

Pennsylvania Turnpike Commission Act 44 Financial Plan Amendment Fiscal Year 2014

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Submitted to:
**Secretary of the Budget,
Commonwealth of Pennsylvania**

Submitted by:
Pennsylvania Turnpike Commission

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I. Introduction

The Pennsylvania Turnpike Commission (“PTC” or the “Commission”) has prepared this amendment to its Fiscal 2014 Act 44 Financial Plan (the “Amended Financial Plan”) to reflect passage of the Act of November 25, 2013, P.L. 794, No. 89 (“Act 89”) which alters the Commission’s funding obligations to the Pennsylvania Department of Transportation (“PennDOT”). The Amended Financial Plan also reflects the adoption of the PTC’s fiscal 2014-2023 Capital Plan and its 2014 Traffic and Revenue Forecast Bring-Down Letter.

While the Commission’s aggregate annual payment obligation to PennDOT remains at \$450 million annually under Act 89, beginning July 1, 2014, none of the payments will be dedicated to highways and bridges. Instead, all \$450 million will be allocated to support transit capital, operating, multi-modal and other non-highway programs. The Commission expects to finance most of this obligation with Subordinate Revenue Bond proceeds with \$40 million to \$50 million annually funded from current revenues. Beginning in fiscal 2022 the Commission’s annual obligation is reduced to \$50 million, which will be funded by current revenues and dedicated to transit capital and operating needs through 2057.

The adopted fiscal 2014-2023 Capital Plan encompasses \$6.7 billion in spending and is about \$100 million less than the draft plan incorporated in the original Fiscal 2014 Financial Plan that was submitted on May 31, 2013. The adopted Capital Plan continues the Commission’s priorities including 1) total roadway reconstruction and resurfacing; 2) rehabilitation or replacement of structurally deficient bridges; 3) the Stage 1 design and construction of the I-95 Interchange Project, and 4) implementation of All Electronic Tolling (“AET”).

The 2014 Traffic and Revenue Bring Down Letter reflects the full year impact of the January 6, 2013 toll increase, the adoption of the January 5, 2014 toll increase, actual traffic and revenue through January 2014 and the continuation of a reduced commercial discount program. While the forecast reflects a slower pace of economic growth in the near term, projected toll revenues for 2014 are expected to be 0.6% higher than the 2013 forecast and between 0.1%-0.6% higher through fiscal 2017. Over the longer term, toll revenues are projected to be nearly 1.6% lower than the 2013 forecast.

The Amended Financial Plan describes the Commission’s strategies to provide the necessary resources to operate and maintain the Turnpike, finance the Capital Plan, meet its funding commitments to the PennDOT pursuant to Act 44 as amended by Act 89 and maintain financial flexibility. It is important to note that all of the other strategies, assumptions and guidelines incorporated into the May 31, 2013 Act 44 Financial Plan are included in the Amended Financial Plan. Importantly this includes maintaining debt service coverage ratios of at least 2.0x on annual debt service for the Commission’s Turnpike Senior Revenue Bonds, 1.30x on combined debt service for its Turnpike Senior Revenue and Subordinate Revenue Bonds and 1.20x on combined debt service for its Turnpike Senior Revenue, Subordinate Revenue Bonds and Subordinate Special Revenue Bonds. In addition, the liquidity level equal to at least 10% of operating revenues is assumed to be maintained.



Following this introduction, Section II describes the Changes Incorporated into the Plan. Section III provides the Amended Fiscal 2014 Financial Plan, while Section IV presents the Amended Long Range Financial Plan. The Appendix contains the detailed annual cash flows for the Amended Financial Plan.



II. Changes Incorporated into the Plan

Act 89 Amendments to Act 44

The Amended Financial Plan reflects PTC’s revised funding requirements to PennDOT. Act 89 substantially changes the allocation of the Commission’s payments. Previously the Commission’s \$450 million funding commitment was allocated \$200 million for highway and bridge payments and \$250 million for transit operating needs. Beginning in fiscal 2015 Act 89 dedicates all of the Commission’s payments to transit and multi-modal programs. Total annual payments through fiscal 2022 remain at \$450 million and then are reduced to \$50 million from fiscal 2023 to fiscal 2057. The Commission and PennDOT expect to execute an Amended Funding Agreement reflecting the new funding provisions. Exhibit 1 provides the allocation of payments by purpose pursuant to Act 89.

Exhibit 1
Act 44 as Amended by Act 89
Annual Funding Requirements
(\$ 000s), Fiscal Year End May 31

	Transit			Mult-Modal Programs	Highway & Bridges	Total Funding
	Operating	Capital (*)	Subtotal			
2014	\$209,000	\$41,000	\$250,000	\$0	\$200,000	\$450,000
2015	\$187,000	\$233,000	\$420,000	\$30,000	\$0	\$450,000
2016	\$110,000	\$310,000	\$420,000	\$30,000	\$0	\$450,000
2017	\$110,000	\$310,000	\$420,000	\$30,000	\$0	\$450,000
2018	\$25,000	\$395,000	\$420,000	\$30,000	\$0	\$450,000
2019	\$25,000	\$395,000	\$420,000	\$30,000	\$0	\$450,000
2020	\$25,000	\$395,000	\$420,000	\$30,000	\$0	\$450,000
2021	\$25,000	\$395,000	\$420,000	\$30,000	\$0	\$450,000
2022	\$25,000	\$395,000	\$420,000	\$30,000	\$0	\$450,000
2023-2057	\$25,000	\$25,000	\$50,000	\$0	\$0	\$50,000

(*) Includes funding for Alternative Energy and Projects of Statewide Significance

In fiscal 2014 \$41 million in transit payments will be dedicated to capital, alternative energy projects and projects of statewide significance. Funding to this category increases to a maximum of \$395 million by fiscal 2018 and remains at that level through fiscal 2022. Beginning fiscal 2023 transit and other capital payments are capped at \$25 million per year. Payments for transit operations decline annually to \$25 million in fiscal 2018 and remain at that level through fiscal 2057. Fiscal 2014 represents the final year a portion of the Commission’s payment is allocated to highway and bridges. Starting in fiscal 2015 and continuing until fiscal 2022, \$30 million will be allocated to multi-modal programs.



Act 89 requires the Commission to provide at least \$30 million in funding from pay-as-you-go resources from fiscal 2015 to fiscal 2022. This amount is dedicated to transit capital expenses. Once the funding commitment drops to \$50 million annually starting in fiscal 2023, the Commission is required to provide this funding on a pay-as-you-go basis. As a result, debt issued to finance the Commission's Act 44 commitments will end in fiscal 2022.

Since the Commission's payment obligations are only devoted to transit and other non-highway purposes, PTC will solely use its Subordinate Revenue Bonds to finance its Act 44 obligations and no longer utilize its Subordinate Special Revenue Bonds. Transit and other non-highway capital payment obligations are assumed to have a shorter useful life than highway and bridge assets. As a result a 30 year term is assumed for all future Subordinate Revenue Bonds. The amount of debt issued will be reduced by the pay-as-you-go requirements of Act 89 as well as any additional available cash flow to fund the Commission's Act 44 commitments.

