

Pennsylvania Turnpike Commission Act 44 Financial Plan Amendment Fiscal Year 2021

December 30, 2020

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

Submitted by:
Pennsylvania Turnpike Commission

Prepared by:
**Public Resources Advisory Group &
Phoenix Capital Partners, LLP**



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I. Introduction



Introduction

The Pennsylvania Turnpike Commission (“PTC” or the “Commission”) has prepared this amendment to its Fiscal Year 2021 Act 44 Financial Plan (the “Amended Financial Plan”) to reflect the results included in a December 2020 Traffic and Revenue Forecast Bring-Down Letter which was requested to actively respond to the ongoing adverse financial effects of the COVID pandemic and also reflects changes resulting from policy determinations which took effect in 2020 after the submission of the Fiscal Year 2021 Act 44 Financial Plan on June 1, 2020 (“Original Fiscal Year 2021 Financial Plan”). The Amended Financial Plan also reflects changes to the Commission’s schedule and structures of debt issuances in fiscal years 2021 – 2027.

The Amended Financial Plan indicates that in Fiscal Year 2021 through Fiscal Year 2057, the Commission is expected to be able to meet all of its financial obligations and indenture covenants under the Enabling Acts and will be able to progress with its current Capital Plan.

This report, which was prepared by Public Resources Advisory Group (“PRAG”) and Phoenix Capital Partners (“Phoenix” and together the “Advisors”) for the Commission, is submitted in compliance with the financial plan requirements of Act 44 and the Funding Agreement.

The outbreak of COVID-19 continues to affect travel, commerce and financial markets globally and has also adversely affected the Commission’s Toll Revenues, operations, personnel and suppliers. While the full impact on the Commission is unknown at this time, the continued spread of COVID-19 could have an effect on the Revenues and operations of the Commission beyond those reflected in this Amended Financial Plan.

On December 18, 2020, the Commission received the December Supplement to the May 2020 Bring-down letter from CDM Smith (the “December 2020 Supplement”) which reflects actual results of traffic and revenue through October 2020 and the implementation of certain policy determinations of the Commission that were not reflected in the Original Fiscal Year 2021 Financial Plan. These additional policy determinations include: a decision not to accelerate the planned January 2021 toll increases to October 2020, which included both (i) the 6% toll increase and (ii) the 45% additional increase on all Toll By Plate transactions and early permanent conversion to All Electronic Tolling (AET), effective June 18, 2020 (previous full conversion assumed in Fall of 2021). The forecast reflects lower projected toll revenues throughout the projection period with the largest reductions in fiscal years 2021, 2022 and 2023 where revenues are projected to be lower by 10.7%, 7.9% and 3.5%, respectively (versus the CDM Smith May 2020 Bring-Down letter). Projected volume and toll revenues are expected to return to pre-pandemic levels after fiscal year 2026. Over the long term, annual toll revenues are projected to be approximately 0.2% lower in each year when compared to the May 2020 forecast.

To date, in Fiscal Year 2021, PTC has executed various debt issuances and cash defeasances as contemplated in the Original Fiscal Year 2021 Financial Plan. Certain adjustments to PTC’s debt issuance



schedule and structures are incorporated in this Amended Financial Plan. The Original Fiscal Year 2021 Financial Plan assumed the Commission would delay by one year its fiscal year 2021 Act 44 payments to PennDOT. In November, the Commission was notified that its first three quarterly payments would be due by January 29, 2021. As such, the Commission is accelerating its scheduled subordinate bond issuance to provide the full fiscal year 2021 payment obligation in January 2021. Future debt issued to support Turnpike capital needs over the next ten years is projected to be \$1.26 billion, while debt issued to support Act 44 payment obligations is expected to be \$948 million (including the January 2021 issuance).

The Amended Financial Plan continues to reflect the Commission's strategies to provide the necessary resources to operate and maintain the Turnpike, finance the Capital Plan, meet its funding commitments to 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 in the Original Fiscal Year 2021 Financial Plan are included in this Amended Financial Plan. 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 2021 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



Changes Incorporated into the Plan

December 2020 Traffic and Revenue Forecast Bring-Down Letter

The Amended Financial Plan incorporates the results of the December 2020 Traffic and Revenue Forecast Bring Down Letter (“December 2020 Supplement”) developed by CDM Smith. The December 2020 Supplement was requested to incorporate actual data results through the first five months of the fiscal year and policy decisions that the Commission made in June and July 2020 that diverged from the assumptions contained in CDM Smith’s May 2020 Bring-down letter.

Through October 2020, systemwide, forecasted fiscal 2021 transactions surpassed May 2020 estimates by 4.6% however, forecasted toll revenues are lower than the May 2020 estimates by 5.6%. Based on actual traffic data through October 2020, CDM Smith is forecasting a 1.5% decline in the total number of fiscal 2021 transactions (169.9 million) versus the May 2020 estimates (172.5 million). After FY 2021, current estimates indicate traffic will begin to increase annually starting in FY 2022 and will exceed its prior record level of 203 million transactions again in fiscal 2025. Current estimates indicate that net toll revenues will also likely decline in FY 2021 and then are expected to exceed its prior record level of \$1.327 billion in FY 2022. In fiscal 2021, CDM Smith is projecting further toll revenue declines attributable to COVID of \$31.63 million for the duration of FY 2021.

The December 2020 Supplement reflects a decision to maintain the originally planned January 2021 toll increase rather than accelerating said toll increase to October 2020. The January 2021 toll adjustments include both the (i) systemwide 6% toll increase intended to help mitigate financial losses due to COVID-induced decreases in volumes in FY 2021 and (ii) 45% additional rate increase on all Toll By Plate transactions. The decision to maintain the original January 2021 toll increase schedule was made for operational purposes to provide the Commission with additional time to: 1) make necessary systems changes to accommodate the 45% additional increase on all Toll By Plate transactions; 2) to complete its efforts to develop a Toll By Plate mobile application; and 3) to develop a discount program to encourage Toll By Plate customers to pre-register their accounts with the Commission. Further, the May 2020 forecast did not include the impacts of the early permanent conversion to AET, effective June 18, 2020. The May 2020 forecast assumed a resumption of cash collections and the conversion to AET in the Fall of 2021 as previously planned. On June 2, 2020 due to health and operational concerns, the Commission made the decision to permanently adopt AET and eliminate cash collections. The estimated revenue impact from the delays in the toll increase from October 2020 to January 2021 and the 45% additional rate increase on Toll By Plate is \$34.6 million. The estimated increase in bad-debt expense (leakage) and non-invoiceable transactions associated with the early adoption of AET is a combined \$74.7M. Finally, the Commission plans to adopt a Toll By Plate discount program in January 2021. The discount would be 15% off the Toll By Plate rate if customer’s pre-register their license plates with the Commission and associates a payment method (credit/debit card) with the registered license plate. CDM Smith estimates that the discount program could reduce FY 2021 revenues by \$1.4 million. As a result, CDM Smith now estimates that the net effect of the Commission approved policy changes will result in a decrease of \$110.7 million in FY 2021 net toll revenues.



