



FY 20 26



NORTH CAROLINA
Turnpike Authority

Annual Budget Report

North Carolina Turnpike Authority
as of August 2025

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Introduction & Overview

Letter of Transmittal



August 27, 2025

The North Carolina Turnpike Authority is pleased to submit the FY 2026 Annual Budgets for the Triangle Expressway System, Monroe Expressway, I-77 Express Lanes, and I-485 Express Lanes.

Section 705 of the Triangle Expressway System Amended and Restated Trust Agreement dated December 1, 2019, 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 fund deposits pursuant to Section 503(k), (l), and (m).

Section 705 of the Monroe Expressway Trust Agreement dated December 1, 2016, 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. 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 fund deposits pursuant to Section 503(i), (j), and (k).

The Turnpike Authority is responsible for account management, billing, and customer service for the I-77 and I-485 Express Lanes. Annual Budgets are prepared each fiscal year for the expenditures related to these activities.

The table below provides an overview of the FY 2026 Annual Budgets (\$ millions).

| | Triangle Expressway System | Monroe Expressway System | I-77 Express Lanes | I-485 Express Lanes |
|---------------------------------------|----------------------------|--------------------------|--------------------|---------------------|
| Projected Revenue | \$110.9 | \$34.0 | - | - |
| Total Operations & Maintenance Budget | \$34.3 | \$16.7 | \$19.8 | \$4.0 |
| Total Renewal & Replacement Budget | \$6.6 | \$2.1 | \$1.7 | \$0.1 |
| Total Capital Budget | \$327.4 | - | - | - |
| Complete 540 Phase 2 | \$327.4 | - | - | - |

If you have any questions, or would like any additional information, please let us know.

Sincerely,

DocuSigned by:

30E8728E3B164B4
James J. Eden
Executive Director

DocuSigned by:

DC10B3434544452
Kim Medlin
Deputy Chief Financial Officer

Address [2501 Aerial Center Parkway, Suite 200](#)
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Distinguished Budget Presentation Award

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the North Carolina Turnpike Authority, North Carolina, for its Annual Budget for the fiscal year beginning July 1, 2024. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

North Carolina Turnpike Authority

For the Fiscal Year Beginning

July 01, 2024

Christopher P. Morill

Executive Director

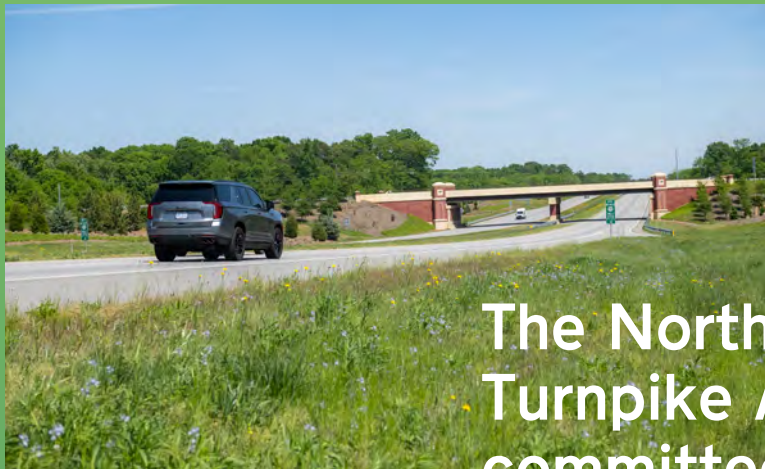
The North Carolina Turnpike Authority

In October 2002, legislation was passed authorizing the creation of the North Carolina Turnpike Authority 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, the Turnpike Authority became a part of the North Carolina Department of Transportation (NCDOT), a public agency of the State of North Carolina.

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.

Our Mission



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

Organizational Chart as of August 2025












Board of Directors

The Turnpike Authority 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 Turnpike Authority Board. Joey Hopkins, the NCDOT Secretary of Transportation, currently serves as the Chair of the Turnpike Authority Board. In FY2026, the Board will oversee several toll projects under development and consideration.

Board Members as of August 2025

On July 23, 2010, the following powers were delegated by the North Carolina Secretary of Transportation

| | | |
|--|---|--|
|  <p>Joey Hopkins Chairman</p> |  <p>James 'Jim' Walker Vice Chair</p> |  <p>Robert D. Teer Jr. Secretary & Treasurer</p> |
|  <p>John Adcock</p> |  <p>Dr. Pamela Gibson Senegal</p> |  <p>Sam Hunt IV</p> |
|  <p>Montell W. Irvin</p> |  <p>Charles Chuck L. Travis III</p> |  <p>Larry D. Hall</p> |

to the Turnpike Authority Board of Directors:

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

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

Invest the proceeds of bonds or notes of the Turnpike Authority that are pending disbursement or other idle funds of the Turnpike Authority 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 Turnpike 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.

Projects

Our Projects






Western NC

Divisions 7 and 9-14

-  Monroe Expressway
-  I-77 Express Lanes North
-  I-485 Express Lanes South
-  U.S. 74 Express Lanes
-  I-77 Express Lanes South

Eastern NC

Divisions 1-6 and 8

-  Triangle Expressway
-  Complete 540 Phase 2
-  Mid-Currituck Bridge

3 Open to Traffic

2 Under Construction

3 Under Development

Projects Open to Traffic



Triangle Expressway

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

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 of the Triangle Expressway, opened to traffic on Sept. 25, 2024, and extended the roadway an additional 18 miles from N.C. 55 to I-40/U.S. 70 (future I-42).



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 Express Lanes North

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. The Turnpike Authority 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.

Projects Under Construction



I-485 Express Lanes

The I-485 Express Lanes will add one express lane in each direction for approximately 17 miles between I-77 and U.S. 74 in southern Charlotte. The project will also extend the outside general-purpose lane and add a third general-purpose lane in each direction from Rea Road to N.C. 16 (Providence Road). The I-485 Express Lanes are expected to open in late 2025. The Turnpike Authority will be responsible for account management, billing, and customer service for the express lanes.



Complete 540 Phase 2

The FY 2024 Annual Budget Report for the North Carolina Turnpike Authority proposed a greenfield project, 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. NCDOT and NCTA awarded two contracts for the construction of Complete 540 Phase 2: one to Flatiron – Fred Smith Company Joint Venture on September 1, 2023, for \$450 million and a second contract to Branch - S.T. Wooten Joint Venture on October 31, 2023, for \$287 million. The official groundbreaking for Complete 540 Phase 2 was held on May 16, 2024. The completion of Phase 2 is set for 2028, completing the loop around the greater Raleigh area.

Projects Under Development

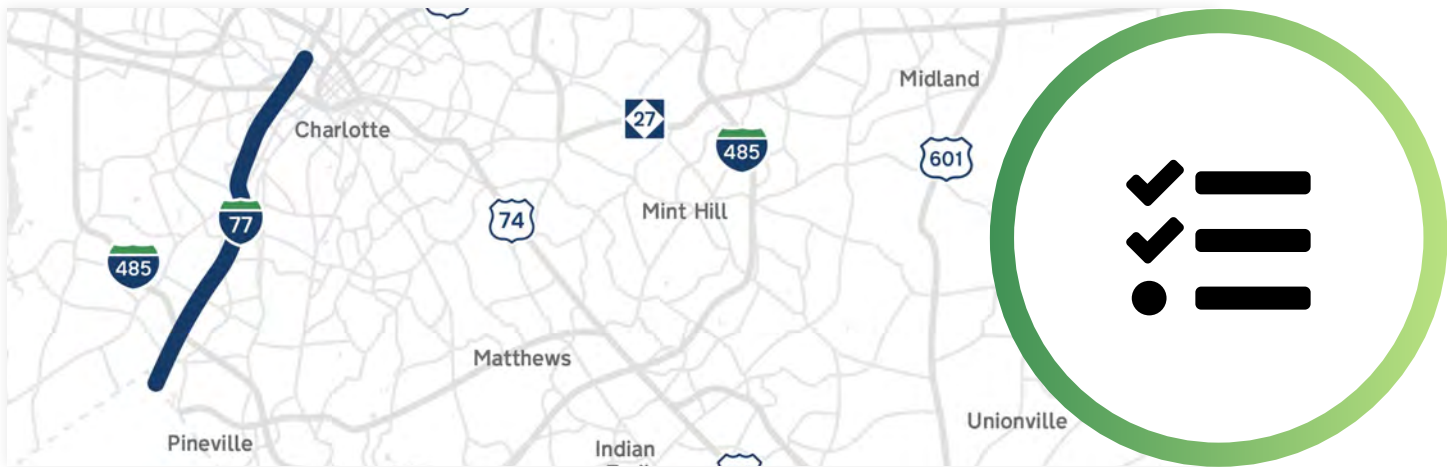
The State Transportation Improvement Program (STIP) designates the scheduling and funding of construction for transportation projects in the state of North Carolina. The [current STIP is for FY 2024 to FY 2033](#) with the first five years (2024 to 2028) referred to as the delivery STIP and the latter five years (2029 to 2033) as the developmental STIP. The following Turnpike Authority projects under development are listed in either the delivery STIP or developmental STIP.

