FY 2026

Annual Comprehensive Financial Report

Fiscal Years ended
June 30, 2026 and 2025



NORTH CAROLINA
Turnpike Authority

North Carolina Turnpike Authority
An Enterprise Fund of the North Carolina
Department of Transportation

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Introductory Section



Letter of Transmittal

STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

JOSH STEIN
GOVERNOR

DANIEL H. JOHNSON
SECRETARY

October 20, 2026

Citizens of North Carolina
Users and Investors of the North Carolina Turnpike Authority
The Honorable Josh Stein, Governor
Members of the North Carolina General Assembly

On behalf of the North Carolina Turnpike Authority ("NCTA" or "Authority"), we are pleased to present this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2026. The Authority's Finance Department has prepared this report in accordance with generally accepted accounting principles (GAAP) in the United States and in compliance both with North Carolina General statutes and the Turnpike's financing agreements.

Responsibility for the accuracy, completeness, and fairness of this presentation rests solely with the Authority's management. To the best of our knowledge and belief, this financial report is complete and reliable in all material respects. We believe all disclosures necessary to enable you to gain an understanding of the Authority's financial activities have been included.

An annual financial audit of the Authority is completed each year by an independent Certified Public Accounting firm. This examination is conducted in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The firm's opinions have been included in this report.

This letter is intended as an introduction to the following sections of the report: The North Carolina Turnpike Authority, the Board of Directors, Turnpike Authority Projects, NC Quick Pass, Safety, Technology, and Communications. Please refer to these sections for additional information on the Authority's activities and initiatives for the year.

This letter is also intended to complement and should be read in conjunction with Management's Discussion and Analysis (MD&A) that follows the Report of Independent Auditor.

AUTHORITY'S PROFILE AND OPERATION

North Carolina General Statute §136-89.182 establishes the Authority as public agency located within the North Carolina Department of Transportation (NCDOT). The Authority operates a project-level financial structure with projects financed as individual systems. The Authority

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SUITE 200
MORRISVILLE, NC 27560

currently has two operational systems: the Triangle Expressway System in the Raleigh area, and the Monroe Expressway System in the Charlotte area. The Authority opened an extension of the Triangle Expressway System, Complete 540 Phase I, on September 25, 2024. The Authority has one project under construction, Complete 540 Phase II, which is anticipated to be opened in late 2028. This project will extend the Triangle Expressway System to complete a loop around the greater Raleigh area. In addition, the Authority provides operational support to the I-77 Express Lanes and the I-485 Express Lanes. Revenues derived from all Turnpike projects are subject to North Carolina General Statue §136-89.188(a), which states that revenues derived from a Turnpike project shall be used only for costs associated with the project from which the revenue was derived or a contiguous toll facility.

The Authority is required by each System's respective Trust Agreement to adopt annual budgets. The budgets are prepared on the accrual basis of accounting and are approved by the Authority's executive director. These budgets are controlled at the department level with controls designed to ensure compliance with the provisions of the Trust Agreements.

The Triangle Expressway System Amended and Restated Trust Agreement dated December 1, 2019, Section 705, states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules, and regulations for the Triangle Expressway System. The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee along with calculations for any required deposits into the Operations and Maintenance Expense Fund, Operating Reserve Fund, and Renewal and Replacement Fund pursuant to Section 503(k), (l), and (m).

The Monroe Expressway System Trust Agreement dated December 1, 2016, Section 705 states that for each fiscal year, the Authority shall adopt an Annual Budget as well as a Capital Improvements Budget pursuant to the Authority's bylaws, rules, and regulations for the Monroe Expressway System. Pursuant to Section 705(i) expense estimates and requirements shall be based on a report of the General Engineering Consultant. The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee and TIFIA Lender along with calculations for any required deposits into the Operations and Maintenance Expense Fund, Operating Reserve Fund, and Renewal and Replacement Fund pursuant to Section 503(i), (j), and (k).

ECONOMIC FACTORS

North Carolina Turnpike Authority roadways contribute to the state's economy by supporting a diverse group of customers. These roadways provide users alternative driving routes across the state. North Carolina continues to see extensive population growth, largely in part to job opportunities in various commercial sectors. The North Carolina Office of State Budget and Management projects this population growth at approximately 12% from 2020 to 2030, emphasizing the state's attractiveness for both residents and businesses. North Carolina supports a variety of growing industries including biotechnology, energy, finance, and information technology. The US Bureau of Labor Statistics approximates the North Carolina unemployment rate in July 2026 at 3.6%, indicating low unemployment across the state. Furthermore, according to the US Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers (CPI-U) for the South Region increased approximately 3.2% in July 2026 for the prior 12 months. High

population growth, low unemployment rates, and slowing inflation in North Carolina indicate positive economic trends with a strong commuter demand for quick, alternative routes.

We expect these factors to continue into the coming fiscal year, and we will pay particular attention to economic changes and how they may impact the Authority's operations.

INTERNAL CONTROL AND FINANCIAL STATEMENT PRESENTATION

Authority management is responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance that assets are protected from loss, theft, or misuse and that adequate accounting records are maintained to allow for the preparation of financial statements in conformity with GAAP. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the resulting benefits; and (2) the analysis of costs and benefits requires estimates and judgments by management.

The Authority's current external auditors, Cherry Bekaert LLP, have completed their audit and have concluded that in their opinions, the comparative financial statements for the years ended June 30, 2025 and June 30, 2026 present fairly, in all material aspects, the financial position of the Authority as of June 30, 2026, and the changes in its financial position and its cash flows for the years then ended in conformity with GAAP. Their report is included in the financial section of this report. The financial section also includes MD&A, which provides an overview and brief analysis of the basic financial statements. Readers are encouraged to review this information.

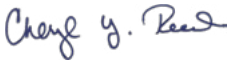
AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the year ended June 30, 2025. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Authority believes our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

We appreciate our Board of Directors for providing leadership as the Authority delivers transportation solutions for North Carolina. We also thank the Authority staff and the Finance team for their contributions to the production of this report.

Sincerely,





James J. Eden
Executive Director

Cheryl Reed
Chief Financial Officer

Certificate of Achievement for Excellence in Financial Reporting



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

North Carolina Turnpike Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

The North Carolina Turnpike Authority



In October 2002, legislation was passed authorizing the creation of the North Carolina Turnpike Authority (NCTA) with the purpose to study, design, plan, construct, own, finance and operate a system of toll roads, bridges, and/or tunnels supplementing the traditional non-toll transportation system serving the citizens of North Carolina (N.C.G.S. §136-89.182). By action of the North Carolina General Assembly, effective July 27, 2009 NCTA became a part of the North Carolina Department of Transportation (NCDOT), a public agency of the State of North Carolina.

Financial activity for NCTA started in late Fiscal Year 2004.

Legislation was passed in 2013 creating the Strategic Mobility Formula, a new way to fund and prioritize transportation projects to ensure they provide the maximum benefit to the State of North Carolina (House Bill 817). This law also included changes to the annual appropriations ("GAP funds") dedicated to NCTA projects; the annual appropriation of $49 million remains for the Triangle Expressway ($25 million) and Monroe Expressway ($24 million) projects.

NCTA operates with a project-level financial structure. NCTA projects are financed as individual systems, and revenues are subject to N.C.G.S. §136-89.188(a) which states, Revenues derived from an NCTA project authorized under this Article shall be used only for the following costs associated with the project from which the revenue was derived or a contiguous toll facility:

1. Authority administration costs.
2. Development, right-of-way acquisition, design, construction, expansion, operation, maintenance, reconstruction, rehabilitation, and replacement costs.
3. Debt service on NCTA's bonds or related purposes such as the establishment of debt service reserve funds.
4. Debt service, debt service reserve funds, and other financing costs related to any of the following:
5. A financing undertaken by a private entity under a partnership agreement with the entity for the Project.
6. Private activity bonds issued under law related to the Project.
7. Any federal or State loan, line of credit, or loan guarantee relating to the Project.
8. A return on investment of any private entity under a partnership agreement with the entity for the Project.
9. Any other uses granted to a private entity under a partnership agreement with the entity for the Project.

To maintain the mandated project-level financial structure NCTA must have separate operating and capital budgets for each NCTA project.

NORTH CAROLINA
Turnpike Authority

Mission Statement

The North Carolina Turnpike Authority is committed to delivering innovative transportation solutions on behalf of local planning organizations, providing drivers more choices for their commute.

Organizational Chart

As of October 31, 2026



- Chief Executive Officer / Executive Director
  - Chief Operating Officer
  - Executive Assistant
  - **Engineering**
    - Chief Engineer
      - Deputy Chief Engineer
        - Eastern Deputy Chief Engineer
        - Triangle Expressway Roadway Manager
        - Triangle Expressway Maintenance Engineer
        - Western Director of Highway Operations
  - **Finance**
    - Chief Financial Officer
      - Deputy Chief Financial Officer
        - Contracts Administrator
        - Procurement Specialist II
        - Financial Manager
        - Turnpike HR Consultant
        - Office Manager
  - **Technology**
    - Chief Technology Officer
      - Deputy Chief Technology Officer
        - Director of System Implementation
        - Technology Support Manager
        - Director of Roadside Operations
      - Deputy Chief Toll Operations Officer
        - Director of Customer Service Operations
        - Winston-Salem Customer Service Operations Manager
        - Customer Service Analyst Team Lead
        - Director of Audit & Compliance
        - Compliance Analyst
  - **Communications**
    - Chief Communications Officer
      - Deputy Communications Officer
  - **Innovative Finance & Delivery**
    - Chief Innovative Finance Officer
    - Chief Innovative Delivery Officer

Board of Directors

NCTA is governed by a nine-member Board of Directors consisting of four members appointed by the General Assembly of North Carolina (two members appointed by the President Pro Tempore of the Senate and two members appointed by the Speaker of the House of Representatives), four members appointed by the Governor of the State, and the North Carolina Secretary of Transportation. The Chair of the Board is selected by the NCTA Board. Daniel Johnson, the NCDOT Secretary of Transportation, currently serves as the Chair of the NCTA Board.

On July 23, 2010, the following powers were delegated by the North Carolina Secretary of Transportation to the NCTA Board of Directors:

Fix, revise, charge, and collect tolls and fees for the use of NCTA projects pursuant to N.C.G.S. §136-89.183 (a)(5);

Issue bonds or notes of the NCTA pursuant to N.C.G.S. §136-89.183(a)(6) (NCTA Debt Policy);

Invest the proceeds of bonds or notes of NCTA that are pending disbursement or other idle funds of NCTA in any investment authorized by N.C.G.S. §159-30 (NCTA Investment Policy) pursuant to N.C.G.S. §136-89.183 (6a); and,

Exercise such additional powers as shall be necessary for the financing of NCTA projects through compliance with the associated bond documentation, including complying with any arbitrage, rebate or other federal tax filings and providing for secondary market disclosure; provided any such additional power may be subjected to conditions, including the involvement and participation of other portions of the North Carolina Department of Transportation, which are stated within the bond documentation and executed by the Secretary.

Board Members as of October 2026



Daniel Johnson
Chairman



James 'Jim' Walker
Vice Chair



Robert D. Teer Jr.
Secretary & Treasurer



John Adcock



Pamela Gibson Senegal



Sam Hunt



Montell W. Irvin



Charles 'Chuck' L. Travis III



Larry Hall

Projects

Open to Traffic	Under Construction	Under Development
Triangle Expressway	Complete 540 Phase 2	U.S. 74 Express Lanes
Monroe Expressway		I-77 South Express Lanes
I-77 North Express Lanes		Mid-Currituck Bridge
I-485 Express Lanes		I-485 West Express Lanes

Projects Open to Traffic



Triangle Expressway

The Triangle Expressway was North Carolina's first toll road. The expressway opened with All-Electronic Tolling (AET), meaning it was cashless and there was no need for toll booths or toll collectors.

Today, the Triangle Expressway, North Carolina's first modern toll road and the largest transportation infrastructure project in the state's history, is a six-lane 36.8-mile roadway.

The original 18.8-mile Triangle Expressway, completed in December 2012 at a cost of approximately $1 billion, utilizes all-electronic tolling technology while improving travel in the region and commute times in and out of Research Triangle Park. The Complete 540 Phase 1 extension, which added 18 miles to the Triangle Expressway and cost approximately $1.3 billion to construct, officially opened to traffic on September 25, 2024. Please note this does not include all costs needed to complete this project. The new segment extends the roadway from N.C. 55 to I-40/U.S. 70 (future I-42).

The Triangle Expressway provides congestion relief and great mobility for North Carolinians.

The expressway has earned several major engineering awards, including:

- In 2012, the People's Choice Award from the American Association of State Highway and Transportation Officials (AASHTO).
- In 2013, the Best Use of Innovation in the Southeastern Region Award, from the Southeastern Association of State Highway and Transportation Officials.
- In 2014, The American Concrete Pavement Association's (ACPA) Gold Award for Excellence in Concrete Pavement.
- In 2025, the Grand Award from The American Council of Engineering Companies North Carolina (ACECNC) for Engineering Excellence in Transportation, and a National Recognition Award from the national ACEC for its design.
- Also, in 2025, the Southeastern Association of State Highway and Transportation Officials (SASHTO) awarded the Complete 540 Phase 1 project the Best Use of Technology and Innovation award. The project is also among one of the top 12 finalists for American Association of State Highway and Transportation Officials (AASHTO) national award.



Monroe Expressway

The Monroe Expressway is a four-lane, 19.8-mile, AET facility that extends from U.S. 74 near I-485 in eastern Mecklenburg County to U.S. 74 between the towns of Wingate and Marshville in Union County. The Monroe Expressway reached substantial completion and opened to toll traffic on November 27, 2018.



I-77 North Express Lanes

The I-77 Express Lanes North project ("I-77 Express Lanes") is a public-private partnership (P3) between NCDOT and I-77 Mobility Partners, LLC and is the first P3 toll project in the State of North Carolina. The I-77 Express Lanes North project is approximately 26 miles long between the I-77 and I-277 junction in Charlotte and N.C. 150 in Mooresville. NCTA is responsible for account management, billing, and customer service for the express lanes. The northern 13 miles of the express lanes opened in June 2019, and the remaining lanes opened in late 2019.



I-485 Express Lanes

The I-485 Express Lanes provide one express lane in each direction for approximately 17 miles between I-77 and U.S. 74 in southern Charlotte. The project also adds a third general-purpose lane in each direction from Rea Road to N.C. 16 (Providence Road). The I-485 Express Lanes opened to traffic in February 2026. NCTA is responsible for account management, billing, and customer service for the express lanes.

Projects Under Construction



Complete 540 Phase 2

The Complete 540 project is a greenfield project in the greater Raleigh area in North Carolina that will link the towns of Apex, Cary, Clayton, Garner, Fuquay-Varina, Holly Springs, Knightdale and Raleigh. Complete 540 Phase 2 (STIP Project R-2829) will extend the Triangle Expressway System from I-40 to I-540/I-87/U.S. 64/U.S. 264 in Knightdale, completing the “Outer Loop” around the greater Raleigh area. Two design-build contracts, one in September and one in November of 2023, were awarded to break ground on May 16, 2024. Complete 540 Phase 2 is anticipated to open in 2028 at a cost of $1.1 billion.

Projects Under Development

For additional information regarding projects under consideration, please see page 18.

NC Quick Pass



With the combined efforts of the Customer Service, Toll Operations and Communications teams, NC Quick Pass continues to make the NC Quick Pass customer experience the very best it can be. Having an NC Quick Pass account saves drivers 50% on North Carolina tolls and allows account holders to pay tolls electronically in **23 states**.

Program Growth

In FY26, NC Quick Pass has grown tremendously with the sale and distribution of more than **345,000 transponders and nearly 123,000 new NC Quick Pass accounts**. Additionally, nearly **56,000 toll invoice customers** converted to NC Quick Pass accounts and the program mailed and emailed **8.44 million toll invoices**.

Retail

The NC Quick Pass retail program expanded significantly in FY 26 with the addition of Publix, making NC Quick Pass Sticker transponders available in all North Carolina locations and select South Carolina locations. Publix joined existing partners, 7-Eleven, Speedway, Amazon, Harris Teeter and select license plate agency (LPA) locations, offering new ways to purchase a Transponder on the Go. In FY 2026, over **41,000 NC Quick Pass Stickers were sold by retail partners** across North and South Carolina.

Digital Services

The NC Quick Pass website and app provide customers with tools to manage their account, make payments, access information and receive notifications. In FY 26, more than **25 million customers have visited the NC Quick Pass website** and the NC Quick Pass app remained a top choice for customers to easily access and manage their accounts with more than **300,000 customers downloading the app and purchasing 16,000 transponders through the app**.

Call Centers

NC Quick Pass continued to use a North Carolina based and distributed call center approach to best serve its customers and align with the changing workforce, with call centers in Rocky Mount and Winston-Salem and customer service centers in Charlotte and Monroe. These distributed locations are part of NCTA's business continuity plan to provide customers with exceptional service.

In FY 2026, NC Quick Pass customer service representatives handled **over 1.1 million** calls, with an average **handle time of 7:39**. The customer service team **employed 146 agents** across its call centers and customer service locations.

Expanding Customer Service Options

NC Quick Pass continues to expand convenient, in-person customer service options through License Plate Agencies and MoneyGram locations. At participating LPAs, customers can purchase a Transponder on the Go, pay their toll invoice and replenish their account balance. At MoneyGram locations, customers may pay their tolls, replenish their account and pay in cash. In FY26, **MoneyGram transactions totaled over $36.6K**.

Fiscal Year 2026 Highlights

345K

Transponders Sold

123K

NC Quick Pass Accounts Established

958K

New Toll Invoice Customers (First Time Users)

8.44M

Invoices Mailed and Emailed

Transponders Sold



NC Quick Pass Sticker

83%

of transponders sold



NC Quick Pass

10%

of transponders sold



NC Quick Pass Flex

7%

of transponders sold

NC Quick Pass sold and activated nearly 285,000 Sticker transponders in FY26.

Totals may not add due to rounding.

Looking Ahead

Customer service will remain a central focus for NC Quick Pass. The retail program will continue to grow to more than 260 7-Eleven, Speedway, Publix and Harris Teeter locations. Opportunities for back-office and customer service efficiencies will be incorporated as part of new vendor contracts and procurements. NC Quick Pass also plans to expand partnerships with LPA locations and develop new partnerships with businesses, hospitals and universities to make NC Quick Pass easily available to the public.

Service & Safety



Highway Patrol

One of the primary missions of the North Carolina State Highway Patrol ("Highway Patrol") is to ensure safe, efficient transportation on North Carolina streets and highways. The North Carolina Turnpike Authority (NCTA) has troopers from Troop C patrolling the Triangle Expressway and troopers from Troop H patrolling the Monroe Expressway.

Wrong-Way Vehicle Detection Program

When opened to toll traffic in 2013, the Triangle Expressway was one of the most innovative roadways of its time. The all-electronic tolling technology used to collect tolls also includes a Reverse Vehicle Notification system that alerts operators in the Traffic Management Center (TMC) if a vehicle travels under a toll gantry in the wrong direction. In addition to the legacy system, four different Wrong-Way Vehicle (WWV) technology systems have been installed and tested as part of a pilot research program on the Triangle Expressway to alert drivers they are traveling in the wrong direction. WWVs were automatically detected and captured on video or JPEG imaging, and alerts sent to TMC operators and select managers and supervisors. Where installed, electronic signs and beacons for these systems were activated immediately to alert the driver that they were traveling in the wrong direction.

To supplement WWV technology systems, some interchanges on the Monroe Expressway in Union County saw the installation of upgraded pavement markings that look normal to drivers when traveling in the correct direction but illuminate with messages or symbols in bright red to drivers traveling in the wrong direction. Quickly notifying the driver is the safest and most effective way of preventing a wrong-way driver incident. NCTA plans to advertise a Request for Proposals (RFP) for Intelligent Transportation Systems (ITS), including WWV technology for multiple facilities in calendar year 2027. Lessons learned from the various pilot programs and industry feedback are being integrated to ensure the RFP will serve the needs of NCTA and its customers and provide useful and actionable information to deter these incidents and save lives.

Incident Management Assistance Patrol (IMAP)

Starting May 11, 2022, GEICO has served as the official sponsor of the North Carolina Department of Transportation's Incident Management Assistance Patrol (IMAP) program, a free service that provides roadway assistance to all stranded motorists regardless of their insurance provider. IMAP services include, but are not limited to changing flat tires, providing fuel, jump-starting batteries, clearing roadways and providing temporary traffic control to help keep major North Carolina roadways safe. In addition, IMAP assists law enforcement and first responders during incidents. NCTA utilizes dedicated IMAP resources during weekday hours on both the Triangle Expressway and Monroe Expressway and also to support motorists in need during inclement weather events (hurricanes, snowstorms, etc.) and inform the Traffic Management Center (TMC) of road conditions.

Fiscal Year 2026 Highlights

829

Responses on Triangle Expressway for FY26

792

Responses on Monroe Expressway for FY26

Looking Ahead

As NCTA continues to modernize its transportation network, an RFP for Intelligent Transportation Systems (ITS) will be advertised in 2027, including Wrong-Way Vehicle Detection technology. These enhancements will further strengthen the program's operational awareness, support proactive safety measures and position NCTA to meet evolving transportation needs through innovative technology solutions.

Technology



The North Carolina Turnpike Authority (NCTA) continues innovating by incorporating the latest digital technologies to facilitate new advanced mobility policies that improve travel time reliability and traffic flow, reduce congestion and emissions, guarantee customer operability and ensure excellent motorist services.

Innovation for Roadside Safety

NCTA is piloting Direct Vehicle to Everything (V2X) technology with our roadside toll system vendors on the Triangle Expressway and I-485 Express Lanes. These pilots will show that Direct V2X technology can complement RFID and license plates for vehicle detection and can be applied to various safety use cases such as Wrong Way Driver detection and notification, pedestrian or parked vehicle on the street.

Innovation for Toll Collections

NCTA continues to push the industry to reduce the roadside infrastructure footprint by removing in-pavement sensors and deploying cloud-based tolling solutions. The Triangle and Monroe Expressways, in the maintenance phase, are looking to pilot new equipment to advance technology by deploying emerging solutions. The Triangle Expressway Complete 540 toll system is the first expressway roadside system to use overhead sensors for vehicle detection and classifications. Complete 540 is also the first NCTA facility to have a complete communications redundancy via 5G cellular communications.

For the I-485 Express Lanes, the system will enable the application of dynamic pricing in separated lanes based on real-time traffic density data. If the road is heavily congested, the price will adjust to regulate the number of users in the Express Lanes, minimizing traffic intensity and improving travel times.

Innovation for Data Security

Two years after launching the first cloud-based version of NCTA's new Back Office System (BOS), NCTA is now reaping the benefits of leveraging emerging technologies and implementing industry best practices. BOS incorporates advanced security measures, such as end-to-end data encryption, multi-factor user authentication, one-way password hash, and credit card tokenization, to protect sensitive data and build trust with our customers.

Innovation for Customer Service

This year, NCTA added Publix to the NC Quick Pass retail program, joining 7-Eleven, Speedway, Amazon and Harris Teeter, making Sticker transponders available for purchase at more than 260 locations across North Carolina. NCTA's payment network enables a direct real-time interface with the retail payment network MoneyGram, providing customers with thousands of locations to make convenient and instant payments to replenish their NC Quick Pass account or pay invoices. To address customers' need to release registration stops or make payments during vehicle registration, NCTA's program allowing payments at license plate agency (LPA) locations will continue to expand in the areas most convenient to the customers.

As part of an upcoming procurement, NCTA will continue investing in staffing and technology solutions that support a modern, omnichannel customer experience. Planned enhancements include a scalable cloud-based contact center platform, expanded AI-powered self-service options and secure real-time system integrations that will provide customers with more convenient ways to manage their accounts while maintaining efficient and responsive customer service operations.

Looking Ahead

NCTA, with its years of planning and deploying a cloud-based Back-office system (BOS), is now positioned to start implementing the vision of developing a toll-collection system platform. NCTA will adopt a modern API/Service Implementation, management, and integration approach using the Open API specification and microservices architecture to expose services to all integration points. The toll collection platform will leverage a gateway and API management solution to build and manage APIs and services. The implementation phase will require an iterative system development lifecycle with tools that support continuous integration and continuous deployment (CI/CD) with automated functional tests.

NCTA will continue to expand its retail transponder sales program and add License Plate Agency (LPA) locations closest to the new toll roads. Through these partnerships and using data analytics/dashboards, NCTA will continue to provide outstanding customer service and more convenient payment options to NC Quick Pass customers while increasing NCTA's toll collection efficiency.

In late 2026 and into 2027 NCTA with its partners Volvo USA, Mastercard, Red Hat and Microsoft will launch an In-Vehicle Payment pilot program, the first of its kind. The pilot will enable enrolled Volvo car owners to link their car's vehicle identification number to a payment method, allowing automatic payments to be processed as soon as the customer's car drives through a tolled section of roadway. This technology can be expanded to other vehicle original equipment manufacturers and other tolling agencies in the future. In-vehicle payment has the potential to change the way we experience several industries, such as fast food, car washes and parking. Together, Volvo Car USA, Mastercard and the NCTA are innovating the way drivers interact with vehicles and payment systems.

Communications



The Communications department is responsible for developing and delivering strategic messaging and business objectives to customers, communities, employees, media and key stakeholders. The department leads public relations, internal communications, and project outreach while overseeing brand governance and communications standards for both the North Carolina Turnpike Authority (NCTA) and NC Quick Pass. Additionally, the department manages customer engagement, digital services, and marketing initiatives to support NC Quick Pass operations.