Ten Year Capital Plan

Capital expenditures based on the adopted ten year plan are projected to be \$6.7 billion between fiscal 2014 and 2023 (\$6.5 billion net of federal reimbursements). The capital plan continues the Commission's initiatives to maintain and improve the Turnpike including:

- On-going full depth reconstruction of the Turnpike. This work includes the reconstruction and widening of the roadway, the widening of the median, and the replacement of both mainline and overhead bridges. To date 105 miles of total reconstruction has been completed and approximately another 10 miles are in construction.
- Bridge and Tunnel Rehabilitation and Replacement. The capital plan includes projects to maintain, repair or replace structurally deficient bridges. The current percent of structurally deficient bridges declined to 7.4% compared to 7.9% in 2012. Tunnel projects focus on the maintenance and rehabilitation of the mechanical, electrical and structural elements.
- Phase I of the I-95 Interchange Project. This phase includes construction of a new mainline toll plaza and an all-electronic tolling ("AET") plaza westbound, and was bid on March 27, 2013. Construction is expected to continue through 2015. The next construction contract is scheduled to be bid on June 5, 2014. The final contract in the first phase is planned to bid in summer 2015.
- AET Implementation encompasses the elimination of cash collection and conversion to all electronic tolling by 2021. While the Commission is progressing the engineering, design and implementation of the AET program, it is also working with the Commonwealth to put in place supporting violations enforcement legislation.



2014 Traffic and Revenue Forecast

The Amended Financial Plan incorporates the results of the 2014 Traffic and Revenue Forecast Bring Down Letter developed by CDM Smith. Reflecting the combination of projected traffic growth averaging 1.7% annually between fiscal 2014 and 2041, annual toll increases ranging from 3.0% to 5.5% and the continuation of a reduced commercial discount program, toll revenues are projected to grow by 5.4% annually from \$860.3 million in fiscal 2014 to \$3.6 billion in fiscal 2041. Compared to the 2013 forecast, toll revenues are projected to be the same or 0.6% higher through fiscal 2018. Slower long term economic growth and a projected higher assumed usage of E-Z Pass where customers realize a significant discount compared to cash customers means forecasted toll revenues starting in fiscal 2019 are 0.2% to 1.6% lower than last year's projections.

Build America Bonds Subsidy Reduction

Congress passed legislation in February 2014 that extended the BAB subsidy reduction through Federal Fiscal 2024. The subsidy payments are reduced by 7.2% in Federal Fiscal 2014. While the subsidy reduction rate for subsequent fiscal years may vary, the Amended Financial Plan assumes a consistent 7.2% reduction through Federal Fiscal 2024. The full subsidy is assumed to be restored starting in Federal Fiscal 2025 based on current law.



III. Amended Fiscal 2014 Financial Plan

PTC’s Amended Fiscal 2014 Financial Plan defines the reasonably expected revenues the Commission will generate to meet required Turnpike operating and maintenance expenses, debt service payments, capital expenses, Act 44 payment obligations and liquidity requirements. Exhibit 2 and 3 present fiscal 2013 results and the Amended Fiscal 2014 Financial Plan.

Exhibit 2
Amended Fiscal 2014 Financial Plan
(\$000) Fiscal Year End 5/31

	2013	2014
<u>Turnpike Operating Income</u>		
Adjusted Gross Toll Revenues	811,542	860,325
Gross Non-Toll Revenues	20,094	16,283
Gross Operating Revenues	831,636	876,608
Operating Expense	323,097	337,467
Interest Income	12,769	5,553
Net Turnpike Revenues Before Debt Service	521,308	544,694
Senior Turnpike Revenue Bond Debt Service	142,552	189,188
Net Income Before Capital Expense and General Reserve	378,756	355,506
<u>Turnpike Working Capital</u>		
Cash Beginning Balance	197,983	172,041
Construction Fund Beginning Balance	125,775	135,095
Newly Sized Senior Bond Proceeds	390,003	453,398
Previously Unused Senior Bond Proceeds Used	125,875	135,095
Current Senior Bond Proceeds Used	254,808	453,398
Construction Fund Ending Balance	135,095	-
Net Income	378,756	355,506
Capital Expenditure	471,747	507,614
PAYGO	194,551	101,523
Federal Fund Reim.	12,200	8,000
Capital Expenditure Reconciliation	72	-
Liquidity Requirement	83,164	87,661
Liquidity Requirement Cashflow Set-aside	2,775	4,497
Tax-Exempt Subordinate Bonds Debt Service	143,639	184,754
Taxable Subordinate Bonds Debt Service	12,428	12,421
Subordinate Special Revenue Bonds Debt Service	20,305	29,727
Subordinate and Sub Special Rev DSRF Earnings	6,728	4,742
Net Funds Remaining Before Act 44 Payments	222,041	207,367
<u>Debt Service Coverage Ratios</u>		
<u>Senior Revenue Bonds</u>		
Pledged Revenues	521,308	544,694
Debt Service	142,552	189,188
Coverage	3.66 x	2.88 x
<u>Subordinate Revenue Bonds</u>		
Pledged Revenues	527,474	548,874
Debt Service	298,619	386,363
Coverage	1.77 x	1.42 x
<u>Subordinate Special Revenue Bonds</u>		
Pledged Revenues	528,036	549,436
Debt Service	318,924	416,090
Coverage	1.66 x	1.32 x

Note: Pledged revenues include net revenues and debt service reserve fund interest earnings attributable to each lien



Exhibit 3
Amended Fiscal 2014 Plan
(\$000) Fiscal Year End 5/31

	2013	2014
Act 44 Payment Funds		
Net Funds Remaining Before Act 44 Payments	222,041	207,367
Tax-Exempt Subordinate Bond Proceeds	200,000	200,000
Taxable Subordinate Bond Proceeds	-	-
Subordinate Special Revenue Bond Proceeds	200,000	200,000
Act 44 Payments		
Roads & Bridges Payments	200,000	200,000
Roads & Bridges Total Sources	200,000	200,000
Tax-Exempt Subordinate Bond Proceeds	-	-
Subordinate Special Revenue Bond Proceeds	200,000	200,000
Transit Capital/Other Payments	-	41,000
Transit Capital/Other Total Sources	-	41,000
Turnpike Cash	-	-
Tax-Exempt Subordinate Bond Proceeds	-	41,000
Transit Operations Payments	250,000	209,000
Transit Operations Total Sources	250,000	209,000
Turnpike Cash	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	200,000	159,000
Total Act 44 Payments	450,000	450,000
Total Act 44 Sources	450,000	450,000
Remaining Turnpike Cash	172,041	157,367
General Reserve Fund/Liquidity Requirement	255,205	245,028

Exhibits 4 and 5 compare the amended fiscal 2014 plan with the plan submitted on May 31, 2013. Toll revenues are projected to be 0.6% higher based on the new CDM Smith forecast. While the Commission has experienced higher than expected snow removal costs due to severe winter weather, it expects to remain at or near its fiscal 2014 operating expense budget. Capital expenditures based on the adopted ten year plan are projected to 20.8% lower than the May 2013 financial plan. The combination of higher toll and other operating revenues, lower capital expenses and lower debt service cost are expected to yield somewhat higher debt service coverage ratios in fiscal 2014 of 2.88x for the Senior Revenue Bonds, 1.42x on the Subordinate Revenue Bonds and 1.32x on the Subordinate Special Revenue Bonds.