The FY 2024 Annual Budget Report for the North Carolina Turnpike Authority proposed a greenfield project, 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. NCDOT and NCTA awarded two contracts for the construction of Complete 540 Phase 2: one to Flatiron – Fred Smith Company Joint Venture on September 1, 2023, for \$450 million and a second contract to Branch - S.T. Wooten Joint Venture on October 31, 2023, for \$287 million. The official groundbreaking for Complete 540 Phase 2 was held on May 16, 2024. The completion of Phase 2 is set for 2028, completing the loop around the greater Raleigh area.



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 Express Lanes South

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 seven-mile project in Currituck County between U.S. 158 on the mainland and N.C. 12 on the Outer Banks. There will 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.

Strategic Goals

The following strategic goals are centered around the NCTA's mission statement of being committed to delivering innovative transportation solutions on behalf of local planning organizations, providing drivers more choices for their commute. NCTA's strategic goals, and the objectives within each goal, are reviewed annually with NCTA directors as a part of the budgeting process and updated as needed to align with the Authority's growing operations.

| | |
|--|---|
|  <p>Deliver Data-Informed Transportation Solutions to North Carolina residents</p> | <ul style="list-style-type: none"> • Transform “Product” to “Platform” a service-based transportation solution. • Be a data-driven service organization. • Automate workflows to increase quality and reliability of customer service, audit and compliance to service levels. |
|  <p>Broaden Influence as a Respected Leader & Partner in North Carolina's transportation network</p> | <ul style="list-style-type: none"> • Plan and build quality, environmentally responsible toll facilities. • Build strong, effective relationships with the State of North Carolina partners and stakeholders. • Develop strategies and collaborate on regional road planning. • Foster management and business relationships that reflect the region's diversity. • Lead and participate in industry forums and coalitions. |
|  <p>Strengthen Customer Relationships by coordinating direct feedback with identified customer service improvement initiatives</p> | <ul style="list-style-type: none"> • Improve customer service experience across all channels using surveys. • Align customer service metric levels to improve customer satisfaction. • Identify and implement additional payment options for customer payments. • Maintain premium service and experience on NCTA facilities. • Before, during and after construction, maintenance and rehabilitation projects, communicate impacts directly to affected motorists and/or residents and provide timely responses to questions/inquiries. |
|  <p>Preserve a Strong Financial Standing by establishing robust program controls throughout the organization</p> | <ul style="list-style-type: none"> • Maintain Compliance with Trust Agreements and TIFIA Loan Agreements. • Maintain internal controls. • Improve and maintain financial procedures. |
|  <p>Develop a Highly Qualified & Engaged Team to collaboratively deliver essential transportation solutions</p> | <ul style="list-style-type: none"> • Recruit, develop and retain high-quality people. • Recognize and reward staff performance. • Advance employee communication and engagement strategies. • Advance staff skills via training and participation in industry seminars. |

FY 2026 Strategic Priorities

| | |
|--|--|
| Enhance Safety |  Deliver data-informed transportation solutions  Strengthen customer relationships |
| Execute Capital Plan |  Deliver data-informed transportation solutions  Broaden influence as a respected leader & partner  Strengthen customer relationships |
| Ensure Debt Coverage Ratios are Maintained at or Above Targets |  Preserve a strong financial standing |
| Continue to enhance the recently Upgraded Back Office System (BOS2) to Cloud |  Deliver data-informed transportation solutions |
| Process Transactions for Partners |  Broaden influence as a respected leader & partner |
| Continue to Advance Diversity |  Broaden influence as a respected leader & partner  Develop a highly qualified & engaged team |
| Continue to Develop Staff |  Develop a highly qualified & engaged team |
| Enhance Financial Reporting to Stakeholders |  Preserve a strong financial standing |
| Transponder Fulfillment from Marketplaces |  Deliver data-informed transportation solutions  Strengthen customer relationships |
| Improve Audit using Automation |  Deliver data-informed transportation solutions |
| Enhance and Update Policies and Procedures to Strengthen Internal Controls |  Preserve a strong financial standing  Develop a highly qualified & engaged team |
| Centralize Traffic Reporting |  Deliver data-informed transportation solutions |

Executive Summary

Introduction

As North Carolina's population grows, the North Carolina Turnpike Authority works to advance toll roads as convenient highway alternatives that give drivers more choice, reduce congestion and provide an additional revenue stream for building new facilities on behalf of local planning organizations. To help keep pace with the state's transportation needs, the Turnpike Authority plays a critical role by studying, designing, planning, constructing, financing and operating toll facilities. Currently, the Turnpike Authority operates three toll facilities: Triangle Expressway, Monroe Expressway and I-77 Express Lanes North. Two projects are currently under construction. Complete 540 Phase 2 will add 10 miles to the existing Triangle Expressway and I-485 is nearing completion and expected to open in late 2025. Three projects are in various stages of development. The Turnpike Authority is committed to providing efficient, value-proposition transportation solutions to drivers, with an emphasis on excellent customer service¹.

Program Highlights

North Carolina's toll facilities are located in, or adjacent to, Charlotte and Raleigh - two of the most populated, fastest-growing areas in the state. All three operational facilities fall within the bounds of Mecklenburg and Union Counties (Charlotte area) and Durham and Wake Counties (Raleigh area). Over the 10-year period between 2014 to 2024, the counties' populations grew between 16% to 24% higher than the state at 11.1%. In addition, the median household income for the counties is between \$79,000 and to \$102,000 higher than the state at \$70,000.

The Turnpike Authority strives to responsibly maintain and improve the state's toll facilities by aligning strategic goals with budgetary restraints, while also considering the impacts of rapid growth throughout the region. In 2024 and 2025, the Turnpike Authority staff and consultants drove a number of major initiatives. The Authority anticipates opening its newest toll road, I-485 Express Lanes in late 2025. Construction of Complete 540 Phase 2 is ongoing, which will complete the loop around the Raleigh metropolitan area began. With the new innovative Back Office System technologies in place, BOS2, the Authority has greater functionality and access to customer data for processing toll payments, providing customers with easy access to pay their tolls via website enhancements and an App allowing customers to self-manage their account and walk-in service at License Plate Agencies or accessing MoneyGram at convenient locations. In 2025, NCTA launched a retail sales program to sell transponders directly to the public with partners 7-Eleven and Speedway at more than 50 locations. NCTA also continues to partner with Amazon for easy online purchases.

Overall, the Authority's continued focus on customers and effective transportation solutions will continue in the FY 2026 budget. The budget will allocate resources appropriately to improve key financial metrics, provide innovative alternative funding options, incorporate new technologies and enhance the customer experience.

Fundamental components regarding the budget and associated initiatives are included herein.

¹ As noted elsewhere, under the private partnership agreement for the I-77 Express Lanes with I-77 Mobility Partners, LLC, the Turnpike Authority is responsible for account management, billing, and customer service for that project and therefore the Turnpike Authority does not have any certified revenue projections for such project.