Public Relations and Internal Communications

The Communications department supports NCTA's public relations, project outreach, and internal messaging, ensuring timely, accurate and consistent information reaches all key audiences. The team supports toll projects through all phases of planning, development and construction while communicating NCTA's programs, initiatives and activities to employees, the public, media and regional stakeholders. In 2026, a primary focus was the strategic public outreach, marketing and media campaigns surrounding the opening of the I-485 Express Lanes.

Public Relations

The department manages NCTA's media relations and serves as a primary point of contact for local, regional and national outlets. The team responds to media inquiries, coordinates interviews and creates proactive opportunities to share NCTA's vision.

In FY 2026, NCTA was **mentioned in the media nearly 4,000 times**, with **more than 93% of those mentions being positive or neutral**. The team also plans and executes major agency events, including press conferences, media availabilities, groundbreakings, and ribbon-cutting ceremonies. Notably, on Feb. 28, 2026, NCTA hosted the official ribbon-cutting ceremony for the I-485 Express Lanes. Additionally, the team provides media training for NCTA leadership and subject matter experts to prepare spokespeople for public interviews.

Project Communications & Community Outreach

The department helps develop clear and consistent messaging for NCTA projects, programs and initiatives, working closely with technical vendors and internal stakeholders. This includes developing press releases, talking points, FAQs, and digital content, as well as supporting virtual public engagement.

For projects under development or construction, the team communicates directly with impacted communities through email, postcards, social media and other channels and coordinates outreach through public meetings, civic groups and business organizations. In 2026, these efforts were viewed or engaged with **more than 68,500** times across NCTA toll projects under development or construction. The team maintains critical relationships with local communities, contractors, and partner agencies, leveraging custom maps, visual graphics, and digital media to translate complex engineering concepts into accessible public information. In addition, the team coordinates responses to public records requests and works across the agency to ensure timely and accurate public information.

Internal Communications

The department keeps NCTA employees informed and engaged through consistent internal communication channels. Responsibilities include maintaining consistent internal branding and messaging, distributing daily media monitoring updates and periodic newsletters, and supporting employee engagement through Lunch & Learns, orientations and internal events.

Customer Engagement and Digital Services

The Communications department supports the NC Quick Pass customer experience across a wide range of channels and services. This work spans marketing and social media, community outreach, customer engagement, digital services and retail transponder sales, focusing on making NC Quick Pass accessible, convenient and easy to use.

Marketing & Social Media

The department leverages targeted email marketing, paid and earned media and social platforms to reach NC Quick Pass customers, drive customer account growth and provide information on NCTA toll projects and programs.

Email marketing remains a critical tool for communicating program updates, important account information and opportunities to save on tolls. In FY 2026, the department delivered more than **17.5 million emails**, achieving a **55% open rate**, significantly surpassing the industry average of 35%.

Paid media initiatives engage both new and existing customers through targeted digital advertising, social media campaigns, and search engine marketing (SEM). In FY 2026, paid media generated **9.9 million impressions, driving at least 86,900 NC Quick Pass account conversions and 8,000 transponder sales**.

SEM strategies also streamlined customer access to online portal resources for account creation and invoice payments. Simultaneously, organic social media engagement across agency channels generated **3 million impressions** while providing direct customer support.

Outreach & Customer Engagement

Community outreach and tabling events provide NCTA with opportunities to engage regional drivers, offering convenient, in-person access to NC Quick Pass services. These events allow customers to open accounts, purchase transponders and pay toll invoices. Establishing a visible presence in local communities remains a core component of NCTA's customer engagement strategy.

In FY 2026, the outreach team **engaged with more than 2,000 customers, processed more than $14,000 in payments and sold nearly 1,000 transponders**.

Beyond community outreach, the team supports customer engagement across multiple touchpoints and works to make it easier for customers to access information and services. This includes supporting the expansion of NC Quick Pass services at select License Plate Agency (LPA) locations, delivering direct social care, and crafting reference guides and talking points for the NC Quick Pass Customer Service team to ensure a consistent, responsive user experience.

NC Quick Pass Website & App

The department oversees the digital customer experience by managing the ongoing functionality, maintenance, and optimization of the NC Quick Pass website and mobile application. In coordination with technical vendors, Toll Operations and internal stakeholders, the team leads platform testing, content updates, and feature enhancements while tracking usability performance. By evaluating direct feedback from customer surveys, social channels, and app store reviews, the team continuously refines digital tools to drive mobile app adoption and improve self-service functionality.

Retail Sales of NC Quick Pass Transponders

The department directs marketing and customer experience strategies for retail transponder sales, including the major 2026 retail expansion into Publix locations across North Carolina and select South Carolina markets. Responsibilities include shaping the end-to-end retail journey and overseeing product

packaging, in-store signage, account activation workflows, customer feedback collection, and multi-channel promotional announcements.

Looking Ahead

In FY 2027 and beyond, the Communications department will advance NCTA's strategic vision by focusing on two core priorities:

Project Execution & Public Outreach: Delivering comprehensive public relations, community engagement, and stakeholder communications for major capital projects, including the active construction of the Complete 540 Phase 2 Extension of the Triangle Expressway and other regional toll initiatives under development across North Carolina.

Customer Experience Optimization: Elevating NC Quick Pass engagement through structured customer satisfaction surveys, direct feedback integration, and modernizing customer communications and transactional correspondence across all digital and physical channels.

Financial Section



Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor

To the Board of Directors
North Carolina Turnpike Authority
Raleigh, North Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Carolina Turnpike Authority ("NCTA"), a major enterprise fund of the State of North Carolina, and a business unit of the North Carolina Department of Transportation ("NCDOT"), as of and for the years ended June 30, 2026 and 2025, and the related notes to the financial statements, which collectively comprise NCTA's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NCTA as of June 30, 2026 and 2025, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of NCTA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only NCTA and do not purport to and do not present fairly the financial position of the State of North Carolina or NCDOT, as of June 30, 2026 and 2025, the changes in their financial position, or, where applicable, their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about NCTA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of NCTA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about NCTA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise NCTA's basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2026, on our consideration of NCTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NCTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NCTA's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
October 20, 2026

Management's Discussion & Analysis

Management's Discussion and Analysis ("MD&A") provides an overview of the North Carolina Turnpike Authority's (NCTA) activities during the fiscal years ("FY") ended June 30, 2026, and 2025. The MD&A also includes condensed financial information comparing the current year to the prior years.

Overview of the Financial Statements

NCTA is a public agency of the State of North Carolina located within the Department of Transportation ("NCDOT" or "Department") and is a major enterprise fund of the State. As such, NCTA is included in the State of North Carolina's Annual Comprehensive Financial Report (ACFR). The accompanying statements were prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") to represent NCTA's financial position separate from the State of North Carolina.

Included in this report are the statements of net position as of June 30, 2026 and 2025, the statements of revenues, expenses, and changes in net position for the years ended June 30, 2026 and 2025, and the statements of cash flows for the years ended June 30, 2026 and 2025. These statements represent all financial activity of NCTA at the fund level, therefore they are not an accurate representation of the financial position of individual NCTA projects (project specific statements of revenues and expenses are in the Schedule of Revenues & Expenditures). These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The statements of net position present assets and deferred outflows of resources less liabilities and deferred inflows of resources, thus presenting NCTA's financial position at the end of the fiscal year, while the statements of revenues, expenses, and changes in net position present information showing how NCTA's net position changed during the fiscal year.

Financial Summary

For fiscal years 2026, 2025, and 2024, NCTA ended with positive net position, detailed analysis follows.

Condensed Statements of Net Position

	2026	2025	2024
Current Assets	$ 78,307,129	$ 98,724,752	$ 97,509,569
Restricted Assets, Prepaid Insurance Costs, and Net OPEB Asset	751,064,090	641,166,543	666,598,895
Capital Assets	3,941,040,067	3,246,998,028	3,054,702,659
Total Assets	4,770,411,286	3,986,889,323	3,818,811,123
Deferred Outflows of Resources	20,032,902	22,064,119	24,208,027
Current Liabilities	292,844,011	308,474,685	235,458,486
Noncurrent Liabilities	2,917,558,888	2,942,478,731	2,984,162,279
Total Liabilities	3,210,402,899	3,250,953,416	3,219,620,765
Deferred Inflows of Resources	31,570,321	32,623,676	35,119,358
Net Investment in Capital Assets	1,730,297,576	928,142,590	746,189,608
Restricted:			
Debt service	168,563,069	199,232,676	131,152,130
Transportation	135,864,808	82,259,096	45,898,985
Unrestricted	(486,254,485)	(484,258,012)	(334,961,696)
Net Position	$ 1,548,470,968	$725,376,350	$ 588,279,027

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2026	2025	2024
Operating Revenues:			
Charges for Services	$ 207,464,182	$ 139,652,683	$ 111,481,581
Other Operating Revenues	58,892,076	38,380,300	17,683,724
Total Revenues	266,356,258	178,032,983	129,165,305
Operating Expenses:			
Personnel Services	5,006,782	5,243,531	4,713,513
Supplies and Materials	695,576	320,498	195,434
Contracted Personnel Services	13,319,523	13,419,308	12,967,625
Travel	94,847	68,208	81,992
Advertising	1,068,541	878,605	583,849
Utilities	639,716	451,896	358,126
Dues and Subscription Fees	53,667	49,496	51,003
Other Services	38,514,930	25,855,070	20,202,517
Cost of Goods Sold	1,551,082	739,098	1,238,743
Capital Outlay	85,003,268	26,901,766	34,082,428
Rental Expense	52,438	142,017	195,405
Depreciation	56,929,482	33,636,749	29,686,821
Total Operating Expenses	202,929,852	107,706,242	104,357,456
Operating Gain	63,426,406	70,326,741	24,807,849
Noncapital Subsidies:			
Nonoperating Expense - State	-	(320,345)	-
Total Noncapital Subsidies	-	(320,345)	-
Operating Income and Noncapital Subsidies	63,426,406	70,006,396	24,807,849
Other Nonoperating Revenues (Expenses):			
Investment Earnings	26,393,838	34,064,534	19,844,954
Interest and Fees	(124,993,850)	(99,900,542)	(92,418,151)
Capital Grants	76,610,140	83,505,330	172,419,438
Asset Transferred from the State	534,072,474	-	-
Federal Interest Subsidy on Debt	-	1,051,477	2,976,846
Nonoperating Revenue - State	247,350,853	48,207,861	135,101,339
Noncapital Contributions	40	-	-
Miscellaneous	234,717	162,267	131,285
Total Other Nonoperating Revenues	759,668,212	67,090,927	238,055,711
Change in Net Position	823,094,618	137,097,323	262,863,560
Net Position - Beginning of Year	725,376,350	588,279,027	325,415,467
Net Position - Ending	$1,548,470,968	$725,376,350	$588,279,027

Detailed Analysis

The detailed analysis summarizes the significant changes to NCTA's financial position and results of operations for fiscal years ended 2026 and 2025.

Changes in Net Position

Current assets decreased $20.4 million in fiscal year 2026 primarily due to a net decrease of $18.1 million in accounts receivable: an increase of $42.0 million in accounts receivable offset by an increase of $60.1 million in bad debt allowance from increased toll revenue. Accounts receivable is also reduced by $44.1 million to reflect the estimated amount of civil penalties related to toll activities that are expected to be uncollectible. Current assets increased $1.2 million in fiscal year 2025 primarily due to a net increase of $4.3 million in accounts receivable: an increase of $35.5 million in accounts receivable offset by an increase of $31.2 million in bad debt allowance from increased toll revenue. Current assets is offset by a $2.0 million decrease in securities lending collateral, a $0.6 million decrease in intergovernmental receivables, a $0.8 decrease in inventories, and a $0.3 increase in prepaid items. For additional information regarding NCTA's current assets, please see Note 1 in the financial statements.

Non-current assets increased $803.9 million in fiscal year 2026 primarily as follows: increases in capital assets, non-depreciable for $216.9 million and depreciable, net for $477.1 million as noted below; increases in cash and cash equivalents for $59.1 million primarily due to an increase of $53.6 million in restricted pooled cash due to increased variable fees and usage of the I-77 Express Lanes; and an increase of $51.4 million in investments due to higher returns. Non-current assets increased $164.7 million in fiscal year 2025 primarily as follows: increases in capital assets, depreciable, net for $794.5 million and restricted pooled cash for $36.4 million; offset by decreases in capital assets, non-depreciable for ($602.2 million) and restricted investments for ($63.0 million). Restricted pooled cash increased $36.4 million due to increased usage of toll roads and a substantial increase in interest rates. Restricted investments decreased $63.0 million due to the use of bond proceeds in construction projects with no new debt issued in fiscal year 2025. For additional information regarding NCTA's restricted assets, please see Note 1, Note 2, and Note 3 in the financial statements.

Current liabilities decreased $15.6 million in fiscal year 2026 primarily due to a decrease of $23.1 million in due to other funds due to decreased expenditures that are funded by the Highway Fund. Current liabilities increased $73.0 million in fiscal year 2025 primarily due to an increase of $61.2 million in due to other funds related to increased civil penalties from increased toll activities. For additional information regarding NCTA's current liabilities, please see Note 1 and Note 6 of the financial statements.

Operating revenues increased $88.3 million in fiscal year 2026 primarily due to an increase of $67.8 million in charges for services primarily due to increased traffic volumes and rate increases, with the largest increase being for the Triangle Expressway, with an increase in $40.5 million in toll revenue or 21.52% compared to fiscal year 2025, and to a much lesser extent, the opening of the I-485 Express Lanes in early 2026 which generated $2.8 million in toll revenue; and an increase of $20.5 million in other operating revenues primarily due to increased traffic volumes and rate increases for I-77 Express Lanes. Operating revenues increased $48.9 million in fiscal year 2025 primarily due to a $28.0 million increase in toll revenues, net from increased usage of the tolled roads and a $22.7 million increase in miscellaneous revenue related to increased tolls and fees for the I-77 Express Lanes. For additional information regarding NCTA's operating revenues, please see Note 1 and Note 6 in the financial statements.

Operating expenses increased $95.2 million in fiscal year 2026 primarily due to: an increase of $59.2 million in general, professional, and other contracts, an increase of $23.3 million for depreciation expense, and $12.7 million in other services primarily due to increased overhead expenses. In fiscal year 2025, operating expenses

increased insignificantly at $2.7 million primarily as follows: other services for $5.0 million, depreciation expense for $3.9 million, personnel services for $0.5 million, contractual and professional services for $0.5 million; offset by a decrease in capital outlay for $7.2 million. For additional information regarding NCTA's operating expenses, please see Note 1, Note 8, and Note 9 in the financial statements.

Other nonoperating revenues and expenses increased $692.6 million in fiscal year 2026 primarily due to: an increase of $534.1 million due to an asset transfer from NCDOT for the opening of the I-485 Express Lanes in early 2026, nonoperating revenue-state increased $199.1 million due to construction expenditures for C540 Phase 2, and interest and fees expense increased by $25.1 million primarily due to bond amortization. Other nonoperating revenues and expenses decreased $171.3 million in fiscal year 2025 primarily due to: capital grants decreased $88.9 million primarily due to a decrease of $85.5 million FHWA funding due to the completion of C540 Phase 1, nonoperating revenue-state decreased $86.9 million primarily due to a decrease in project participation funds from NCDOT, offset by an increase of $14.2 million in investment earnings primarily due to a substantial increase in the average STIF interest rate from 4.099% in fiscal year 2024 to 4.629% and an increase of $7.5 million in interest and fees expense primarily due to bond amortization. For additional information regarding NCTA's other nonoperating revenues and expenses, please see Note 1 in the financial statements.

Triangle Expressway

Today, the Triangle Expressway, North Carolina's first modern toll road and one of the largest transportation infrastructure projects in the state's history is a six-lane 36.8-mile roadway.

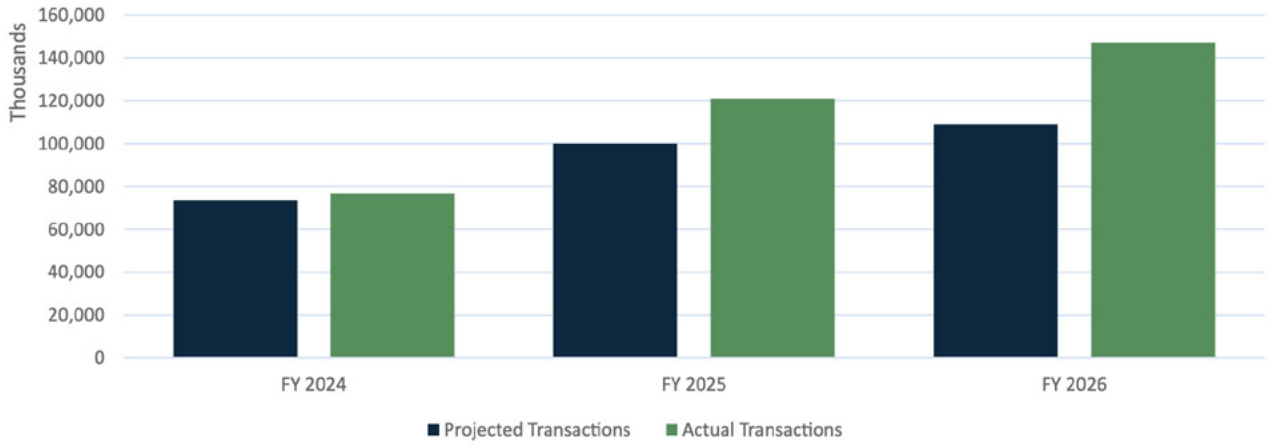
The original 18.8-mile Triangle Expressway, completed in December 2012 at a cost of approximately $1 billion, utilizes all-electronic tolling technology while improving travel in the region and commute times in and out of Research Triangle Park. The Complete 540 Phase 1 extension, which added 18 miles to the Triangle Expressway and cost approximately $1.3 billion to construct, officially opened to traffic on September 25, 2024. Please note this does not include all costs needed to complete this project. The new segment extends the roadway from N.C. 55 to I-40/I-42.

Transactions & Revenue

The Triangle Expressway serves as a commuter facility in the Raleigh area. Total traffic on the facility increased year-over-year since FY 2024. The table below shows the number of toll transactions on the Triangle Expressway in fiscal years 2024, 2025 and 2026. Transactions, or vehicle captures, increased 21.6% to 147.2 million in FY 2026 from FY 2025. Actual transactions were 34.9% above Traffic and Revenue projections. Transactions, or vehicle captures, increased 57.5% to 121.0 million in FY 2025 from FY 2024. Actual transactions were 20.9% above Traffic and Revenue projections.

	FY 2024	FY 2025	FY 2026
Projected Transactions[1]	73,401,637	100,083,778	109,106,187
Actual Transactions	76,870,064	121,046,200	147,235,270
Actual to Projected (%)	105%	121%	135%
Actual Transactions YOY Increase (Decrease) (%)	11.1%	57.5%	21.6%

1 Traffic and Revenue number from CDM Smith, a Traffic and Revenue Consultant, in "Triangle Expressway and Complete 540 Phases 1 & 2 Traffic and Revenue Forecast Update" memo dated May 9, 2024.



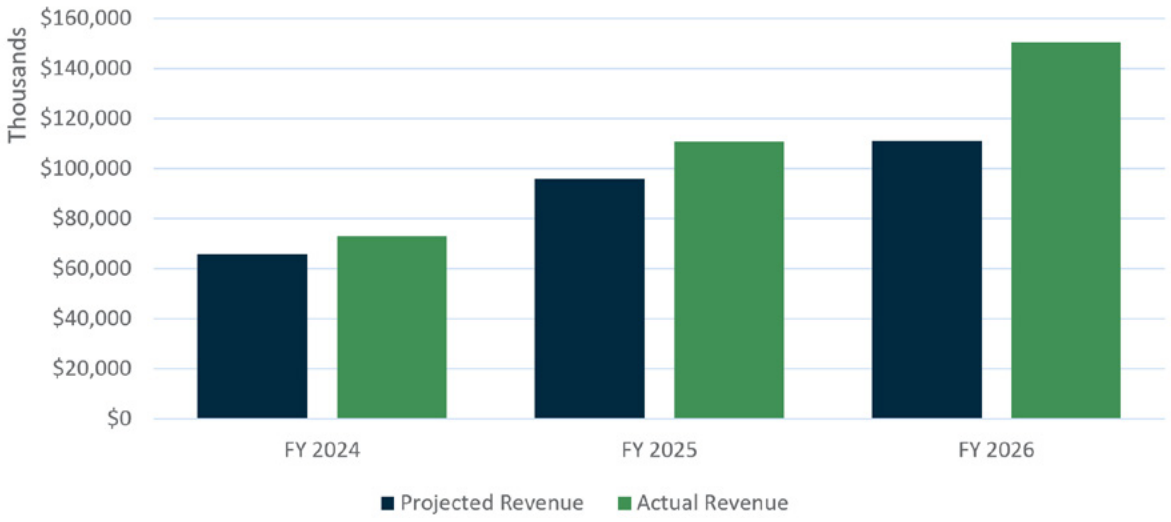
The table below shows the amount of actual revenue earned on the Triangle Expressway in fiscal years 2024, 2025 and 2026. FY 2026 actual revenue on the Triangle Expressway totaled $150.4 million. Actual revenue is on a cash basis and is inclusive of toll revenue as well as revenue from the following:

- Processing Fees
- Credit Card Equity Fees
- Interest Earnings
- Non-Sufficient Funds Fees
- Actual Damages

Actual revenue increased 35.7% to $150.4 million in FY 2026 from FY 2025. Actual revenue was 35.6% above Traffic and Revenue projections. Actual revenue increased 51.9% to $110.8 million in FY 2025 from FY 2024. Actual revenue was 15.5% above Traffic and Revenue projections.

	FY 2024	FY 2025	FY 2026
Projected Revenue[1]	$65,962,000	$95,957,443	$110,902,987
Actual Revenue	$72,943,867	$110,824,009	$150,430,119
Actual to Projected (%)	111%	115%	136%
Actual Revenue YOY Increase (Decrease) (%)	19.3%	51.9%	35.7%

1 Traffic and Revenue number from CDM Smith, a Traffic and Revenue consultant in FY 2025 "Triangle Expressway and Complete 540 Phases 1 & 2 Traffic and Revenue Forecast Update" memo dated May 9, 2024.



	FY 2024	FY 2025	FY 2026
Toll Revenue as a % of Total Actual Revenue	87.7%	90.5%	92.6%
Toll Rev	$63,997,344	$100,341,736	$139,365,499
Actual Rev	$72,943,867	$110,824,009	$150,430,119

Toll Revenue as a percent of Total Actual Revenue is calculated by dividing the total toll revenue by actual revenue for each fiscal year.

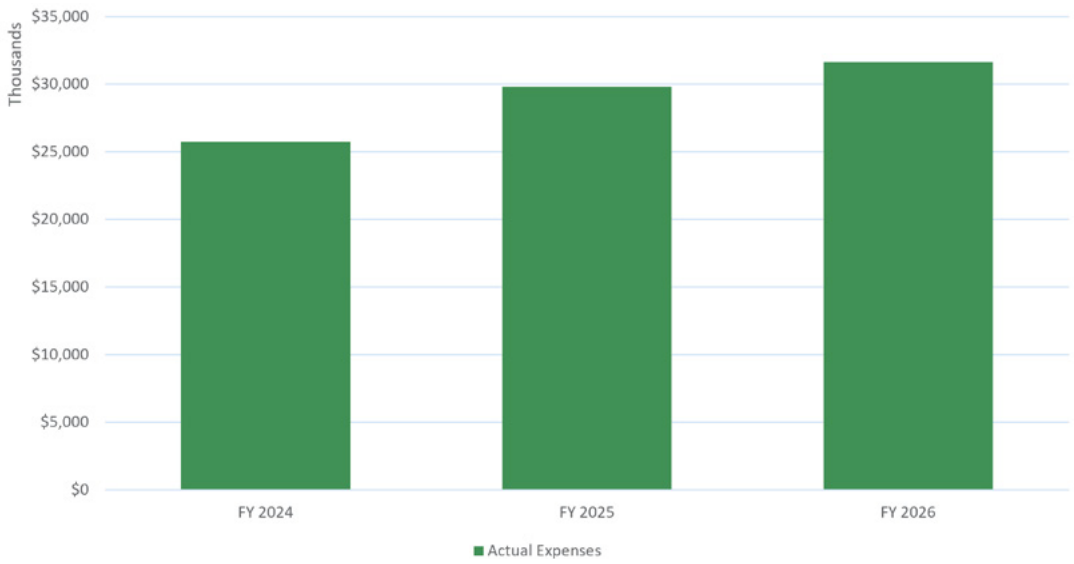
Operating Expenses

Operating Expenses for the Triangle Expressway are shown on a cash basis and are broken down by the following groups:

- Finance
- Toll Operations
- Highway Operations
- Customer Service
- Service & Safety Patrols
- Communications
- Administrative

Below is a breakdown of the actual operating expenses for the Triangle Expressway for fiscal years 2024, 2025 and 2026. Operating expenses for the Triangle Expressway increased 6.2% to $31.7 million in FY 2026 from FY 2025. Operating expenses for the Triangle Expressway increased 15.8% to $29.8 million in FY 2025 from FY 2024.

	FY 2024	FY 2025	FY 2026
Actual Expenses	$25,730,296	$29,798,302	$31,651,255



Fund Balances as of June 30, 2026

Fund balances are financial resources accumulated in various accounts to support operations, satisfy debt and reserve requirements, fund future maintenance and capital investments, and provide financial stability and liquidity for the North Carolina Turnpike Authority. Funds are established based on their respective Trust Agreement.

Fund	Balance
State Appropriation Revenue	6,250,000
Revenue	-
Operations & Maintenance Expense Fund	7,421,327
Operating Reserve Fund	8,933,978
Renewal & Replacement Fund	84,681,541
Project Fund	73,212,107
Restricted General Reserve	11,699,658
Unrestricted General Reserve	77,572,030

State Appropriation Revenue - NCTA receives an annual $25 million appropriation from the North Carolina Department of Transportation to support authorized turnpike system obligations, transportation initiatives, and other approved purposes for the Triangle Expressway. This revenue is transferred in four (4) equal quarterly installments into this fund.