Total Act 44 payments remain the same at \$450 million and the portion of payments to be funded with Commission cash at \$50 million is also unchanged. Reflecting Act 89's provisions, the mix of payment obligations is somewhat changed. The May 31, 2013 long-range financial plan assumed all \$250 million in transit payments would be dedicated to operating support. The Amended Financial Plan reflects the revised allocation of those payments of \$41 million for transit and other non-highway capital and \$209 million for transit operating support. Based on the positive adjustments in the Amended Financial Plan, the Commission's general reserve fund is expected to be 15.2% higher at \$245.0 million



Exhibit 4
Fiscal 2014: Amended Financial Plan Compared to Prior Plan
(\$000) Fiscal Year End 5/31

	Amended		
	Plan	Prior Plan	% Diff
<u>Turnpike Operating Income</u>			
Adjusted Gross Toll Revenues	860,325	854,819	0.64%
Gross Non-Toll Revenues	16,283	16,283	0.00%
Gross Operating Revenues	876,608	871,102	0.63%
Operating Expense	337,467	337,467	0.00%
Interest Income	5,553	5,419	2.42%
Net Turnpike Revenues	544,694	539,053	1.04%
Turnpike Senior Revenue Bonds Debt Service	189,188	191,401	-1.17%
Net Income Before Capital Expense and General Reserve	355,506	347,653	2.21%
<u>Turnpike Working Capital</u>			
Cash Beginning Balance	172,041	158,551	7.84%
Construction Fund Beginning Balance	135,095	135,095	0.00%
Newly Sized Senior Bond Proceeds	453,398	355,585	21.57%
Previously Unused Senior Bond Proceeds Used	135,095	135,095	0.00%
Current Senior Bond Proceeds Used	453,398	355,585	21.57%
Construction Fund Ending Balance	-	-	
Net Earnings	355,506	347,653	2.21%
Capital Expenditure	507,614	613,350	-20.83%
PAYGO	101,523	122,670	-20.83%
Federal Fund Reim.	8,000	20,700	-158.75%
Capital Expenditure Reconciliation	-	-	
Liquidity Requirement	87,661	87,110	0.63%
Liquidity Requirement Cashflow Set-aside	4,497	3,904	13.19%
Tax-Exempt Subordinate Bonds Debt Service	184,754	187,359	-1.41%
Taxable Subordinate Bonds Debt Service	12,421	12,421	0.00%
Subordinate Special Revenue Bonds Debt Service	29,727	34,676	-16.65%
Subordinate and Sub Special Rev DSRF Earnings	4,742	4,742	0.00%
Net Funds Remaining Before Act 44 Payments	207,367	170,617	17.72%
<u>Debt Service Coverage Ratios</u>			
<u>Senior Revenue Bonds</u>			
Pledged Revenues	544,694	539,053	
Debt Service	189,188	191,401	
Coverage	2.88 x	2.82 x	
<u>Subordinate Revenue Bonds</u>			
Pledged Revenues	548,874	543,233	
Debt Service	386,363	391,181	
Coverage	1.42 x	1.39 x	
<u>Subordinate Special Revenue Bonds</u>			
Pledged Revenues	549,436	543,795	
Debt Service	416,090	425,856	
Coverage	1.32 x	1.28 x	

Note: Pledged revenues include net revenues and debt service reserve fund interest earnings attributable to each lien



Exhibit 5
Fiscal 2014: Amended Financial Plan Compared to Prior Plan
(\$000) Fiscal Year End 5/31

	Amended		% Diff
	Plan	Prior Plan	
Act 44 Payment Funds			
Turnpike Net Income Before Act 44 Payments	207,367	170,617	17.72%
Tax-Exempt Subordinate Bond Proceeds	200,000	200,000	0.00%
Taxable Subordinate Bond Proceeds	-	-	
Subordinate Special Revenue Bond Proceeds	200,000	200,000	0.00%
Act 44 Payments			
Roads & Bridges Payments	200,000	200,000	0.00%
Roads & Bridges Total Sources	200,000	200,000	0.00%
Tax-Exempt Subordinate Bond Proceeds	-	-	
Subordinate Special Revenue Bond Proceeds	200,000	200,000	0.00%
Transit Operations Payments	209,000	250,000	-19.62%
Transit Operations Total Sources	209,000	250,000	-19.62%
Turnpike Cash	50,000	50,000	0.00%
Tax-Exempt Subordinate Bond Proceeds	159,000	200,000	-25.79%
Transit and Other Capital Payments	41,000	-	100.00%
Transit Operations Total Sources	41,000	-	100.00%
Turnpike Cash	-	-	
Tax-Exempt Subordinate Bond Proceeds	41,000	-	100.00%
Total Act 44 Payments	450,000	450,000	0.00%
Total Act 44 Sources	450,000	450,000	0.00%
Remaining Turnpike Cash	157,367	120,617	23.35%
General Reserve Fund/Liquidity Requirement	245,028	207,727	15.22%



IV. Amended Long Range Financial Plan

In addition to the fiscal 2014 Amended Financial Plan, PTC has prepared an amended multi-year plan to meet Act 44 and Funding Agreement requirements such that the financial plan demonstrates that the Commission will have funds during the ensuing future fiscal years to make the payments due to the PennDOT after all other obligations of the Commission have been met. This section defines the assumptions and results of the PTC's amended Act 44 long-range financial plan to identify how the Commission can meet annual Turnpike and Act 44 obligations.

Given the inherent uncertainties associated with long-range financial projections, the Commission recognizes the inevitability of needing to make substantial modifications to the financial plan over the course of the next 43 years. However, Act 89's significant reduction in Act 44 payment obligations beginning in fiscal 2023 provides greater clarity and debt relief for the Commission. The amended long-range financial plan is guided by the same set of assumptions and policies used to develop the May 31, 2013 long-range financial plan. The key changes incorporated into the amended long-range plan are Act 89's new funding provisions, the 2014 CDM Smith traffic and revenue forecast and the adopted ten year capital plan.

The amended long-range financial plan reflects the Commission's commitment to operate and maintain its toll facilities, support a Turnpike capital investment program at levels consistent with the ten year capital plan and spending levels adjusted for inflation, and fully fund its Act 44 obligations. At the same time the Amended Financial Plan assumes the Commission will maintain debt service coverage ratios of at least 2.0x on annual debt service for its Turnpike Senior Revenue Bonds, 1.30x on combined debt service for its Turnpike Senior Revenue and Subordinate Revenue Bonds and 1.20x coverage across all three liens including the Senior, Subordinate and Subordinate Special Revenue Bonds. In addition, a liquidity level at least equal to 10% of operating revenues is assumed to be maintained for the Turnpike. These coverage and liquidity targets reflect the Commission's goal to maintain financial flexibility consistent with its credit ratings.

The Amended Financial Plan assumes the completion of the Turnpike's \$6.7 billion ten year capital plan by fiscal 2023. Although the PTC is undertaking a significant investment to rebuild and rehabilitate Turnpike capital assets over the next ten years, there will be on-going capital needs to maintain the facility in a state of good repair. *After the completion of the ten year capital plan, the financial plan assumes a sustained level of capital investment comparable to the ten-year program.* In fiscal 2024 Turnpike capital expenditures equal \$634.7 million, a 4% increase over the prior year. Thereafter, capital expenses grow by 4% annually throughout the term of financial plan. This strategy is consistent with the May 31, 2013 financial plan.