Estimated Toll Rates, Tolls and Other Revenues

Fiscal 2021 toll revenues reflect the full year impact of the toll increase implemented in January 2020 and a partial year impact of a planned adjustment yielding an average toll rate increase of 6% scheduled for January 2021 as well as an additional increase of 45 percent on Toll By Plate (TBP) transactions due to additional processing costs and unpaid invoices associated with TBP. As noted, toll revenues are projected to decrease in Fiscal 2021 by 7.2% to \$1.187 billion versus fiscal 2020. All other PTC revenues, primarily consisting of concession income, transponder fees, and interest income are not projected to change versus amounts reflected in the Original Fiscal Year 2021 Financial Plan.

Operating, Capital and Other Expenditures

The Amended Fiscal 2021 Financial Plan estimates that PTC is expected to generate the necessary resources to: (i) meet Turnpike operations and maintenance expenses; (ii) pay debt service obligations; (iii) support capital reinvestment of \$461.3 million (which is consistent with the revised proposed ten-year capital plan); and (iv) provide \$450 million in contributions required to meet its Act 44 obligations.

PTC has budgeted operating and maintenance expenses of \$426.2 million for fiscal 2021. This figure is \$5.8 million less than the prior amount assumed in the Original Fiscal Year 2021 Financial Plan and reflects the impact of aggressive cost containment efforts of the Commission.

Senior Revenue Bond debt service payments on the Commission's bonds for fiscal 2021 are projected to be \$240.6 million. This reflects the cash defeasance in November 2020 of \$64.6 million of Senior Revenue Bond principal maturities due on December 1, 2020. In addition, a portion of the proceeds of the Commission's Series B of 2020 Senior Turnpike Revenue Bond funded capitalized interest in connection with the Series B of 2020 as well as a portion of the interest associated with its Series A of 2019 Bonds. Combined Subordinate Revenue Bond and Subordinate Special Revenue Bond debt service is estimated to equal \$311.1 million which also reflects cash defeasances in May 2020 and November 2020 of a total of \$92.3 million of Subordinate Revenue Bond maturities due on June 1, 2020 and December 1, 2020. Compared to the Fiscal 2021 estimate shown in the May 2020 Fiscal 2021 Financial Plan total debt service costs for all three liens is expected to be 3.5% lower than previously projected, primarily due to the incorporation of capitalized interest.

Fiscal 2021 debt service coverages on the Commission's Senior Revenue Bonds, Subordinate Revenue Bonds and Subordinate Special Revenue Bonds are projected to be 3.22x, 1.56x and 1.42x, respectively and are consistent with the Commission's targeted debt service coverage ratios.

Planned Borrowings

To meet its Fiscal 2021 capital expenditures, PTC utilized \$193.3 million of previously unused Senior Revenue Bond proceeds and federal funds reimbursements as well as a portion of \$334.8 million in



additional Senior Revenue Bonds. Amounts previously assumed for additional Senior Revenue Bonds in fiscal years 2022 - 2027 have been adjusted to maintain minimum coverage of at least 2.0x, provide resources for pay-as-you-go capital and meet liquidity requirements.

In the Original Fiscal Year 2021 Financial Plan, the Commission expected its Fiscal 2021 Act 44 obligations to be deferred until Fiscal Year 2022. The Amended Financial Plan now reflects an issuance to fund its Fiscal 2021 Act 44 Obligations in January 2021.

As part of the structuring of these bonds, consistent with the Original Fiscal Year 2021 Financial Plan, the Advisors assumed any additional Senior Revenue Bonds to be current interest, fixed rate bonds with a 30 year term structured with level debt service. The Subordinate Revenue Bonds are assumed to be current interest bonds with 30 year terms. For its upcoming, January 2021 issuance, PTC has assumed a wrapped debt service structure and three years of capitalized interest in order to maintain desired debt service coverage levels, conserve debt capacity and facilitate market acceptance for the Commission's securities. In addition, a portion of the proceeds from the January 2021 issuance are assumed to fund capitalized interest for the Turnpike Subordinate Revenue Bonds, Series A of 2019. The Advisors assumed any additional Subordinate Revenue Bonds to be current interest, fixed rate bonds with a 30 year term and structured with three years of capitalized interest and level debt service thereafter. The following interest rates are assumed:

- Senior Revenue Bonds have an interest rate equal to the ten year average of the 'AAA' MMD Index plus 80 basis points for current interest bonds.
- Subordinate Revenue Bonds have an interest rate equal to the ten year average of the 'AAA' MMD Index plus 115 basis points for current interest bonds.

Based on the above assumptions for revenues, operations and maintenance expense and debt service, Fiscal 2021 debt service coverage of the Commission's Senior Revenue Bonds is expected to be 3.22x, 1.56x on the Subordinate Revenue Bonds and 1.42x on the Subordinate Special Revenue bonds.

III. Fiscal 2021 Financial Plan



Amended Fiscal 2021 Financial Plan

PTC's Amended Fiscal 2021 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. Exhibits 1 and 2 demonstrate fiscal 2020 results and the Amended Fiscal 2021 Financial Plan.

Exhibit 1 Amended Fiscal 2021 Financial Plan (\$000) Fiscal Years Ending 5/31

	2020	Amended 2021 Plan
Turnpike Operating Income		
Adjusted Gross Toll Revenues	1,279,740	1,187,526
Gross Non-Toll Revenues	4,043	-
Gross Operating Revenues	1,283,783	1,187,526
Operating Expense	376,164	426,197
Interest Income (Senior DSRF and GRF earnings)	20,605	14,618
Net Turnpike Revenues Before Debt Service	928,224	775,947
Senior Turnpike Revenue Bond Debt Service	306,338	240,620
Net Income Before Capital Expense and General Reserve	621,886	535,327
Turnpike Working Capital		
Cash Beginning Balance	257,735	275,953
Construction Fund Beginning Balance	129,262	193,315
Newly Sized Senior Bond Proceeds	488,400	334,764
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	-	-
Current Senior Bond Proceeds Used	296,030	202,988
Construction Fund Ending Balance	193,315	131,776
Net Earnings	621,886	535,327
Capital Expenditure	554,861	461,303
PAYGO	129,569	65,000
Additional Cash Payments for OPEB, DSRF, Defeasance	51,254	110,115
Federal Fund Reimb.	5,697	-
Capital Expenditure Reconciliation	32,523	-
Liquidity Requirement	128,378	118,753
Liquidity Requirement Cashflow Set-aside	-	-
Tax-Exempt Subordinate Bonds Debt Service	302,958	258,011
Taxable Subordinate Bonds Debt Service	17,749	4,256
Subordinate Special Revenue Bonds Debt Service	42,057	48,818
Subordinate and Sub. Special Revenue Bonds DSRF Earnings	7,396	8,508
Net Funds Remaining Before Act 44 Payments	375,953	333,588
Debt Service Coverage Ratios		
Senior Lien		
Pledged Revenues	928,224	775,947
Debt Service	306,338	240,620
Coverage	3.03 x	3.22 x
Subordinate Lien		
Pledged Revenues	934,982	783,810
Debt Service	627,045	502,887
Coverage	1.49 x	1.56 x
Subordinate Special Revenue Lien		
Pledged Revenues	935,620	784,455
Debt Service	669,102	551,705
Coverage	1.40 x	1.42 x