Revenue - A fund for all pledged revenue earned on Triangle Expressway. These funds are allocated to the various other funds based on the Triangle Expressway Trust Agreement.

Operations & Maintenance Expense Fund - A fund used to pay monthly operations and maintenance expenses incurred on the Triangle Expressway. Each month, an amount equal to the succeeding month's budgeted operating expenses for this facility, as set forth in the Annual Budget, is deposited into this fund.

Operating Reserve Fund - A fund used to cover any deficiencies in the Triangle Expressway Operations and Maintenance Expense Fund. This account's reserve requirements must be at least one fourth of the total budgeted operating expenses for the current fiscal year as set forth in the Annual Budget.

Renewal & Replacement Fund - A fund used to pay monthly capital expenditures that occur on the Triangle Expressway. The Renewal and Replacement account shall be funded with one hundred percent of the total capital expenditures for Triangle Expressway budgeted for the fiscal year plus one tenth of the total budgeted capital expenditures for the next nine fiscal years.

Project Fund - Funds dedicated to the Triangle Expressway Phase 2 project and is used for project development, right-of-way acquisition, construction, capital improvements, and other eligible project-related costs. Balances are restricted to expenditures associated with the project.

Restricted General Reserve - A fund that is allocated to after all required deposits to higher-priority accounts have been made. Funds in this reserve are designated for the Triangle Expressway and may only be used for authorized purposes in accordance with applicable bond covenants, agreements, or other restrictions associated with the facility.

Unrestricted General Reserve - A fund that is allocated to after all required deposits to higher-priority accounts have been made. Funds in this reserve are available for any legally permitted purpose related to the Triangle Expressway. Funds cannot be used on other facilities.

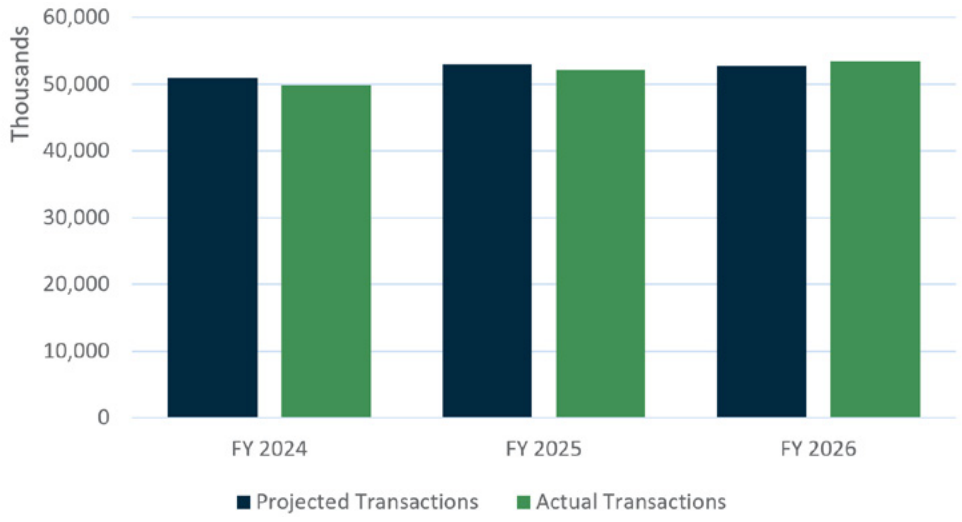
Monroe Expressway

The Monroe Expressway is an All-Electronic Toll (AET) facility that is 19.8-miles of new highway construction that extends from U.S. 74 at I-485 in eastern Mecklenburg County to U.S. 74 between the towns of Wingate and Marshville in Union County. The expressway improves mobility and capacity within the project study area by providing a highway for the U.S. 74 corridor that allows for high-speed regional travel. The Monroe Expressway opened to traffic on November 27, 2018.

Transactions & Revenue

The Monroe Expressway serves as a commuter facility in the Charlotte area. Total traffic on the facility increased year-over-year since FY 2024. The table below shows the number of toll transactions on the Monroe Expressway in fiscal years 2024, 2025 and 2026. Transactions, or vehicle captures, increased 2.4% to 53.4 million in FY 2026 from FY 2025. Actual transactions were 1.3% above Traffic and Revenue projections. Transactions, or vehicle captures, increased 4.7% to 52.1 million in FY 2025 from FY 2024. Actual transactions were 1.6% below Traffic and Revenue projections in FY 2025.

	FY 2024	FY 2025	FY 2026
Projected Transactions[1,2]	50,935,000	52,979,300	52,685,223
Actual Transactions	49,819,706	52,144,727	53,380,335
Actual to Projected (%)	98%	98%	101%
Actual Transactions YOY Increase (Decrease) (%)	7.3%	4.7%	2.4%



1 (FY24&25) Traffic and Revenue number from CDM Smith, a Traffic and Revenue consultant, in "Monroe Expressway Traffic and Revenue Forecast Update" memo dated May 9, 2024.

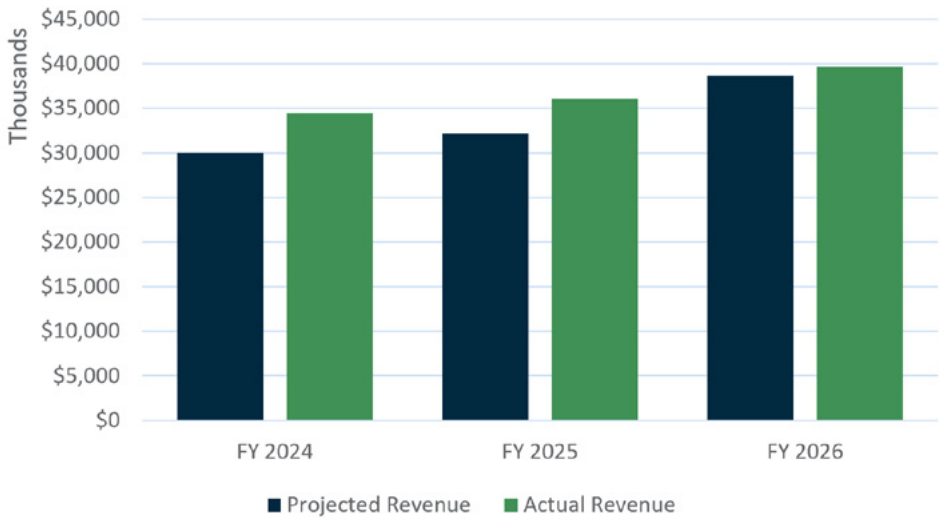
2 (FY26) Traffic and Revenue number from CDM Smith, a traffic and Revenue consultant, in "Monroe Expressway Traffic and Revenue Forecast Update" memo dated April 24, 2026.

The table below shows the actual revenue received on the Monroe Expressway in fiscal years 2024, 2025 and 2026. FY 2026 actual revenue on the Monroe Expressway totaled $39.6 million. Actual revenue is on a cash basis and is inclusive of toll revenue as well as revenue from the following:

- Processing Fees
- Credit Card Equity Fees
- Interest Earnings
- Non-Sufficient Funds Fees
- Actual Damages

Actual revenue increased 9.6% to $39.6 million in FY 2026 from FY 2025. Actual revenue exceeded Traffic and Revenue projections by 2.4%. Actual revenue increased 4.8% to $36.1 million in FY 2025 from FY 2024. Actual revenue exceeded Traffic and Revenue projections by 12.2% in FY 2025.

	FY 2024	FY 2025	FY 2026
Projected Revenue[1,2]	$30,023,002	$32,192,712	$38,661,533
Actual Revenue	$34,490,420	$36,131,617	$39,608,684
Actual to Projected (%)	115%	112%	102%
Actual Revenue YOY Increase (Decrease) (%)	18.8%	4.8%	9.6%



	FY 2024	FY 2025	FY 2026
Toll Revenue as a % of Total Actual Revenue	86.1%	87.9%	89.4%
Toll Rev	$29,698,333	$31,777,093	$35,391,237
Actual Rev	$34,490,420	$36,131,617	$39,608,684

Toll Revenue as a percent of Total Actual Revenue is calculated by dividing the total toll revenue by actual revenue for each fiscal year.

1 (FY24&25) Traffic and Revenue number from CDM Smith, a Traffic and Revenue consultant, in "Monroe Expressway Traffic and Revenue Forecast Update" memo dated May 9, 2024.

2 (FY26) Traffic and Revenue number from CDM Smith, a traffic and Revenue consultant, in "Monroe Expressway Traffic and Revenue Forecast Update" memo dated April 24, 2026.

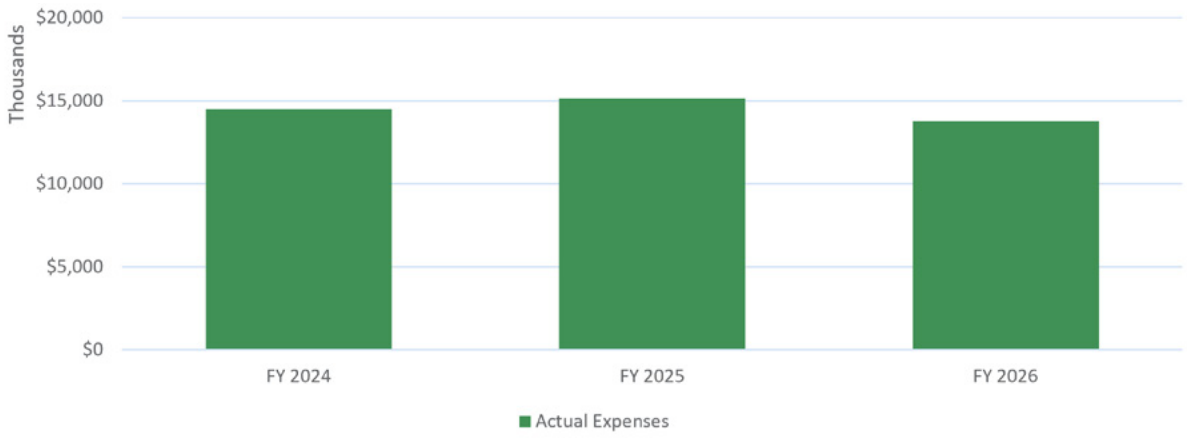
Operating Expenses

Operating Expenses for the Monroe Expressway are shown on a cash basis and are broken down by the following groups:

- Finance
- Toll Operations
- Highway Operations
- Customer Service
- Service & Safety Patrols
- Communications
- Administrative

Below is a breakdown of the actual operating expenses for the Monroe Expressway for fiscal years 2024, 2025 and 2026. Operating expenses for the Monroe Expressway decreased 8.9% to $13.8 million in FY 2026 from FY 2025. Operating expenses for the Monroe Expressway increased 4.4% to $15.1 million in FY 2025 from FY 2024.

	FY 2024	FY 2025	FY 2026
Actual Expenses	$14,498,076	$15,129,599	$13,789,507



Fund Balances as of June 30, 2026

Fund balances are financial resources accumulated in various accounts to support operations, satisfy debt and reserve requirements, fund future maintenance and capital investments, and provide financial stability and liquidity for the North Carolina Turnpike Authority. Funds are established based on their respective Trust Agreement.

Fund	Balance
State Appropriation Revenue	6,000,000
Revenue	2,250,661
Senior Lien Debt Service Reserve Fund	13,571,924
Operations & Maintenance Expense Fund	3,744,960
Operating Reserve Fund	4,354,060
Renewal & Replacement Fund	57,686,275
TIFIA Debt Service Reserve Fund	13,996,476
Pledged/Ramp-Up Reserve	32,023,021
Unpledged Reserve	51,298,856

State Appropriation Revenue - NCTA receives an annual $24 million appropriation from the North Carolina Department of Transportation to support authorized turnpike system obligations, transportation initiatives, and other approved purposes for the Monroe Expressway. This revenue is transferred in four (4) equal quarterly installments into this fund.

Revenue - A fund for all pledged revenue earned on Monroe Expressway. These funds are allocated to the various other funds based on the Trust Agreement.

Senior Lien Debt Service Reserve Fund - A fund used to comply with the Senior Lien Reserve Requirement found in the Monroe Expressway Trust Agreement.

Operations & Maintenance Expense Fund - A fund used to pay monthly operations and maintenance expenses incurred on the Monroe Expressway. Each month, an amount equal to the succeeding month's budgeted operating expenses for this facility, as set forth in the Annual Budget, is deposited into this fund.

Operating Reserve Fund - A fund used to cover any deficiencies in the Monroe Expressway Operations and Maintenance Expense Fund. This account's reserve requirement must be at least one fourth of the total budgeted operating expenses for the current fiscal year as set forth in the Annual Budget.

Renewal & Replacement Fund - A fund used to pay monthly capital expenditures that occur on the Monroe Expressway. The Renewal and Replacement account shall be funded with one hundred percent of the total capital expenditures for Monroe Expressway budgeted for the fiscal year plus one tenth of the total budgeted capital expenditures for the next nine fiscal years.

TIFIA Debt Service Reserve Fund - A reserve fund established under the Trust Agreement to provide funding support when available revenues are insufficient to meet TIFIA debt service obligations.

Pledged/Ramp-up Reserve - A fund that is allocated to after all required deposits to higher-priority accounts have been made. Funds in this reserve are designated for the Monroe Expressway and may only be used for authorized purposes in accordance with applicable bond covenants, agreements, or other restrictions associated with the facility.

Unpledged Reserve - A fund that is allocated to after all required deposits to higher-priority accounts have been made. Funds in this reserve are available for any legally permitted purpose related to the Monroe Expressway. Funds cannot be used on other facilities.

Significant Capital Asset and Long-Term Financing Activity

Capital Assets

Capital Assets, Non-Depreciable

The $216.9 million increase in fiscal year 2026 is primarily due to an increase of $195.6 million in construction in progress and an increase of $21.3 million in land and improvements both related to continued progress on the C540 Phase 2 and Mid-Currituck Bridge projects. The $602.2 million decrease in fiscal year 2025 is primarily due to a decrease of $674.6 million in construction in progress offset by an increase of $72.4 million in land both related to the opening and capitalization of C540 Phase 1. For additional information regarding NCTA's capital assets, please see Note 1 and Note 4 in the financial statements.

Capital Assets, Depreciable, Net

The $477.1 million increase in fiscal year 2026 is primarily due to an increase of $534.1 million in NCDOT highway network related to the opening and capitalization of I-485 Express Lanes offset by current year depreciation expense of $56.9 million. The $794.5 million increase in fiscal year 2025 is primarily due to an increase of $828.1 million in NCDOT highway network related to the opening and capitalization of C540 Phase 1 offset by current year depreciation expense of $33.6 million. For additional information regarding NCTA's capital assets, please see Note 1 and Note 4 in the financial statements.

Long-Term Financing

There were no new debt issuances for Triangle Expressway or Monroe Expressway in fiscal years 2026 and 2025.

Non-current liabilities decreased $26.3 million in fiscal year 2026 primarily as follows: a decrease of $49.8 million for bonds payable due to principal payments and a decrease of $10.0 million for amortization of bonds payable premium, offset by an increase of $35.8 million for accrued interest payable due to $24.0 million accrued interest for fiscal year 2026 and an $11.8 million restatement for fiscal year 2025. Non-current liabilities decreased $54.4 million in fiscal year 2025 primarily as follows: long-term bonds payable for $41.8 million; long-term premium or discounts on bonds payable for $10.2 million; pension liability for $1.7 million; and long-term note payable for $0.7 million. The decrease in non-current liabilities in fiscal year 2025 is primarily due to principal payments for bonds payable for $45.6 million and amortization of bonds payable premium for $10.2 million. For additional information regarding NCTA's non-current liabilities, please see Note 1, Note 5, Note 6, Note 8 and Note 9 in the financial statements.

Debt Outstanding as of June 30, 2026

Triangle Expressway

Series	Outstanding Par	Final Maturity
Appropriation Revenue Refunding Bonds, Series 2018A	$153,976,990	1/1/39
Appropriation Revenue Refunding Bonds, Series 2018B	$93,376,000	1/1/32
Appropriation Revenue Bonds, Series 2019	$115,979,250	1/1/49
Senior Lien Revenue Bonds, Series 2009B	$35,173,109	1/1/38
Senior Lien Revenue Refunding Bonds, Series 2017	$124,430,427	1/1/39
Senior Lien Revenue Refunding Bonds, Series 2018	$395,729,286	1/1/41
Senior Lien Revenue Bonds, Series 2019	$415,238,858	1/1/55
Senior Lien Revenue Bonds, Series 2024A	$322,450,275	1/1/58
Senior Lien Revenue Bonds, Series 2024B	$35,785,305	1/1/53
TIFIA Loan, 2021	$499,461,980	1/1/58

For more detailed information on long-term debt activity please refer to Note 6 to the financial statements.

Monroe Expressway

Series	Outstanding Par	Final Maturity
Appropriation Revenue Refunding Bonds, Series 2021 (forward delivery)	$80,701,987	7/1/41
Appropriation Revenue Refunding Bonds, Series 2024	$188,315,503	1/1/41
Senior Lien Revenue Bonds, Series 2016A & C	$140,809,008	7/1/54
TIFIA Loan, 2017	$164,494,253	7/1/53

For more detailed information on long-term debt activity please refer to Note 6 to the financial statements.

Currently Known Facts, Decisions, or Conditions

The following discussion identifies currently known facts, decisions, and conditions that management believes may affect the North Carolina Turnpike Authority's (NCTA) financial position, results of operations, capital program, or tolling operations in subsequent periods. This discussion is based on information known as of the date of financial statement.

Projects Under Development

The State Transportation Improvement Program (STIP) designates the scheduling and funding of construction for transportation projects in the state of North Carolina. The STIP is for FY 2026 to FY 2035 with the first five years (2026 to 2030) referred to as the delivery STIP and the latter five years (2031 to 2035) as the developmental STIP.

The following NCTA projects under development are listed in either the delivery STIP or developmental STIP. Projects under this section, at the time of financial statement issuance, do not have a fully secured plan of finance. Projects in this section may have an impact in the future on the Authority's financials, depending on delivery. Current expenditures for these projects are limited to preliminary work.



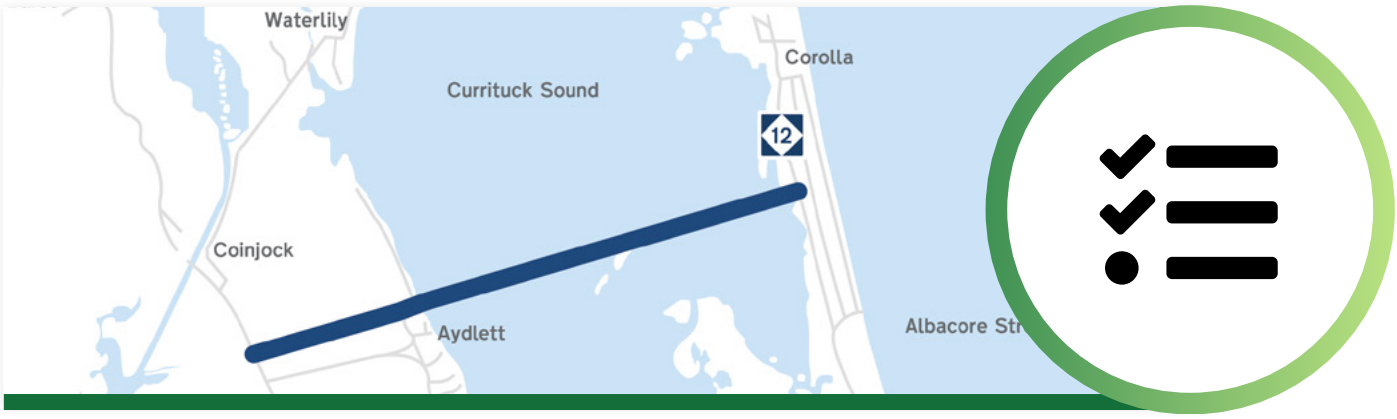
U.S. 74 Express Lanes

Local planning organizations have identified Independence Boulevard (U.S. 74) as a corridor needing improvements to maintain and enhance current and future mobility in the region. There are currently two proposed express lanes projects being studied on the U.S. 74 corridor. STIP Project U-6103 involves adding express lanes in the median of U.S. 74 between I-277 and Idlewild Road for approximately five miles. STIP Project U-2509 involves widening and adding express lanes and other improvements between Idlewild Road in Charlotte to I-485 in Matthews, for approximately 6.3 miles.



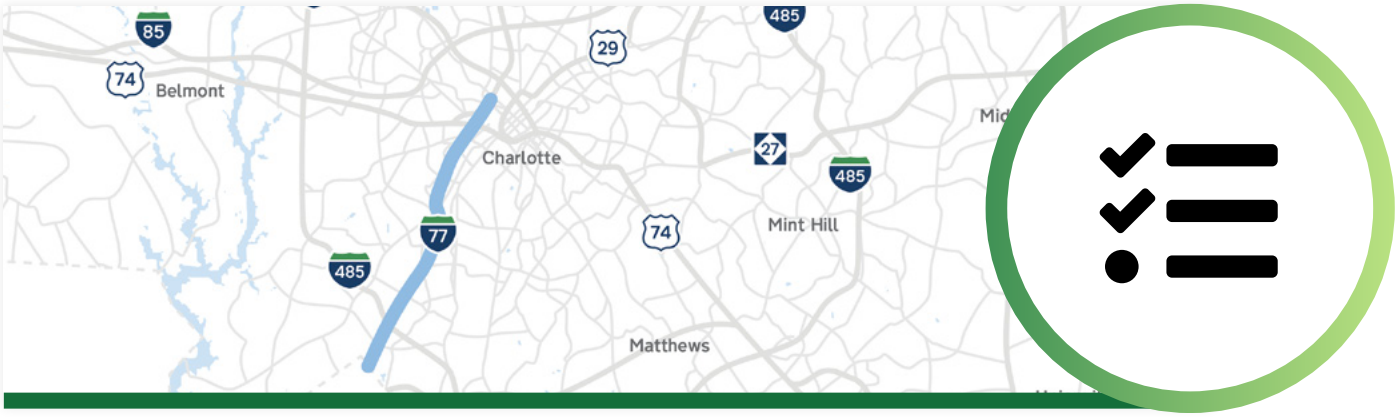
I-77 South Express Lanes

The proposed I-77 Express Lanes South project (STIP Project I-5718) will construct 11 miles of express lanes from I-277/N.C. 16 (Brookshire Freeway) in Charlotte to the South Carolina state line.



Mid-Currituck Bridge

The proposed Mid-Currituck Bridge (STIP Project R-2576) is a 7-mile project in Currituck County between U.S. 158 on the mainland and N.C. 12 on the Outer Banks. There would be a two-lane bridge spanning the Currituck Sound connecting the Currituck County mainland with its Outer Banks as well as a two-lane bridge spanning Maple Swamp on the Currituck County mainland connecting Aydlett to U.S. 158.



I-485 West Express Lanes

Local planning organizations have identified I-485 as a corridor needing improvements to maintain and enhance current and future mobility in the region. The I-485 West Express Lanes Project would provide express lanes in each direction along approximately 9.5 miles of the I-485 corridor between I-85 and I-77. The project is funded for preliminary engineering in the current NCDOT STIP and project development work is in the early stages.

The City of Charlotte and the Charlotte Regional Transportation Planning Organization voted to rescind their support of the public-private partnership, or P3, funding on May 11 and May 20, 2026, respectively. The P3 funding is the only financially viable delivery method for the project. As of August 2026, the project remains under review as CRTPO continues to evaluate future actions, and NCDOT has paused work on the project while assessing potential updates to the State Transportation Improvement Program (STIP).

Credit Rating Changes

On August 21, 2026, Moody's Ratings upgraded the North Carolina Turnpike Authority Monroe Expressway Senior Lien Revenue Bond, Series 2016A&C and TIFIA Loan to Baa1 from Baa2. For additional information, please see the relevant Moody's Rating Action.

Requests for Information

Additional information may be found on the Turnpike Authority's Investor Information website. Any request for information about this report should be sent to the Deputy CFO at the North Carolina Turnpike Authority, 2501 Aerial Center Parkway Suite 200, Morrisville, NC 27560.

Financial Statements

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF NET POSITION

JUNE 30, 2026 AND 2025

	2026	2025
ASSETS		
Current Assets:		
Securities lending collateral	$ 2,526,002	$ 5,405,391
Accounts receivable, net	66,462,502	84,608,069
Inventory	714,869	692,545
Intergovernmental receivable	8,392,911	7,677,085
Prepaid expenses	210,845	341,662
Total Current Assets	78,307,129	98,724,752
Noncurrent Assets:		
Restricted Assets:		
Cash and cash equivalents	175,002,643	115,860,663
Investments	568,106,406	516,744,513
Total Restricted Assets	743,109,049	632,605,176
Net OPEB Asset:		
Prepaid insurance costs	7,946,587	8,557,759
Net OPEB asset	8,454	3,608
Capital Assets, Nondepreciable:		
Land and permanent easements	730,624,700	709,367,801
Construction in progress	669,175,415	473,533,267
Capital Assets, Depreciable, Net of Depreciation:		
Highway network	2,541,239,952	2,064,096,960
Total Capital Assets, Net of Depreciation	3,941,040,067	3,246,998,028
Total Noncurrent Assets	4,692,104,157	3,888,164,571
Total Assets	4,770,411,286	3,986,889,323
DEFERRED OUTFLOWS OF RESOURCES:		
Pension	1,145,833	1,168,011
Other postemployment benefits	1,926,126	1,911,555
Deferred charges on bond refunding	16,960,943	18,984,553
Total Deferred Outflows of Resources	$ 20,032,902	$ 22,064,119

The accompanying notes to the financial statements are an integral part of these statements.