Given Turnpike capital needs and Act 44 obligations, the Commission is projected to continue to regularly access the capital markets to finance its needs. Between fiscal 2014 and 2023, PTC is projected to issue \$10.0 billion in debt, which is \$200 million less than the May 31, 2013 plan. The Amended Financial Plan includes \$6.0 billion in Senior Revenue Bonds, \$3.8 billion in Subordinate Revenue Bonds



and \$0.2 billion in Subordinate Special Revenue Bonds. Since all Act 44 payments are solely dedicated to transit and other non-highway programs beginning in fiscal 2015, all future issuance to finance these obligations will be on the Subordinate Revenue lien.

The reduction of Act 44 obligations to \$50 million starting in fiscal 2023 and the requirement that these payments be made from pay-as-you go sources significantly reduces the Commission's future leverage. This enables the PTC to fund an increasing share of capital plan expenses on pay-as-you-go basis over the long term. No Subordinate Revenue Bonds are issued after fiscal 2022. Senior Revenue Bond issuance over the long range financial plan period through fiscal 2057 is projected to be \$14.7 billion, or 40% less than the amount projected in the May 31, 2013 plan. Total debt issuance across all liens from fiscal 2014-2057 is projected to be \$18.5 billion or 48% lower than May 2013 plan.

Projected toll revenues are estimated to provide sufficient debt service coverage. Turnpike Senior Revenue Bond debt service coverage is at least 2.43x and is generally around 2.50x-2.60x, which should enable the Turnpike to retain its current mid-investment grade bond ratings. Subordinate Revenue Bond debt service coverage is at least 1.30x, while Subordinate Special Revenue Bond debt service coverage is no less than 1.21x. It is important to note that Subordinate and Subordinate Special Revenue Bond debt service coverage improves over time as the Commission stops issuing new money Subordinate Special Revenue Bonds in fiscal 2015 and Subordinate Revenue Bonds in fiscal 2023 and pays down these obligations.

The financial plan is structured to maximize the use of Turnpike cash for its Act 44 transit obligations. Between fiscal 2014 and 2022 \$40 million-\$50 million in annual Act 44 obligations is projected to be funded with Turnpike cash and the balance of \$400 million to \$410 million will be financed with Subordinate Revenue Bonds. Beginning in fiscal 2023 all Act 44 payments will be cash funded (See Exhibit 7).

Exhibit 6
Amended Long Range Financial Plan
Turnpike Net Revenues and Debt Service
(\$000) Fiscal Years Ending 5/31

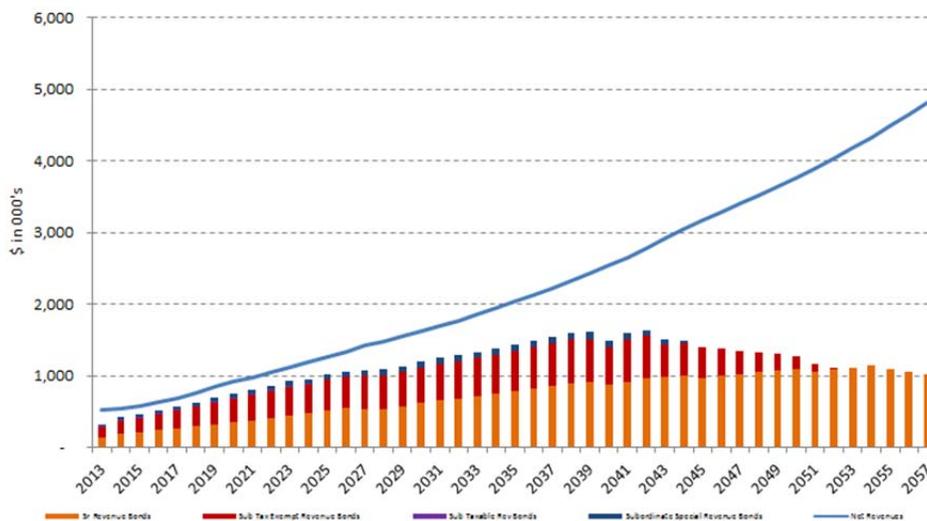
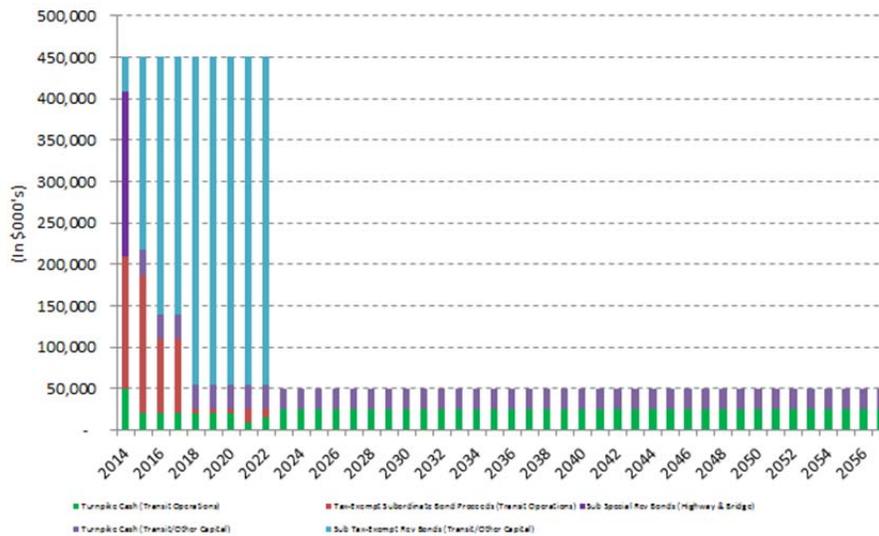




Exhibit 7
Amended Long Range Financial Plan
Sources and Uses of Funds for Act 44 Obligations
(\$000) Fiscal Years Ending 5/31



To provide added protection, the Amended Financial Plan assumes the Commission maintains at least 10% of annual gross revenues in the General Reserve Fund and Reserve Maintenance Fund. This internal liquidity is available to help the Commission meet its obligations in the event of a short term disruption, lower than expected revenues or higher than expected obligations.

Although the Amended Financial Plan is based on reasonable financial assumptions, PTC recognizes that there are inherent uncertainties in projecting the Commission’s resources and obligations over a forty-three year period. Downside risks to the Amended Financial Plan include lower than expected traffic and toll revenues, higher interest and inflation rates and/or greater than projected cost increases. To accommodate these risks, the Amended Financial Plan requires that PTC maintain strong debt service coverage and preserve internal liquidity. Nevertheless, it is also important to assess how the combination of downside risks may impact the financial plan and to identify remediation measures the Commission could implement to maintain fiscal stability. PTC will monitor its performance relative to the Amended Financial Plan and take corrective action if costs are higher than projected and/or toll revenues are less than expected. While under such a scenario toll rates may need to be increased at higher rates, the Commission will explore strategies to contain cost growth or reprioritize capital initiatives to manage the level of rate adjustments and maintain fiscal stability.