FY 2026 Transactions

In FY 2026, strategic goals center around efficiently processing transactions and growing the percentage of customers utilizing benefits of NC Quick Pass. Effectively meeting these goals means that NCTA can drive down operational costs, while also lowering the average toll per transaction for the customer.

Overall, toll transactions for the Triangle Expressway and Monroe Expressway combined are estimated to increase approximately 5% in FY 2026 to 162.7 million as compared to FY 2025 budget.

FY 2026 Revenue

The Turnpike Authority's business model regarding revenue sources includes collecting tolls via transactions identified on North Carolina toll facilities by either transponder (NC Quick Pass, or interoperable transponder program) or license plate identification. In addition, the Authority collects fee revenues for invoice processing and non-sufficient funds, interest earnings on account holdings, reimbursements from insurance entities regarding damages to facility assets, and credit card equity from interoperable agencies for credit card processing costs.

Total FY 2026 estimated operating revenues for the Triangle Expressway and Monroe Expressway combined are \$144.9 million, an increase of 15% from the FY 2025 budget. The primary cause for the increase in revenue is related to the opening of the Complete 540 Phase 1 section of the Triangle Expressway System on September 25, 2024. The primary source (95%) of revenue is from tolls (\$105.3 million). Toll revenues for both projects are estimated to increase in FY 2026 as compared to FY 2025 budget as follows: Triangle Expressway, 20%; and Monroe Expressway, 9.7%. In addition, toll revenue per lane mile on the Triangle Expressway is 19% higher than the toll revenue per lane mile on the Monroe Expressway (\$477 thousand compared to \$402 thousand).

FY 2026 Debt Summary

In FY 2026, principal debt service payments on the Triangle Expressway are approximately \$21.3 million for Senior Lien Toll Revenue Bonds, \$14.1 million for Senior Appropriation Bonds, and \$0 for Subordinate TIFIA. Respectively, the interest debt service payments are \$56.2 million, \$8.8 million, and \$9.6 million. However, there has been no draw on the TIFIA Phase 2 loan, but there is anticipation to draw in 2027. Principal debt service payments on the Monroe Expressway are approximately \$.64 million for Senior Lien Toll Revenue Bonds, \$10.3 million for Senior Appropriation Bonds, and \$1.3 million for Subordinate TIFIA. Respectively, the interest debt service payments are \$6.2 million, \$11.9 million, and \$5.5 million.

FY 2026 Operations & Maintenance Expenditures

Total anticipated O&M expenditures for FY 2026 are \$74.8 million, an increase of \$14.8 million (25%) from FY 2025 actuals. By project, the total O&M budget in FY 2026 is 45.9%, 22.3%, 26.4%, and 5.3% for the Triangle Expressway, Monroe Expressway, I-77 Express Lanes, and I-485 Express Lanes respectively. The O&M budget increase for FY 2026 is due to increased projected transactions for Triangle Expressway, change in allocation methodology for I-77 Express Lanes, and opening of I-485 Express Lanes.

FY 2026 Renewal & Replacement Expenditures

To protect, preserve and maintain the toll facilities in North Carolina, the Turnpike Authority has developed, and currently maintains, a 10-year R&R budget for the Triangle Expressway and Monroe Expressway systems.

In addition, organizational-wide initiatives (e.g. Back Office System upgrades) are allocated appropriately to each project. For FY 2026, total budgeted capital expenditures for the Triangle Expressway, Monroe Expressway, I-77 Express Lanes, and I-485 Express Lanes are \$6.6 million, \$2.1 million, \$1.7 million, and \$.07 million respectively.

For the Triangle Expressway, over 65% (\$4.5 million) of the capital budget is primarily related to four roadway improvement projects: bridges (\$3.0 million), concrete (\$0.6 million), miscellaneous (\$0.6 million), and slope repair (\$0.3 million). All major projects are expected due to the age of the assets. FY 2026 for the Monroe Expressway, over 52% (1.1 million) of the capital budget is allocated to toll operations related to system enhancements for the toll collection system.

FY 2026 Capital Expenditures

Total anticipated Capital expenditures for FY 2026 is \$327.39 million for Phase 2. These expenditures are related to the construction of the Complete 540 Phase 2 project which is an extension of the existing Triangle Expressway. The largest components of the FY 2026 Capital budget include Design-Build construction, agency costs, and right-of-way acquisition that have budgets of \$201.22 million, \$71.04 million, and \$49.71 million respectively. The Complete 540 Phase 2 project is currently expected to open in 2029.

Summary

The FY 2026 budget empowers the Turnpike Authority to meet specific program goals and initiatives, while striving to deliver safe and reliable travel options to North Carolina citizens. Overall, it is a balanced budget with projected revenue exceeding the expenses for debt service, operations and maintenance, and renewal and replacement activities for both the Triangle Expressway and Monroe Expressway.



Financial Structure, Policy & Process

Fund Structure

Description of Funds

The North Carolina Turnpike Authority operates with a project-level financial structure. Turnpike Authority projects are financed as individual systems, and revenues are subject to N.C.G.S. §136-89.188 (a) which states, “revenues derived from a Turnpike 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 the Authority's revenue 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:
 - A financing undertaken by a private entity under a partnership agreement with the entity for the Project.
 - Private activity bonds issued under law related to the Project.
 - Any federal or State loan, line of credit, or loan guarantee relating to the Project.
5. A return on investment of any private entity under a partnership agreement with the entity for the Project.
6. 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, the Turnpike Authority must have separate budgets for each Turnpike Project that consists of the projects' projected revenues and operating expenditures for the fiscal year. Each operational Turnpike Project has individual Operations and Maintenance as well as Renewal and Replacement budgets. There are some budget items that occur regardless of the number of operational projects. These budget items are considered ‘shared’ costs and are allocated to each operating Turnpike Project at the end of each month evenly or based on facility usage or revenues. These shared budget items are noted as ‘Allocated’ in each project specific budget to show the amount of the total shared budget items allocated to each project.

The State Appropriation Revenue Bond and Toll Revenue Bond Trust Agreements for both the Triangle Expressway and Monroe Expressway establish the flow of funds for each project. The following flow of funds is a condensed, high-level overview of the existing flow of funds. The flow of funds for the Triangle Expressway and Monroe Expressway operate independently of each other per N.C.G.S. §136-89.188 (a) and the Turnpike Authority's [Revenue Retention Policy](#). The Turnpike Authority's audited financial statements are inclusive, but not limited to the funds listed below.

State Appropriation Revenue Bond Funds

State Appropriation Revenue Fund

The Turnpike Authority receives \$25 million and \$24 million in state appropriated revenue for the Triangle

Expressway System and Monroe Expressway, respectively. This state appropriated revenue is transferred in four equal quarterly installments into the State Appropriation Revenue Fund for each project. Upon the deposit of funds in the State Appropriation Revenue Fund, the Trustee transfers all deposited amounts into the following accounts.

State Appropriation Debt Service Funds

Amounts required for interest and principal debt service payments on the State Appropriation bonds are deposited into the State Appropriation Debt Service Funds. The balance of the funds remaining after all transfers to the State Appropriation Debt Service Funds has been made is then transferred to the Revenue Bond Trust Agreement Revenue Fund.

Toll Revenue Bond Funds

Revenue Fund

The Revenue Fund accounts for all pledged revenues earned on each facility including toll revenue, processing fees, non-sufficient funds fees, interest earnings, credit card equity fees and actual damages (related to contract compliance/performance). On the last business day of each month, the trustee withdraws all receipts and other amounts held in the Revenue Fund and applies them to the following accounts.

Debt Service Funds

Amounts required for interest and principal debt service payments are deposited into the Debt Service Funds. Interest is paid semi-annually, and principal is paid annually. Each month, one sixth of the total amount of interest due and one twelfth of the total amount of principal due at the next payment date is deposited in their respective interest and principal accounts for each series of revenue bonds.

Operations & Maintenance Expense Fund

The Operations and Maintenance Fund is used to pay monthly operations and maintenance expenses incurred on each facility. Each month, an amount equal to the succeeding month's budgeted operating expenses as set forth in the Annual Budget is deposited into the Operations and Maintenance Expense Fund.