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)

JUNE 30, 2026 AND 2025

	2026	2025
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 33,070,037	$ 27,343,096
Obligations under securities lending	2,526,002	5,405,391
Due to the State (NCDOT)	130,656,845	153,779,389
Bonds payable, net	49,788,359	45,609,000
Note payable, net	1,307,494	1,078,361
Accrued interest payable	49,799,788	52,296,368
Compensated absences	69,875	59,473
Intergovernmental payables	2,663,223	2,549,910
Funds held for others	22,962,388	20,353,697
Total Current Liabilities	292,844,011	308,474,685
Noncurrent Liabilities:		
Bonds payable, net	2,052,177,639	2,111,929,274
Note payable	662,648,739	663,956,233
Advances from the State	36,563,320	35,206,533
Accrued interest payable	160,862,607	125,026,762
Compensated absences	548,378	526,753
Net OPEB liability	2,982,520	3,946,812
Net pension liability	1,775,685	1,886,364
Total Noncurrent Liabilities	2,917,558,888	2,942,478,731
Total Liabilities	3,210,402,899	3,250,953,416
DEFERRED INFLOWS OF RESOURCES:		
Pension	57,113	5,576
Deferred gain on bond refunding	29,887,609	32,011,636
Other postemployment benefits	1,625,599	606,464
Total Deferred Inflows of Resources	31,570,321	32,623,676
NET POSITION		
Net investment in capital assets	1,730,297,576	928,142,590
Restricted:		
Debt service	168,563,069	199,232,676
Transportation	135,864,808	82,259,096
Unrestricted	(486,254,485)	(484,258,012)
Total Net Position	$ 1,548,470,968	$ 725,376,350

The accompanying notes to the financial statements are an integral part of these statements.

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Operating Revenues:		
Charges for services	$ 207,464,182	$ 139,652,683
Other operating revenues	58,892,076	38,380,300
Total Revenues	266,356,258	178,032,983
Operating Expenses:		
Personnel services	5,006,782	5,243,531
Supplies and materials	695,576	320,498
Contracted personnel services	13,319,523	13,419,308
Travel	94,847	68,208
Advertising	1,068,541	878,605
Utilities	639,716	451,896
Dues and subscription fees	53,667	49,496
Other services	38,514,930	25,855,070
Cost of goods sold	1,551,082	739,098
Capital outlay	85,003,268	26,901,766
Rental expense	52,438	142,017
Depreciation	56,929,482	33,636,749
Total Operating Expenses	202,929,852	107,706,242
Operating Gain	63,426,406	70,326,741
Noncapital Subsidies:		
Nonoperating expense - State	-	(320,345)
Operating Income and Noncapital Subsidies	63,426,406	70,006,396
Other Nonoperating Revenues (Expenses):		
Investment earnings	26,393,838	34,064,534
Interest and fees	(124,993,850)	(99,900,542)
Capital grants	76,610,140	83,505,330
Asset transferred from the State	534,072,474	-
Federal interest subsidy on debt	-	1,051,477
Nonoperating revenue - State	247,350,853	48,207,861
Noncapital contributions	40	-
Miscellaneous	234,717	162,267
Total Other Nonoperating Revenues	759,668,212	67,090,927
Change in net position	823,094,618	137,097,323
Net position, beginning of year	725,376,350	588,279,027
Net position, end of year	$ 1,548,470,968	$ 725,376,350

The accompanying notes to the financial statements are an integral part of these statements.

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Cash flows from operating activities:		
Receipts from customers	$ 228,657,788	$ 139,488,434
Payments to employees and fringe benefits	(4,904,792)	(4,757,640)
Payments to vendors and suppliers	(167,087,986)	(9,320,721)
Other receipts	56,588,762	37,881,441
Other payments	(477,900)	(615,621)
Net cash flows from operating activities	112,775,872	162,675,893
Cash flows from noncapital financing activities:		
Noncapital contributions	(40)	1,201
Advances from other the State	1,356,787	1,334,207
Net cash flows from noncapital financing activities	1,356,747	1,335,408
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(212,930,480)	(240,496,526)
Transfers from the State - Highway Trust Fund	247,350,853	48,207,861
Federal interest subsidy on debt	-	1,051,477
Capital contributions	77,688,998	83,478,092
Principal payments	(46,687,361)	(42,515,726)
Interest payments	(95,495,533)	(72,405,945)
Bond issuance costs	-	(268,452)
Transfers to other funds	-	(320,345)
Insurance recoveries	234,717	159,865
Net cash flows from capital and related financing activities	(29,838,806)	(223,109,699)
Cash flows from investing activities:		
Proceeds from sale and maturities of investments	632,905,735	634,200,131
Purchase of investments	(685,835,342)	(566,034,246)
Investment earnings	27,777,774	28,552,765
Net cash flows from investing activities	(25,151,833)	96,718,650
Net change in cash and cash equivalents	59,141,980	37,620,252
Cash and cash equivalents, beginning of year	115,860,663	78,240,411
Cash and cash equivalents, end of year	$ 175,002,643	$ 115,860,663

The accompanying notes to the financial statements are an integral part of these statements.

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2026 AND 2025

	2026	2025
Reconciliation of operating gain to net cash flows from operating activities:		
Operating gain	$ 63,426,406	$ 70,326,741
Adjustments to reconcile operating gain to net cash flows from operating activities:		
Operating activities:		
Depreciation expense	56,929,482	33,636,749
Nonoperating miscellaneous and other expense	-	(596,116)
Management fees	(477,900)	(615,621)
Changes in assets and deferred outflows:		
Accounts receivable	18,145,567	(4,303,799)
Intergovernmental receivables	(1,794,684)	660,720
Inventory	(22,324)	761,745
Net OPEB asset	(4,846)	(3,608)
Deferred outflows for pensions	22,178	276,484
Deferred outflows for OPEB	(14,571)	(319,277)
Changes in liabilities and deferred inflows:		
Accounts payable	(2,844,277)	(2,495,303)
Due to the State	(23,122,544)	61,244,331
Funds held for others	761,801	3,336,877
Unearned revenue	1,846,890	305,464
Compensated absences	32,027	58,925
Net OPEB liability	(964,252)	939,603
Deferred inflows for OPEB	1,019,135	(337,516)
Net pension liability	(110,679)	(181,665)
Deferred inflows for pensions	(51,537)	(18,841)
Net cash flows from operating activities	$ 112,775,872	$ 162,675,893
Noncash investing, capital, and financing activities:		
Change in fair value of investments	$ (20,363,649)	$ (29,485,633)
Assets transferred from the State	$ 534,072,474	$ -
Change in construction in progress as a result of accrued liabilities	$ 22,870,861	$ 13,525,211
Change in net OPEB liability related to noncapital contributions	$ (40)	$ (1,201)
Change in securities lending collateral	$ (2,879,389)	$ (2,035,050)
Increase in receivables related to nonoperating income	$ -	$ 27,238
Assets acquired through assumption of a liability	$ 755,053	$ 2,758,354

The accompanying notes to the financial statements are an integral part of these statements.

Note 1—Nature of operations and summary of significant accounting policies

Organization and Purpose – The North Carolina Turnpike Authority ("NCTA") was established by G.S. 136 Article. NCTA is a business unit of the North Carolina Department of Transportation ("NCDOT") and is subject to and under the direct supervision of the Secretary of Transportation. NCTA is presented as a major enterprise fund in the State of North Carolina. Currently, NCTA is authorized to construct, operate, and maintain up to 11 turnpike projects in the State.

Financial Reporting Entity – The concept underlying the definition of the financial reporting entity is that elected officials are accountable to their constituents for their actions. As required by accounting principles generally accepted in the United States of America ("U.S. GAAP"), the financial reporting entity includes both the primary government and all of its component units. An organization other than a primary government serves as a nucleus for a reporting entity when it issues separate financial statements. NCTA is a business unit of NCDOT. NCTA is an integral part of the State of North Carolina's *Annual Comprehensive Financial Report* ("ACFR"). These financial statements for the NCTA are separate and apart from those of the State of North Carolina and NCDOT and do not present the financial position of the State or NCDOT, or changes in their financial position and cash flows. The NCTA is governed by a nine-member Board of Directors; two members are appointed by the Senate Pro Tempore and two by the Speaker of the House. The remaining five are appointed by the Governor and include the Secretary of Transportation.

Basis of Presentation – The accompanying financial statements are presented in accordance with U.S. GAAP as prescribed by the Governmental Accounting Standards Board ("GASB"). The full scope of NCTA's activities is considered to be a single business-type activity and, accordingly, is reported within a single column in the basic financial statements.

Basis of Accounting – The financial statements of NCTA have been prepared using the "economic resources" measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

State Treasurer's Securities Lending Collateral – While NCTA does not directly engage in securities lending transactions, it deposits certain funds with the State Treasurer ("Treasurer") in the short-term investment fund ("NC STIF"), which participates in securities lending activities. Based on the Treasurer's allocation of these transactions, NCTA recognizes its allocable share of the assets and liabilities related to these transactions on the accompanying financial statements as "Securities Lending Collateral" and "Obligations under Securities Lending". NCTA's allocable share of these assets and liabilities is based on NCTA's year-end deposit balance per the State Treasurer's records.

Based on the authority provided in General Statute 147-69.3(e), the Treasurer lends securities from its investment pools to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The Treasurer's securities custodian manages the securities lending program. The Treasurer's custodian lent U.S. government and agency securities, Federal Nation Mortgage Association Securities, corporate bonds, and notes for collateral. The Treasurer's custodian is permitted to receive cash, U.S. government and agency securities, or irrevocable letters of credit as collateral for the securities lent.

The collateral is initially pledged at 102% of the fair value of the securities lent and additional collateral is required if its value falls to less than 100% of the fair value of the securities lent. There are no restrictions on the amount of loans that can be made. Substantially, all security loans can be terminated on demand by either the Treasurer or the borrower.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Additional details on the Treasurer's securities lending program are included in the State of North Carolina ACFR. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's ("NC OSC") Internet home page http://www.ncosc.net/ and clicking on "Public Information" or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

Receivables – Accounts receivable consist of uncollected toll revenues and intergovernmental receivables consist of amounts due from the Federal Highway Administration ("FHWA") and other local governmental agencies in connection with reimbursement of allowable expenditures made pursuant to contracts and grants that are verifiable, measurable, and expected to be collected and available for expenditures for which the resource provider's conditions have been satisfied.

Allowance for Doubtful Accounts – NCTA determines the allowance for doubtful accounts for the uncollectible portion of toll revenues based on historical collections. The methodology for calculating the allowance is based on life-to-date reporting for all invoices issued and collected. As of June 30, 2026 and 2025, NCTA's allowance for doubtful accounts were $151,891,010 and $91,731,920, respectively.

Inventory – Inventory is valued at the lower of cost (first-in, first-out) or net realizable value and consists of transponders held for resale.

Restricted Cash and Cash Equivalents – Funds received through toll revenue collections are restricted for debt service payments. The funds are held in the NC STIF. Ownership interest of the NC STIF is determined on a fair market valuation basis as of June 30, 2026 and 2025, in accordance with the NC STIF operating procedures.

Restricted Investments – Funds received from the State of North Carolina are restricted for the construction of the Triangle Expressway and the Monroe Expressway. See Note 3 for further information on restricted investments.

Prepaid Insurance Costs – Prepaid insurance costs consist of guaranty bond insurance related to the issuance of the 2009 Triangle Expressway bonds, the 2017 and 2018 Triangle Expressway Revenue Refunding bonds, and the Triangle Expressway Senior Lien Series 2019 Revenue bonds. These amounts are capitalized and will be amortized over the maturity of the bonds.

Capital Assets, Nondepreciable – Capital assets, non-depreciable include land and permanent easements purchased for specific projects. These costs will never be depreciated. Construction in progress includes consultant contract expenditures and contracted personnel service expenditures that are charged to specific projects. These costs will be transferred to depreciable asset categories when projects are placed in service.

Capital Assets, Depreciable – Capital assets are tangible and intangible assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items). Capital assets that have a value or cost in excess of $5,000 at the date of acquisition and have an expected useful life of two or more years are capitalized. As NCTA constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost or acquisition value at date of donation in the case of gifts. Capital assets received from the State are reported at the State's carrying value. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Subscription-Based Information Technology Arrangements are right to use subscription assets. Subscription assets that have a value or cost in excess of $400,000 at the date of the agreement are capitalized. This definition conforms to the policy of the North Carolina Office of State Controller.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Depreciation is calculated using the straight-line method over the estimated useful life of 50 years for the highway network and 5 years for machinery and equipment.

Compensated Absences – NCTA's policy is to record the cost of vacation leave when earned. The policy provides for a maximum accumulation of unused vacation leave of 30 days which can be carried forward each January 1 or for which an employee can be paid upon termination of employment. Also, any accumulated vacation leave in excess of 30 days at year-end is converted to sick leave. Under this policy, the accumulated vacation leave for each employee as of June 30 equals the leave carried forward at the previous December 31 plus the leave earned less the leave taken between January 1 and June 30.

Sick leave is earned monthly by eligible employees. The policy provides for the accumulation of unused sick leave to be carried forward until used. When employment is terminated, unused leave is forfeited or used to increase a member's creditable service for employees participating in the North Carolina Teachers' and State Employees' Retirement System ("TSERS"). The liability for sick leave, which is included in compensated absences, is determined by comparing sick leave taken to sick leave earned, using the last-in, first-out method.

In addition to the vacation leave described above, compensated absences include the accumulated unused portion of the special annual leave bonuses awarded by the North Carolina General Assembly. The bonus leave balance on December 31 is retained by employees and transferred into the next calendar year. It is not subject to conversion to sick leave. When classifying compensated absences into current and noncurrent, leave is considered taken using a last-in, first-out method.

Net Position – NCTA's net position is classified as follows:

Net Investment in Capital Assets – This represents NCTA's total investment in capital assets, net of the corresponding related debt.

Restricted – This represents funds received through toll revenue collections in accordance with North Carolina General Statute 136-89.188 and other deposits that are to be used for debt service payments, reserves and construction costs. Funds received from the State of North Carolina for construction costs are restricted as transportation. These funds are held in the NC STIF and other investments (see Notes 2 and 3).

Unrestricted – Since NCTA has historically operated with expenditures in excess of revenues collected, NCTA has a deficit in the unrestricted balance.

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and so will not be recognized until then. The statements of net position also report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and so will not be recognized until then. NCTA has items that meet this criterion which include pension related deferrals, other postemployment benefits ("OPEB") related deferrals, and deferrals related to debt refunding that took place in prior years.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Revenue and Expense Recognition – Revenues and expenses that do not meet the definition of nonoperating revenues and expenses are reported as operating revenues and expenses Operating revenues generally include revenues generated from the toll roads that were open for operations during the fiscal years ended June 30, 2026 and 2025. These revenues include toll revenues, processing fees, and other charges arising from the toll roads such as video differential fees, partnership payment and variable fees. Operating expenses generally result from providing services and producing and delivering goods in connection with NCTA's principal ongoing operations. Operating expenses are all expense transactions incurred other than those related to capital and non-capital financing or investing activities.

Nonoperating revenues and expenses include subsidies received and provided, revenues and expenses related to financing activities, resources from the disposal of capital assets and inventory, and investment income and expenses. Subsidies that are not restricted to the acquisition of capital assets are reported as noncapital subsidies. Subsidies restricted to the acquisition of capital assets are reported as other nonoperating revenues and expenses.

Nonoperating revenues include activities that have the characteristics of nonexchange transactions. Revenue from nonexchange transactions represents funds received from the FHWA and NCDOT. Revenues from FHWA are classified as Capital Grants and are considered nonoperating, along with investment income and capital gifts and transfers in from NCDOT, since these are related to investing, capital, or non-capital financing activities. Nonoperating expenses mainly relate to interest and fees.

House Bill 817 [Session Law 2013-183] amends the law that created the Highway Trust Fund. The amendment directs that funds are to be transferred to NCTA to pay debt service or related financing expenses on revenue bonds or notes issued for the following toll road construction projects: Triangle Expressway and Monroe Connector/Bypass. Debt has been issued for the Triangle Expressway/Complete 540 and the Monroe Connector/Bypass, and $247,350,853 and $48,207,861 was transferred to NCTA during the years ended June 30, 2026 and 2025, respectively. These transfers were made from the Highway Trust Fund to NCTA as a result of State match for expenditures that were initially covered by the Highway Fund for continued construction related expenditures during the years ended June 30, 2026 and 2025, respectively.

Asset transferred from the State – The I-485 Express Lanes project ("I-485 EL") adds one express lane in each direction along I-485 between I-77 and U.S. 74 (Independence Boulevard), stretching approximately 17 miles. The project was scored in the State Transportation Improvement Program as tolled express lanes, intended to improve travel time reliability and traffic flow in the transportation corridor. The project is funded almost entirely by Strategic Prioritization funding (Trust Funds), with the balance funded by a small amount of federal funds (NHPP). The amount totaling $534,072,474 was transferred to NCTA from the NCDOT upon completion of the project in June 2026 and recorded as a capital subsidy in nonoperating revenue. The NCTA did not finance or construct the project, and operates the system as outlined in the enabling legislation.

Retirement Plans – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TSERS and additions to/deductions from TSERS' fiduciary net position have been determined on the same basis as they are reported by TSERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The NCTA's employer contributions are recognized when due and NCTA has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of TSERS. Investments are reported at fair value.

Note 1—Nature of operations and summary of significant accounting policies (continued)

Other Postemployment Benefit Plans – For purposes of measuring the net OPEB asset and liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the Retiree Health Benefit Fund ("RHBF") and the Disability Income Plan of North Carolina ("DIPNC"), and additions to/deductions from RHBF and DIPNC's fiduciary net positions have been determined on the same basis as they are reported by RHBF and DIPNC. For this purpose, plan member contributions are recognized in the period in which the contributions are due. NCTA's employer contributions are recognized when due and NCTA has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of RHBF and DIPNC. Investments are reported at fair value.

New Accounting Pronouncements – Management adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, during the fiscal year ended June 30, 2026. This Statement enhances key components of the governmental financial reporting model, including management's discussion and analysis, unusual or infrequent items, and the presentation of proprietary fund financial statements. The implementation of this Statement modified the presentation of operating and nonoperating revenues and expenses in the proprietary fund statement of revenues, expenses, and changes in fund net position, including the separate presentation of noncapital subsidies and the related subtotal for operating income (loss) and noncapital subsidies. While the implementation of GASB Statement No. 103 resulted in certain changes to the presentation and disclosure of financial information, it did not have a material effect on the NCTA's recognition or measurement of assets, liabilities, deferred outflows of resources, deferred inflows of resources, revenues, expenses, or fund balance/net position. The implementation did not change total net position or the change in net position.

Management adopted GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The implementation of this standard did not have an impact on the financial statements.

Management adopted GASB Statement No. 105, *Subsequent Events*. This standard replaces previous guidance by establishing government-specific definitions for evaluating and reporting subsequent events. GASB 105 narrows and clarifies the evaluation period as the timeframe between the financial statement date and the date the financial statements are available to be issued. The implementation of this standard did not have an impact on the financial statements.

Note 2—Deposits

As of June 30, 2026 and 2025, $175,002,643 and $115,860,663, respectively, shown on the statements of net position as restricted cash and cash equivalents represent the NCTA's equity position in the State Treasurer's NC Short-Term Investment Fund ("NC STIF"). The NC STIF (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission and does not have a credit rating) had a weighted average maturity 2.2 and 2.1 years as of June 30, 2026 and 2025, respectively.

Ownership interest of the NC STIF is determined on a fair value as of June 30, 2026 and 2025, in accordance with the NC STIF operating procedures. Valuation of the underlying assets is performed by the custodian.

Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's NC STIF) are included in the State of North Carolina's ACFR. An electronic version of this report is available by accessing the NC OSC's Internet home page http://www.ncosc.net/ and clicking on "Public Information" or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

Note 3—Restricted investments

The NCTA's policy for eligible investments are governed by North Carolina General Statute 147-77 and bond covenants that, in general, allow funds to be invested in obligations of the United States or United States government sponsored enterprises, obligations of the State of North Carolina or localities of the State of North Carolina, prime quality commercial paper, shares of certain money market mutual funds, and commingled investment pools.

Fair Value Measurements – Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels of inputs that may be used to measure fair value is as follows:

Level 1 – Inputs to the valuation methodology are quoted prices available in active markets for identical assets and are given the highest priority;

Level 2 – Inputs consist of observable inputs other than quoted prices for identical assets; and

Level 3 – Inputs consist of unobservable inputs and are given the lowest priority.

Concentrations of Credit Risk – A diversified portfolio is managed by NCTA, financial advisors, and trustees to minimize the risk of loss resulting from over concentration of assets. Securities that are exposed to credit risk, i.e., commercial paper, are limited to 5% of the portfolio to a single issuer. NCTA's policy does not set a limit on the amount that may be invested in any single government sponsored enterprise, money market mutual fund, or commingled investment pool.

Interest Rate Risk – Interest rate risk represents the risk governments are exposed to as a result of changes in interest rates on the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. NCTA's policy to mitigate risk has been to structure the investment portfolio so that securities mature to meet cash requirements reducing the need to sell securities on the open market prior to maturity. In addition, interest rate risk is reduced by investing funds primarily in shorter-term securities. NCTA does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

NCTA's revenue bond proceeds were invested as follows as of June 30:

	2026			
	Valuation Measurement		Investment Maturities (in Years)	
			Less Than	
Type of Investment	Method	Fair Value	1 Year	1 – 5 Years
U.S Treasuries	Fair value - Level 1	$ 197,180,184	$ 33,398,085	$ 163,782,099
U.S. agencies	Fair value - Level 1	15,016,760	-	15,016,760
Money market mutual funds	Amortized cost	355,909,462	355,909,462	-
		$ 568,106,406	$ 389,307,547	$ 178,798,859

Note 3—Restricted investments (continued)

		2025		
	Valuation Measurement		Investment Maturities (in Years)	
			Less Than	
Type of Investment	Method	Fair Value	1 Year	1 – 5 Years
U.S Treasuries	Fair value - Level 1	$ 185,639,086	$ 110,799,635	$ 74,839,451
U.S. agencies	Fair value - Level 1	41,461,272	2,254,083	39,207,189
Commercial paper	Fair value - Level 2	1,498,014	1,498,014	-
Money market mutual funds	Amortized cost	288,146,141	288,146,141	-
		$ 516,744,513	$ 402,697,873	$ 114,046,640

As of June 30, 2026 and 2025, included in the Money Market Mutual Funds totals as stated above, $355,909,462 and $288,146,141, respectively, were invested in the First American Funds – Government Series, Class Z. The First American Funds – Government Series, Class Z is an SEC-registered money market mutual fund. The fund seeks to provide maximum current income and daily liquidity by purchasing U.S. government securities and repurchase agreements collateralized by such obligations. The fund seeks to preserve the value of your investment at $1 per share and is rated AAAm by Standard & Poor's, AAA-mf by Moody's, and AAAmmf by Fitch. In addition, the fund maintains a weighted average maturity of 60 days or less.

In addition to NCTA revenue bond proceeds, additional debt was incurred by the State of North Carolina. Investment of the proceeds of such debt is governed by North Carolina General Statute Section 147-69.1 and bond covenants that, in general, allow funds to be invested in obligations of the United States or United States government sponsored enterprises, obligations of the State of North Carolina or localities of the State of North Carolina, prime quality commercial paper, shares of certain money market mutual funds, and commingled investment pools.

Investments with less than one year to maturity at time of purchase and with no call features are priced at amortized cost. Investments reported at fair value are valued using prices and other relevant information generated by market transactions involving identical or comparable assets or groups of assets. Fair value – Level 1 securities are valued using directly observable, unadjusted quoted prices in active markets for identical assets. Fair value – Level 2 securities are valued using a matrix pricing technique which values the security based its relationship to benchmark quoted prices.