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



Exhibit 2
Amended Fiscal 2021 Financial Plan
(\$000) Fiscal Years Ending 5/31

	2020	Amended 2021 Plan
Act 44 Payment Funds		
Net Funds Remaining Before Act 44 Payments	375,953	333,588
Tax-Exempt Subordinate Bond Proceeds	800,000	420,000
Taxable Subordinate Bond Proceeds	-	-
Subordinate Special Revenue Bond Proceeds	-	-
Act 44 Payments		
Transit Capital/Other Payments	850,000	425,000
Transit Capital/Other Total Sources	850,000	425,000
Turnpike Cash	50,000	5,000
Tax-Exempt Subordinate Bond Proceeds	800,000	420,000
Transit Operations Payments	50,000	25,000
Transit Operations Total Sources	50,000	25,000
Turnpike Cash	50,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-
Taxable Subordinate Bond Proceeds	-	-
Total Act 44 Payments	900,000	450,000
Total Act 44 Sources	900,000	450,000
Remaining Turnpike Cash	275,953	303,588
General Reserve Fund/Liquidity Requirement	404,331	422,341

Exhibits 3 and 4 compare the Amended Fiscal 2021 Financial Plan with the Original Fiscal Year 2021 Financial Plan. Toll revenues are projected to be 10.7% lower based on the new CDM Smith forecast. The Commission expects to remain at or near its Fiscal 2021 operating expense budget. Capital expenditures are based on the adopted ten year plan and are consistent with the Original Fiscal Year 2021 Financial Plan. Lower toll revenues are expected to yield lower debt service coverage ratios in Fiscal 2021 of 3.22x for the Senior Revenue Bonds, 1.56x on the Subordinate Revenue Bonds and 1.42x on the Subordinate Special Revenue Bonds.

However, based on the continued proactive initiatives by the Commission, the General Reserve Fund balance is expected to be 4.5% higher than in Fiscal 2020 and is projected to be \$422.3 million on May 31, 2021.



Exhibit 3
Fiscal 2021: Amended Financial Plan Compared to Prior Plan
(\$000) Fiscal Years Ending 5/31

	Amended 2021 Plan	Prior 2021 Plan	% Diff
Turnpike Operating Income			
Adjusted Gross Toll Revenues	1,187,526	1,329,859	-10.7%
Gross Non-Toll Revenues	-	-	0.0%
Gross Operating Revenues	1,187,526	1,329,859	-10.7%
Operating Expense	426,197	432,021	-1.3%
Interest Income (Senior DSRF and GRF earnings)	14,618	14,618	0.0%
Net Turnpike Revenues Before Debt Service	775,947	912,456	-15.0%
Senior Turnpike Revenue Bond Debt Service	240,620	247,741	-2.9%
Net Income Before Capital Expense and General Reserve	535,327	664,714	-19.5%
Turnpike Working Capital			
Cash Beginning Balance	275,953	274,831	0.4%
Construction Fund Beginning Balance	193,315	193,315	0.0%
Newly Sized Senior Bond Proceeds	334,764	129,597	158.3%
Previously Unused Senior Bond Proceeds and Fed Funds Reimb. Used	-	193,315	-100.0%
Current Senior Bond Proceeds Used	202,988	129,597	56.6%
Construction Fund Ending Balance	131,776	5,697	
Net Income	535,327	664,714	-19.5%
Capital Expenditure	461,303	461,303	0.0%
PAYGO	65,000	138,391	-53.0%
Additional Cash Payments for OPEB, DSRF, Defeasance	110,115	110,115	0.0%
Federal Fund Reimb.	-	-	
Capital Expenditure Reconciliation	-	-	
Liquidity Requirement	118,753	132,986	-10.7%
Liquidity Requirement Cashflow Set-aside	-	5,775	-100.0%
Tax-Exempt Subordinate Bonds Debt Service	258,011	267,038	-3.4%
Taxable Subordinate Bonds Debt Service	4,256	8,141	-47.7%
Subordinate Special Revenue Bonds Debt Service	48,818	48,818	0.0%
Subordinate and Sub. Special Revenue Bonds DSRF Earnings	8,508	8,508	15.0%
Net Funds Remaining Before Act 44 Payments	333,588	369,775	-9.8%
Debt Service Coverage Ratios			
Senior Lien			
Pledged Revenues	775,947	912,456	
Debt Service	240,620	247,741	
Coverage	3.22 x	3.68 x	
Subordinate Lien			
Pledged Revenues	783,810	920,319	
Debt Service	502,887	522,921	
Coverage	1.56 x	1.76 x	
Subordinate Special Revenue Lien			
Pledged Revenues	784,455	920,964	
Debt Service	551,705	571,738	
Coverage	1.42 x	1.61 x	

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



Exhibit 4
Fiscal 2021: Amended Financial Plan Compared to Prior Plan
(\$000) Fiscal Years Ending 5/31

	Amended 2021 Plan	Prior 2021 Plan	% Diff
Act 44 Payment Funds			
Net Funds Remaining Before Act 44 Payments	333,588	369,775	-9.8%
Tax-Exempt Subordinate Bond Proceeds	420,000	-	-
Taxable Subordinate Bond Proceeds	-	-	-
Subordinate Special Revenue Bond Proceeds	-	-	-
Act 44 Payments			
Transit Capital/Other Payments	425,000	-	-
Transit Capital/Other Total Sources	425,000	-	-
Turnpike Cash	5,000	-	-
Tax-Exempt Subordinate Bond Proceeds	420,000	-	-
Transit Operations Payments	25,000	-	-
Transit Operations Total Sources	25,000	-	-
Turnpike Cash	25,000	-	-
Tax-Exempt Subordinate Bond Proceeds	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-
Total Act 44 Payments	450,000	-	-
Total Act 44 Sources	450,000	-	-
Remaining Turnpike Cash	303,588	369,775	-17.9%
Turnpike General Reserve Fund/Liquidity Requirement	422,341	509,211	-17.1%

IV. Amended Long-Range Financial Plan



Amended Long-Range Financial Plan

In addition to the Amended Fiscal 2021 Financial Plan, PTC has prepared an amended multi-year plan to meet Act 44 and Amended Funding Agreement requirements such that the financial plan shall demonstrate that the operation of the Commission in accordance therewith can reasonably be anticipated to result in the Commission having funds during the ensuing future fiscal years to make the payments due to the Department after all other obligations of the Commission have been met. This section describes the 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 during the course of the Funding Agreement, through Fiscal 2057.