Appendix:
Amended Financial Plan Cash Flows

Pennsylvania Turnpike Commission
Amended Act 44 Financial Plan
(\$000) Fiscal Year End 5/31

	2013	2014	2015	2016	2017	2018	2019	2020
Mainline Operating Income								
Adjusted Gross Toll Revenues	811,542	860,325	912,157	973,918	1,042,577	1,131,656	1,235,421	1,318,947
Gross Non-Toll Revenues	20,094	16,283	16,446	16,610	16,776	16,944	17,113	17,284
Gross Operating Revenues	831,636	876,608	928,603	990,528	1,059,353	1,148,600	1,252,534	1,336,231
Operating Expense	323,097	337,467	350,966	365,005	379,605	394,789	410,581	427,004
Interest Income	12,769	5,553	5,451	5,271	4,818	4,331	4,235	4,491
Net Turnpike Revenues Before Debt Service	521,308	544,694	583,089	630,794	684,566	758,142	846,188	913,718
Senior Turnpike Revenue Bond Debt Service	142,552	189,188	215,542	241,735	267,308	294,333	320,492	346,280
Net Income Before Capital Expense and General Reserve	378,756	355,506	367,547	389,059	417,258	463,808	525,697	567,438
Turnpike Working Capital								
Cash Beginning Balance	197,983	172,041	157,367	134,099	82,628	27,062	8,538	23,759
Construction Fund Beginning Balance	125,775	135,095	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	390,003	453,398	568,245	582,291	568,563	542,446	493,616	570,672
Previously Unused Senior Bond Proceeds Used	125,875	135,095	-	-	-	-	-	-
Current Senior Bond Proceeds Used	254,808	453,398	568,245	582,291	568,563	542,446	493,616	570,672
Construction Fund Ending Balance	135,095	-	-	-	-	-	-	-
Net Income	378,756	355,506	367,547	389,059	417,258	463,808	525,697	567,438
Capital Expenditure	471,747	507,614	710,307	727,863	710,704	678,058	617,020	713,340
PAYGO	194,551	101,523	142,061	145,573	142,141	135,612	123,404	142,668
Federal Fund Reim.	12,200	8,000	48,000	20,000	25,850	30,850	40,000	18,800
Capital Expenditure Reconciliation	72	-	-	-	-	-	-	-
Liquidity Requirement	83,164	87,661	92,860	99,053	105,935	114,860	125,253	133,623
Liquidity Requirement Cashflow Set-aside	2,775	4,497	5,200	6,192	6,883	8,925	10,393	8,370
Subordinate DSRF Interest Earnings	6,166	4,180	4,180	4,180	4,180	4,180	4,180	4,180
Subordinate Special Revenue Bonds DSRF Interest Earnings	562	562	562	562	562	562	562	562
General Reserve Fund Before Subordinate Debt	398,413	434,269	430,395	396,135	381,455	381,927	445,179	463,701
Subordinate and Sub. Special Revenue Bonds Debt Service	176,372	226,902	246,296	263,507	304,393	323,389	371,420	394,317
Tax-Exempt Subordinate Bonds Debt Service	143,639	184,754	197,669	214,303	246,431	264,751	305,741	326,518
Taxable Subordinate Bonds Debt Service	12,428	12,421	12,410	12,399	12,387	12,381	18,716	18,679
Subordinate Special Revenue Bonds Debt Service	20,305	29,727	36,217	36,805	45,576	46,256	46,963	49,120
Net Funds Remaining Before Act 44 Payments	222,041	207,367	184,099	132,628	77,062	58,538	73,759	69,384

Pennsylvania Turnpike Commission
Amended Act 44 Financial Plan
(\$000) Fiscal Year End 5/31

	2013	2014	2015	2016	2017	2018	2019	2020
Act 44 Payment Sources								
Turnpike Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	200,000	200,000	400,000	400,000	400,000	400,000	400,000	400,000
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	200,000	200,000	-	-	-	-	-	-
Roads & Bridges Payments	200,000	200,000	-	-	-	-	-	-
Roads & Bridges Total Sources	200,000	200,000	-	-	-	-	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Turnpike Cash	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	200,000	200,000	-	-	-	-	-	-
Transit Capital/Other Payments	-	41,000	263,000	340,000	340,000	425,000	425,000	425,000
Transit Capital/Other Total Sources	-	41,000	263,000	340,000	340,000	425,000	425,000	425,000
Turnpike Cash	-	-	30,000	30,000	30,000	30,000	30,000	30,000
Tax-Exempt Subordinate Bond Proceeds	-	41,000	233,000	310,000	310,000	395,000	395,000	395,000
Transit Operations Payments	250,000	209,000	187,000	110,000	110,000	25,000	25,000	25,000
Transit Operations Total Sources	250,000	209,000	187,000	110,000	110,000	25,000	25,000	25,000
Turnpike Cash	50,000	50,000	20,000	20,000	20,000	20,000	20,000	20,000
Tax-Exempt Subordinate Bond Proceeds	200,000	159,000	167,000	90,000	90,000	5,000	5,000	5,000
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Total Act 44 Payments	450,000							
Total Act 44 Sources	450,000							
Remaining Turnpike Cash	172,041	157,367	134,099	82,628	27,062	8,538	23,759	19,384
Turnpike General Reserve	255,205	245,028	226,960	181,681	132,998	123,398	149,013	153,007
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	521,308	544,694	583,089	630,794	684,566	758,142	846,188	913,718
Debt Service	(142,552)	(189,188)	(215,542)	(241,735)	(267,308)	(294,333)	(320,492)	(346,280)
Coverage	3.66 x	2.88 x	2.71 x	2.61 x	2.56 x	2.58 x	2.64 x	2.64 x
Subordinate Lien								
Pledged Revenues	527,474	548,874	587,269	634,974	688,746	762,322	850,369	917,898
Debt Service	(298,619)	(386,363)	(425,620)	(468,436)	(526,125)	(571,466)	(644,948)	(691,477)
Coverage	1.77 x	1.42 x	1.38 x	1.36 x	1.31 x	1.33 x	1.32 x	1.33 x
Subordinate Special Revenue Lien								
Pledged Revenues	528,036	549,436	587,831	635,536	689,308	762,884	850,930	918,460
Debt Service	(318,924)	(416,090)	(461,837)	(505,241)	(571,701)	(617,722)	(691,912)	(740,598)
Coverage	1.66 x	1.32 x	1.27 x	1.26 x	1.21 x	1.23 x	1.23 x	1.24 x