Note 4—Capital assets

A summary of changes in capital assets for the year ended June 30, 2026 is presented as follows:

	July 1, 2025	Additions	Disposals	Transfers	June 30, 2026
Capital assets, nondepreciable:					
Land and permanent easements	$ 709,367,802	$ 21,256,898	$ -	$ -	$ 730,624,700
Construction in progress	473,533,267	195,642,148	-	-	669,175,415
Total capital assets, nondepreciable	1,182,901,069	216,899,046	-	-	1,399,800,115
Capital assets, depreciable:					
Highway network	2,362,611,832	534,072,475	-	-	2,896,684,307
Machinery and equipment	26,556	-	(18,312)	-	8,244
Total capital assets, depreciable	2,362,638,388	534,072,475	(18,312)	-	2,896,692,551
Less accumulated depreciation for:					
Highway network	298,514,873	56,929,482	1,648	-	355,446,003
Machinery and equipment	26,556	-	(19,960)	-	6,596
Total accumulated depreciation	298,541,429	56,929,482	(18,312)	-	355,452,599
Total capital assets, depreciable, net of depreciation	2,064,096,959	477,142,993	-	-	2,541,239,952
Capital assets, net of depreciation	$ 3,246,998,028	$ 694,042,039	$ -	$ -	$ 3,941,040,067

A summary of changes in capital assets for the year ended June 30, 2025 is presented as follows:

	July 1, 2024	Additions	Disposals	Transfers	June 30, 2025
Capital assets, nondepreciable:					
Land and permanent easements	$ 636,972,582	$ 72,395,220	$ -	$ -	$ 709,367,802
Construction in progress	1,148,139,380	153,536,898	-	(828,143,011)	473,533,267
Total capital assets, nondepreciable	1,785,111,962	225,932,118	-	(828,143,011)	1,182,901,069
Capital assets, depreciable:					
Highway network	1,534,468,821	-	-	828,143,011	2,362,611,832
Machinery and equipment	32,606	-	(6,050)	-	26,556
Total capital assets, depreciable	1,534,501,427	-	(6,050)	828,143,011	2,362,638,388
Less accumulated depreciation for:					
Highway network	264,878,124	33,636,749	-	-	298,514,873
Machinery and equipment	32,606	-	(6,050)	-	26,556
Total accumulated depreciation	264,910,730	33,636,749	(6,050)	-	298,541,429
Total capital assets, depreciable, net of depreciation	1,269,590,697	(33,636,749)	-	828,143,011	2,064,096,959
Capital assets, net of depreciation	$ 3,054,702,659	$ 192,295,369	$ -	$ -	$ 3,246,998,028

Note 5—Advances from the State (NCDOT)

The following is a summary of changes in NCTA's Advances from the State (NCDOT) as of June 30, 2026:

	July 1, 2025	Additions	June 30, 2026
Advances from the State (NCDOT)	$ 35,206,533	$ 1,356,787	$ 36,563,320

The following is a summary of changes in NCTA's Advances from the State (NCDOT) as of June 30, 2025:

	July 1, 2024	Additions	June 30, 2025
Advances from the State (NCDOT)	$ 33,872,326	$ 1,334,207	$ 35,206,533

Pursuant to G.S. 136-176(b), operation and project development costs for NCTA are eligible for funding from the Highway Trust Fund administration funds. These funds are considered an Advance from the State (NCDOT) and are to be repaid from toll revenue. Beginning January 1, 2014, one year after NCTA began collecting tolls on the completed Triangle Expressway project, NCTA began accruing interest on the unpaid balance owed to the Highway Trust Fund at a rate equal to the State Treasurer's average annual yield (4.18% as of June 30, 2026) on its investment of Highway Trust Fund funds pursuant to G.S. 147-6.1. The NCTA accrued $1,356,787 and $1,334,207 of interest for the years ended June 30, 2026 and 2025, respectively.

Note 6—Long-term debt

Long-term debt as of June 30 consists of the following:

	2026	2025
Revenue bonds:		
Revenue bonds payable, Series 2009B, Capital Appreciation Triangle Expressway Revenue Bonds in the amount of $35,173,109, issued July 29, 2009, with interest ranging from 6.74% to 7.10% compounding semi-annually, and principal payments beginning January 2030, due in full January 2038.	$ 35,173,109	$ 35,173,109
Revenue bonds payable, Series 2016, Monroe Expressway Toll Revenue Bonds in the amount of $137,051,904, issued January 31, 2017, with a coupon rate of 5.00%, and principal payments beginning July 2023; final maturity July 2054. The amount payable net of unamortized premium of $48,97,104 as of June 30, 2026.	140,809,008	141,045,404
Revenue bonds payable, Series 2017, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of $171,510,000, issued March 30, 2017, with coupon rates of 3.125% and 5.00%, and principal payments beginning January 2018; final maturity January 2039, net of an unamortized premium of $7,300,427 as of June 30, 2026.	124,430,427	140,765,640

Note 6—Long-term debt (continued)

	2026	2025
Revenue bonds (continued):		
Revenue bonds payable, Series 2018A, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of $150,125,000, issued May 10, 2018, with an average coupon rate of 4.00%, and principal payments beginning January 2019; final maturity January 2039. The amount payable is net of an unamortized premium of $3,851,990 as of June 30, 2026.	$ 153,976,990	$ 154,358,203
Revenue bonds payable, Series 2018B, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of $161,759,000, issued December 31, 2018, with an average coupon rate of 2.82%, and principal payments beginning January 2020; final maturity January 2032.	93,376,000	107,510,000
Revenue bonds payable, Series 2018T, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of $396,420,000, issued December 12, 2018, with an average coupon rate of 4.61%, and principal payments beginning January 2020; final maturity January 2041. The amount payable is net of unamortized premium of $16,394,286 as of June 30, 2026.	395,729,286	403,900,991
Revenue bonds payable, Series 2019, Triangle Expressway System Appropriation Revenue Bonds (Capital Appreciation Bonds) in the amount of $115,979,250, issued December 17, 2019, interest will accrete and be paid upon maturity, and principal payments beginning January 2040, final maturity January 2049.	115,979,250	115,979,250
System Senior Lien Turnpike Revenue Bonds in the amount of $370,975,000, issued December 17, 2019, with coupon rates ranging from 3.00% to 5.00%, and principal payments beginning January 2042; final maturity January 2055. The amount payable is net of an unamortized premium of $44,263,858 as of June 30, 2026.	415,238,858	417,138,384
Revenue bonds payable, Series 2021 Monroe Expressway System State Appropriation Revenue Refunding Bonds in the amount of $73,985,000, issued April 6, 2021, with a coupon rate of 5.00%, and principal payments beginning July 2022; final maturity July 2041. The amount payable is net of an unamortized premium of $14,751,987 as of June 30, 2026.	80,701,987	84,857,974

Note 6—Long-term debt (continued)

	2026	2025
Revenue bonds (continued):		
State Appropriation Revenue Refunding Bonds in the amount of $176,220,000, issued on April 8, 2024, with a coupon rate of 5.00%, and principal payments beginning January 2025; final maturity June 2041. The amount payable is net of an unamortized premium of $19,575,503 as of June 30, 2026.	$ 188,315,503	$ 198,008,152
Revenue bonds payable, Series 2024A, Triangle Expressway System Senior Lien Turnpike Revenue Bond in the amount of $304,575,000, issued January 30, 2024, with a coupon rate of 5.00%, and principal payments beginning January 2053; final maturity January 2058. The amount payable is net of an unamortized premium of $17,875,275 as of June 30, 2026.	322,450,275	323,015,862
Revenue bonds payable, Series 2024B, Triangle Expressway System Senior Lien Turnpike Revenue Bond in the amount of $35,785,305, issued January 30, 2024, with a coupon rates ranging from 4.88% to 4.96%, and principal payments beginning January 2050; final maturity January 2053.	35,785,305	35,785,305
Total bonds, net	$ 2,101,965,998	$ 2,157,538,274

Bonds payable maturities are as follows:

Years Ending June 30,	Principal	Interest	Total
2027	$ 49,788,359	$ 82,181,826	$ 131,970,185
2028	53,690,064	80,140,641	133,830,705
2029	54,634,936	78,035,758	132,670,694
2030	57,984,984	79,174,266	137,159,250
2031	64,457,287	74,869,810	139,327,097
2032-2036	324,257,054	443,833,253	768,090,307
2037-2041	442,389,965	333,361,398	775,751,363
2042-2046	234,101,614	247,026,542	481,128,156
2047-2051	247,671,437	221,437,813	469,109,250
2052-2056	294,889,868	143,036,132	437,926,000
2057-2061	149,190,000	-	149,190,000
Issuance premiums	128,910,430	-	128,910,430
	$ 2,101,965,998	$ 1,783,097,439	$ 3,885,063,437

Note 6—Long-term debt (continued)

	2026	2025
Notes payable:		
Monroe Expressway TIFIA note payable for an amount not to exceed $166,500,000, opened on January 31, 2017, bearing interest of 3.08% per annum, with interest payments beginning July 2021, principal payments beginning January 2024, and final maturity in July 2053.	$ 164,494,253	$ 165,572,614
C540 TIFIA note payable for an amount not to exceed $499,461,980, opened on January 17, 2023, bearing interest of 1.83% per annum, with interest payments beginning July 2023, principal payments beginning January 2029, and final maturity in January 2058.	499,461,980	499,461,980
Total notes payable, net	$ 663,956,233	$ 665,034,594

The Monroe Expressway TIFIA note payable and C540 note payable maturities are as follows:

Years Ending June 30,	Principal	Interest	Total
2027	$ 1,307,494	$ 10,444,195	$ 11,751,689
2028	1,457,961	12,064,838	13,522,799
2029	1,902,925	14,631,586	16,534,511
2030	2,456,850	15,336,347	17,793,197
2031	2,698,673	15,283,528	17,982,201
2032-2036	18,191,450	75,395,096	93,586,546
2037-2041	29,372,260	72,884,864	102,257,124
2042-2046	222,200,291	73,132,757	295,333,048
2047-2051	217,038,792	47,635,871	264,674,663
2052-2056	126,462,333	20,476,084	146,938,417
2057-2061	40,867,204	3,784,105	44,651,309
	$ 663,956,233	$ 361,069,271	$ 1,025,025,504

Note 6—Long-term debt (continued)

Long-term liability activity for the year ended June 30, 2026 is as follows:

	July 1, 2025	Additions	Reductions	June 30, 2026	Due Within One Year
Bonds payable:					
Bonds	$ 2,018,664,568	$ -	$ (45,609,000)	$ 1,973,055,568	$ 49,788,359
Deferred amounts:					
For issuance deferrals	138,873,706	-	(9,963,276)	128,910,430	-
	2,157,538,274	-	(55,572,276)	2,101,965,998	49,788,359
Note payable	665,034,594	-	(1,078,361)	663,956,233	1,307,494
Advances from the State	35,206,533	1,356,787	-	36,563,320	-
Accrued interest payable	177,323,130	100,987,303	(79,426,636)	198,883,797	49,799,788
Compensated absences	586,226	355,444	(323,418)	618,252	69,875
Net OPEB liability	3,946,812	-	(964,292)	2,982,520	-
Net pension liability	1,886,364	-	(110,679)	1,775,685	-
Total long-term debt	$ 3,041,521,933	$ 102,699,534	$ (137,475,662)	$ 3,006,745,805	$ 100,965,516

Long-term liability activity for the year ended June 30, 2025 is as follows:

	July 1, 2024	Additions	Reductions	June 30, 2025	Due Within One Year
Bonds payable:					
Bonds	$ 2,060,470,568	$ -	$ (41,806,000)	$ 2,018,664,568	$ 45,609,000
Deferred amounts:					
For issuance deferrals	149,044,752	-	(10,171,046)	138,873,706	-
	2,209,515,320	-	(51,977,046)	2,157,538,274	45,609,000
Note payable	665,744,320	-	(709,726)	665,034,594	1,078,361
Advances from the State	33,872,326	1,334,207	-	35,206,533	-
Accrued interest payable	160,768,058	115,459,482	(98,904,410)	177,323,130	52,296,368
Compensated absences	527,301	320,897	(261,972)	586,226	59,473
Net OPEB liability	3,008,410	938,402	-	3,946,812	-
Net pension liability	2,068,029	-	(181,665)	1,886,364	-
Total long-term debt	$ 3,075,503,764	$ 118,052,988	$ (152,034,819)	$ 3,041,521,933	$ 99,043,202

Total interest cost on indebtedness was $124,993,850 and $99,900,542 for the years ended June 30, 2026 and 2025, respectively.

In the Event of Default

The Trust Agreement for the NCTA's outstanding senior lien revenue bonds for the Triangle Expressway System (original issue $195,193,109) contains a provision providing that there can be no acceleration of payment of principal or interest on such bonds as a result of the occurrence of any event of default.

The Trust Agreement for the NCTA's outstanding State appropriation revenue bonds for the Triangle Expressway System (original issue $284,718,000) and the Trust Agreement for the Monroe Connector System (original issue $216,930,000) contains a provision providing there can be no acceleration of payment of principal or interest on such bonds as a result of the occurrence of any event of default.

Note 6—Long-term debt (continued)

The Trust Agreement for the NCTA's outstanding toll revenue bonds for the Monroe Expressway (original issue $137,051,904) contains a provision providing there can be no acceleration of payment of principal of or interest on such bonds as a result of the occurrence of any event of default.

The Trust Agreement for the NCTA's outstanding senior lien revenue and State appropriation capital appreciation bonds for the Complete 540 Project (original issue $486,954,250) contains a provision that there can be no acceleration of payment of principal or of interest on such bonds as a result of the occurrence of any event of default.

Federal Interest Cash Subsidy
The NCTA has elected to treat the Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B and the Monroe Connector System State Appropriation Revenue Bonds, Series 2010A as "Build America Bonds" for purposes of the *American Recovery and Reinvestment Tax Act of 2009* ("Recovery Act"). In adherence with the Recovery Act, NCTA receives cash subsidy payments from the United States Treasury Department equal to 35% of the interest payable on the Series 2009B and 2010A State Appropriation Bonds. As part of the 2026 Federal Budget, the payments received during the year ended June 30, 2026 were reduced by 5.7%. As part of the 2025 Federal Budget, the payments received during the year ended June 30, 2025 were reduced by 5.7%. Cash subsidy payments were $-0- and $1,051,477 for the years ended June 30, 2026 and 2025, respectively.

Bond Covenants
NCTA is subject to certain covenant requirements under the bond indentures related to outstanding debt. Compliance requirements under the covenants maintain that NCTA will provide revenues of at least 130% and 110% of the long-term debt service requirement for senior lien indebtedness and parity debt, respectively, as it relates to the Triangle Expressway and Monroe Expressway.

Pledged Revenues
NCTA issues revenue bonds to provide financing for extension, expansion, and improvement projects within the Turnpike System. NCTA has pledged future toll customer revenues, federal interest subsidy payments, and investment income to repay revenue bonds, of which $2,101,965,998 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2059. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. The total principal and interest remaining to be paid on the bonds is $3,756,153,007. For the year ended June 30, 2026, principal and interest paid and available revenues (toll revenues, fees, federal interest subsidy, federal transportation funds, and investment revenues) were $228,269,078 and $129,489,763 respectively. For year ended June 30, 2025, principal and interest paid and available revenues (toll revenues, fees, federal interest subsidy, federal transportation funds, and investment revenues) were $123,791,469 and $138,586,252, respectively. Current outstanding revenue bond issues are all public sales revenue bonds.

Note 7—Deferred inflows and outflows of resources – unamortized bond refunding gain (losses)

Gains and losses from debt refunding must be deferred and recognized over the lesser of the original remaining life of the old debt or the life of the new debt. In addition, gains and losses related to debt refunding are to be used in determining the carrying value of the new debt issued to finance debt refunding. As of June 30, 2026 and 2025, the carrying values of the 2017 Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds and the 2018 Triangle Expressway System Appropriation Revenue Refunding Bonds have been adjusted for the loss from defeasance (net of amortization) of $16,960,943 and $18,984,553, respectively.

Note 7—Deferred inflows and outflows of resources – unamortized bond refunding gain (losses) (continued)

As of June 30, 2026 and 2025, the carrying value of the 2025 Monroe Expressway System State Appropriation Revenue Refunding Bonds has been adjusted for the gain from defeasance (net of amortization) of $29,887,609 and $32,011,636, respectively.

This deferred outflow and inflow of resources is included as deferred bond refunding charges and deferred gain on refunding, respectively, in the statements of net position.

Note 8—Retirement plans

Plan Description – NCTA is a participating employer in the statewide TSERS, a cost-sharing, multiple-employer defined benefit pension plan administered by the State of North Carolina. TSERS membership is comprised of employees of the State (State agencies and institution), universities, community colleges, and certain proprietary component units along with the employees of Local Education Agencies and charter schools. Article 1 of G.S. Chapter 135 assigns the authority to establish and amend benefit provision to the North Carolina General Assembly. Management of the plan is vested in the TSERS Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer, the State Superintendent of Public Instruction, and the State Director of Human Resources, who serve as ex-officio members. TSERS is included in the State of North Carolina's ACFR. The State of North Carolina's ACFR included financial statements and required supplementary information for TSERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided – TSERS provides retirement and survivor benefits. Retirement benefits are determined as 1.82% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. General employee plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. General employee plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions – Contribution provisions for TSERS are established by North Carolina General Statute 135-8 and may be amended only by the North Carolina General Assembly. Employer and member contribution rates are set each year by the North Carolina General Assembly based on annual actuarial valuations. Required employer contribution rates for the years ended June 30, 2026, and 2025 were 17.14% and 16.79%, respectively, while employee contributions were 6% each year. The NCTA made 100% of its annual required contributions for the years ended June 30, 2026 and 2025. Contributions to the pension plan from the NCTA were $630,512 and $513,826 for the years ended June 30, 2026 and 2025, respectively.

Refunds of Contributions – Employees who have terminated service as a contributing member of TSERS may file an application for a refund of their contributions. By State law, refunds to members with at least five years of service include 4% interest. State law requires a 60-day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions, or any other benefit provided by TSERS.

Note 8—Retirement plans (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – As of June 30, 2026, the NCTA reported a liability of $1,775,685 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2025. The total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to the measurement date of June 30, 2025, utilizing update procedures incorporating the actuarial assumptions.

As of June 30, 2025, the NCTA reported a liability of $1,886,364 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions.

NCTA's proportion of the net pension liability was based on a projection of NCTA's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. As of June 30, 2026 and 2025, NCTA's proportion was 0.01% and the proportion did not change from the prior measurement date.

For the years ended June 30, 2026 and 2025, NCTA recognized pension expense of $642,230 and $639,999, respectively. As of June 30, 2026, NCTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 210,485	$ -
Net difference between projected and actual earnings on pension plan investments	-	57,113
Change in proportion and differences between agency's contributions and proportionate share of contributions	208,462	-
Change in proportion	96,374	-
Contributions subsequent to the measurement date	630,512	-
	$ 1,145,833	$ 57,113

As of June 30, 2025, NCTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 169,994	$ 5,576
Net difference between projected and actual earnings on pension plan investments	311,052	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	119,182	-
Change in proportion	53,957	-
Contributions subsequent to the measurement date	513,826	-
	$ 1,168,011	$ 5,576

Note 8—Retirement plans (continued)

As of June 30, 2026, the $630,512 included as a component of deferred outflows of resources related to pensions resulting from NCTA contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,		
2027	$	602,315
2028		71,100
2029		(127,350)
2030		(87,857)
	$	458,208

Actuarial Assumptions – The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.05%, including inflation and productivity factor of 3.25%
Investment rate of return	6.50%, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e., general, law enforcement officer) and health status (i.e., disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2024, valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and, therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income returns projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	33.0%	2.4%
Global equity	38.0%	6.8%
Real estate	8.0%	6.1%
Alternatives	8.0%	7.9%
Opportunistic fixed income	7.0%	5.1%
Inflation sensitive	6.0%	4.2%
	100.0%	

Note 8—Retirement plans (continued)

The information above is based on 30-year expectations developed with the consulting actuary for the 2024 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total net pension liability.

Sensitivity of NCTA's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents NCTA's proportionate share of the net pension liability calculated using the discount rate of 6.50% as of both June 30, 2026 and 2025, as well as what NCTA's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is approximately one percentage point lower (5.50%) or approximately one percentage point higher (7.50%) than the applicable year's rate as of June 30, 2026 and 2025:

As of June 30, 2026	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
NCTA's proportionate share of the net pension liability	$ 3,022,255	$ 1,775,685	$ 696

As of June 30, 2025	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
NCTA's proportionate share of the net pension liability	$ 3,685,993	$ 1,886,364	$ 455,272

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

Deferred Compensation and Supplemental Retirement Income Plans – IRC Section 457 Plan – The State of North Carolina offers its permanent employees a deferred compensation plan created in accordance with Internal Revenue Code ("IRC") Section 457 through the North Carolina Public Employee Deferred Compensation Plan (the "Plan"). The Plan permits each participating employee to defer a portion of his or her salary until future years. The deferred compensation is available to employees upon separation from service due to death, disability, or retirement or financial hardships if approved by the Board of Trustees (the "Board") of the Plan.

The Board, a part of the North Carolina Department of Administration, maintains a separate fund for the exclusive benefit of the participating employees and their beneficiaries, the North Carolina Public Employee Deferred Compensation Trust Fund. The Board also contracts with an external third party to perform certain administrative requirements and to manage the trust fund's assets. All costs of administering and funding the Plan are the responsibility of the Plan participants. No costs are incurred by the NCTA. The voluntary contributions by employees were $20,656 and $9,660 for the years ended June 30, 2026, and 2025, respectively.

Note 8—Retirement plans (continued)

IRC Section 401(k) Plan – All members of TSERS are eligible to enroll in the Supplemental Retirement Income Plan, a defined contribution plan, created under IRC Section 401(k). All costs of administering the Plan are the responsibility of the Plan participants. No costs are incurred by the NCTA. The voluntary contributions by employees were $64,465 and $65,093 for the years ended June 30, 2026 and 2025, respectively.

Note 9—Other postemployment benefits

NCTA participates in the Comprehensive Major Medical Plan (the "Medical Plan"), a cost-sharing, multiple-employer defined benefit healthcare plan that provides postemployment health insurance to eligible former employees. Eligible former employees include long-term disability beneficiaries of the Disability Income Plan of North Carolina and retirees of TSERS.

Retiree Health Benefit Fund
Plan Description – The Retiree Health Benefit Fund ("RHBF") has been established as a fund to provide health benefits to retired and disabled employees and their applicable beneficiaries. The RHBF is established by General Statute 135-7, Article 1. It is a cost-sharing, multiple-employer, defined benefit healthcare plan, exclusively for the benefit of former employees of the state, the University of North Carolina System, and community colleges. In addition, LEAs, charter schools, and some select local governments also participate.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State senate, one appointed by the State House of Representatives, and the State Treasurer, the State Superintendent, and the Director of the Office of State Human Resources who serve as ex-officio members. The RHBF is supported by a percent of payroll contribution from participating employing units. Each year the percentage is set in legislation, as are the maximum per retiree contributions from the RHBF to the State Health Plan. The State Treasurer, with the approval of the State Health Plan Board of Trustees, then set the employer contributions (subject to the legislative cap) and the premiums to be paid by retirees, as well as the health benefits to be provided through the State Health Plan.

The financial statements and other required disclosures for the State Health Plan are presented in the State of North Carolina's ACFR, which can be found at https://www.osc.nc.gov/public-information/reports.

Benefits Provided – Plan benefits received by retired employees and disabled employees from the RHBF are OPEB. The healthcare benefits for retired and disabled employees who are not eligible for Medicare are the same as for active employees. The plan options change when former employees become eligible for Medicare. Medicare retirees have the option of selecting one of two fully-insured Medicare Advantage/Prescription Drug Plan options of the self-funded Traditional 70/30 preferred Provider Organization plan option that is also offered to non-Medicare members. If the Traditional 70/30 Plan is selected by a Medicare retiree, the self-funded State Health Plan coverage is secondary to Medicare.

Those former employees who are eligible to receive medical benefits from the RHBF are long-term disability beneficiaries of the DIPNC and retirees of the TSERS, the consolidated Judicial Retirement System ("CJRS"), the Legislative Retirement System ("LRS"), the University Employees' Optional Retirement Program ("ORP"), and a small number of local governments, with five or more years of contributory membership service in their retirement system prior to disability or retirement, with the following exceptions: for employees first hired on or after October 1, 2006, and members of the General Assembly first taking office on or after February 1, 2007, future coverage as retired employees and retired members of the General Assembly is subject to the requirement that the future retiree have 20 or more years of retirement service credit in order to receive coverage on a noncontributory basis. Employees first hired on or after October 1, 2006 and members of the General Assembly first taking office on or after February 1, 2007 with 10 but less than 20 years of retirement service credit are eligible for coverage on a partially contributory basis. For such future retirees, the State will pay 50% of the State Health Plan's noncontributory premium.

Note 9—Other postemployment benefits (continued)

Section 35.21(c) and (d) of Session Law 2017-57 repeals retiree medical benefits for employees first hired January 1, 2021. The new legislation amends Article 3B of Chapter 135 of the General Statutes to require that retirees must earn contributory retirement service in TSERS (or in an allowed local system unit), CJRS, or LRS prior to January 1, 2021, and not withdraw that service, in order to be eligible for retiree medical benefits under the amended law. Consequently, members first hired on and after January 1, 2021 will not be eligible to receive retiree medical benefits.

The RHBF's benefit and contribution provisions are established by Chapter 135-7, Article 1 and Chapter 135, Article 3B of the General Statutes and may be amended only by the North Carolina General Assembly. The RHBF does not provide for automatic postretirement benefit increases.

Contributions – By General Statute, accumulated contributions from employers to the RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to the RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the RHBF. However, the RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of State – supports retired employees' health benefits. Contribution rates to the RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the years ended June 30, 2026 and 2025, the NCTA contributed 7.69% and 6.99% of covered payroll, which was $285,546 and $223,011, respectively.

At June 30, 2026, NCTA reported a liability of $2,982,520 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2024. The total OPEB liability was then rolled forward to the measurement date of June 30, 2025, utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2025, NCTA reported a liability of $3,946,812 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024, utilizing update procedures incorporating the actuarial assumptions.

The NCTA's proportion of the net OPEB liability was based on a projection of NCTA's present value of future salary, actuarially determined. At June 30, 2026 and 2025, NCTA's proportion was 13.59% and 9.79%, respectively.

Note 9—Other postemployment benefits (continued)

As of June 30, 2026, the $269,641 of contributions subsequent to the measurement date reported as deferred outflows of resources will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2027. As of June 30, 2026, NCTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 24,069	$ -
Changes in assumptions	798,069	1,573,135
Net difference between projected and actual earnings on pension plan investments	5,415	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	357,857	45,677
Change in proportion	464,682	-
Contributions subsequent to the measurement date	269,641	-
	$ 1,919,733	$ 1,618,812

As of June 30, 2025, NCTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 32,169	$ -
Changes in assumptions	950,554	514,584
Net difference between projected and actual earnings on pension plan investments	16,912	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	218,213	83,741
Change in proportion	469,808	-
Contributions subsequent to the measurement date	213,916	-
	$ 1,901,572	$ 598,325

Other amounts reported as outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2027	$ 61,306
2028	157,282
2029	27,938
2030	(215,246)
	$ 31,280

Note 9—Other postemployment benefits (continued)

Actuarial Assumptions – The total OPEB liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% to 8.05%, including inflation and productivity factor of 2.50%
Healthcare cost trend rate – medical	5.00% to 6.00%
Healthcare cost trend rate – prescription drug	5.00% to 9.50%
Healthcare cost trend rate – administrative	3.00%

Discount Rate – The discount rate used to measure the total OPEB liability for the RHBF was 5.20%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 5.20% was used as the discount rate used to measure the total OPEB liability. The 5.20% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2025.

