Senior Bonds Debt Service Coverage for Calendar (Revenue) Year 2019. The debt service coverage ratio for Calendar (Revenue) Year 2019 was 0.50, calculated as follows:

Revenue Year	Total Available Funds²	Senior Bond Serial Maturities and Sinking Fund Installments Up to Original Schedule³	Interest	Operating Expenses⁴	Total Original Debt Service and Operating Expenses⁵	Debt Service Coverage for Senior Bonds
2019	\$307,364,320	\$320,745,000	\$288,044,166	\$356,000	\$609,145,166	0.50

VOLUNTARY DISCLOSURE

Although not required to be provided pursuant to the Continuing Disclosure Agreement, the Authority is making this voluntary disclosure in its Annual Information Filing. The Authority may discontinue providing this information at any time.

* All capitalized terms used in this Annual Report shall have the meanings assigned to them in the Offering Circular dated October 24, 2007, relating to the Series 2007 Bonds (the Offering Circular).

¹ Strategic Contribution Fund payments ended in Fiscal Year 2017.

² Includes Pledged Tobacco Receipts plus \$7,017,009 earnings on the Senior Liquidity Reserve and other Pledged Accounts. The market value of investments balance in the Senior Liquidity Reserve as of the end of Revenue Year 2019 was \$243,485,143.

³ Includes senior serial bond maturities, plus turbo redemptions, plus the amount of additional turbo redemptions that would be necessary to match the original sinking fund installment schedule through Revenue Year 2019.

⁴ Includes estimated Operating Expenses certified for Fiscal Year 2020.

⁵ Includes interest on the Bonds, serial senior bond maturities, sinking fund installments up to the original schedule for senior turbo term bond maturities, and Operating Expenses.

The Authority, U.S. Bank, National Association, as trustee (the “Trustee”) and Lehman Brothers Special Financing Inc. (“LBSF”) previously entered into a Reserve Fund Agreement dated October 29, 2007 (the “RFA”) related to the investment of monies held in the Senior Liquidity Reserve Account available for the payment of principal of and interest on the Series 2007A Bonds. Lehman Brothers Holdings Inc. (“LBHI”) guaranteed LBSF’s obligations under the Agreements.

After the filing by LBSF and LBHI of voluntary petitions under Chapter 11 of the United States Bankruptcy Code on October 3 and September 15, 2008, respectively, the Authority, on September 21, 2009, filed proofs of claim against LBSF and LBHI related to the termination of the RFA. On October 18, 2016, the parties entered into a settlement agreement, pursuant to which the Authority received allowed nonpriority general unsecured claims against LBSF and LBHI (the “Allowed Claims”), with payment on the Allowed Claims not to exceed \$13.5 million. The Authority has received seven distributions as of the date of this filing under this claim in the amount of \$9,193,624.10 (the “Distributions”). No assurances can be provided by the Authority as to the timing or amount, if any, of future distributions (the “Future Distributions”) on the Allowed Claims. Upon receipt, the Authority deposited the Distributions pursuant to the provisions of the Indenture so as to be available for the payment of principal of, or interest on, the Bonds. To the extent that there are any Future Distributions, the Authority expects that recoveries from such Future Distributions will, upon receipt, be deposited pursuant to the provisions of the Indenture so as to be available for the payment of principal of, or interest on, the Bonds.

Distribution Date	Amount Received	Total Distribution to date on the
April 2017	\$8,473,441.13	\$8,473,441.13
October 2017	99,402.25	8,572,843.38
December 2017	321,864.43	8,894,707.81
April 2018	87,378.84	8,982,086.65
October 2018	162,418.73	9,144,505.38
April 2019	17,922.83	9,162,428.21
July 2019	31,195.89	9,193.624.10

This is a voluntary filing and is not and should not be construed as a material event notice under SEC Rule 15c2-12. The information set forth in this filing is being provided as of the date of this filing. The Authority and the Office of Budget and Management undertake no obligation to subsequently update any of the information provided herein or to provide other information in the future. Any material event notice will be filed in accordance with the Continuing Disclosure Agreement for the Bonds.

Dated: January 31, 2020

Buckeye Tobacco Settlement Financing Authority

/s/ Kimberly Murnieks
Kimberly Murnieks, Secretary of the Buckeye
Tobacco Settlement Financing Authority and
Director of Budget and Management

Ohio, State of (OH) - Buckeye Tobacco Settlement Financing Authority

¹ Buckeye Tobacco Settlement Financing Authority, Tobacco Settlement Asset-Backed Bonds, Series 2007, \$5,531,594,541, consisting of, Senior Current Interest Serial Bonds, Series 2007A-1, \$211,350,000, Senior Current Interest Turbo Term Bonds, Series 2007A-2, \$4,726,045,000, Senior Convertible Capital Appreciation Turbo Term Bonds, Series 2007A-3, \$274,751,138, First Subordinate Capital Appreciation Turbo Term Bonds, Series 2007B, \$191,265,480, Second Subordinate Capital Appreciation Turbo Term Bonds, Series 2007C, \$128,182,923, Dated: October 29, 2007

Series 2007A, B, C

Annual Payment Portion of Pledged Tobacco Receipts to be Received by the Trustee

Fiscal Year Ended June 30,

<u>Year</u>	<u>Total Annual Payments to Trustee</u>
2019	\$297,811,631

Series 2007A, B, C

Senior Bonds Debt Service Coverage

Fiscal Year Ended June 30,

<u>Revenue Year</u>	<u>Total Available Funds</u>	<u>Serial Bond Maturities and Sinking Fund Installments</u>	<u>Interest</u>	<u>Operating Expenses</u>	<u>Total Debt Service and Operating Expenses</u>	<u>Debt Service Coverage for Senior Bonds</u>
2019	\$307,364,320	\$320,745,000	\$288,044,166	\$356,000	\$609,145,166	0.50