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 four decades. The amended long-range financial plan is guided by the same set of assumptions and policies used to develop the June 1, 2020 long-range financial plan. The key changes incorporated into the amended long-range plan are the December 2020 CDM Smith traffic and revenue bring-down letter, acceleration of funding the FY 2021 Act 44 obligation and adjustments in the debt and pay-as-you-go capital funding allocations to maintain financial flexibility.

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 adopted ten year plan and spending levels adjusted for inflation, and fully fund its Act 44 obligations. At the same time, the 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.

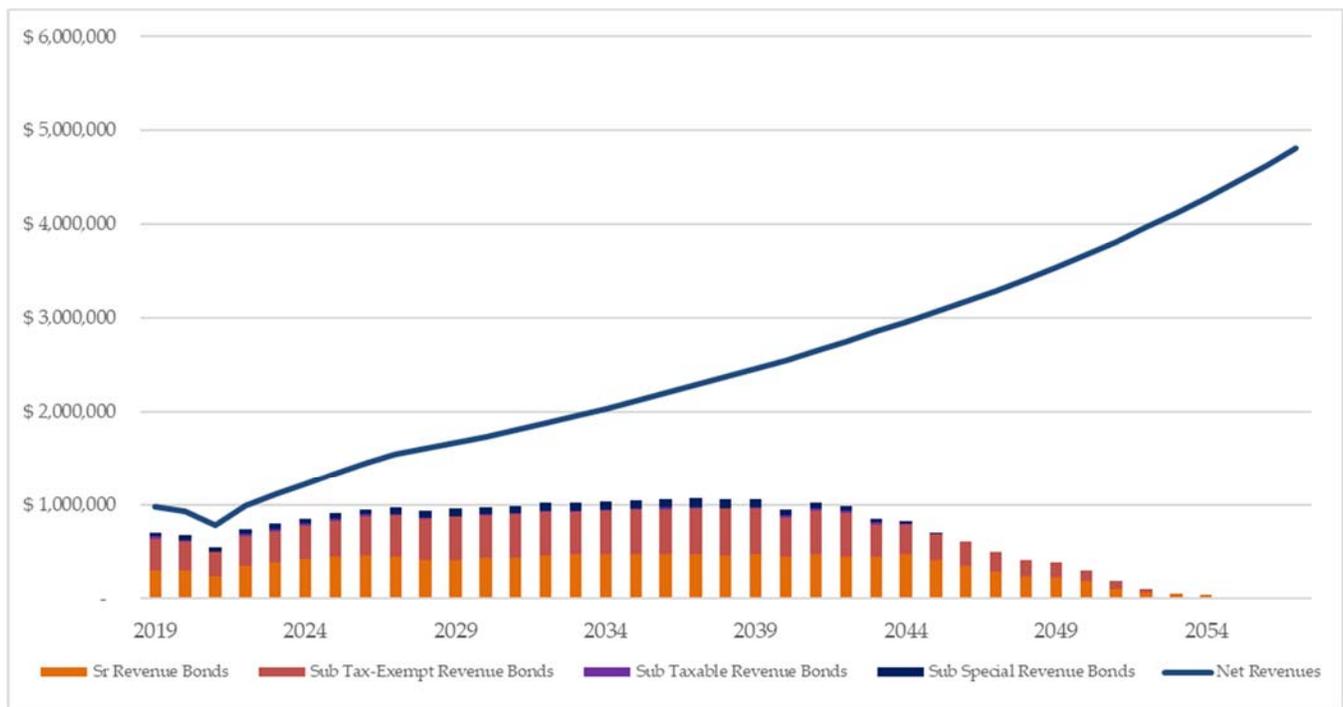
Given Turnpike capital needs and Act 44 obligations, the Commission is projected to continue to regularly access the capital markets to finance its needs. Between Fiscal 2021 and 2030 as well as for the entire 2021-2057 plan period, PTC is projected to issue \$2.2 billion in debt. The Amended Financial Plan includes \$1.26 billion in future Senior Revenue Bonds issuance and \$948 million in Subordinate Revenue Bonds future issuance.

Exhibit 5 presents Turnpike net revenues relative to annual debt service obligations. PTC is projected to be less leveraged, when compared to previous year financial plans, and projected toll revenues are estimated to provide sufficient debt service coverage. Turnpike Senior Revenue Bond debt service coverage is at least 2.79x and reaches 4.00x in 2030 and generally continues to increase thereafter, which should enable the Turnpike to retain its current mid-investment grade bond ratings. Subordinate Revenue Bond debt service coverage is lower, but at least 1.45x and reaches 1.95x in 2030 and Subordinate Special Revenue Bond debt service coverage is no less than 1.36x and reaches 1.79x in 2030, and both continue to increase thereafter.



The financial plan is structured to minimize the use of Turnpike cash for its Act 44 transit obligations. The Amended Fiscal 2021 Financial Plan reflects the Act 44 payments being funded in January 2021, and in Fiscal 2022, \$30 million in annual Act 44 obligations is projected to be funded with Turnpike cash and the balance of \$420 million will be financed with Subordinate Revenue Bonds.

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



Although the 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 year period. Downside risks to the 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 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 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.