Sensitivity of the NCTA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the NCTA's proportionate share of the net RHBF OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the applicable year's discount rate as of June 30, 2026 and 2025:

As of June 30, 2026	1% Decrease (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
NCTA's proportionate share of the net OPEB liability	$ 3,509,128	$ 2,982,520	$ 2,551,334

As of June 30, 2025	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
NCTA's proportionate share of the net OPEB liability	$ 4,695,688	$ 3,946,812	$ 2,355,239

Sensitivity of the NCTA's Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trend Rates – The following presents the NCTA's proportionate share of the net RHBF OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the applicable year's discount rate as of June 30, 2026 and 2025:

As of June 30, 2026	1% Decrease	6.50% Medical, 10.00% Rx, 3.00% Administrative	1% Increase
NCTA's proportionate share of the net OPEB liability	$ 3,814,228	$ 2,982,520	$ 5,665,402

As of June 30, 2025	1% Decrease	6.50% Medical, 10.00% Rx, 3.00% Administrative	1% Increase
NCTA's proportionate share of the net OPEB liability	$ 3,257,812	$ 3,946,812	$ 4,838,938

Note 9—Other postemployment benefits (continued)

OPEB Plan Fiduciary Net Position – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina, which can be found at https://www.osc.nc.gov/public-information/reports.

Disability Income Plan of North Carolina
Plan Description – Short-term and long-term disability benefits are provided through the DIPNC, a cost-sharing, multiple-employer defined benefit plan, to the eligible members of TSERS which includes employees of the State, the University of North Carolina System, community colleges, and certain Local Education Agencies and ORP.

Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives and the State Treasurer, the State Superintendent, and the Director of the Office of the State Human Resources who serve as ex-officio members. Management of the plan is vested in the State Health Plan Board of Trustees, which consists of 13 members – eight appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives and the State Treasurer, the State Superintendent, and the Director of the Office of State Human Resources who service as ex-officio members.

The financial statements and other required disclosures for the plan are presented in the State of North Carolina's ACFR, which can be found at https://www.osc.nc.gov/public-information/reports.

Benefits Provided – Long-term disability benefits are payable as an OPEB from DIPNC after the conclusion of the short-term disability period or after salary continuation payments cease, whichever is later, for as long as the employee is disabled. An employee is eligible to receive long-term disability benefits provided the following requirements are met: (1) the employee have five or more years on contributing membership services in TSERS or ORP, earned within 96 months prior to the end of the short-term disability period or cessation of salary continuation payments, whichever is later; (2) the employee must make application to receive long-term benefits within 180 days after the conclusion of the short-term disability period or after salary continuation payment cease or after monthly payments for workers' compensation cease (excluding monthly payments for permanent partial benefits), whichever is later; (3) the employee must be certified by the Medical Board to be mentally or physically disabled for the further performance of his/her usual occupation; (4) the disability must have been continuous, likely to be permanent, and incurred at the time of active employment; (5) the employee must not be eligible to receive an unreduced retirement benefit from TSERS after (1) reaching the age of 65 and completing five years of membership service, or (2) reaching the age of 60 and completing 25 years of creditable service, or (3) completing 30 years of service at any age.

Contributions – Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic postretirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal years ended June 30, 2026 and 2025, employers made a statutory contribution of 0.13% and 0.10%, respectively of covered payroll which was equal to the actuarially required contribution. NCTA's contributions to the plan were $4,827 and $4,148 for the years ended June 30, 2026 and 2025, respectively.

The contributions cannot be separated between the amounts that relate to other postemployment benefits and employment benefits for active employees. Those individuals who are receiving extended short-term disability benefit payments cannot be separated from the number of members currently eligible to receive disability benefits as another postemployment benefit.

Note 9—Other postemployment benefits (continued)

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB – At June 30, 2026, NCTA reported a net pension asset of $8,454 for its proportionate share of the DIPNC net pension asset. The net pension asset was measured as of June 30, 2025, and the total OPEB liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2024. The total OPEB liability was then rolled forward to the measurement date of June 30, 2025 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2025, NCTA reported a net pension asset of $3,608 for its proportionate share of the net DIPNC OPEB net pension asset. The net OPEB net pension asset was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2023. The total OPEB liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions.

The NCTA's proportion of the net OPEB liability (asset) was based on a projection of NCTA's present value of future salary, actuarially determined. At June 30, 2026 and 2025, NCTA's proportion was 0.01%.

As of June 30, 2026, the $2,575 of contributions subsequent to the measurement date reported as deferred outflows of resources will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2027. As of June 30, 2026, NCTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 1,321	$ 3,856
Changes in assumptions	-	1,097
Net difference between projected and actual earnings on pension plan investments	1,041	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	1,456	314
Change in proportion	-	1,520
Contributions subsequent to the measurement date	2,575	-
	$ 6,393	$ 6,787

As of June 30, 2025, NCTA reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	$ 1,455	$ 4,150
Changes in assumptions	54	1,681
Net difference between projected and actual earnings on pension plan investments	2,833	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	1,663	383
Change in proportion	-	1,925
Contributions subsequent to the measurement date	3,978	-
	$ 9,983	$ 8,139

Note 9—Other postemployment benefits (continued)

Other amounts reported as outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,	
2027	$ (2,255)
2028	(675)
2029	(84)
2030	45
	$ (2,969)

Actuarial Assumptions – The total OPEB asset in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.25% to 8.05%, including inflation and productivity factor of 3.00%
Investment rate of return	3.00%, net of pension plan investment expense, including inflation

Sensitivity of the NCTA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the NCTA's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.00%) or one percentage point higher (4.00%) than the applicable year's discount rate as of June 30:

As of June 30, 2026	**1% Decrease (2.00%)**	**Discount Rate (3.00%)**	**1% Increase (4.00%)**
NCTA's proportionate share of the net OPEB liability (asset)	$ (5,636)	$ (8,454)	$ (11,272)

As of June 30, 2025	**1% Decrease (2.00%)**	**Discount Rate (3.00%)**	**1% Increase (4.00%)**
NCTA's proportionate share of the net OPEB liability (asset)	$ 3,414	$ 2,840	$ 2,255

Common Actuarial Assumptions for Both OPEB Plans – The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2024, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2025. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

The OPEB plan currently uses mortality tables that vary by age, gender, employee group (i.e. teacher, general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvement.

The actuarial assumptions were based on the results of the experience study prepared as of December 31, 2019.

Note 9—Other postemployment benefits (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	2.4%
Global Equity	38.0%	6.9%
Real Estate	8.0%	6.0%
Alternatives	8.0%	8.6%
Credit	7.0%	5.3%
Inflation Protection	6.0%	4.3%
	100.0%	

Total OPEB Expense, OPEB Assets and Liabilities, and Deferred Outflows and Inflows of Resources Related to OPEB

The following is information related to the proportionate share and OPEB expense as of June 30, 2026:

	RHBF	DIPNC	Total
OPEB liability (asset)	$ 2,982,520	$ (8,454)	$ 2,974,066
Proportionate share of net OPEB liability	0.0%	0.0%	-
Deferred outflows of resources:			
Difference between actual and expected experience	24,069	1,321	25,390
Changes in assumptions	798,069	-	798,069
Net difference between projected and actual earnings on OPEB plan investments	5,415	1,041	6,456
Change in proportion and differences between agency's contributions and proportionate share of contributions	357,857	1,456	359,313
Change in proportion	464,682	-	464,682
Contributions subsequent to the measurement date	269,641	2,575	272,216
	$ 1,919,733	$ 6,393	$ 1,926,126
Deferred inflows of resources:			
Difference between actual and expected experience	$ -	$ 3,856	$ 3,856
Changes in assumptions	1,573,135	1,097	1,574,232
Change in proportion and differences between agency's contributions and proportionate share of contributions	45,677	314	45,991
Change in proportion	-	1,520	1,520
	$ 1,618,812	$ 6,787	$ 1,625,599

Note 9—Other postemployment benefits (continued)

The following is information related to the proportionate share and OPEB expense as of June 30, 2025:

	RHBF	DIPNC	Total
OPEB expense	$ 429,677	$ 1,973	$ 431,650
OPEB liability	3,946,812	(3,608)	3,943,204
Proportionate share of net OPEB liability	0.1%	0.1%	
Deferred outflows of resources:			
Difference between actual and expected experience	32,169	1,455	33,624
Changes in assumptions	950,554	54	950,608
Net difference between projected and actual earnings on OPEB plan investments	16,912	2,833	19,745
Change in proportion and differences between agency's contributions and proportionate share of contributions	218,213	1,663	219,876
Change in proportion	469,808	-	469,808
Contributions subsequent to the measurement date	213,916	3,978	217,894
	$ 1,901,572	$ 9,983	$ 1,911,555
Deferred inflows of resources:			
Difference between actual and expected experience	$ -	$ 4,150	$ 4,150
Changes in assumptions	514,584	1,681	516,265
Change in proportion and differences between agency's contributions and proportionate share of contributions	83,741	383	84,124
Change in proportion	-	1,925	1,925
	$ 598,325	$ 8,139	$ 606,464

Note 10—Risk management

NCTA is exposed to various risks of loss related to torts; theft of, damage to, and the destruction of assets; errors and omissions; injuries to employees; and natural disasters. NCTA carries insurance through NCDOT for risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Tort claims of up to $1,000 are self-insured under the authority of the State Tort Claims Act. In addition, the State provides excess public officers' and employees' liability insurance up to $10,000 via contract with a private insurance company. The premium, based on a composite rate, is paid by NCDOT directly to the insurer.

The State Property Fire Insurance Fund ("Fire Fund"), an internal service fund of the state, insures all state-owned buildings and contents for fire and various other property losses up to $2,500 per occurrence. The Fire Fund purchases excess insurance from private insurers to cover losses over the amounts insured by the Fund. Losses covered by the Fire Fund are subject to a $5 per occurrence deductible except for theft losses that carry a $1 per occurrence deductible. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

Note 10—Risk management (continued)

State-owned vehicles are covered by liability insurance handled by the North Carolina Department of Insurance. The State is self-insured for the first $1,000 of any loss through a retrospective rated plan. Excess insurance coverage is purchased through a private insurer to cover losses greater than $1,000 up to $10,000. The liability limits for losses occurring in-state are $1,000 per claimant and $10,000 per occurrence. NCDOT covers the cost of excess insurance and pays for those losses falling under the self-insured retention.

NCTA is protected for losses from employee dishonesty and computer fraud for employees paid in whole or in part from State funds. This coverage is with a private insurance company and is handled by the North Carolina Department of Insurance with coverage of $5,000 per occurrence, with a $75 deductible and 10% participation in each loss above the deductible. In addition, NCDOT has a separate public employee dishonesty and faithful performance policy with a limit of $1,000.

Employees and retirees are provided healthcare coverage by the Medical Plan, a component unit of the state. The plan is self-insured and exempt from the Employee Retirement Income Security Act as a government-sponsored plan. The Medical Plan is funded by employer and employee contributions and is administered by a third party contractor.

The North Carolina Workers' Compensation Program provides benefits to workers injured on the job. All employees of the State are included in the program. When an employee is injured, NCTA's primary responsibility is to arrange for and provide the necessary treatment for the work related injury. NCTA is responsible to pay medical benefits and compensation in accordance with the North Carolina Workers' Compensation Act. NCTA is self-insured for workers' compensation.

Term life insurance of $25,000 to $50,000 is provided to eligible employees. This self-insured death benefit program is administered by the State Treasurer and funded via employer contributions. The employer contribution rate was 0.16% of covered payroll for the current fiscal year.

Additional details on the state-administered risk management programs are disclosed in the State of North Carolina's ACFR. An electronic version of this report is available by accessing the North Carolina Office of the State Controller's Internet home page http://www.ncosc.net/ and clicking on "Public Information" or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

Note 11—Commitments and contingencies

NCTA has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments for engineering and design contracts were $71,582,708 and $77,840,109 as of June 30, 2026 and 2025, respectively.

NCTA at times is involved in litigation in the normal course of business. Although the outcome of any such litigation is not presently determinable, in the opinion of management and NCTA's General Counsel, the results of the litigation will not have a materially adverse impact on the financial position of NCTA.

Note 12—Subsequent events

In connection with the preparation of the financial statements, NCTA considered for disclosure subsequent events that occurred after the statement of net position date of June 30, 2026 through October 20, 2026, which was the date the financial statements were available to be issued in accordance with GASB Statement No. 5. There was no material recognized or nonrecognized subsequent events identified during this evaluation period that require adjustments to, or disclosure in, these financial statements.

Required Supplementary Information

This section contains additional information required by generally accepted accounting principles.

- Schedule of Proportionate Share of Net Pension Liability – Teachers' and State Employees' Retirement System
- Schedule of Contributions – Teachers' and State Employees' Retirement System
- Schedule of Proportionate Share of Net OPEB Liability – Retiree Health Benefit Fund
- Schedule of Contributions – Retiree Health Benefit Fund
- Schedule of Proportionate Share of Net OPEB Liability (Asset) – Disability Income Plan of North Carolina
- Schedule of Contributions – Disability Income Plan of North Carolina

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
NCTA's proportion of the net pension liability (%)	1.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net pension liability ($)	$ 1,775,685	$ 1,886,364	$ 2,068,029	$ 1,711,885	$ 511,918	$ 1,270,095	$ 879,694	$ 729,749	$ 483,101	$ 557,948
NCTA's covered payroll	3,190,425	2,709,707	2,232,626	2,275,139	2,078,055	1,657,530	1,558,727	1,250,977	1,020,099	899,061
NCTA's proportionate share of the net pension liability as a percentage of its covered payroll	55.7%	69.6%	92.6%	75.2%	24.6%	76.6%	56.4%	58.3%	47.4%	62.1%
Plan fiduciary net position as a percentage of the total pension liability	85.40%	83.80%	82.97%	84.14%	94.86%	85.98%	87.56%	87.61%	89.51%	87.32%

Schedule of Contributions
Teachers' and State Employees' Retirement System
Last Ten Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 630,512	$ 513,826	$ 477,992	$ 355,636	$ 374,320	$ 307,137	$ 214,982	$ 191,568	$ 132,103	$ 101,322
Contributions in relation to the contractually required contribution	(630,512)	(513,826)	(477,992)	(355,636)	(374,320)	(307,137)	(214,982)	(191,568)	(132,103)	(101,322)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NCTA's covered payroll	$ 3,713,219	$ 3,190,425	$ 2,709,707	$ 2,232,626	$ 2,275,139	$ 2,078,055	$ 1,657,530	$ 1,558,727	$ 1,250,977	$ 1,020,099
Contributions as a percentage of covered payroll	16.98%	16.11%	17.64%	15.93%	16.45%	14.78%	12.97%	12.29%	10.56%	9.93%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30.

Notes to Schedule

Valuation Date – The total pension liability was determined by actuarial valuation as of December 31, 2025. The total pension liability was then rolled forward to June 30, 2026 utilizing update procedures incorporating the actuarial assumptions. The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
TEACHERS' AND STATE EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

LAST TEN FISCAL YEARS

Methods and assumptions used to determine contribution rates.

- The Entry Age Normal actuarial cost method was used to determine liabilities and funding requirements.
- The discount rate remained at 6.50% as of December 31, 2025.
- Salary increases are assumed to be 3.25%-8.05% which includes 2.50% inflation and productivity factor.
- Investment expected rate of return is 6.50% net of pension plan investment expense, including inflation.
- No cost-of-living adjustments granted.
- Mortality tables vary by age, gender, employee group, and health status. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH BENEFIT FUND

LAST NINE FISCAL YEARS

Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Benefit Fund
Last Nine Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
NCTA's proportion of the net OPEB liability (%)	13.59%	11.60%	11.28%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net OPEB liability ($)	$ 2,982,520	$ 3,946,812	$ 3,005,570	$ 2,447,581	$ 2,951,039	$ 2,521,627	$ 2,354,514	$ 1,794,683	$ 1,745,360
NCTA's covered payroll	3,190,425	2,709,707	2,232,626	2,275,139	1,657,530	1,657,530	1,558,727	1,250,977	1,250,977
NCTA's proportionate share of the net OPEB liability as a percentage of its covered payroll	93.48%	145.65%	110.92%	109.76%	129.71%	121.35%	151.05%	143.46%	139.52%
Plan fiduciary net position as a percentage of the total OPEB liability	13.59%	9.79%	10.73%	10.58%	7.72%	6.92%	4.45%	4.40%	3.52%

Schedule of Contributions
Retiree Health Benefit Fund
Last Nine Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 285,547	$ 223,011	$ 176,727	$ 140,986	$ 143,741	$ 138,814	$ 107,242	$ 97,732	$ 78,436
Contributions in relation to the contractually required contribution	(285,547)	(223,011)	(176,727)	(140,986)	(143,741)	(138,814)	(107,242)	(97,732)	(78,436)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NCTA's covered payroll	$ 3,713,219	$ 3,190,425	$ 2,709,707	$ 2,232,626	$ 2,275,139	$ 1,657,530	$ 1,657,530	$ 1,558,727	$ 1,250,977
Contributions as a percentage of covered payroll	7.69%	6.99%	7.14%	6.89%	6.68%	8.37%	6.47%	6.27%	6.27%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. Information is not available for preceding years, to the extent 10 years of information is not presented.

Notes to Schedule

Valuation Date – The total pension liability was determined by actuarial valuation as of December 31, 2024. The total pension liability was then rolled forward to June 30, 2025 utilizing update procedures incorporating the actuarial assumptions.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH BENEFIT FUND (CONTINUED)

LAST NINE FISCAL YEARS

Methods and assumptions used to determine contribution rates.

- The discount rate used to measure total OPEB liability for RHBF was 5.20%, mirroring the municipal bond rate. The rate is used on the Bond-Buyer 20-year General Obligation index as of June 30, 2025.
- Salary increases are assumed to be 3.25%-8.05%, which includes 2.50% inflation and productivity factor.
- Investment expected rate of return is 6.50% net of pension plan investment expense, including inflation.
- General inflation is assumed to be 2.50%.
- Mortality tables vary by age, gender, employee group, and health status. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
DISABILITY INCOME PLAN OF NORTH CAROLINA

LAST NINE FISCAL YEARS

Schedule of Proportionate Share of Net OPEB Liability (Asset)
Disability Income Plan of North Carolina
Last Nine Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
NCTA's proportion of the net OPEB liability (asset) (%)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net OPEB liability (asset) ($)	$ (8,454)	$ (3,608)	$ 2,840	$ 2,951	$ (1,530)	$ (4,406)	$ 3,044	$ 1,897	$ 1,897
NCTA's covered payroll	3,190,425	2,709,707	2,232,626	2,275,139	2,078,055	1,558,727	1,558,727	1,250,977	1,020,099
NCTA's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.26%	0.11%	0.10%	0.00%	0.07%	0.21%	0.20%	0.15%	0.19%
Plan fiduciary net position as a percentage of the total OPEB asset	137.80%	129.20%	90.61%	90.34%	105.18%	115.57%	113.00%	108.47%	108.47%

Schedule of Contributions
Disability Income Plan of North Carolina
Last Nine Fiscal Years

	2026	2025	2024	2023	2022	2021	2020	2019	2018
Contractually required contribution	$ 4,827	$ 4,148	$ 2,723	$ 2,046	$ 2,057	$ 1,870	$ 1,658	$ 2,182	$ 2,182
Contributions in relation to the contractually required contribution	(4,827)	(4,148)	(2,723)	(2,046)	(2,057)	(1,870)	(1,658)	(2,182)	(2,182)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
NCTA's covered payroll	$ 3,713,219	$ 3,190,425	$ 2,709,707	$ 2,232,626	$ 2,275,139	$ 2,078,055	$ 1,558,727	$ 1,558,727	$ 1,250,977
Contributions as a percentage of covered payroll	0.13%	0.13%	0.10%	0.09%	0.09%	0.09%	0.11%	0.14%	0.17%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ended June 30. Information is not available for preceding years, to the extent 10 years of information is not presented.

Notes to Schedule

Valuation Date – The total pension liability was determined by actuarial valuations as of December 31, 2024. The total pension liability was then rolled forward to June 30, 2025 utilizing update procedures incorporating the actuarial assumptions. The actuarial assumptions used in the December 31, 2024 valuations were based on an investigation of demographic and economic experience over the five-year period from January 1, 2015 to December 31, 2019.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
DISABILITY INCOME PLAN OF NORTH CAROLINA (CONTINUED)

LAST NINE FISCAL YEARS

Methods and assumptions used to determine contribution rates

- The discount rate used to measure total OPEB liability for DIPNC was 3.00%.
- The long-term expected real rate of return on plan investments was used on all periods for projecting benefit payments and determining the total liability.
- Salary increases are assumed to be 3.25%-8.05%, which includes 3.00% inflation and productivity factor.
- Investment expected rate of return is 3.00% net of pension plan investment expense, including inflation.
- General inflation is assumed to be 2.50%.
- Mortality tables vary by age, gender, employee group, and health status. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

SUPPLEMENTARY INFORMATION

NORTH CAROLINA TURNPIKE AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES —
(MODIFIED CASH BASIS – NON-GAAP)

YEAR ENDED JUNE 30, 2026

	Triangle Expressway	Monroe Expressway
Revenues:		
Operating Revenue:		
Charges for Services:		
Toll receipts	$ 149,246,208	$ 37,765,818
Toll bad debt recovery (expense)	1,411,616	(1,158,821)
Late payment fee	12,700,793	4,854,904
Electronic transaction fees	314,132	78,935
Liquid Damage Fee	-	12,000
Fuel Hedge	497,769	-
Returned Check Fee	(73)	(451)
Total Revenues	164,170,445	41,552,385
Expenditures:		
Operating Expenditures:		
Shared operating expenses	18,192,983	5,780,424
Personnel services	458,523	159,146
Contracted personnel services	780,397	377,053
Supplies and materials	477,489	358,785
Travel	-	1,000
Utilities	392,027	63,832
Other services	551,310	170,742
Capital outlay	10,925,935	6,938,206
Rental expenditures	1,076	4,238
Renewal and Replacement Expenditures:		
Shared renewal and replacement expenditures	420,286	128,977
Personnel services	10,028	-
Supplies and materials	132,188	23,507
Capital outlay	615,004	690,791
Rental expenditures	41,000	-
Construction Expenditures:		
Personnel services	1,736,411	14,949
Contracted personnel services	263,695	-
Supplies and materials	14,441,224	-
Travel	853	-
Advertising	47,725	-
Other services	4,203,117	-
Other expenditures	135,100	-
Capital outlay	234,689,723	233,271
Right of way	23,463,855	-
Rental expenditures	153,466	1,408
Total Operating Expenditures	312,133,415	14,946,329
Operating Loss	(147,962,970)	26,606,056

The accompanying note to the schedule of revenues and expenditures is an integral part of the schedule.

NORTH CAROLINA TURNPIKE AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES —
(MODIFIED CASH BASIS – NON GAAP) (CONTINUED)

YEAR ENDED JUNE 30, 2026

	Triangle Expressway	Monroe Expressway
Nonoperating Revenues (Expenditures):		
Insurance recoveries	$ 209,958	$ 24,759
Damage claims write-offs	(7,636)	(1,719)
Liquidated damages collections	-	12,000
Nonoperating Revenue - State	25,000,000	24,000,000
Investment earnings	14,261,611	7,669,752
Interest and Fees:		
Triangle Expressway System C540 Revenue Bonds, Series 2024A	(15,228,750)	-
Triangle Expressway System Senior Lien Revenue Refunding Bonds, Series 2017	(6,461,594)	-
Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018A	(6,005,000)	-
Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018B	(3,031,782)	-
Triangle Expressway System TIFIA Loan, 2021 Refunding Bonds, Series 2018B	(5,399,258)	-
Triangle Expressway System Senior Lien Turnpike Revenue Bonds, Series 2019	(17,069,100)	-
Triangle Expressway System 2025 Garvee	(10,865,113)	-
Triangle Expressway System TIFIA Loan, 2021	(2,409,070)	-
Triangle Expressway System Senior Lien Revenue Refunding Bonds, Series 2018	(17,997,400)	-
Monroe Connector System State Annual Appropriation Refunding Bonds, Series 2024	-	(8,811,000)
Monroe Expressway System TIFIA Loan, 2017	-	(2,786,536)
Monroe Connector System Senior Lien Revenue Bonds, Series 2016	-	(5,912,263)
Monroe Bond Interest Expense-2021 Rev Bonds	-	(3,582,361)

The accompanying note to the schedule of revenues and expenditures is an integral part of the schedule.

NORTH CAROLINA TURNPIKE AUTHORITY
SCHEDULE OF REVENUES AND EXPENDITURES —
(MODIFIED CASH BASIS – NON GAAP) (CONTINUED)

YEAR ENDED JUNE 30, 2026

	Triangle Expressway	Monroe Expressway
Principal:		
Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2017	$ (14,755,000)	$ -
Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018B	(14,134,000)	-
Triangle Expressway System Senior Lien Revenue Refunding Bonds, Series 2018	(6,585,000)	-
Monroe Refunding Bonds Payable 2024	-	(7,480,000)
Monroe TIFIA Note Payable	-	(618,206)
Monroe Connector System Refunding Bonds Payable 2021	-	(2,655,000)
Total Nonoperating Expenditures	(80,477,134)	(140,574)
Loss (gain) before transfers and capital grants	(228,440,104)	26,465,482
Capital grants	71,979,760	-
Revenues over Expenditures (Expenditures over Revenues)	$ (156,460,344)	$ 26,465,482

The accompanying note to the schedule of revenues and expenditures is an integral part of the schedule.