Operating Reserve Fund

The Operating Reserve Fund is used to cover any deficiencies in the Operations and Maintenance Fund. This account must be funded with 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

The Renewal and Replacement Fund is used to pay monthly capital expenditures that occur on each facility. The Renewal and Replacement account shall be funded with one hundred percent of the total capital expenditures budgeted for the fiscal year plus one tenth of the total budgeted capital expenditures for the next nine fiscal years.

General Reserve Fund

The General Reserve Fund is the last account in the flow of funds for each facility. After all required

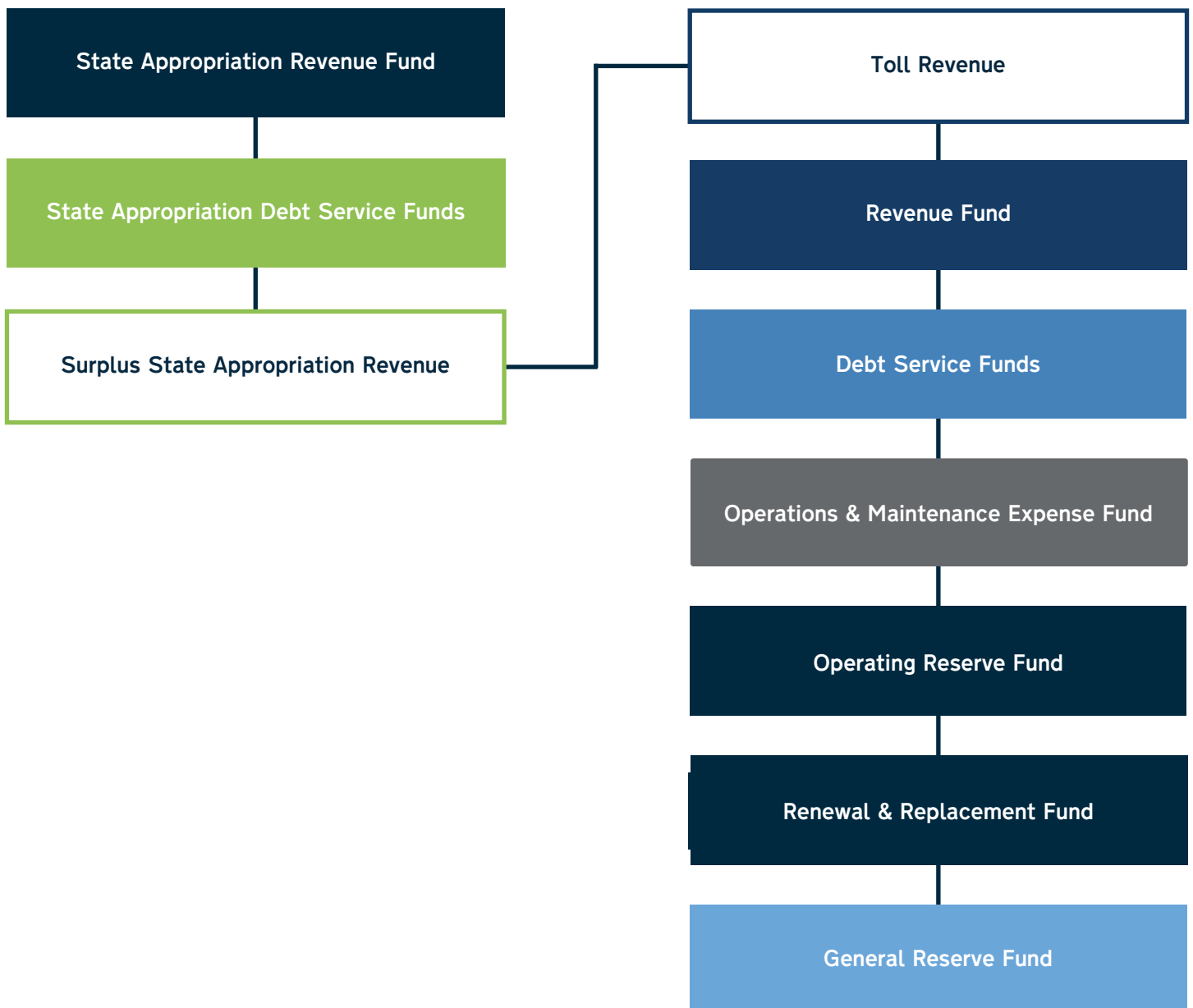
deposits are made in the accounts above, any remaining moneys shall be deposited in the General Reserve Fund. Moneys held in the General Reserve Fund shall be used for any legally available purpose, including, the payment of operating expenses or capital improvements on each facility.

Additional Project Account

The Additional Project Account is separate from each project's flow of funds and is used to pay for capital costs related to right-of-way acquisition and construction. This account is funded with proceeds from state appropriation and toll revenue bonds, as well as TIFIA loan disbursements.

Triangle Expressway System & Monroe Expressway Flow of Funds

The following chart depicts a high-level overview of the flow of funds for each project.



Fund Balances

Triangle Expressway System

The table below presents the projected balances for the major State Appropriation and Toll Revenue bond accounts for the Triangle Expressway System for June 30, 2025 along with the projected receipts and expenditures for FY 2026 and the projected ending account balances for June 30, 2026. Receipts are inclusive of deposits and interest earnings, and expenditures are inclusive of disbursements, expenditures, and debt service payments. The Renewal and Replacement Fund is projected to decrease in FY 2026 due to the budgeted R&R expenditures for the year and a lower R&R Fund requirement for FY 2026. The Operating Reserve Fund is expected to decrease with funds being released to the revenue stream as the Operating Reserve Requirement decreases FY26.

| | FY 2025 Budget | | FY 2026 Budget | |
|--|----------------|-------------|---------------------------|------------|
| | Balance | Receipts | Expenditures ¹ | Balance |
| State Appropriation Revenue Fund | - | 25,000,000 | (25,000,000) | - |
| State Appropriation Debt Service Funds | 18,652,391 | 23,362,493 | (23,170,782) | 18,844,102 |
| Revenue Fund | - | 110,902,987 | (110,902,987) | - |
| Senior Lien Debt Service Funds ² | 36,673,057 | 79,023,177 | (78,096,844) | 37,599,390 |
| Operations & Maintenance Expense Fund ³ | 5,793,137 | 34,483,095 | (34,347,572) | 5,657,615 |
| Operating Reserve Fund | 9,503,320 | (776,201) | - | 8,727,119 |
| Renewal & Replacement Fund | 28,077,896 | 2,069,914 | (6,606,474) | 23,541,336 |
| Unrestricted General Reserve Fund | 73,983,178 | - | - | 73,983,178 |

1 Reflects debt service paid on July 1, 2025 and January 1, 2026.

2 Includes Series 2024 Capitalized Interest Funds.

3 All or a portion of receipts reflects transfers from the Unrestricted General Reserve.

Monroe Expressway

The table below presents the projected balances for the major State Appropriation and Toll Revenue bond accounts for the Monroe Expressway for June 30, 2025 along with the projected receipts and expenditures for FY 2026 and the projected ending account balances for June 30, 2026. Receipts are inclusive of deposits and interest earnings, and expenditures are inclusive of disbursements, expenditures, and debt service payments. The Renewal and Replacement Fund is projected to increase to pre-fund increased R&R costs in the future.

| | FY 2025 Budget | | FY 2026 Budget | |
|--|----------------|------------|---------------------------|------------|
| | Balance | Receipts | Expenditures ⁴ | Balance |
| State Appropriation Revenue Fund | - | 24,000,000 | (24,000,000) | - |
| State Appropriation Debt Service Funds | 16,255,625 | 22,551,500 | (22,309,875) | 16,497,250 |
| Revenue Fund | - | 33,978,076 | (33,978,076) | - |
| Senior Lien Debt Service Funds | 3,448,820 | 6,558,680 | (5,912,263) | 4,095,237 |
| Senior Lien Debt Service Reserve Fund | 12,774,342 | - | - | 12,774,342 |
| Operations & Maintenance Expense Fund | 2,827,955 | 16,647,120 | (16,706,467) | 2,768,608 |
| Operating Reserve Fund | 4,317,004 | (186,191) | - | 4,130,814 |
| Renewal & Replacement Fund | 44,132,556 | 6,202,635 | (2,064,305) | 48,270,886 |
| TIFIA Debt Service Reserve Fund | 13,418,678 | - | - | 13,418,678 |
| TIFIA Debt Service Expense Fund | 567,457 | 6,827,862 | (6,708,581) | 686,738 |
| Reserve Funds ⁵ | 79,954,678 | - | - | 79,954,678 |

Basis of Budgeting

The North Carolina Turnpike Authority's Annual Budgets are prepared on the accrual basis of accounting; therefore, revenues are recognized when they are earned, and expenditures are recognized when the liability is incurred. This is contrary to the cash basis of accounting where revenues are recognized in the accounting period for which they are received, and expenditures are recognized in the account period for when cash is paid. The Turnpike Authority's Audited Financial Statements are in accordance with U.S. GAAP standards and are reported on an accrual basis, which is similar to the accounting method used by most private-sector businesses. The financial statements represent all financial activity of the Turnpike Authority at the fund level, therefore they are not an accurate representation of the financial position of individual Turnpike Projects.