V. Appendix: Amended Financial Plan Cash Flows

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

	2018	2019	2020	2021	2022	2023	2024	2025
<u>Mainline Operating Income</u>								
Adjusted Gross Toll Revenues	1,196,606	1,327,031	1,279,740	1,187,526	1,385,620	1,510,778	1,630,492	1,755,867
Gross Non-Toll Revenues	4,668	9,574	4,043	-	23,700	35,906	36,265	36,628
Gross Operating Revenues	1,201,274	1,336,605	1,283,783	1,187,526	1,409,320	1,546,684	1,666,757	1,792,495
Operating Expense	373,848	376,503	376,164	426,197	434,721	443,415	452,284	470,375
Interest Income (Senior DSRF and GRF earnings)	13,808	17,155	20,605	14,618	14,640	14,677	14,750	14,824
Net Turnpike Revenues Before Debt Service	841,234	977,257	928,224	775,947	989,239	1,117,945	1,229,223	1,336,944
Senior Turnpike Revenue Bond Debt Service	279,042	303,781	306,338	240,620	354,395	390,349	428,744	454,467
Net Income Before Capital Expense and General Reserve	562,192	673,476	621,886	535,327	634,843	727,596	800,480	882,477
Turnpike Working Capital								
Cash Beginning Balance	262,988	225,050	257,735	275,953	303,588	316,093	324,598	315,610
Construction Fund Beginning Balance (including Fed Funds reimb. used)	210,400	203,179	129,262	193,315	131,776	-	-	20,000
Newly Sized Senior Bond Proceeds	454,900	345,000	488,400	334,764	163,597	321,511	252,625	174,803
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	210,400	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	261,803	246,949	296,030	202,988	163,597	321,511	252,625	174,803
Construction Fund Ending Balance	203,179	129,262	193,315	131,776	-	-	20,000	20,000
Net Income	562,192	673,476	621,886	535,327	634,843	727,596	800,480	882,477
Capital Expenditure	548,335	550,128	554,861	461,303	492,289	584,566	587,500	590,312
PAYGO	76,132	100,000	129,569	65,000	196,916	263,055	334,875	395,509
Additional Cash Payments for OPEB, DSRF, Defeasance	-	53,000	51,254	110,115	-	-	-	-
Federal Fund Reim.	29,426	58,843	5,697	-	-	-	20,000	20,000
Capital Expenditure Reconciliation	(78,033)	(32,000)	32,523	-	-	-	-	-
Liquidity Requirement	120,127	133,661	128,378	118,753	140,932	154,668	166,676	179,249
Liquidity Requirement Cashflow Set-aside	6,688	13,533	-	-	22,179	13,736	12,007	12,574
FRN Redemptions	100,000	50,000	-	-	-	-	-	-
Subordinate DSRF Interest Earnings	4,948	5,638	6,758	7,863	7,875	7,875	7,875	7,875
Subordinate Special Revenue Bonds DSRF Interest Earnings	530	526	638	645	645	645	645	645
General Reserve Fund Before Subordinate Debt	569,805	656,157	738,717	644,673	727,857	775,418	786,716	798,524
Subordinate and Sub. Special Revenue Bonds Debt Service	294,755	398,422	362,764	311,085	381,764	400,820	421,106	453,012
Tax-Exempt Subordinate Bonds Debt Service	245,439	337,461	302,958	258,011	306,901	319,357	345,779	369,158
Taxable Subordinate Bonds Debt Service	11,378	17,786	17,749	4,256	25,382	24,460	18,174	25,673
Subordinate Special Revenue Bonds Debt Service	37,938	43,175	42,057	48,818	49,481	57,003	57,153	58,182
Net Funds Remaining Before Act 44 Payments	275,050	257,735	375,953	333,588	346,093	374,598	365,610	345,511

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

	2018	2019	2020	2021	2022	2023	2024	2025
Act 44 Payment Sources								
Turnpike Cash	50,000	-	100,000	30,000	30,000	50,000	50,000	50,000
Tax-Exempt Subordinate Bond Proceeds	400,000	-	800,000	420,000	420,000	-	-	-
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	-	850,000	425,000	425,000	25,000	25,000	25,000
Transit Capital/Other Total Sources	425,000	-	850,000	425,000	425,000	25,000	25,000	25,000
Turnpike Cash	25,000	-	50,000	5,000	5,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	400,000	-	800,000	420,000	420,000	-	-	-
Transit Operations Payments	25,000	-	50,000	25,000	25,000	25,000	25,000	25,000
Transit Operations Total Sources	25,000	-	50,000	25,000	25,000	25,000	25,000	25,000
Turnpike Cash	25,000	-	50,000	25,000	25,000	25,000	25,000	25,000
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Taxable Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Total Act 44 Payments	450,000	-	900,000	450,000	450,000	50,000	50,000	50,000
Total Act 44 Sources	450,000	-	900,000	450,000	450,000	50,000	50,000	50,000
Remaining Turnpike Cash	225,050	257,735	275,953	303,588	316,093	324,598	315,610	295,511
Turnpike General Reserve	345,177	391,569	404,331	422,341	457,025	479,266	482,286	474,761
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	841,234	977,257	928,224	775,947	989,239	1,117,945	1,229,223	1,336,944
Debt Service	(279,042)	(303,781)	(306,338)	(240,620)	(354,395)	(390,349)	(428,744)	(454,467)
Coverage	3.01 x	3.22 x	3.03 x	3.22 x	2.79 x	2.86 x	2.87 x	2.94 x
Subordinate Lien								
Pledged Revenues	846,182	982,895	934,982	783,810	997,114	1,125,820	1,237,098	1,344,819
Debt Service	(535,860)	(659,028)	(627,045)	(502,887)	(686,679)	(734,166)	(792,697)	(849,298)
Coverage	1.58 x	1.49 x	1.49 x	1.56 x	1.45 x	1.53 x	1.56 x	1.58 x
Subordinate Special Revenue Lien								
Pledged Revenues	846,712	983,421	935,620	784,455	997,759	1,126,465	1,237,743	1,345,464
Debt Service	(573,797)	(702,203)	(669,102)	(551,705)	(736,159)	(791,169)	(849,849)	(907,479)
Coverage	1.48 x	1.40 x	1.40 x	1.42 x	1.36 x	1.42 x	1.46 x	1.48 x