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Mainline Operating Income										
Adjusted Gross Toll Revenues	1,403,216	1,484,831	1,571,205	1,662,585	1,759,295	1,858,131	1,953,492	2,044,331	2,133,493	2,226,553
Gross Non-Toll Revenues	17,457	17,632	17,808	17,986	18,166	18,347	18,531	18,716	18,903	19,092
Gross Operating Revenues	1,420,673	1,502,462	1,589,012	1,680,571	1,777,460	1,876,478	1,972,023	2,063,047	2,152,396	2,245,645
Operating Expense	444,084	461,847	480,321	499,534	519,515	540,296	561,908	584,384	607,760	632,070
Interest Income	4,531	4,436	4,616	4,859	5,444	6,161	5,883	6,636	7,953	9,408
Net Turnpike Revenues Before Debt Service	981,120	1,045,051	1,113,307	1,185,896	1,263,388	1,342,343	1,415,998	1,485,299	1,552,589	1,622,983
Senior Turnpike Revenue Bond Debt Service	372,521	399,500	446,227	470,860	519,905	546,803	536,834	529,886	562,411	621,908
Net Income Before Capital Expense and General Reserve	608,600	645,551	667,080	715,037	743,483	795,540	879,164	955,412	990,178	1,001,075
Turnpike Working Capital										
Cash Beginning Balance	19,384	1,411	11,229	26,916	76,664	138,734	168,998	234,756	357,326	493,936
Construction Fund Beginning Balance	-	-	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	596,860	536,300	488,244	507,774	528,085	480,557	499,779	519,770	540,561	562,184
Previously Unused Senior Bond Proceeds Used	-	-	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	596,860	536,300	488,244	507,774	528,085	480,557	499,779	519,770	540,561	562,184
Construction Fund Ending Balance	-	-	-	-	-	-	-	-	-	-
Net Income	608,600	645,551	667,080	715,037	743,483	795,540	879,164	955,412	990,178	1,001,075
Capital Expenditure	746,075	670,375	610,305	634,717	660,106	686,510	713,970	742,529	772,230	803,120
PAYGO	149,215	134,075	122,061	126,943	132,021	205,953	214,191	222,759	231,669	240,936
Federal Fund Reim.	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-	-	-
Liquidity Requirement	142,067	150,246	158,901	168,057	177,746	187,648	197,202	206,305	215,240	224,565
Liquidity Requirement Cashflow Set-aside	8,444	8,179	8,655	9,156	9,689	9,902	9,554	9,102	8,935	9,325
Subordinate DSRF Interest Earnings	4,180	4,180	4,180	4,180	4,180	4,180	4,180	4,175	4,171	4,118
Subordinate Special Revenue Bonds DSRF Interest Earnings	562	562	562	562	562	562	562	562	562	562
General Reserve Fund Before Subordinate Debt	475,067	509,450	552,336	610,595	683,179	723,161	829,158	963,044	1,111,633	1,249,429
Subordinate and Sub. Special Revenue Bonds Debt Service	433,656	453,221	475,420	483,931	494,445	504,163	544,402	555,718	567,697	576,126
Tax-Exempt Subordinate Bonds Debt Service	360,297	379,011	398,308	412,202	421,405	430,564	464,725	474,991	485,846	493,114
Taxable Subordinate Bonds Debt Service	18,671	18,661	17,729	11,444	11,452	11,447	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	54,688	55,549	59,382	60,285	61,588	62,152	79,678	80,728	81,851	83,012
Net Funds Remaining Before Act 44 Payments	41,411	56,229	76,916	126,664	188,734	218,998	284,756	407,326	543,936	673,303

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Act 44 Payment Sources										
Turnpike Cash	40,000	45,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	410,000	405,000	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Payments	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Total Sources	-	-	-	-	-	-	-	-	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Turnpike Cash	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Transit Capital/Other Payments	425,000	425,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Capital/Other Total Sources	425,000	425,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	30,000	30,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	395,000	395,000	-	-	-	-	-	-	-	-
Transit Operations Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Operations Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	10,000	15,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	15,000	10,000	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total Act 44 Payments	450,000	450,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Act 44 Sources	450,000	450,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Remaining Turnpike Cash	1,411	11,229	26,916	76,664	138,734	168,998	234,756	357,326	493,936	623,303
Turnpike General Reserve	143,478	161,475	185,817	244,721	316,481	356,646	431,958	563,630	709,175	847,868
Coverage Calculations										
Mainline Debt Service Coverage										
Senior Lien										
Pledged Revenues	981,120	1,045,051	1,113,307	1,185,896	1,263,388	1,342,343	1,415,998	1,485,299	1,552,589	1,622,983
Debt Service	(372,521)	(399,500)	(446,227)	(470,860)	(519,905)	(546,803)	(536,834)	(529,886)	(562,411)	(621,908)
Coverage	2.63 x	2.62 x	2.49 x	2.52 x	2.43 x	2.45 x	2.64 x	2.80 x	2.76 x	2.61 x
Subordinate Lien										
Pledged Revenues	985,301	1,049,231	1,117,487	1,190,076	1,267,569	1,346,523	1,420,178	1,489,474	1,556,760	1,627,101
Debt Service	(751,488)	(797,171)	(862,264)	(894,506)	(952,762)	(988,815)	(1,001,559)	(1,004,877)	(1,048,257)	(1,115,023)
Coverage	1.31 x	1.32 x	1.30 x	1.33 x	1.33 x	1.36 x	1.42 x	1.48 x	1.49 x	1.46 x
Subordinate Special Revenue Lien										
Pledged Revenues	985,862	1,049,793	1,118,049	1,190,638	1,268,130	1,347,085	1,420,740	1,490,036	1,557,322	1,627,663
Debt Service	(806,176)	(852,721)	(921,646)	(954,791)	(1,014,350)	(1,050,967)	(1,081,236)	(1,085,605)	(1,130,108)	(1,198,035)
Coverage	1.22 x	1.23 x	1.21 x	1.25 x	1.25 x	1.28 x	1.31 x	1.37 x	1.38 x	1.36 x

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	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Mainline Operating Income										
Adjusted Gross Toll Revenues	2,324,328	2,427,341	2,535,518	2,649,379	2,768,329	2,892,446	3,021,998	3,157,429	3,298,943	3,446,835
Gross Non-Toll Revenues	19,283	19,476	19,671	19,868	20,066	20,267	20,470	20,674	20,881	21,090
Gross Operating Revenues	2,343,611	2,446,817	2,555,189	2,669,247	2,788,396	2,912,713	3,042,467	3,178,104	3,319,825	3,467,925
Operating Expense	657,353	683,647	710,993	739,433	769,010	799,770	831,761	865,031	899,633	935,618
Interest Income	10,795	11,528	11,608	10,968	10,502	10,135	8,803	7,441	6,485	6,056
Net Turnpike Revenues Before Debt Service	1,697,053	1,774,698	1,855,804	1,940,782	2,029,888	2,123,078	2,219,509	2,320,513	2,426,677	2,538,363
Senior Turnpike Revenue Bond Debt Service	655,025	683,793	713,966	744,192	778,401	815,870	854,025	893,522	910,463	870,054
Net Income Before Capital Expense and General Reserve	1,042,028	1,090,905	1,141,838	1,196,590	1,251,487	1,307,208	1,365,484	1,426,991	1,516,214	1,668,309
Turnpike Working Capital										
Cash Beginning Balance	623,303	686,794	684,510	609,631	551,621	508,960	376,192	254,736	145,715	102,490
Construction Fund Beginning Balance	-	-	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	501,147	434,327	361,360	375,815	390,847	304,861	317,055	329,737	342,927	237,763
Previously Unused Senior Bond Proceeds Used	-	-	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	501,147	434,327	361,360	375,815	390,847	304,861	317,055	329,737	342,927	237,763
Construction Fund Ending Balance	-	-	-	-	-	-	-	-	-	-
Net Income	1,042,028	1,090,905	1,141,838	1,196,590	1,251,487	1,307,208	1,365,484	1,426,991	1,516,214	1,668,309
Capital Expenditure	835,244	868,654	903,400	939,536	977,118	1,016,203	1,056,851	1,099,125	1,143,090	1,188,813
PAYGO	334,098	434,327	542,040	563,722	586,271	711,342	739,795	769,387	800,163	951,051
Federal Fund Reim.	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-	-	-
Liquidity Requirement	234,361	244,682	255,519	266,925	278,840	291,271	304,247	317,810	331,982	346,792
Liquidity Requirement Cashflow Set-aside	9,797	10,321	10,837	11,406	11,915	12,432	12,975	13,564	14,172	14,810
Subordinate DSRF Interest Earnings	4,118	4,118	4,118	4,118	4,118	4,118	4,106	4,093	3,657	2,981
Subordinate Special Revenue Bonds DSRF Interest Earnings	562	562	562	562	562	562	562	562	562	372
General Reserve Fund Before Subordinate Debt	1,326,117	1,337,731	1,278,150	1,235,773	1,209,602	1,097,074	993,573	903,431	851,814	808,291
Subordinate and Sub. Special Revenue Bonds Debt Service	589,322	603,221	618,519	634,152	650,642	670,882	688,837	707,715	699,324	609,145
Tax-Exempt Subordinate Bonds Debt Service	505,067	517,676	531,068	545,184	560,039	578,528	594,574	611,393	600,703	534,165
Taxable Subordinate Bonds Debt Service	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	84,255	85,545	87,451	88,969	90,604	92,354	94,263	96,323	98,620	74,980
Net Funds Remaining Before Act 44 Payments	736,794	734,510	659,631	601,621	558,960	426,192	304,736	195,715	152,490	199,146