4 Reflects debt service paid on July 1, 2025 and January 1, 2026.

5 Includes Ramp-Up Reserve and Unpledged Reserve.

The Annual Budgets provide the basis for operating and capital expenditures for each Turnpike Authority facility for the year. The Authority operates on a fiscal year basis and must submit the Annual Budgets to the Trustee per the project Trust Agreements. The Annual Budgets are approved by the Executive Director of the Turnpike Authority.

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 [Monroe Expressway General Engineering Consultant \(GEC\) Report](#). 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).

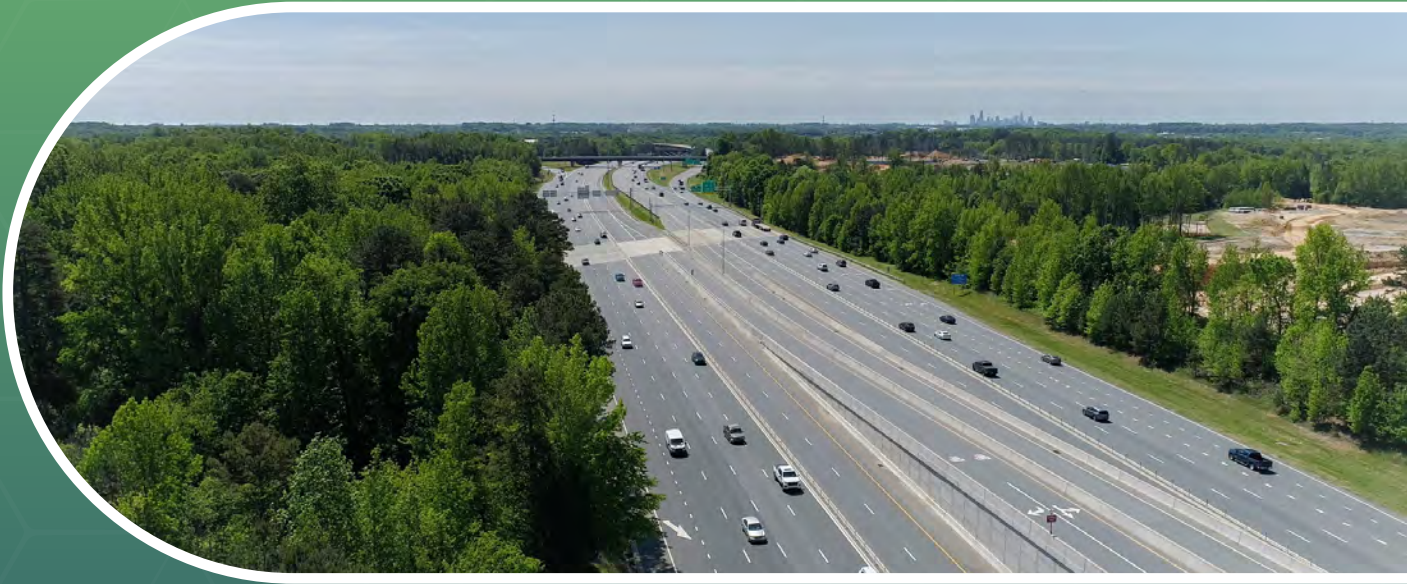
The Turnpike Authority is responsible for account management, billing and customer service for the I-77 Express Lanes and I-485 Express Lanes. An Annual Budget is prepared every fiscal year for the expenditures related to these activities.

Budget Procedure

The annual budgeting process begins in late February with a kick-off meeting held by the Finance Department and includes the Executive Director and all Turnpike Authority directors that oversee budget departments. The kick-off meeting provides an overview of the budgeting schedule along with each director's areas of responsibility. After the kick-off meeting, each director receives their preliminary budgets based on the previous fiscal year budget, along with a template to provide the Finance Department with any changes to their budgets. The directors either confirm the preliminary budgets that were provided to them or provide any requested budget changes to the Finance Department by early April. The budget directors also provide their department's objectives for the year that support the Turnpike Authority strategic goals. From there, the Finance Department compiles all requested budgets into the budget models and updates any other budget assumptions for the upcoming fiscal year. Once the budgets have been compiled and all miscellaneous assumptions and calculations have been updated, the Finance Department presents the budgets along with any material budget changes to the Executive Director. After the check-in meeting, the Finance Department follows up with each of the directors to see if there are any final adjustments to make to their budgets. Once all of the final adjustments are made to each budget, the Finance Department brings the final budgets back to the Executive Director for approval. Once the budgets are approved by the Executive Director, the final O&M and R&R budgets for the Triangle Expressway and Monroe Expressway are provided to the Trustee. Historically, the Turnpike Authority has not amended the Annual Budgets. Pursuant to Section 705 of the Monroe Expressway Trust Agreement, if the Turnpike Authority looks to amend the Annual Budget, notice of any amendments or revisions along with a report from the General Engineering Consultant, with its approval thereof, shall be provided to the Trustee and TIFIA lender.

Budget Development Schedule

| Date | Action |
|------------------------|---|
| February 28th | The Finance Department held a kick-off meeting for the FY 2026 budgeting process. Attendees included the Executive Director, Chief Financial Officer, Deputy Chief Financial Officer and all NCTA directors that oversee segments of any or all of the budgets. |
| February 28th | The Finance Department sent the budget directors their preliminary FY 2026 O&M and R&R budgets based on their FY 2025 budgets. |
| Week of March 24th | The Finance Department held check-in meetings with the Directors. |
| April 4th | The Directors submitted their requested O&M and R&R budgets as well as their FY 2026 department objectives that support the Turnpike Authority's strategic goals. |
| April 5th - April 13th | The Finance Department compiled all of the requested budgets they received from the Directors and followed up with directors to make further updates as needed. |
| Week of April 14th | The Finance Department presented prelim budgets to PFM. |
| Week of April 21st | The Finance Department presented the draft FY 2026 O&M and R&R budgets to the Executive Director, Chief Financial Officer and Deputy Chief Financial Officer. |
| April 28th - May 11th | The Finance Department performed final reviews and edits to the O&M and R&R budgets. |
| Week of May 12th | The Finance Department presented the updated and final FY 2026 O&M budgets as well as the FY 2026-2035 R&R budgets to the Executive Director, Chief Financial Officer, Deputy Chief Financial Officer and the Executive Director approved the budgets. |
| May 30th | The Finance Department submitted the FY 2026 Annual Budgets to the Trustee per Section 705 of the Triangle Expressway System and Monroe Expressway Trust Agreements. |



Financial Summaries

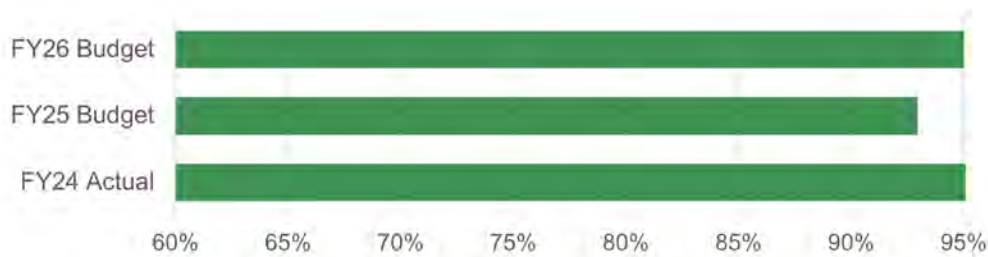
Key Financial Metrics

Toll Revenue as a Percent of Operating Revenue

Toll revenue as a percent of operating revenue is calculated by dividing the toll revenue by the total operating revenue of each facility. Toll revenue as a percent of operating revenue is budgeted to increase slightly for both expressways. Revenue is reported on a modified cash basis, refer to the ACFR for more information.