Pennsylvania Turnpike Commission
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	2026	2027	2028	2029	2030	2031	2032	2033
<u>Mainline Operating Income</u>								
Adjusted Gross Toll Revenues	1,885,327	1,996,176	2,081,919	2,165,751	2,254,878	2,347,656	2,444,003	2,543,857
Gross Non-Toll Revenues	36,994	37,364	37,738	38,115	38,496	38,881	39,270	39,663
Gross Operating Revenues	1,922,321	2,033,540	2,119,657	2,203,866	2,293,374	2,386,537	2,483,273	2,583,519
Operating Expense	489,190	508,758	529,108	550,272	572,283	595,174	618,981	643,741
Interest Income (Senior DSRF and GRF earnings)	14,898	14,972	15,047	15,122	15,198	15,274	15,350	15,427
Net Turnpike Revenues Before Debt Service	1,448,029	1,539,754	1,605,596	1,668,715	1,736,289	1,806,637	1,879,642	1,955,206
Senior Turnpike Revenue Bond Debt Service	466,026	446,318	409,912	414,719	433,585	439,159	466,250	469,547
Net Income Before Capital Expense and General Reserve	982,003	1,093,436	1,195,684	1,253,997	1,302,704	1,367,478	1,413,392	1,485,658
Turnpike Working Capital								
Cash Beginning Balance	295,511	265,345	249,090	232,140	295,809	379,697	497,341	630,956
Construction Fund Beginning Balance (including Fed Funds reimb. used)	20,000	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	137,780	94,444	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	-							
Current Senior Bond Proceeds Used	137,780	94,444	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-	-
Net Income	982,003	1,093,436	1,195,684	1,253,997	1,302,704	1,367,478	1,413,392	1,485,658
Capital Expenditure	631,119	629,625	634,562	600,670	629,123	654,288	680,460	707,678
PAYGO	473,339	535,181	634,562	600,670	629,123	654,288	680,460	707,678
Additional Cash Payments for OPEB, DSRF, Defeasance	-	-	-	-	-	-	-	-
Federal Fund Reim.	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-
Liquidity Requirement	192,232	203,354	211,966	220,387	229,337	238,654	248,327	258,352
Liquidity Requirement Cashflow Set-aside	12,983	11,122	8,612	8,421	8,951	9,316	9,674	10,025
FRN Redemptions								
Subordinate DSRF Interest Earnings	7,875	7,875	7,875	7,875	7,875	7,875	7,875	7,875
Subordinate Special Revenue Bonds DSRF Interest Earnings	645	645	645	645	645	645	645	645
General Reserve Fund Before Subordinate Debt	799,712	820,998	810,121	885,566	968,958	1,092,091	1,229,120	1,407,431
Subordinate and Sub. Special Revenue Bonds Debt Service	484,367	521,908	527,982	539,757	539,261	544,750	548,164	552,035
Tax-Exempt Subordinate Bonds Debt Service	404,111	438,690	440,352	453,298	451,925	458,504	454,195	455,405
Taxable Subordinate Bonds Debt Service	21,813	7,278	10,160	7,212	9,717	7,070	12,685	13,054
Subordinate Special Revenue Bonds Debt Service	58,443	75,939	77,470	79,247	77,619	79,176	81,285	83,576
Net Funds Remaining Before Act 44 Payments	315,345	299,090	282,140	345,809	429,697	547,341	680,956	855,396

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	2026	2027	2028	2029	2030	2031	2032	2033
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	-	-	-	-	-	-	-	-
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
Transit Capital/Other Total Sources	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
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Transit Operations Payments	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
Turnpike Cash	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							
Total Act 44 Sources	50,000							
Remaining Turnpike Cash	265,345	249,090	232,140	295,809	379,697	497,341	630,956	805,396
Turnpike General Reserve	457,577	452,444	444,105	516,195	609,035	735,995	879,283	1,063,748
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	1,448,029	1,539,754	1,605,596	1,668,715	1,736,289	1,806,637	1,879,642	1,955,206
Debt Service	(466,026)	(446,318)	(409,912)	(414,719)	(433,585)	(439,159)	(466,250)	(469,547)
Coverage	3.11 x	3.45 x	3.92 x	4.02 x	4.00 x	4.11 x	4.03 x	4.16 x
Subordinate Lien								
Pledged Revenues	1,455,904	1,547,629	1,613,471	1,676,590	1,744,164	1,814,512	1,887,517	1,963,081
Debt Service	(891,951)	(892,286)	(860,424)	(875,228)	(895,227)	(904,733)	(933,130)	(938,006)
Coverage	1.63 x	1.73 x	1.88 x	1.92 x	1.95 x	2.01 x	2.02 x	2.09 x
Subordinate Special Revenue Lien								
Pledged Revenues	1,456,549	1,548,274	1,614,116	1,677,235	1,744,809	1,815,157	1,888,162	1,963,726
Debt Service	(950,394)	(968,226)	(937,893)	(954,476)	(972,846)	(983,909)	(1,014,414)	(1,021,582)
Coverage	1.53 x	1.60 x	1.72 x	1.76 x	1.79 x	1.84 x	1.86 x	1.92 x

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	2034	2035	2036	2037	2038	2039	2040	2041
<u>Mainline Operating Income</u>								
Adjusted Gross Toll Revenues	2,647,033	2,753,677	2,863,919	2,977,795	3,094,621	3,215,332	3,340,365	3,469,811
Gross Non-Toll Revenues	40,059	40,460	40,864	41,273	41,686	42,103	42,524	42,949
Gross Operating Revenues	2,687,092	2,794,137	2,904,784	3,019,068	3,136,307	3,257,434	3,382,888	3,512,759
Operating Expense	669,490	696,270	724,121	753,086	783,209	814,537	847,119	881,004
Interest Income (Senior DSRF and GRF earnings)	15,504	15,581	15,659	15,738	15,816	15,895	15,975	16,055
Net Turnpike Revenues Before Debt Service	2,033,106	2,113,448	2,196,322	2,281,721	2,368,914	2,458,792	2,551,745	2,647,811
Senior Turnpike Revenue Bond Debt Service	472,899	478,166	478,930	477,223	467,173	470,976	455,190	471,666
Net Income Before Capital Expense and General Reserve	1,560,207	1,635,283	1,717,392	1,804,498	1,901,741	1,987,817	2,096,555	2,176,145
Turnpike Working Capital								
Cash Beginning Balance	805,396	1,017,757	1,266,566	1,557,147	1,893,988	2,288,365	2,747,580	3,366,700
Construction Fund Beginning Balance (including Fed Funds reimb. used)	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	-	-	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	-	-	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-	-
Net Income	1,560,207	1,635,283	1,717,392	1,804,498	1,901,741	1,987,817	2,096,555	2,176,145
Capital Expenditure	735,985	765,424	796,041	827,883	860,998	895,438	931,256	968,506
PAYGO	735,985	765,424	796,041	827,883	860,998	895,438	931,256	968,506
Additional Cash Payments for OPEB, DSRF, Defeasance	-	-	-	-	-	-	-	-
Federal Fund Reim.	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-
Liquidity Requirement	268,709	279,414	290,478	301,907	313,631	325,743	338,289	351,276
Liquidity Requirement Cashflow Set-aside	10,357	10,704	11,065	11,428	11,724	12,113	12,545	12,987
FRN Redemptions								
Subordinate DSRF Interest Earnings	7,875	7,875	7,875	7,875	7,875	7,875	3,255	3,255
Subordinate Special Revenue Bonds DSRF Interest Earnings	645	645	645	645	645	645	320	320
General Reserve Fund Before Subordinate Debt	1,627,781	1,885,431	2,185,372	2,530,853	2,931,526	3,377,151	3,903,908	4,564,927
Subordinate and Sub. Special Revenue Bonds Debt Service	560,024	568,865	578,225	586,865	593,161	579,571	487,208	543,874
Tax-Exempt Subordinate Bonds Debt Service	454,420	461,897	466,212	476,187	485,395	482,137	403,533	459,484
Taxable Subordinate Bonds Debt Service	19,770	19,464	19,121	14,672	9,351	14,278	24,609	24,382
Subordinate Special Revenue Bonds Debt Service	85,834	87,504	92,892	96,007	98,415	83,156	59,067	60,009
Net Funds Remaining Before Act 44 Payments	1,067,757	1,316,566	1,607,147	1,943,988	2,338,365	2,797,580	3,416,700	4,021,052