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	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Act 44 Payment Sources										
Turnpike Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Payments	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Total Sources	-	-	-	-	-	-	-	-	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Turnpike Cash	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Transit Capital/Other Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Capital/Other Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Transit Operations Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Operations Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total Act 44 Payments	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Act 44 Sources	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Remaining Turnpike Cash	686,794	684,510	609,631	551,621	508,960	376,192	254,736	145,715	102,490	149,146
Turnpike General Reserve	921,156	929,192	865,150	818,546	787,799	667,463	558,982	463,526	434,473	495,938
Coverage Calculations										
Mainline Debt Service Coverage										
Senior Lien										
Pledged Revenues	1,697,053	1,774,698	1,855,804	1,940,782	2,029,888	2,123,078	2,219,509	2,320,513	2,426,677	2,538,363
Debt Service	(655,025)	(683,793)	(713,966)	(744,192)	(778,401)	(815,870)	(854,025)	(893,522)	(910,463)	(870,054)
Coverage	2.59 x	2.60 x	2.60 x	2.61 x	2.61 x	2.60 x	2.60 x	2.60 x	2.67 x	2.92 x
Subordinate Lien										
Pledged Revenues	1,701,171	1,778,816	1,859,922	1,944,899	2,034,005	2,127,196	2,223,615	2,324,606	2,430,335	2,541,343
Debt Service	(1,160,092)	(1,201,469)	(1,245,034)	(1,289,376)	(1,338,439)	(1,394,398)	(1,448,599)	(1,504,915)	(1,511,166)	(1,404,219)
Coverage	1.47 x	1.48 x	1.49 x	1.51 x	1.52 x	1.53 x	1.54 x	1.54 x	1.61 x	1.81 x
Subordinate Special Revenue Lien										
Pledged Revenues	1,701,733	1,779,378	1,860,484	1,945,461	2,034,567	2,127,758	2,224,177	2,325,168	2,430,897	2,541,715
Debt Service	(1,244,347)	(1,287,014)	(1,332,485)	(1,378,344)	(1,429,043)	(1,486,752)	(1,542,862)	(1,601,237)	(1,609,787)	(1,479,199)
Coverage	1.37 x	1.38 x	1.40 x	1.41 x	1.42 x	1.43 x	1.44 x	1.45 x	1.51 x	1.72 x

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	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Mainline Operating Income										
Adjusted Gross Toll Revenues	3,601,889	3,768,775	3,939,373	4,117,896	4,286,658	4,437,416	4,593,684	4,755,705	4,923,707	5,097,948
Gross Non-Toll Revenues	21,301	21,514	21,729	21,946	22,166	22,387	22,611	22,837	23,066	23,296
Gross Operating Revenues	3,623,190	3,790,289	3,961,102	4,139,843	4,308,824	4,459,803	4,616,295	4,778,543	4,946,773	5,121,245
Operating Expense	973,043	1,011,964	1,052,443	1,094,541	1,138,322	1,183,855	1,231,209	1,280,458	1,331,676	1,384,943
Interest Income	6,670	6,987	7,728	7,775	9,030	11,944	15,564	19,938	25,106	31,095
Net Turnpike Revenues Before Debt Service	2,656,818	2,785,311	2,916,387	3,053,077	3,179,531	3,287,892	3,400,650	3,518,022	3,640,203	3,767,397
Senior Turnpike Revenue Bond Debt Service	917,896	955,316	987,534	998,133	972,993	996,978	1,021,129	1,045,810	1,072,004	1,099,149
Net Income Before Capital Expense and General Reserve	1,738,922	1,829,995	1,928,852	2,054,944	2,206,538	2,290,914	2,379,521	2,472,212	2,568,199	2,668,248
Turnpike Working Capital										
Cash Beginning Balance	149,146	165,241	222,651	235,960	343,564	618,087	964,961	1,386,684	1,887,281	2,469,424
Construction Fund Beginning Balance	-	-	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	247,273	257,164	-	-	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used	-	-	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	247,273	257,164	-	-	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-	-	-	-
Net Income	1,738,922	1,829,995	1,928,852	2,054,944	2,206,538	2,290,914	2,379,521	2,472,212	2,568,199	2,668,248
Capital Expenditure	1,236,366	1,285,820	1,337,253	1,390,743	1,446,373	1,504,228	1,564,397	1,626,973	1,692,052	1,759,734
PAYGO	989,093	1,028,656	1,337,253	1,390,743	1,446,373	1,504,228	1,564,397	1,626,973	1,692,052	1,759,734
Federal Fund Reim.	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-	-	-
Liquidity Requirement	362,319	379,029	396,110	413,984	430,882	445,980	461,630	477,854	494,677	512,124
Liquidity Requirement Cashflow Set-aside	15,527	16,710	17,081	17,874	16,898	15,098	15,649	16,225	16,823	17,447
Subordinate DSRF Interest Earnings	2,981	2,793	270	101	-	-	-	-	-	-
Subordinate Special Revenue Bonds DSRF Interest Earnings	372	301	175	56	-	-	-	-	-	-
General Reserve Fund Before Subordinate Debt	886,801	952,964	797,614	882,444	1,086,831	1,389,675	1,764,435	2,215,698	2,746,605	3,360,490
Subordinate and Sub. Special Revenue Bonds Debt Service	671,560	680,313	511,654	488,880	418,744	374,714	327,751	278,417	227,181	174,203
Tax-Exempt Subordinate Bonds Debt Service	593,868	608,350	453,713	454,160	418,744	374,714	327,751	278,417	227,181	174,203
Taxable Subordinate Bonds Debt Service	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	77,693	71,964	57,942	34,720	-	-	-	-	-	-
Net Funds Remaining Before Act 44 Payments	215,241	272,651	285,960	393,564	668,087	1,014,961	1,436,684	1,937,281	2,519,424	3,186,288