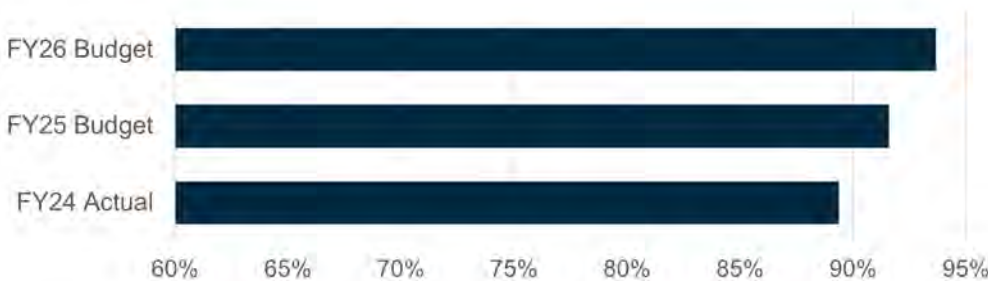
Triangle Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|--|--------------|--------------|---------------|
| Toll Revenue | \$65,219,938 | \$87,815,000 | \$105,364,000 |
| Operating Revenue | \$66,700,113 | \$94,481,000 | \$110,903,000 |
| Toll Revenue as a Percent of Operating Revenue | 98% | 93% | 95% |



Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|--|--------------|--------------|--------------|
| Toll Revenue | \$30,725,360 | \$29,013,000 | \$31,829,000 |
| Operating Revenue | \$34,378,198 | \$31,680,000 | \$33,978,000 |
| Toll Revenue as a Percent of Operating Revenue | 89% | 92% | 94% |



Average Toll per Transaction

The average toll per transaction is calculated by dividing toll revenue by the total number of toll transactions of each facility. The FY25 and FY26 budgets for both facilities are based on updated traffic and revenue projections. For the Triangle Expressway, the FY26 average toll transaction increases to \$0.97 due to a 20% increase in toll revenue and a 7% increase in toll transactions. For the Monroe Expressway, the FY26 average toll transaction increases to \$0.59 due to a 10% increase in toll revenue.

Triangle Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|------------------------------|--------------|--------------|---------------|
| Toll Revenue | \$65,219,938 | \$87,815,000 | \$105,364,000 |
| Toll Transactions | 76,870,064 | 101,621,000 | 109,106,000 |
| Average Toll Per Transaction | \$0.85 | \$0.86 | \$0.97 |



Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|------------------------------|--------------|--------------|--------------|
| Toll Revenue | \$30,725,360 | \$29,013,000 | \$31,829,000 |
| Toll Transactions | 49,819,706 | 53,867,000 | 53,599,000 |
| Average Toll Per Transaction | \$0.62 | \$0.54 | \$0.59 |

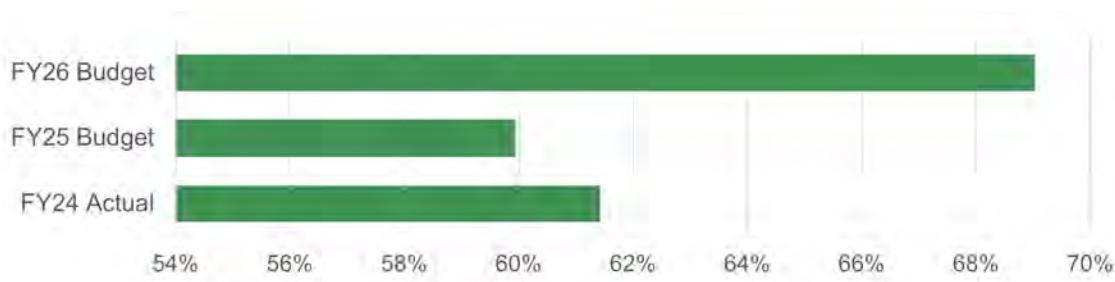


Operating Margin

The operating margin is calculated by dividing operating income by the operating revenue of each facility. The operating margin for FY26 is projected to increase for both expressways due to increased revenues.

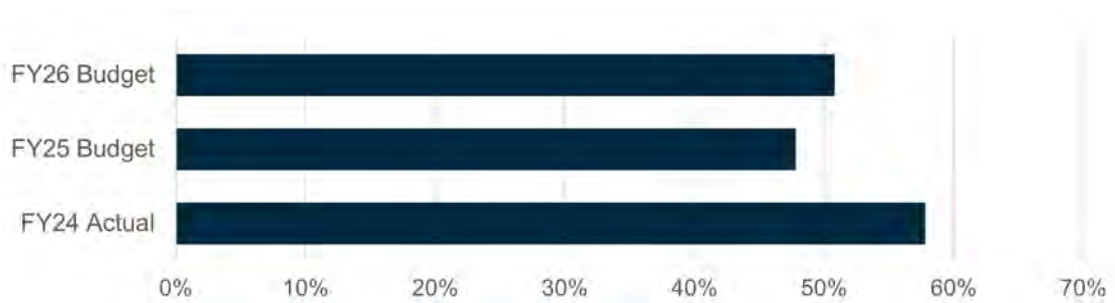
Triangle Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|--------------------|--------------|--------------|---------------|
| Operating Revenue | \$66,700,113 | \$94,481,000 | \$110,903,000 |
| Operating Expenses | \$25,730,296 | \$37,845,017 | \$34,347,572 |
| Operating Income | \$40,969,817 | \$56,635,983 | \$76,555,428 |
| Operating Margin | 61% | 60% | 69% |



Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|--------------------|--------------|--------------|--------------|
| Operating Revenue | \$34,378,198 | \$31,680,000 | \$33,978,000 |
| Operating Expenses | \$14,498,076 | \$16,531,919 | \$16,706,467 |
| Operating Income | \$19,880,122 | \$15,148,081 | \$17,271,533 |
| Operating Margin | 58% | 48% | 51% |

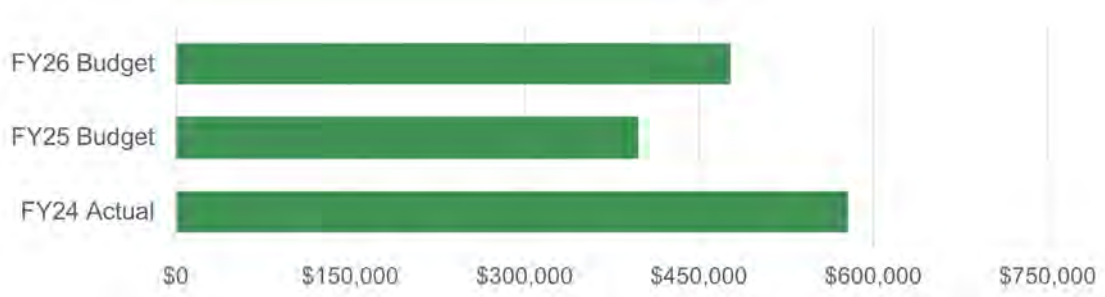


Toll Revenue per Lane Mile

Toll revenue per lane mile is calculated by dividing toll revenue by the lane miles of each facility. The toll revenue per lane mile for FY26 is projected to increase for both expressways due to increased toll revenues.