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	2034	2035	2036	2037	2038	2039	2040	2041
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	-	-	-	-	-	-	-	-
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
Transit Capital/Other Total Sources	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
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Transit Operations Payments	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
Turnpike Cash	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							
Total Act 44 Sources	50,000							
Remaining Turnpike Cash	1,017,757	1,266,566	1,557,147	1,893,988	2,288,365	2,747,580	3,366,700	3,971,052
Turnpike General Reserve	1,286,466	1,545,979	1,847,625	2,195,895	2,601,996	3,073,323	3,704,989	4,322,328
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	2,033,106	2,113,448	2,196,322	2,281,721	2,368,914	2,458,792	2,551,745	2,647,811
Debt Service	(472,899)	(478,166)	(478,930)	(477,223)	(467,173)	(470,976)	(455,190)	(471,666)
Coverage	4.30 x	4.42 x	4.59 x	4.78 x	5.07 x	5.22 x	5.61 x	5.61 x
Subordinate Lien								
Pledged Revenues	2,040,981	2,121,323	2,204,197	2,289,596	2,376,789	2,466,667	2,554,999	2,651,066
Debt Service	(947,089)	(959,526)	(964,264)	(968,081)	(961,919)	(967,391)	(883,331)	(955,531)
Coverage	2.16 x	2.21 x	2.29 x	2.37 x	2.47 x	2.55 x	2.89 x	2.77 x
Subordinate Special Revenue Lien								
Pledged Revenues	2,041,626	2,121,968	2,204,842	2,290,241	2,377,434	2,467,312	2,555,320	2,651,386
Debt Service	(1,032,923)	(1,047,030)	(1,057,155)	(1,064,088)	(1,060,334)	(1,050,547)	(942,398)	(1,015,540)
Coverage	1.98 x	2.03 x	2.09 x	2.15 x	2.24 x	2.35 x	2.71 x	2.61 x

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	2042	2043	2044	2045	2046	2047	2048	2049
<u>Mainline Operating Income</u>								
Adjusted Gross Toll Revenues	3,603,760	3,742,260	3,885,552	4,033,803	4,187,131	4,345,897	4,510,342	4,680,822
Gross Non-Toll Revenues	43,378	43,812	44,250	44,693	45,140	45,591	46,047	46,508
Gross Operating Revenues	3,647,138	3,786,073	3,929,803	4,078,496	4,232,271	4,391,488	4,556,389	4,727,330
Operating Expense	916,244	952,893	991,009	1,030,650	1,071,876	1,114,751	1,159,341	1,205,714
Interest Income (Senior DSRF and GRF earnings)	16,135	16,216	16,297	16,378	16,460	16,542	16,625	16,708
Net Turnpike Revenues Before Debt Service	2,747,030	2,849,395	2,955,090	3,064,225	3,176,856	3,293,280	3,413,674	3,538,324
Senior Turnpike Revenue Bond Debt Service	452,199	456,214	471,440	413,436	355,846	289,626	245,228	222,333
Net Income Before Capital Expense and General Reserve	2,294,831	2,393,181	2,483,651	2,650,789	2,821,009	3,003,654	3,168,446	3,315,991
Turnpike Working Capital								
Cash Beginning Balance	3,971,052	4,665,606	5,556,206	6,531,402	7,702,612	9,019,503	10,524,212	12,182,602
Construction Fund Beginning Balance (including Fed Funds reimb. used)	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	-	-	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	-	-	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-	-
Net Income	2,294,831	2,393,181	2,483,651	2,650,789	2,821,009	3,003,654	3,168,446	3,315,991
Capital Expenditure	1,007,246	1,047,536	1,089,438	1,133,015	1,178,336	1,225,469	1,274,488	1,325,467
PAYGO	1,007,246	1,047,536	1,089,438	1,133,015	1,178,336	1,225,469	1,274,488	1,325,467
Additional Cash Payments for OPEB, DSRF, Defeasance	-	-	-	-	-	-	-	-
Federal Fund Reim.	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-
Liquidity Requirement	364,714	378,607	392,980	407,850	423,227	439,149	455,639	472,733
Liquidity Requirement Cashflow Set-aside	13,438	13,893	14,373	14,869	15,377	15,922	16,490	17,094
FRN Redemptions								
Subordinate DSRF Interest Earnings	3,174	1,408	1,137	549	344	14	-	-
Subordinate Special Revenue Bonds DSRF Interest Earnings	282	200	127	26	-	-	-	-
General Reserve Fund Before Subordinate Debt	5,248,655	5,998,966	6,937,310	8,034,881	9,330,252	10,781,780	12,401,681	14,156,032
Subordinate and Sub. Special Revenue Bonds Debt Service	533,049	392,759	355,908	282,270	260,749	207,567	169,078	165,968
Tax-Exempt Subordinate Bonds Debt Service	456,123	324,083	318,653	277,093	260,749	207,567	169,078	165,968
Taxable Subordinate Bonds Debt Service	23,827	29,834	12,600	-	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	53,100	38,842	24,654	5,177	-	-	-	-
Net Funds Remaining Before Act 44 Payments	4,715,606	5,606,206	6,581,402	7,752,612	9,069,503	10,574,212	12,232,602	13,990,065