NORTH CAROLINA TURNPIKE AUTHORITY
NOTE TO THE SCHEDULE OF REVENUES AND EXPENDITURES —
(MODIFIED CASH BASIS – NON GAAP)

YEAR ENDED JUNE 30, 2026

Note 1–Basis of presentation

The Schedule of Revenues and Expenditures – Modified Cash Basis – Non-GAAP is shown on a modified cash basis. Operating revenues inclusive of late payment fees, electronic transaction fees, and returned check fees are shown on a modified cash basis. These revenues are accounted for at the fund level and allocated across NCTA's operational projects at the end of each month based on facility usage. Any accrued revenue inclusive of these fees has not yet been allocated to a specific project; therefore, it cannot be included in the project specific operating revenue amounts. All expenditures are shown on a cash basis.

Cherry Bekaert LLP
Your Guide Forward

Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
North Carolina Turnpike Authority
Raleigh, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Carolina Turnpike Authority ("NCTA"), a major enterprise fund of the State of North Carolina, and a business unit of the North Carolina Department of Transportation ("NCDOT"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise NCTA's basic financial statements, and have issued our report thereon dated October 20, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered NCTA's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of NCTA's internal control. Accordingly, we do not express an opinion on the effectiveness of NCTA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet, important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether NCTA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

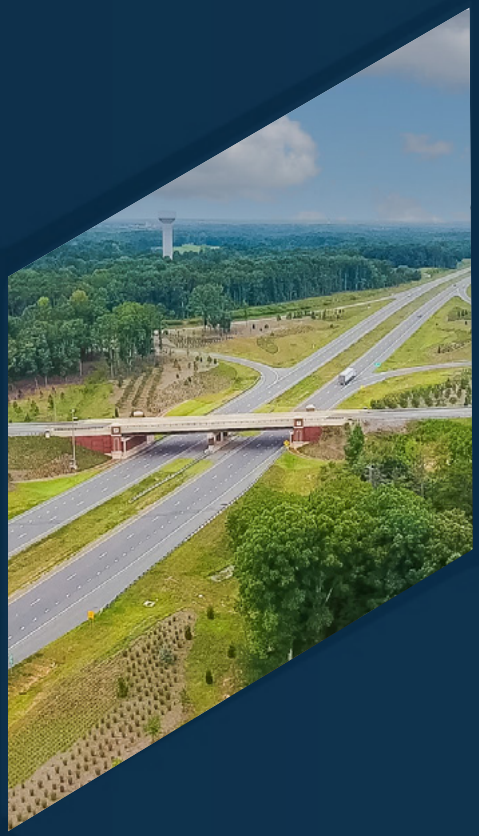
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of NCTA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NCTA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Cherry Bekaert LLP

Raleigh, North Carolina
October 20, 2026

This audit required 450 audit hours at a cost of $88,725.

Statistical Section



Financial Trends

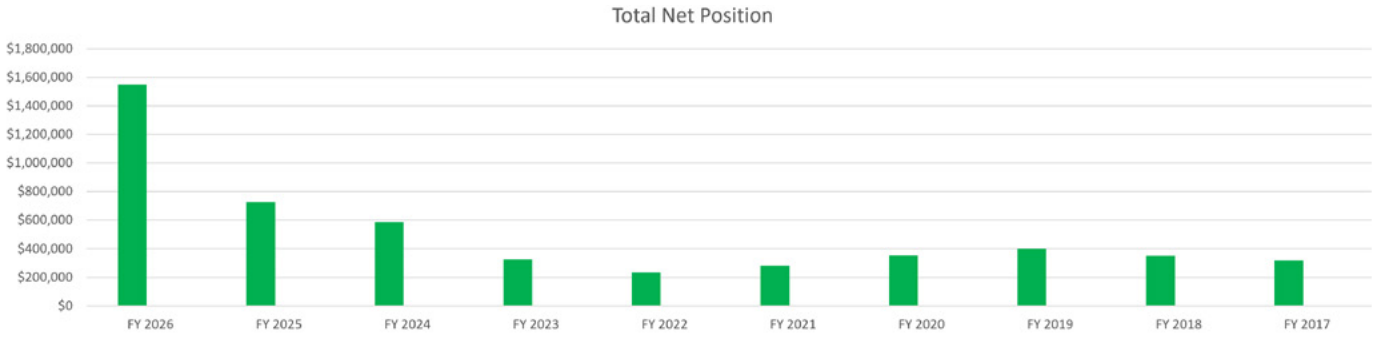
These schedules contain trend information to help the reader understand how the North Carolina Turnpike Authority's (NCTA) financial position has changed over time.

Net Position

(in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Net Investment in Capital Assets	$1,730,297	$928,142	$746,190	$531,139	$422,924
Restricted	304,428	281,492	177,051	162,088	215,432
Unrestricted	(486,254)	(484,258)	(334,962)	(367,790)	(402,726)
Total Net Position	**$1,548,471**	**$725,376**	**$588,279**	**$325,438**	**$235,630**

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Net Investment in Capital Assets	$432,495	$433,327	$484,797	$529,512	$459,895
Restricted	250,865	175,209	108,567	7,476	5,477
Unrestricted	(400,828)	(256,137)	(192,568)	(186,924)	(146,334)
Total Net Position	**$282,532**	**$352,399**	**$400,795**	**$350,064**	**$319,038**



Statements of Revenues, Expenses, and Changes in Net Position

NCTA Fund (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Operating Revenues					
Charges for Services	$207,464	$139,653	$111,481	$94,173	$89,667
Other Operating Revenues	58,892	38,380	17,684	17,599	17,605
Total Operating Revenues	**266,356**	**178,033**	**129,165**	**111,772**	**107,272**
Operating Expenses					
Personnel Services	5,007	5,243	4,713	3,190	3,024
Supplies & Materials	696	320	195	1,643	614
Contracted Personnel Services	13,319	13,419	12,968	12,733	8,596
Travel	95	68	82	84	73
Advertising	1,069	879	584	719	159
Utilities	640	452	358	554	330
Dues & Subscription Fees	54	50	51	10	44
Other Services	38,515	25,855	20,203	17,837	29,013
Costs of Goods Sold	1,551	739	1,239	608	933
Capital Outlay	85,003	26,902	34,082	42,287	35,795
Rental Expense	52	142	195	114	200
Depreciation	56,929	33,637	29,687	29,684	29,684
Total Operating Expenses	**202,930**	**107,706**	**104,357**	**109,463**	**108,465**
Operating Income (Loss)	63,426	70,327	24,808	2,309	(1,193)
Nonoperating Revenue (Expenses) & Capital Grants/Gifts	759,669	66,770	238,055	87,497	(45,708)
Change in Net Position	823,095	137,097	262,863	89,806	(46,901)
Net Position - Beginning - Restated	725,376	588,279	325,416	235,631	282,531
Net position, Restatement (GASB 101, 75)	-	-	(21)	-	-
Net position, Restatement (GASB 100)	-	(11,778)	-	-	-
Net Position - Ending	**$1,548,471**	**$725,376**	**$588,279**	**$325,437**	**$235,631**

NCTA Fund (in thousands)

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Operating Revenues					
Charges for Services	$49,792	$77,198	$63,987	$48,999	$44,708
Other Operating Revenues	7,393	5,414	1,168	648	812
Total Operating Revenues	**57,185**	**82,613**	**65,155**	**49,648**	**45,520**
Operating Expenses					
Personnel Services	3,387	2,738	1,643	1,327	1,213
Supplies & Materials	241	277	70	73	281
Contracted Personnel Services	8,476	11,918	7,434	776	888
Travel	4	44	67	50	35
Advertising	96	419	574	124	49
Utilities	270	269	276	282	272
Dues & Subscription Fees	39	37	12	24	23
Other Services	18,836	15,467	5,317	3,814	4,965
Costs of Goods Sold	701	1,046	810	727	788
Capital Outlay	40,357	39,174	27,543	15,153	15,262
Rental Expense	169	205	176	108	66
Depreciation	29,684	29,684	24,035	16,130	16,130
Total Operating Expenses	**102,258**	**101,279**	**67,957**	**38,588**	**39,972**
Operating Income (Loss)	(45,073)	(18,666)	(2,802)	11,060	5,548
Nonoperating Revenue (Expenses) & Capital Grants/Gifts	(24,794)	(29,730)	53,534	21,981	(104,247)
Change in Net Position	(69,868)	(48,396)	50,732	33,041	(98,699)
Net Position Beginning, July 1	352,399	400,796	350,063	317,022	417,737
Net position, Restatement (GASB 101, 75)	-	-	-	(2,016)	-
Net position, Restatement (GASB 100)	-	-	-	-	-
Net Position - Ending	**$282,531**	**$352,399**	**$400,795**	**$350,063**	**$319,038**

Schedules of Revenues and Expenditures

Triangle Expressway (in thousands) (Modified Cash Basis-Non GAAP)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Operating Revenues					
Charges for Services	$164,170	$117,099	$66,700	$66,276	$56,078
Other Operating Revenues	-	-	-	-	-
Total Operating Revenues	**164,170**	**117,099**	**66,700**	**66,276**	**56,078**
Operating Expenses					
Shared Operating Expenditures	18,613	17,538	14,857	12,623	8,812
Personnel Services	2,205	2,675	2,425	1,403	1,907
Supplies & Materials	15,051	10,414	12,018	8,985	13,545
Contracted Personnel Services	1,044	1,793	642	1,388	561
Travel	1	-	1	1	1
Advertising	48	240	193	123	25
Utilities	392	308	194	217	215
Dues & Subscription Fees	-	-	-	-	-
Other Services	4,754	4,267	3,729	4,696	8,160
Other Expenditures	135	273	-	-	-
Transponder Purchases	-	-	-	-	-
Right of Way	23,464	71,321	48,244	19,421	18,943
Capital Outlay	246,231	150,304	258,132	193,756	264,678
Total Operating Expenses	**312,133**	**259,734**	**340,563**	**242,686**	**316,995**
Operating Income (Loss)	(147,963)	(142,635)	(273,863)	(176,410)	(260,917)
Nonoperating Revenue (Expenses)	(80,477)	(59,571)	(52,461)	(579,766)	(77,744)
Capital Grants	71,980	79,409	166,283	66,478	98
Excess of Revenue Over (Under) Expenditures	**($156,460)**	**($122,797)**	**($160,041)**	**($689,698)**	**($338,563)**

Trend analysis available for nine years.

Triangle Expressway (in thousands) (Modified Cash Basis-Non GAAP)

	FY 2021	FY 2020	FY 2019	FY 2018
Operating Revenues				
Charges for Services	$36,320	$51,951	$53,468	$49,142
Other Operating Revenues	-	-	8	418
Total Operating Revenues	**36,320**	**51,951**	**53,476**	**49,560**
Operating Expenses				
Shared Operating Expenditures	8,463	12,320	12,058	-
Personnel Services	2,613	2,942	721	697
Supplies & Materials	7,008	110	23	1,288
Contracted Personnel Services	1,516	701	287	346
Travel	1	19	8	3
Advertising	38	13	73	93
Utilities	170	172	200	243
Dues & Subscription Fees	-	-	1	24
Other Services	7,293	9,909	141	1,811
Other Expenditures	-	370	1,348	1,437
Transponder Purchases	-	-	-	448
Right of Way	77,661	162,486	325	6
Capital Outlay	150,755	170,510	11,399	15,128
Total Operating Expenses	**255,866**	**359,644**	**26,694**	**21,621**
Operating Income (Loss)	(219,546)	(307,693)	26,781	27,939
Nonoperating Revenue (Expenses)	(52,392)	(26,321)	(26,188)	(24,782)
Capital Grants	22,444	-	-	-
Excess of Revenue Over (Under) Expenditures	**($249,494)**	**($334,014)**	**$593**	**$3,157**

Trend analysis available for nine years.

Monroe Expressway (in thousands) (Modified Cash Basis-Non GAAP)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Operating Revenues					
Charges for Services	$41,552	$35,964	$34,378	$31,183	$30,014
Other Operating Revenues	-	-	-	-	-
Total Operating Revenues	**41,552**	**35,964**	**34,378**	**31,183**	**30,014**
Operating Expenses					
Shared Operating Expenditures	5,909	7,547	9,224	9,593	7,308
Personnel Services	174	354	344	184	383
Supplies & Materials	382	480	245	870	632
Contracted Personnel Services	377	480	572	467	520
Travel	1	-	-	1	1
Advertising	-	-	-	-	-
Utilities	64	59	54	49	48
Other Services	171	885	544	770	582
Other Expenditures	-	-	-	-	-
Right of Way	-	-	3	212	455
Capital Outlay	7,862	6,564	7,877	22,593	6,799
Rental Expense	6	89	133	45	122
Total Operating Expenses	**14,946**	**16,458**	**18,996**	**34,784**	**16,851**
Operating Income (Loss)	26,606	19,506	15,382	(3,601)	13,163
Nonoperating Revenue (Expenses)	(141)	(5,782)	(213,094)	(7,822)	(6,553)
Capital Grants	-	-	2,084	-	-
Excess of Revenue Over (Under) Expenditures	**$26,465**	**$13,724**	**($195,628)**	**($11,423)**	**$6,610**

Trend analysis available for nine years.

Monroe Expressway (in thousands) (Modified Cash Basis-Non GAAP)

	FY 2021	FY 2020	FY 2019	FY 2018
Operating Revenues				
Charges for Services	$22,364	$22,866	$9,350	$-
Other Operating Revenues	-	-	152	-
Total Operating Revenues	**22,364**	**22,866**	**9,502**	
Operating Expenses				
Shared Operating Expenditures	6,120	5,850	2,792	-
Personnel Services	760	736	1,085	1,097
Supplies & Materials	664	126	34	9
Contracted Personnel Services	388	452	378	132
Travel	-	42	28	22
Advertising	-	-	384	-
Utilities	47	47	36	2
Other Services	125	650	29	-
Other Expenditures	-	95	65	717
Right of Way	3,721	5,431	13,652	14,587
Capital Outlay	16,459	23,943	27,834	73,692
Rental Expense	105	126	78	10
Total Operating Expenses	**28,389**	**37,495**	**46,395**	**90,268**
Operating Income (Loss)	(6,025)	(14,629)	(36,893)	(90,268)
Nonoperating Revenue (Expenses)	(5,338)	(4,166)	(3,235)	(3,447)
Capital Grants	-	76	112	115
Excess of Revenue Over (Under) Expenditures	**($11,363)**	**($18,719)**	**($40,016)**	**($93,600)**

Trend analysis available for nine years.

Revenue Capacity

These schedules contain information to help the reader assess the North Carolina Turnpike Authority's (NCTA) ability to generate toll revenues.

Toll Rate Policy

On September 17, 2008, the NCTA Board of Directors adopted a toll rate policy (the "Toll Rate Policy"), which provides guidelines pursuant to which NCTA shall establish and adjust toll rate schedules for its projects. Pursuant to the Toll Rate Policy, NCTA is required to hire a Traffic Consultant to prepare a Traffic and Revenue Study for each of its projects and forecast the projected traffic and toll revenue to be generated. After receipt of such Traffic and Revenue Study, the Toll Rate Policy directs the NCTA Board of Directors to adopt a toll rate schedule that forecasts revenues on the project that are at least the same level as the revenue set forth in the Traffic and Revenue report.

Under the Toll Rate Policy, an increase in the toll rates is required each year unless NCTA provides to the Trustee (1) a resolution of the Turnpike Authority's Board directing that the toll rates will not be increased or will be increased in a lesser amount than assumed in the Traffic and Revenue Study; (2) a certificate of an officer of NCTA to the effect that NCTA is in compliance with all applicable rate covenants in the Trust Agreement and all other documents for the Bonds issued to finance its projects; and (3) a report of the Traffic Consultant showing that for each succeeding fiscal year through the final maturity date for all indebtedness issued to finance the project, the forecasted revenues in each such fiscal year would be such that one dollar of additional senior lien indebtedness could be issued by NCTA in compliance with the requirements of the additional debt limitations set forth in the documents related to all bonds issued to finance the project.

The NCTA Board of Directors has adopted toll rate schedules for both the Triangle Expressway and Monroe Expressway projects based on their respective Traffic and Revenue Studies. The toll rate schedules for each facility provide the toll rates for every year through the final maturity date for all indebtedness issued to finance each project. Toll rates on both facilities increase each January 1 based on the approved toll rate schedules.

Toll revenue is used to pay off debt sold to fund construction, as well as support the operations and maintenance of each toll facility.



Class

1

Vehicles with 2 axles



Class

2

Vehicles with 3 axles

Two times (2x) the Class 1 vehicle toll rate



Class

3

Vehicles with 4 axles or more

Four times (4x) the Class 1 vehicle toll rate

Triangle Expressway Historical Toll Rates

Historical toll rates for Electronic Toll Collection (ETC) and Toll Invoice (TI) transactions on the Triangle Expressway are shown below. ETC tolls are paid electronically with a transponder. These tolls are automatically deducted from a prepaid account. TI tolls are an alternative payment option for customers without a transponder. Cameras at toll zones capture an image of the vehicle's license plate, and an invoice is mailed to the registered owner of the vehicle. Toll rates increased January 1, 2026 for NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Triangle Expressway, 36.8 miles, the cost increased 26 cents to $8.50, or 3.16 percent. Toll rates increased January 1, 2025 for NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Triangle Expressway, 36.8 miles, the cost increased 23 cents to $8.24, or 2.87 percent.

Triangle Expressway

		Class 1	Class 2	Class 3
CY 2026[1]	ETC	$8.50	$17.00	$34.00
	TI	$17.00	$34.00	$68.00
CY 2025[2]	ETC	$8.24	$16.48	$32.96
	TI	$16.48	$32.96	$65.92
CY 2024[3]	ETC	$8.01	$16.02	$32.04
	TI	$12.31	$24.62	$49.24
CY 2023	ETC	$3.80	$7.60	$15.20
	TI	$5.83	$11.66	$23.32
CY 2022	ETC	$3.71	$7.42	$14.84
	TI	$5.68	$11.36	$22.72
CY 2021	ETC	$3.60	$7.20	$14.40
	TI	$5.52	$11.04	$22.08
CY 2020	ETC	$3.48	$6.96	$13.92
	TI	$5.33	$10.66	$21.32
CY 2019	ETC	$3.37	$6.74	$13.48
	TI	$5.17	$10.34	$20.68
CY 2018	ETC	$3.25	$6.50	$13.00
	TI	$4.97	$9.94	$19.88
CY 2017	ETC	$3.13	$6.26	$12.52
	TI	$4.81	$9.62	$19.24

Full trip starting at N.C. 885 at I-40 to N.C. 55 Bypass in one direction.

1 Includes Complete 540 Phase 1 (section starting from N.C. 55 Bypass to US 70/I-40).

2 Includes Complete 540 Phase 1 (section starting from N.C. 55 Bypass to US 70/I-40).

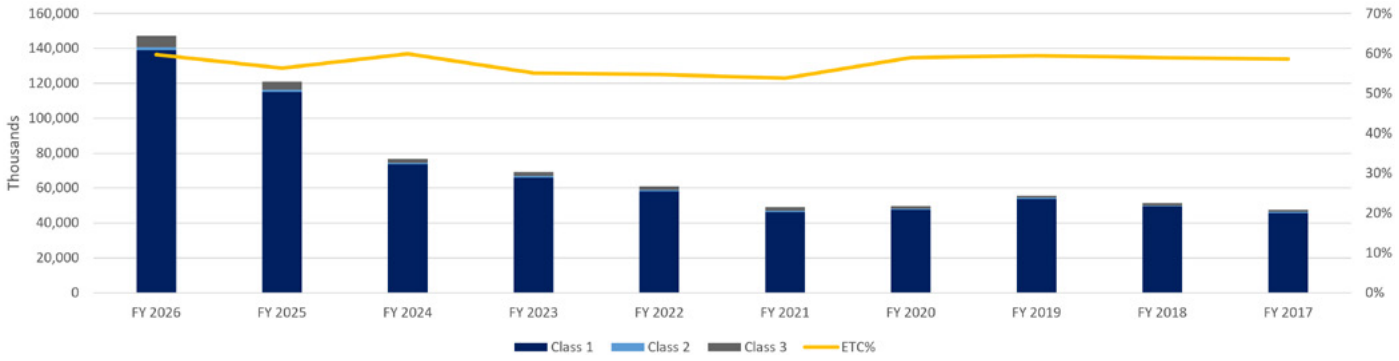
3 Includes Complete 540 Phase 1 (section starting from N.C. 55 Bypass to US 70/I-40).

Triangle Expressway Toll Transactions by Vehicle Classification

Triangle Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Class 1	139,113	114,949	73,533	66,049	58,120
Class 2	1,746	1,504	910	858	857
Class 3	6,377	4,593	2,427	2,264	2,160
Total Transactions	**147,235**	**121,046**	**76,870**	**69,171**	**61,138**
ETC%	59.7%	56.3%	59.9%	55.1%	54.7%

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Class 1	46,262	47,377	53,601	49,311	45,687
Class 2	809	633	665	609	612
Class 3	1,998	1,520	1,445	1,316	1,215
Total Transactions	**49,069**	**49,529**	**55,711**	**51,237**	**47,514**
ETC%	53.8%	59.0%	59.4%	59.0%	58.6%

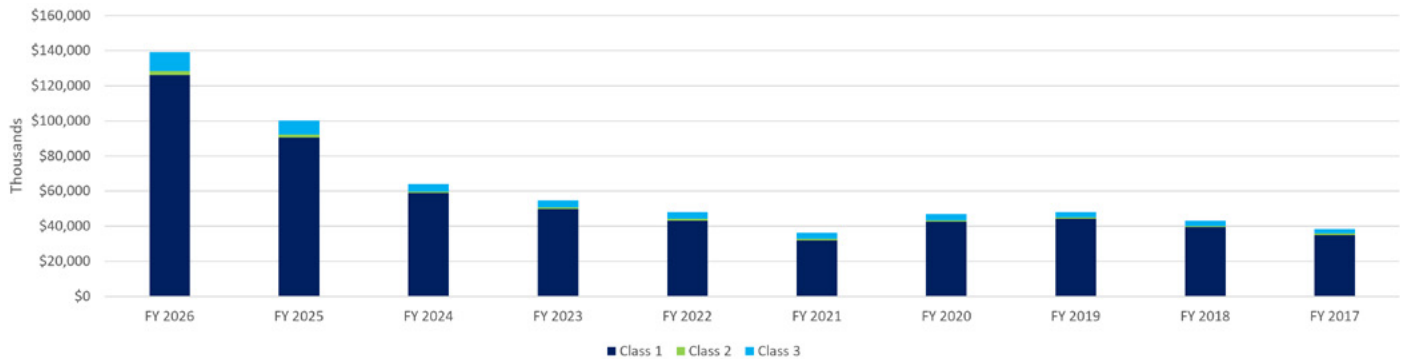


Triangle Expressway Toll Revenue by Vehicle Classification

Triangle Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Class 1	$126,199	$90,641	$58,868	$49,791	$43,233
Class 2	2,012	1,678	977	949	963
Class 3	11,154	8,023	4,152	4,013	3,861
Total Toll Revenue	$139,365	$100,342	$63,997	$54,753	$48,057

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Class 1	$31,869	$42,473	$44,169	$39,393	$35,036
Class 2	850	833	858	765	750
Class 3	3,500	3,409	3,131	2,896	2,667
Total Toll Revenue	$36,218	$46,715	$48,158	$43,055	$38,453



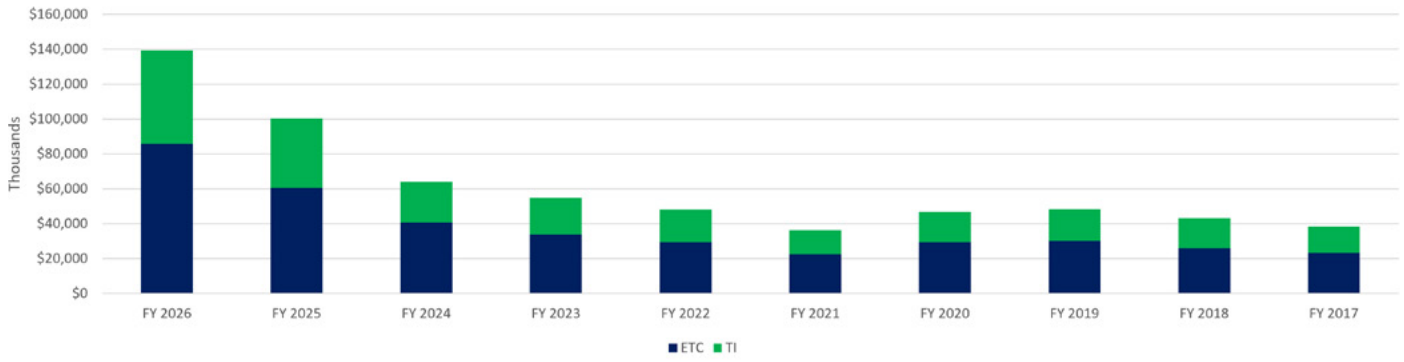
Triangle Expressway Toll Revenue by Payment Method

Triangle Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
ETC	$85,956	$60,544	$40,838	$33,816	$29,263
TI	53,410	39,798	23,160	20,937	18,794
Total Toll Revenue	**$139,365**	**$100,342**	**$63,997**	**$54,753**	**$48,057**

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
ETC	$22,477	$29,411	$30,212	$25,963	$23,281
TI	13,741	17,304	17,945	17,092	15,172
Total Toll Revenue	**$36,218**	**$46,715**	**$48,158**	**$43,055**	**$38,453**

*Totals may not add due to rounding.