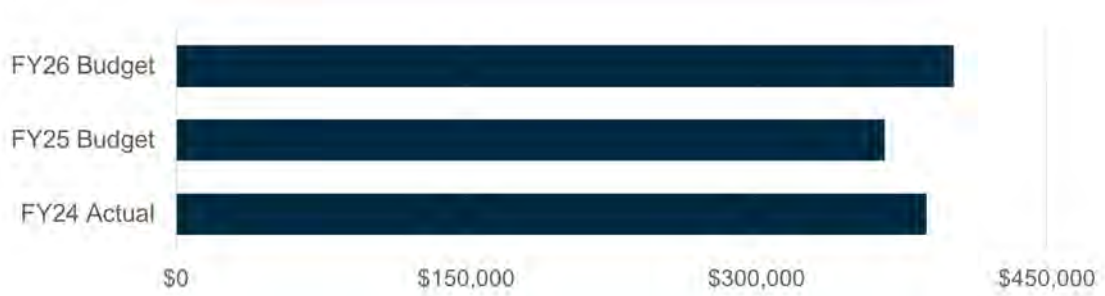
Triangle Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|----------------------------|--------------|--------------|---------------|
| Toll Revenue | \$65,219,938 | \$87,815,000 | \$105,364,000 |
| Lane Miles | 112.8 | 220.8 | 220.8 |
| Toll Revenue Per Lane Mile | \$578,191 | \$397,713 | \$477,192 |



Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|----------------------------|--------------|--------------|--------------|
| Toll Revenue | \$30,725,360 | \$29,013,000 | \$31,829,000 |
| Lane Miles | 79.2 | 79.2 | 79.2 |
| Toll Revenue Per Lane Mile | \$387,946 | \$366,326 | \$401,881 |



Operating Cost per Lane Mile

The operating cost per lane mile is calculated by dividing the operating expenses by lane miles for each facility. The operating cost per lane mile for FY26 is projected to decrease for Triangle Expressway due to decreased operating expenses. The operating cost per lane mile for FY26 is projected to increase for Monroe Expressway due to increased operating expenses.

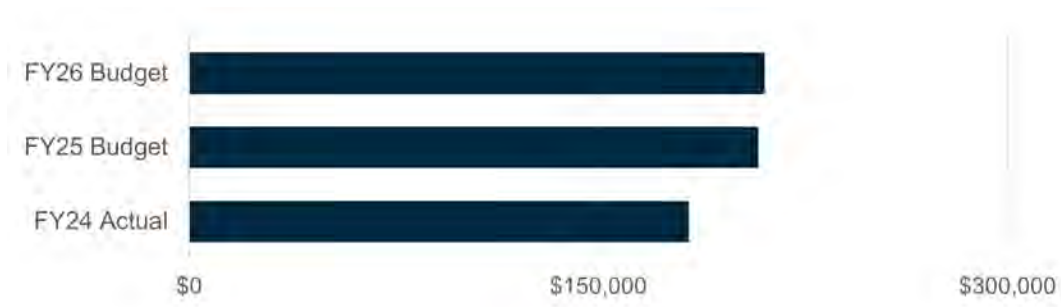
Triangle Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|------------------------------|--------------|--------------|--------------|
| Operating Expenses | \$25,730,296 | \$37,845,017 | \$34,347,572 |
| Lane Miles | 112.8 | 220.8 | 220.8 |
| Operating Cost per Lane Mile | \$228,105 | \$171,400 | \$155,560 |



Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|------------------------------|--------------|--------------|--------------|
| Operating Expenses | \$14,498,076 | \$16,531,919 | \$16,706,467 |
| Lane Miles | 79.2 | 79.2 | 79.2 |
| Operating Cost per Lane Mile | \$183,057 | \$208,736 | \$210,940 |

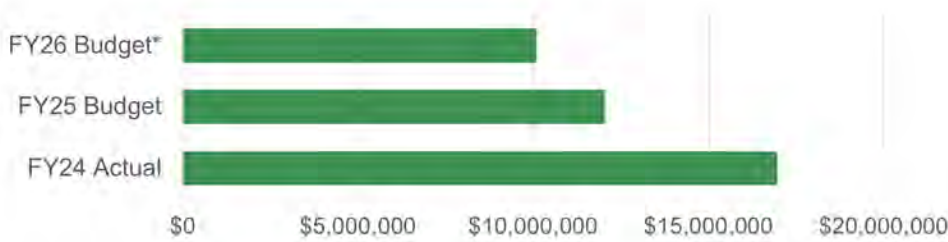


Debt per Lane Mile

Debt per lane mile is calculated by dividing the total indebtedness as of June 30 each year by the lane miles of each facility. Calculated values include par value and accrued interest on Capital Appreciation Bonds. Debt per lane mile decreased in FY26 due to accelerated GARVEE funding, thereby delaying any draws on the Phase 2 TIFIA loan. The debt per lane mile on the Monroe Expressway System is budgeted to decrease in future years due to principal being paid on the outstanding debt.

Triangle Expressway

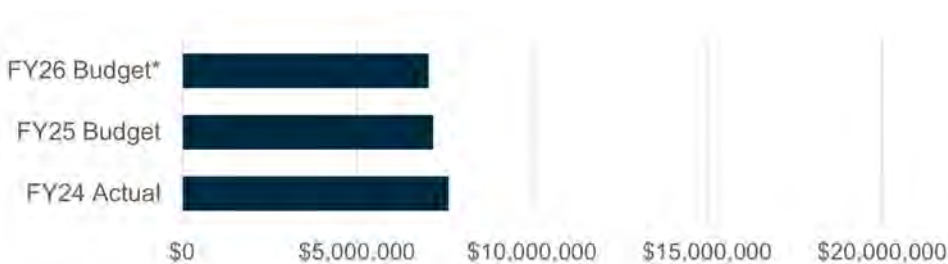
| | FY24 Actual | FY25 Budget | FY26 Budget |
|--|-----------------|-----------------|-----------------|
| Outstanding Debt | \$1,914,317,412 | \$2,661,193,636 | \$2,229,139,383 |
| Outstanding Debt w/o Accreted Interest | \$1,838,485,253 | \$2,572,704,056 | \$2,127,142,614 |
| Lane Miles | 112.8 | 220.8 | 220.8 |
| Debt Per Mile | \$16,970,899 | \$12,052,507 | \$10,095,740 |
| Debt Per Mile w/o Accreted Interest | \$16,298,628 | \$11,651,739 | \$9,633,798 |



*As of June 30th of Fiscal Year

Monroe Expressway

| | FY24 Actual | FY25 Budget | FY26 Budget |
|--|---------------|---------------|---------------|
| Outstanding Debt | \$602,584,483 | \$568,609,236 | \$558,516,382 |
| Outstanding Debt w/o Accreted Interest | \$595,896,654 | \$560,759,985 | \$549,452,510 |
| Lane Miles | 79.2 | 79.2 | 79.2 |
| Debt Per Mile | \$7,608,390 | \$7,179,410 | \$7,051,975 |
| Debt Per Mile w/o Accreted Interest | \$7,523,948 | \$7,080,303 | \$6,937,532 |



*As of June 30th of Fiscal Year

Revenue Summary

The largest source of revenue for the Triangle Expressway and Monroe Expressway is toll revenue. Toll revenue is collected based on two main transaction types: Electronic Toll Collection (ETC) and Toll Invoice (TI). ETC tolls are paid electronically with a transponder. These tolls are automatically deducted from a prepaid account. Toll Invoices 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 and processing fee revenue projections are provided from Traffic and Revenue forecasts, updated in May 2024. The remaining sources of revenue include interest earnings, credit card equity fees, non-sufficient funds fees (returned check fees), and actual damages (related to contract compliance/performance). These revenues are immaterial and not estimated.

In 2008, the Turnpike Authority Board of Directors adopted a Toll Rate Policy, which provides guidelines pursuant to which the Turnpike Authority shall establish and adjust toll rate schedules for its projects. After receipt of a Traffic and Revenue Study, the Toll Rate Policy directs the Turnpike Authority 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.

Pursuant to the policy, the 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. The calendar year 2025 and 2026 toll rates for both the Triangle Expressway and Monroe Expressway are shown below by vehicle classification and payment type.