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	2042	2043	2044	2045	2046	2047	2048	2049
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	-	-	-	-	-	-	-	-
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
Transit Capital/Other Total Sources	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
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Transit Operations Payments	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
Turnpike Cash	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
Total Act 44 Sources	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Remaining Turnpike Cash	4,665,606	5,556,206	6,531,402	7,702,612	9,019,503	10,524,212	12,182,602	13,940,065
Turnpike General Reserve	5,030,319	5,934,813	6,924,382	8,110,461	9,442,730	10,963,361	12,638,241	14,412,798
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	2,747,030	2,849,395	2,955,090	3,064,225	3,176,856	3,293,280	3,413,674	3,538,324
Debt Service	(452,199)	(456,214)	(471,440)	(413,436)	(355,846)	(289,626)	(245,228)	(222,333)
Coverage	6.07 x	6.25 x	6.27 x	7.41 x	8.93 x	11.37 x	13.92 x	15.91 x
Subordinate Lien								
Pledged Revenues	2,750,204	2,850,803	2,956,227	3,064,774	3,177,200	3,293,294	3,413,674	3,538,324
Debt Service	(932,149)	(810,131)	(802,693)	(690,528)	(616,596)	(497,193)	(414,306)	(388,300)
Coverage	2.95 x	3.52 x	3.68 x	4.44 x	5.15 x	6.62 x	8.24 x	9.11 x
Subordinate Special Revenue Lien								
Pledged Revenues	2,750,486	2,851,004	2,956,354	3,064,799	3,177,200	3,293,294	3,413,674	3,538,324
Debt Service	(985,248)	(848,974)	(827,348)	(695,705)	(616,596)	(497,193)	(414,306)	(388,300)
Coverage	2.79 x	3.36 x	3.57 x	4.41 x	5.15 x	6.62 x	8.24 x	9.11 x

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

	2050	2051	2052	2053	2054	2055	2056	2057
<u>Mainline Operating Income</u>								
Adjusted Gross Toll Revenues	4,857,759	5,052,070	5,254,153	5,464,319	5,682,891	5,910,207	6,146,615	6,392,480
Gross Non-Toll Revenues	46,973	47,442	47,917	48,396	48,880	49,369	49,862	50,361
Gross Operating Revenues	4,904,732	5,099,512	5,302,069	5,512,715	5,731,771	5,959,576	6,196,478	6,442,841
Operating Expense	1,253,943	1,304,101	1,356,265	1,410,515	1,466,936	1,525,613	1,586,638	1,650,103
Interest Income (Senior DSRF and GRF earnings)	16,792	16,876	16,960	17,045	17,130	17,216	17,302	17,388
Net Turnpike Revenues Before Debt Service	3,667,581	3,812,288	3,962,765	4,119,245	4,281,966	4,451,179	4,627,142	4,810,126
Senior Turnpike Revenue Bond Debt Service	195,094	100,230	68,465	56,913	38,264	23,610	13,470	5,478
Net Income Before Capital Expense and General Reserve	3,472,488	3,712,058	3,894,301	4,062,331	4,243,702	4,427,569	4,613,672	4,804,648
Turnpike Working Capital								
Cash Beginning Balance	13,940,065	15,864,051	17,980,351	20,282,648	22,723,305	25,282,468	27,960,117	30,755,874
Construction Fund Beginning Balance (including Fed Funds reimb. used)	-	-	-	-	-	-	-	-
Newly Sized Senior Bond Proceeds	-	-	-	-	-	-	-	-
Previously Unused Senior Bond Proceeds Used and Fed Funds Reimb.	-	-	-	-	-	-	-	-
Current Senior Bond Proceeds Used	-	-	-	-	-	-	-	-
Construction Fund Ending Balance	-	-	-	-	-	-	-	-
Net Income	3,472,488	3,712,058	3,894,301	4,062,331	4,243,702	4,427,569	4,613,672	4,804,648
Capital Expenditure	1,378,486	1,433,626	1,490,971	1,550,609	1,612,634	1,677,139	1,744,225	1,813,994
PAYGO	1,378,486	1,433,626	1,490,971	1,550,609	1,612,634	1,677,139	1,744,225	1,813,994
Additional Cash Payments for OPEB, DSRF, Defeasance	-	-	-	-	-	-	-	-
Federal Fund Reim.	-	-	-	-	-	-	-	-
Capital Expenditure Reconciliation	-	-	-	-	-	-	-	-
Liquidity Requirement	490,473	509,951	530,207	551,271	573,177	595,958	619,648	644,284
Liquidity Requirement Cashflow Set-aside	17,740	19,478	20,256	21,065	21,906	22,780	23,690	24,636
FRN Redemptions								
Subordinate DSRF Interest Earnings	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds DSRF Interest Earnings	-	-	-	-	-	-	-	-
General Reserve Fund Before Subordinate Debt	16,016,326	18,123,005	20,363,425	22,773,305	25,332,468	28,010,117	30,805,874	33,721,892
Subordinate and Sub. Special Revenue Bonds Debt Service	102,275	92,654	30,777	-	-	-	-	-
Tax-Exempt Subordinate Bonds Debt Service	102,275	92,654	30,777	-	-	-	-	-
Taxable Subordinate Bonds Debt Service	-	-	-	-	-	-	-	-
Subordinate Special Revenue Bonds Debt Service	-	-	-	-	-	-	-	-
Net Funds Remaining Before Act 44 Payments	15,914,051	18,030,351	20,332,648	22,773,305	25,332,468	28,010,117	30,805,874	33,721,892

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

	2050	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	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
Transit Capital/Other Total Sources	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
Tax-Exempt Subordinate Bond Proceeds	-	-	-	-	-	-	-	-
Transit Operations Payments	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
Turnpike Cash	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							
Total Act 44 Sources	50,000							
Remaining Turnpike Cash	15,864,051	17,980,351	20,282,648	22,723,305	25,282,468	27,960,117	30,755,874	33,671,892
Turnpike General Reserve	16,354,524	18,490,302	20,812,855	23,274,577	25,855,645	28,556,074	31,375,521	34,316,176
Coverage Calculations								
Mainline Debt Service Coverage								
Senior Lien								
Pledged Revenues	3,667,581	3,812,288	3,962,765	4,119,245	4,281,966	4,451,179	4,627,142	4,810,126
Debt Service	(195,094)	(100,230)	(68,465)	(56,913)	(38,264)	(23,610)	(13,470)	(5,478)
Coverage	18.80 x	38.04 x	57.88 x	72.38 x	111.91 x	188.53 x	343.50 x	878.03 x
Subordinate Lien								
Pledged Revenues	3,667,581	3,812,288	3,962,765	4,119,245	4,281,966	4,451,179	4,627,142	4,810,126
Debt Service	(297,369)	(192,884)	(99,242)	(56,913)	(38,264)	(23,610)	(13,470)	(5,478)
Coverage	12.33 x	19.76 x	39.93 x	72.38 x	111.91 x	188.53 x	343.50 x	878.03 x
Subordinate Special Revenue Lien								
Pledged Revenues	3,667,581	3,812,288	3,962,765	4,119,245	4,281,966	4,451,179	4,627,142	4,810,126
Debt Service	(297,369)	(192,884)	(99,242)	(56,913)	(38,264)	(23,610)	(13,470)	(5,478)
Coverage	12.33 x	19.76 x	39.93 x	72.38 x	111.91 x	188.53 x	343.50 x	878.03 x