Monroe Expressway Historical Toll Rates

Historical toll rates for Electronic Toll Collection (ETC) and Toll Invoice (TI) transactions on the Monroe Expressway are shown below. Toll rates increased January 1, 2026 for NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Monroe Expressway, 19.8 miles, the cost increased 4 cents to $2.96, or 1.37 percent. Toll rates increased January 1, 2025 for NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Monroe Expressway, 19.8 miles, the cost increased 7 cents to $2.92, or 2.46 percent.

Monroe Expressway

		Class 1	Class 2	Class 3
CY 2026	ETC	$2.96	$5.92	$11.84
	TI	$5.92	$11.84	$23.68
CY 2025	ETC	$2.92	$5.84	$11.68
	TI	$5.84	$11.68	$23.36
CY 2024	ETC	$2.85	$5.70	$11.40
	TI	$4.39	$8.78	$17.56
CY 2023	ETC	$2.77	$5.54	$11.08
	TI	$4.30	$8.60	$17.20
CY 2022	ETC	$2.72	$5.44	$10.88
	TI	$4.20	$8.40	$16.80
CY 2021	ETC	$2.66	$5.32	$10.64
	TI	$4.10	$8.20	$16.40
CY 2020	ETC	$2.60	$5.20	$10.40
	TI	$4.01	$8.02	$16.04
CY 2019	ETC	$2.54	$5.08	$10.16
	TI	$3.92	$7.84	$15.68
CY 2018	ETC	$2.54	$5.08	$10.16
	TI	$3.92	$7.84	$15.68

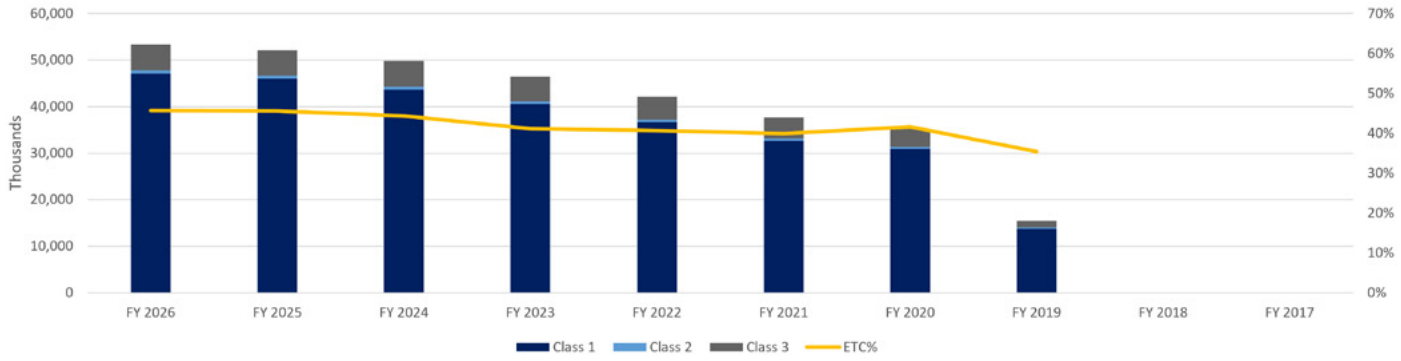
The Monroe Expressway was not fully open to traffic until CY 2018.
Full trip in one direction.

Monroe Expressway Toll Transactions by Vehicle Classification

Monroe Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Class 1	47,043	45,988	43,692	40,541	36,631
Class 2	770	689	655	635	589
Class 3	5,568	5,468	5,473	5,259	4,884
Total Transactions	**53,380**	**52,145**	**49,820**	**46,435**	**42,104**
ETC%	45.7%	45.6%	44.3%	41.1%	40.7%

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Class 1	32,642	30,853	13,751	-	-
Class 2	527	491	243	-	-
Class 3	4,493	3,896	1,472	-	-
Total Transactions	**37,662**	**35,241**	**15,466**		
ETC%	39.9%	41.6%	35.4%	-	-

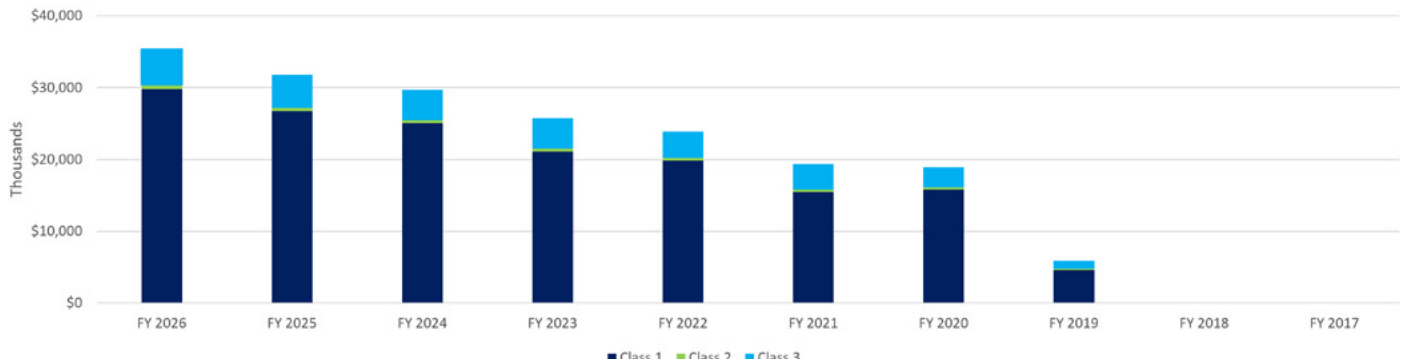


Monroe Expressway Toll Revenue by Vehicle Classification

Monroe Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Class 1	$29,811	$26,714	$25,032	$21,109	$19,841
Class 2	577	513	445	425	377
Class 3	5,003	4,550	4,221	4,193	3,666
Total Toll Revenue	$35,391	$31,777	$29,698	$25,727	$23,885

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Class 1	$15,476	$15,799	$4,603	-	-
Class 2	343	314	165	-	-
Class 3	3,529	2,804	1,105	-	-
Total Toll Revenue	$19,349	$18,918	$5,874		



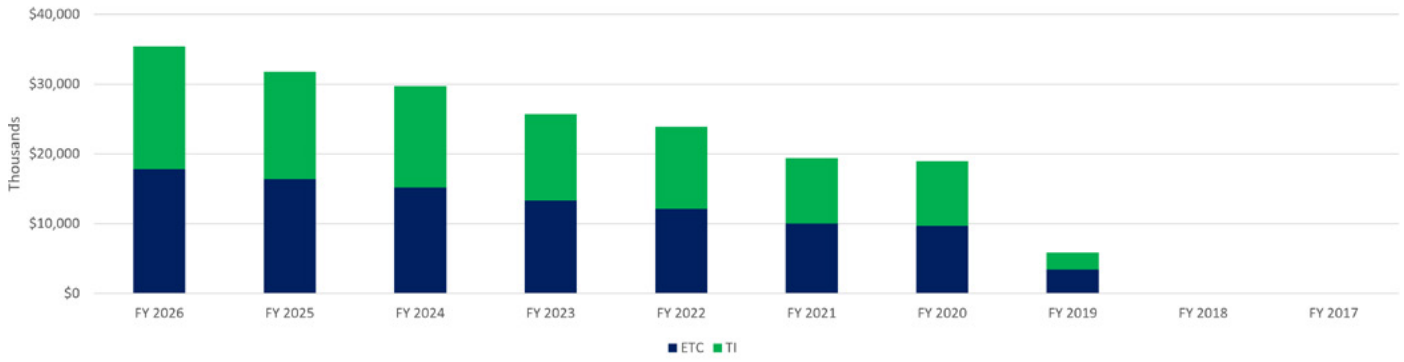
Monroe Expressway Toll Revenue by Payment Method

Monroe Expressway (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
ETC	$17,803	$16,363	$15,188	$13,289	$12,103
TI	17,588	15,414	14,510	12,438	11,781
Total Toll Revenue	**$35,391**	**$31,777**	**$29,698**	**$25,727**	**$23,885**

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
ETC	$9,992	$9,676	$3,413	-	-
TI	9,357	9,242	2,461	-	-
Total Toll Revenue	**$19,349**	**$18,918**	**$5,874**		

*Totals may not add due to rounding.



Debt

These schedules present information to help the reader assess NCTA's current levels of outstanding debt and NCTA's ability to issue additional debt in the future.

Triangle Expressway (in thousands)

Series	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Revenue Bonds					
Senior Lien Revenue Bonds, Series 2009A	$-	$-	$-	$-	$-
Senior Lien Revenue Bonds, Series 2009B	35,173	35,173	35,173	35,173	35,173
Appropriation Revenue Bonds, Series 2009B	-	-	-	-	-
Senior Lien Revenue Refunding Bonds, Series 2017	124,430	140,766	156,547	172,559	186,096
Appropriation Revenue Refunding Bonds, Series 2018A	153,977	154,358	154,740	155,122	155,504
Senior Lien Revenue Refunding Bonds, Series 2018	395,729	403,901	410,432	415,109	419,221
Appropriation Revenue Refunding Bonds, Series 2018B	93,376	107,510	121,236	134,593	147,592
Senior Lien Revenue Bonds, Series 2019	415,239	417,138	419,027	420,904	422,771
Appropriation Revenue Bonds, Series 2019	115,979	115,979	115,979	115,979	115,979
Senior Lien Revenue Bond Anticipation Notes, Series 2020	-	-	-	16,365	533,384
Senior Lien Revenue Bonds, Series 2024A	322,450	323,016	323,573		
Senior Lien Revenue Bonds, Series 2024B	35,785	35,785	35,785		
Note Payable					
TIFIA Loan	499,462	499,462	499,462	499,462	-
Total Long-Term Debt as of June 30	**$2,191,600**	**$2,233,088**	**$2,271,954**	**$1,965,266**	**$2,015,721**

Debt Per	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Center Lane Mile	$59,538	$60,665	$120,849	$104,535	$107,219
Lane Mile	9,953	10,141	20,141	17,423	17,870
$ Operating Revenue[1]	164.17	117.10	66.70	66.28	35.94

Debt Coverage Ratios	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Senior Lien	2.86x	2.14x	1.37x	1.69x	1.50x
Junior Lien	2.86x	2.14x	1.37x	1.69x	1.50x

*The fiscal year 2025 Operating Revenue and Debt Coverage Ratio's have been revised from amounts previously reported in the FY2025 Annual Comprehensive Financial Report to correct a prior-year reporting error.

1 Operating Revenue used in the debt ratio calculation is obtained from the Schedule of Revenues and Expenditures (Modified Cash Basis - Non-GAAP)

Triangle Expressway (in thousands)

Series	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Revenue Bonds					
Senior Lien Revenue Bonds, Series 2009A	$-	$-	$-	$600	$600
Senior Lien Revenue Bonds, Series 2009B	35,173	35,173	35,173	35,173	35,150
Appropriation Revenue Bonds, Series 2009B	-	10,275	20,210	190,930	348,808
Senior Lien Revenue Refunding Bonds, Series 2017	197,470	207,324	215,317	220,974	226,527
Appropriation Revenue Refunding Bonds, Series 2018A	155,887	156,270	156,654	157,038	-
Senior Lien Revenue Refunding Bonds, Series 2018	422,864	426,292	428,793	-	-
Appropriation Revenue Refunding Bonds, Series 2018B	160,244	161,019	161,759	-	-
Senior Lien Revenue Bonds, Series 2019	424,627	426,472	-	-	-
Appropriation Revenue Bonds, Series 2019	115,979	115,979	-	-	-
Senior Lien Revenue Bond Anticipation Notes, Series 2020	549,472	-	-	-	-
Senior Lien Revenue Bonds, Series 2024A					
Senior Lien Revenue Bonds, Series 2024B					
Note Payable					
TIFIA Loan	-	-	-	372,877	372,877
Total Long-Term Debt as of June 30	**$2,061,715**	**$1,538,805**	**$1,017,906**	**$977,592**	**$983,961**

Debt Per	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Center Lane Mile	$109,666	$81,851	$54,144	$52,000	$52,338
Lane Mile	18,278	13,642	9,024	8,667	8,723
$ Operating Revenue[1]	56.76	29.62	19.03	19.72	21.62

Debt Coverage Ratios	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Senior Lien	1.49x	1.60x	2.35x	4.05x	4.34x
Junior Lien	1.49x	1.60x	1.75x	1.62x	1.65x

*The fiscal year 2025 Operating Revenue and Debt Coverage Ratio's have been revised from amounts previously reported in the FY2025 Annual Comprehensive Financial Report to correct a prior-year reporting error.

1 Operating Revenue used in the debt ratio calculation is obtained from the Schedule of Revenues and Expenditures (Modified Cash Basis - Non-GAAP)

Monroe Expressway (in thousands)

Series	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Revenue Bonds					
Appropriation Revenue Bonds, Series 2010A	-	-	-	$216,930	$225,545
Appropriation Revenue Bonds, Series 2011	-	-	-	-	-
Senior Lien Revenue Bonds, Series 2011	-	-	-	-	-
GARVEE Bonds, Series 2011	-	-	-	-	-
Senior Lien Revenue Bonds, Series 2016	140,809	141,045	141,281	142,870	143,107
Appropriation Revenue Refunding Bonds, Series 2021	80,702	84,858	88,921	91,934	94,878
State Appropriation Revenue Refunding Bonds, Series 2024	188,316	198,008	206,821		
Note Payable					
TIFIA Loan	164,494	165,573	166,282	166,500	166,500
Total Long-Term Debt as of June 30	**574,321**	**589,484**	**603,305**	**618,234**	**630,030**

Debt Per	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Center Lane Mile	$29,006	$29,772	$30,470	$31,224	$31,820
Lane Mile	7,252	7,443	7,617	7,806	7,955
$ Operating Revenue[1]	41.55	35.96	34.38	31.18	30.01

Debt Coverage Ratios	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Senior Lien	8.65x	6.92x	6.53x	4.94x	5.03x
Junior Lien	3.87x	3.37x	3.22x	3.20x	3.70x

*The fiscal year 2025 Operating Revenue and Debt Coverage Ratio's have been revised from amounts previously reported in the FY2025 Annual Comprehensive Financial Report to correct a prior-year reporting error.

1 Operating Revenue used in the debt ratio calculation is obtained from the Schedule of Revenues and Expenditures (Modified Cash Basis - Non-GAAP)

Monroe Expressway (in thousands)

Series	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Revenue Bonds					
Appropriation Revenue Bonds, Series 2010A	$233,920	$233,920	$233,920	$233,920	$233,920
Appropriation Revenue Bonds, Series 2011	9,845	123,618	133,392	142,799	151,860
Senior Lien Revenue Bonds, Series 2011	-	-	-	-	-
GARVEE Bonds, Series 2011	-	-	-	-	-
Senior Lien Revenue Bonds, Series 2016	143,344	143,580	143,816	144,051	144,287
Appropriation Revenue Refunding Bonds, Series 2021	96,403	-	-	-	-
State Appropriation Revenue Refunding Bonds, Series 2024					
Note Payable					
TIFIA Loan	166,500	166,500	120,000	-	-
Total Long-Term Debt as of June 30	**650,012**	**667,618**	**631,128**	**520,770**	**530,067**

Debt Per	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Center Lane Mile	$32,829	$33,718	$31,875	$-	$-
Lane Mile	8,207	8,430	7,696	-	-
$ Operating Revenue[1]	29.06	29.20	-	-	-

Debt Coverage Ratios	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Senior Lien	3.91x	5.38x	-	-	-
Junior Lien	2.81x	5.38x	-	-	-

*The fiscal year 2025 Operating Revenue and Debt Coverage Ratios have been revised from amounts previously reported in the FY2025 Annual Comprehensive Financial Report to correct a prior-year reporting error.

1 Operating Revenue used in the debt ratio calculation is obtained from the Schedule of Revenues and Expenditures (Modified Cash Basis - Non-GAAP)

Demographic & Economic Information

These schedules offer demographic and economic indicators to help the reader understand the socioeconomic environment within which NCTA operates and provide a basis for comparison over time.

State of North Carolina[1,2,3]

	Population[4]	Personal income (dollars, seasonally adjusted)[5]	Per capita personal income (dollars)[6]	Unemployment Rate
FY 2026[7]	11,243,980	$778,797,230	$69,263	3.80%
FY 2025[7]	11,096,504	$733,695,667	$66,117	3.70%
FY 2024[7]	10,909,419	$693,869,425	$63,599	3.50%
FY 2023	10,830,837	$653,282,900	$60,317	3.70%
FY 2022	10,621,574	$591,135,600	$55,654	3.40%
FY 2021	10,514,572	$607,372,100	$57,765	4.60%
FY 2020	10,429,508	$514,526,800	$49,334	7.50%
FY 2019	10,335,946	$494,553,000	$47,848	4.00%
FY 2018	10,238,941	$466,264,400	$45,538	3.90%
FY 2017	10,139,637	$445,910,500	$43,977	4.40%

1 Numbers may change over time as Census releases its official data each year.

2 Source: US Bureau of Economic Analysis, SQINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income Table.

3 Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics, Unemployment Rate: North Carolina.

4 Midquarter population estimates by state are derived by BEA based on unpublished Census Bureau estimates of beginning-of-month population.

5 Seasonally adjusted at annual rates. All dollar estimates are in current dollars (not adjusted for inflation). Calculations are performed on unrounded data.

6 Per capita personal income is total personal income divided by total quarterly population estimates.

7 Results calculated by taking average of available quarterly estimates within Fiscal Year.

North Carolina's Ten Largest Employers[1]

Rank	CY 2026 Q1[2]	CY 2017[3]
1	Wal-Mart Associates Inc	Wal-Mart Associates Inc.
2	Charlotte Mecklenburg Hospital Auth	Charlotte Mecklenburg Hospital Auth
3	Duke University	Food Lion
4	Food Lion Llc	Duke University
5	Wells Fargo Bank Na (A Corp)	Wells Fargo Bank Na (A Corp)
6	Amazoncom Services Inc	State Of Nc
7	Wake County Public Schools	Defense Ex Army Navy & Air Force
8	Bank Of America Na	Wake County Public Schools
9	Harris Teeter Llc	Charlotte-Mecklenburg Bd Education
10	US Postal Service	Lowes Home Centers Inc

1 Source: NC Department of Commerce, Demand Driven Data Delivery (D4) System, Quarterly Census Employment and Wages, Largest [Private] Employers [by number of employees].

2 Top Employers from quarter 1 are used due to the data being updated 6 months after reference quarter.

3 Top Employers on annual basis is used.

North Carolina Employment by Industry Sector[1]

Industry Sector (2 Digit)	CY 2026 Q1[2]			CY 2017 Q1[3]		
	Average Employment	Total Wages	Average Weekly Wage	Average Employment	Total Wages	Average Weekly Wage
Agriculture, Forestry, Fishing, and Hunting	22,360	$280,216,187	$964	26,079	$226,833,898	$669
Mining Quarrying and Oil and Gas Extraction	3,964	$114,316,822	$2,219	2,782	$50,177,075	$1,387
Utilities	17,749	$641,074,009	$2,778	15,262	$433,248,936	$2,184
Construction	282,735	$5,432,479,321	$1,478	201,595	$2,565,410,193	$979
Manufacturing	457,642	$9,708,068,667	$1,632	464,947	$7,165,370,499	$1,185
Wholesale Trade	207,213	$5,957,913,123	$2,212	181,963	$3,445,272,849	$1,456
Retail Trade	527,794	$5,463,360,203	$796	498,082	$3,492,098,851	$539
Transportation and Warehousing	207,093	$3,379,318,979	$1,255	146,151	$1,766,365,399	$930
Information	87,607	$3,377,358,248	$2,965	79,833	$1,814,155,447	$1,748
Finance and Insurance	234,933	$12,291,644,530	$4,025	166,425	$5,330,075,923	$2,464
Real Estate and Rental and Leasing	70,804	$1,396,808,498	$1,518	55,813	$709,079,629	$977
Professional Scientific and Technical Services	338,135	$10,682,075,827	$2,430	240,010	$4,776,112,616	$1,531
Management of Companies and Enterprises	86,972	$4,205,429,332	$3,720	82,648	$3,032,500,540	$2,822
Administrative and Support and Waste Management and Remediation Services	318,744	$4,831,666,296	$1,166	286,399	$2,582,502,839	$694
Educational Services	404,461	$6,320,276,056	$1,202	394,946	$4,300,384,669	$838
Health Care and Social Assistance	732,207	$12,857,808,160	$1,351	598,808	$7,233,579,434	$929
Arts, Entertainment, and Recreation	83,126	$936,323,742	$866	67,052	$539,137,037	$619
Accommodation and Food Services	450,603	$2,842,654,883	$485	407,109	$1,719,739,715	$325
Other Services (except Public Administration)	133,306	$1,735,712,134	$1,002	106,482	$898,420,620	$649
Public Administration	264,919	$4,704,721,297	$1,366	239,902	$2,874,164,917	$922
Total, All Industries	**4,932,367**	**$97,159,226,314**	**$35,430**	**4,262,288**	**$54,954,631,086**	**$23,847**

1 Source: Department of Commerce, Demand Driven Data Delivery (D4) System, Quarterly Census Employment and Wages, Data Industry Sector (2 digit) and Data Total (000000).

2 Industry Sector data from quarter 1 are used due to the data being updated 6 months after reference quarter.

3 Industry Sector data from quarter 1 are used due to the annual basis being a summation of all quarters.

Operating Information

These schedules contain data on infrastructure and other operating information to help the reader understand how NCTA operates.

Capital Assets (in thousands)

	FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
Land & Permanent Easements	$730,625	$709,368	$636,973	$590,424	$555,710
Construction in Progress	669,175	473,533	1,148,139	910,823	698,545
Total Capital Assets, Nondepreciable	1,399,800	1,182,901	1,785,112	1,501,247	1,254,255
Highway Network	2,896,685	2,362,612	1,534,469	1,534,469	1,534,469
Machinery & Equipment	8	26	26	33	33
Total Capital Assets, Depreciable	2,896,693	2,362,638	1,534,495	1,534,502	1,534,501
Highway Network	355,446	298,518	264,883	235,200	205,516
Machinery & Equipment	7	23	22	33	33
Total Accumulated Depreciation	355,453	298,541	264,905	235,233	205,549
Total Capital Assets, Depreciable, Net of Depreciation	2,541,240	2,064,097	1,269,591	1,299,269	1,328,953
Total Capital Assets, Net of Depreciation	**$3,941,040**	**$3,246,998**	**$3,054,703**	**$2,800,516**	**$2,583,208**

	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Land & Permanent Easements	$536,639	$462,164	$294,274	$272,479	$258,835
Construction in Progress	449,709	302,513	137,809	777,310	672,436
Total Capital Assets, Nondepreciable	986,348	764,677	432,083	1,049,788	931,271
Highway Network	1,534,469	1,534,469	1,534,469	806,486	806,486
Machinery & Equipment	25	25	33	60	60
Total Capital Assets, Depreciable	1,534,494	1,534,494	1,534,501	806,546	806,546
Highway Network	175,833	146,149	116,465	92,429	76,300
Machinery & Equipment	25	25	33	60	60
Total Accumulated Depreciation	175,858	146,174	116,498	92,489	76,360
Total Capital Assets, Depreciable, Net of Depreciation	1,358,636	1,388,320	1,418,003	714,057	730,186
Total Capital Assets, Net of Depreciation	**$2,344,985**	**$2,152,997**	**$1,850,086**	**$1,763,845**	**$1,661,457**

NC Quick Pass Transponders Distributed

FY 2026	FY 2025	FY 2024	FY 2023	FY 2022
345,599	354,958	289,589	244,579	207,353

FY 2020	FY 2019	FY 2018	FY 2017	FY 2016
163,862	243,077	213,058	101,450	67,439

Maintenance Rating Program

The North Carolina Turnpike Authority (NCTA) has a Maintenance Rating Program (MRP), which was developed through a collaborative effort by NCTA managers, NCDOT maintenance staff, and consultants to monitor, manage, and proactively maintain NCTA's roadway assets. The MRP is a comprehensive planning, measuring, and managing process that provides a means for communicating asset trends to managers to assist them with policy and budget decisions on program service delivery. The roadway maintenance performance standards were created with the purpose of providing a clear and quantitative set of goals to ensure the facility meets customer expectations, as well as considerations unique to NCTA.

The rating process consists of quarterly inspections that are conducted during the months of February, May, August, and November to account for dynamic changes in assets during each season. A randomly selected sample of maintenance characteristics is evaluated each quarter according to performance standard threshold criteria. These quarterly inspection results are shared with managers and maintenance providers to identify areas requiring additional resources and to prioritize maintenance operations. The rolling rating score is a combined average of the last four quarterly inspections up to and including a quarter and provides statistical validation to the MRP process by compiling the four individual inspections. The annual rating is reported at the end of each calendar year by compiling the scores from each year's quarterly inspections, and the following table presents recent annual rating scores for the Triangle Expressway and the Monroe Expressway. While the target for individual assets is 80.0, NCTA's overall target rating score is 90.0.

Triangle Expressway

CY 2025	CY 2024	CY 2023	CY 2022	CY 2021
96.2	95.1	95.8	94.6	92.7

CY 2020	CY 2019	CY 2018	CY 2017	CY 2016
91.5	93.0	94.7	91.8	94.2

Monroe Expressway

CY 2025	CY 2024	CY 2023	CY 2022	CY 2021	CY 2020
97.6	97.2	97.1	96.7	94.8	94.6*

*This rating is from the baseline inspection on the Monroe Expressway. Quarterly inspections as a part of the MRP began in CY 2021.

Keep North Carolina Moving



NORTH CAROLINA
Turnpike Authority

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