Pennsylvania Turnpike Commission
Amended Act 44 Financial Plan
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	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Act 44 Payment Sources										
Turnpike Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Payments	-	-	-	-	-	-	-	-	-	-
Roads & Bridges Total Sources	-	-	-	-	-	-	-	-	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Turnpike Cash	-	-	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Transit Capital/Other Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Capital/Other Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Transit Operations Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Operations Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-	-	-
Total Act 44 Payments	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Total Act 44 Sources	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Remaining Turnpike Cash	165,241	222,651	235,960	343,564	618,087	964,961	1,386,684	1,887,281	2,469,424	3,136,288
Turnpike General Reserve	527,560	601,680	632,070	757,548	1,048,969	1,410,941	1,848,314	2,365,135	2,964,101	3,648,412
Coverage Calculations										
Mainline Debt Service Coverage										
Senior Lien										
Pledged Revenues	2,656,818	2,785,311	2,916,387	3,053,077	3,179,531	3,287,892	3,400,650	3,518,022	3,640,203	3,767,397
Debt Service	(917,896)	(955,316)	(987,534)	(998,133)	(972,993)	(996,978)	(1,021,129)	(1,045,810)	(1,072,004)	(1,099,149)
Coverage	2.89 x	2.92 x	2.95 x	3.06 x	3.27 x	3.30 x	3.33 x	3.36 x	3.40 x	3.43 x
Subordinate Lien										
Pledged Revenues	2,659,798	2,788,105	2,916,657	3,053,178	3,179,531	3,287,892	3,400,650	3,518,022	3,640,203	3,767,397
Debt Service	(1,511,763)	(1,563,666)	(1,441,247)	(1,452,292)	(1,391,737)	(1,371,692)	(1,348,880)	(1,324,227)	(1,299,185)	(1,273,352)
Coverage	1.76 x	1.78 x	2.02 x	2.10 x	2.28 x	2.40 x	2.52 x	2.66 x	2.80 x	2.96 x
Subordinate Special Revenue Lien										
Pledged Revenues	2,660,170	2,788,406	2,916,832	3,053,234	3,179,531	3,287,892	3,400,650	3,518,022	3,640,203	3,767,397
Debt Service	(1,589,456)	(1,635,629)	(1,499,188)	(1,487,013)	(1,391,737)	(1,371,692)	(1,348,880)	(1,324,227)	(1,299,185)	(1,273,352)
Coverage	1.67 x	1.70 x	1.95 x	2.05 x	2.28 x	2.40 x	2.52 x	2.66 x	2.80 x	2.96 x

Pennsylvania Turnpike Commission
Amended Act 44 Financial Plan
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	2051	2052	2053	2054	2055	2056	2057
Mainline Operating Income							
Adjusted Gross Toll Revenues	5,278,698	5,466,200	5,660,653	5,862,281	6,071,358	6,288,176	6,513,041
Gross Non-Toll Revenues	23,529	23,765	24,002	24,242	24,485	24,730	24,977
Gross Operating Revenues	5,302,227	5,489,965	5,684,655	5,886,523	6,095,843	6,312,906	6,538,018
Operating Expense	1,440,341	1,497,955	1,557,873	1,620,188	1,684,995	1,752,395	1,822,491
Interest Income	36,484	45,068	54,758	65,170	75,994	87,985	101,203
Net Turnpike Revenues Before Debt Service	3,898,370	4,037,078	4,181,540	4,331,505	4,486,842	4,648,496	4,816,730
Senior Turnpike Revenue Bond Debt Service	1,054,354	1,082,328	1,110,924	1,140,399	1,096,810	1,050,053	1,020,968
Net Income Before Capital Expense and General Reserve	2,844,016	2,954,750	3,070,617	3,191,107	3,390,032	3,598,443	3,795,762
Turnpike Working Capital							
Cash Beginning Balance	3,136,288	3,976,572	4,926,817	5,948,503	7,010,783	8,188,897	9,489,009
Construction Fund Beginning Balance	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	-	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	-	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-
Net Income	2,844,016	2,954,750	3,070,617	3,191,107	3,390,032	3,598,443	3,795,762
Capital Expenditure	1,830,123	1,903,328	1,979,462	2,058,640	2,140,986	2,226,625	2,315,690
PAYGO	1,830,123	1,903,328	1,979,462	2,058,640	2,140,986	2,226,625	2,315,690
Federal Fund Reim.	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-
Liquidity Requirement	530,223	548,996	568,465	588,652	609,584	631,291	653,802
Liquidity Requirement Cashflow Set-aside	18,098	18,774	19,469	20,187	20,932	21,706	22,511
Subordinate DSRF Interest Earnings	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds DSRF Interest Earnings	-	-	-	-	-	-	-
General Reserve Fund Before Subordinate Debt	4,132,082	5,009,220	5,998,503	7,060,783	8,238,897	9,539,009	10,946,570
Subordinate and Sub. Special Revenue Bonds Debt Service	105,510	32,402	-	-	-	-	-
Tax-Exempt Subordinate Bonds Debt Service	105,510	32,402	-	-	-	-	-
Taxable Subordinate Bonds Debt Service	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	-	-	-	-	-	-	-
Net Funds Remaining Before Act 44 Payments	4,026,572	4,976,817	5,998,503	7,060,783	8,238,897	9,539,009	10,946,570

Pennsylvania Turnpike Commission
Amended Act 44 Financial Plan
(\$000) Fiscal Year End 5/31

	2051	2052	2053	2054	2055	2056	2057
Act 44 Payment Sources							
Turnpike Cash	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-
Roads & Bridges Payments	-	-	-	-	-	-	-
Roads & Bridges Total Sources	-	-	-	-	-	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-
Turnpike Cash	-	-	-	-	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-	-	-	-	-
Transit Capital/Other Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Capital/Other Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-
Transit Operations Payments	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Transit Operations Total Sources	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-
Total Act 44 Payments	50,000						
Total Act 44 Sources	50,000						
Remaining Turnpike Cash	3,976,572	4,926,817	5,948,503	7,010,783	8,188,897	9,489,009	10,896,570
Turnpike General Reserve	4,506,794	5,475,814	6,516,969	7,599,435	8,798,482	10,120,300	11,550,372
Coverage Calculations							
Mainline Debt Service Coverage							
Senior Lien							
Pledged Revenues	3,898,370	4,037,078	4,181,540	4,331,505	4,486,842	4,648,496	4,816,730
Debt Service	(1,054,354)	(1,082,328)	(1,110,924)	(1,140,399)	(1,096,810)	(1,050,053)	(1,020,968)
Coverage	3.70 x	3.73 x	3.76 x	3.80 x	4.09 x	4.43 x	4.72 x
Subordinate Lien							
Pledged Revenues	3,898,370	4,037,078	4,181,540	4,331,505	4,486,842	4,648,496	4,816,730
Debt Service	(1,159,865)	(1,114,730)	(1,110,924)	(1,140,399)	(1,096,810)	(1,050,053)	(1,020,968)
Coverage	3.36 x	3.62 x	3.76 x	3.80 x	4.09 x	4.43 x	4.72 x
Subordinate Special Revenue Lien							
Pledged Revenues	3,898,370	4,037,078	4,181,540	4,331,505	4,486,842	4,648,496	4,816,730
Debt Service	(1,159,865)	(1,114,730)	(1,110,924)	(1,140,399)	(1,096,810)	(1,050,053)	(1,020,968)
Coverage	3.36 x	3.62 x	3.76 x	3.80 x	4.09 x	4.43 x	4.72 x