Toll Rates

Triangle Expressway

| | CY 2025 | | CY 2026 | |
|---------|---------|---------|---------|---------|
| | ETC | TI | ETC | TI |
| Class 1 | \$8.24 | \$16.48 | \$8.50 | \$17.00 |
| Class 2 | \$16.48 | \$32.96 | \$17.00 | \$34.00 |
| Class 3 | \$32.96 | \$65.92 | \$34.00 | \$68.00 |

Full trip on the Triangle Expressway starting at N.C. 885 at I-40 to US 70/I-40.
Complete 540 Phase 1 (section starting from N.C. 55 Bypass to US 70/I-40)

Monroe Expressway

| | CY 2025 | | CY 2026 | |
|---------|---------|---------|---------|---------|
| | ETC | TI | ETC | TI |
| Class 1 | \$2.92 | \$5.84 | \$2.96 | \$5.92 |
| Class 2 | \$5.84 | \$11.68 | \$5.92 | \$11.84 |
| Class 3 | \$11.68 | \$23.36 | \$11.84 | \$23.68 |

Full trip on the Monroe Expressway in one direction.

Vehicle Classifications



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

Actuals & Budgets for FY 2024 to FY 2026

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2025 | FY 2025 | FY 2026 | FY 2026 |
|---------------------------|---------------------|---------------------|----------------------|---------------------------|----------------------|----------------------------|
| | Actual | Budget | Actual | Variance Actual to Budget | Budget | Variance to FY 2025 Actual |
| Revenue | | | | | | |
| Toll Revenue | \$63,997,344 | \$87,815,000 | \$100,341,736 | \$12,526,736 | \$105,364,000 | \$5,022,264 |
| Fee Revenue | 8,946,523 | 6,666,000 | 10,482,273 | \$3,816,273 | 5,539,000 | (\$4,943,273) |
| Total | \$72,943,867 | \$94,481,000 | \$110,824,009 | \$16,343,009 | \$110,903,000 | \$78,991 |
| Operating Expenses | | | | | | |
| Finance | \$1,288,436 | \$1,870,243 | \$1,981,214 | \$110,971 | \$2,179,927 | \$198,713 |
| Highway Operations | 3,099,890 | 5,271,277 | 4,289,051 | (\$982,226) | 6,098,585 | \$1,809,533 |
| Service & Safety Patrol | 288,615 | 541,200 | 376,016 | (\$165,184) | 541,200 | \$165,184 |
| Toll Operations | 11,257,669 | 18,270,566 | 11,879,201 | (\$6,391,365) | 13,388,436 | \$1,509,235 |
| Customer Service | 8,753,019 | 10,429,825 | 9,766,368 | (\$663,457) | 10,419,742 | \$653,374 |
| Communications | 458,904 | 573,128 | 674,332 | \$101,204 | 839,170 | \$164,839 |
| Administrative | 583,762 | 888,777 | 832,120 | (\$56,658) | 880,512 | \$48,393 |
| Total | \$25,730,296 | \$37,845,017 | \$29,798,302 | (\$8,046,715) | \$34,347,572 | \$4,549,270 |

FY 2024 and 2025 Actual Revenues are presented on a cash basis.
Totals may not add due to rounding.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2025 | FY 2025 | FY 2026 | FY 2026 |
|---------------------------|---------------------|---------------------|---------------------|---------------------------|---------------------|----------------------------|
| | Actual | Budget | Actual | Variance Actual to Budget | Budget | Variance to FY 2025 Actual |
| Revenue | | | | | | |
| Toll Revenue | \$29,698,333 | \$29,013,000 | \$31,777,093 | \$2,764,093 | \$31,829,000 | \$51,907 |
| Fee Revenue | 4,792,087 | 2,667,000 | 4,354,524 | \$1,687,524 | 2,149,000 | (\$2,205,524) |
| Total | \$34,490,420 | \$31,680,000 | \$36,131,617 | \$4,451,617 | \$33,978,000 | (\$2,153,617) |
| Operating Expenses | | | | | | |
| Finance | \$848,694 | \$950,641 | \$942,437 | (\$8,204) | \$958,019 | \$15,582 |
| Highway Operations | 2,423,895 | 3,395,232 | 3,072,448 | (\$322,785) | 3,614,448 | \$542,001 |
| Service & Safety Patrol | 578,901 | 645,640 | 468,173 | (\$177,467) | 645,640 | \$177,467 |
| Toll Operations | 6,500,227 | 6,944,254 | 6,457,339 | (\$486,915) | 7,078,954 | \$621,615 |
| Customer Service | 3,485,831 | 3,845,439 | 3,492,418 | (\$353,021) | 3,882,536 | \$390,118 |
| Communications | 295,677 | 306,325 | 280,726 | (\$25,599) | 257,102 | (\$23,623) |
| Administrative | 364,851 | 444,389 | 416,060 | (\$28,329) | 269,768 | (\$146,292) |
| Total | \$14,498,076 | \$16,531,919 | \$15,129,599 | (\$1,402,320) | \$16,706,467 | \$1,576,868 |

FY 2024 and 2025 Actual Revenues are presented on a cash basis. Totals may not add due to rounding.

I-77 Express Lanes

The I-77 Express Lanes project is a public-private partnership between NCDOT and I-77 Mobility Partners, LLC and is the first P3 toll project in the State of North Carolina. The Turnpike Authority is responsible for account management, billing, and customer service for the express lanes. An Annual Budget is prepared every fiscal year for the expenditures related to these activities. Since the agreement is between NCDOT and I-77 Mobility Partners, the Turnpike Authority does not have any certified revenue projections for the project.

| | FY 2024 | FY 2025 | FY 2025 | FY 2025 | FY 2026 | FY 2026 |
|---------------------------|---------------------|---------------------|---------------------|---------------------------|---------------------|----------------------------|
| | Actual | Budget | Actual | Variance Actual to Budget | Budget | Variance to FY 2025 Actual |
| Operating Expenses | | | | | | |
| Finance | \$940,564 | \$851,526 | \$1,222,099 | \$370,573 | \$1,375,492 | \$153,393 |
| Highway Operations | - | - | - | - | - | - |
| Service & Safety Patrol | - | - | - | - | - | - |
| Toll Operations | 4,346,692 | 4,101,297 | 5,556,912 | \$1,455,615 | 6,776,025 | \$1,219,114 |
| Customer Service | 5,049,498 | 6,418,043 | 6,869,350 | \$451,307 | 9,427,223 | \$2,557,872 |
| Communications | 396,042 | 553,368 | 559,352 | \$5,985 | 1,082,079 | \$522,727 |
| Administrative | 510,792 | 888,777 | 832,120 | (\$56,658) | 1,135,387 | \$303,268 |
| Total | \$11,243,589 | \$12,813,011 | \$15,039,833 | \$2,226,822 | \$19,796,206 | \$4,756,373 |

Totals may not add due to rounding.

I-485 Express Lanes

The I-485 Express Lanes is a collaborative project between NCTA and NCDOT. The Turnpike Authority supports the project through account management, billing, and customer service for the express lanes. An Annual Budget is prepared every fiscal year for the expenditures related to these activities.

| | FY 2024 | FY 2025 | FY 2025 | FY 2025 | FY 2026 | FY 2026 |
|---------------------------|------------|------------|------------|---------------------------|--------------------|----------------------------|
| | Actual | Budget | Actual | Variance Actual to Budget | Budget | Variance to FY 2025 Actual |
| Operating Expenses | | | | | | |
| Finance | - | - | - | - | \$134,897 | \$134,897 |
| Safety Patrol | - | - | - | - | - | - |
| Toll Operations | - | - | - | - | 3,135,997 | 3,135,997 |
| Customer Service | - | - | - | - | 639,126 | 639,126 |
| Communications | - | - | - | - | 43,166 | 43,166 |
| Administrative | - | - | - | - | 45,293 | 45,293 |
| Total | \$0 | \$0 | \$0 | \$0 | \$3,998,481 | \$3,998,481 |

Totals may not add due to rounding.

FY 2026 Staffing Summary

The following table depicts the number of staffing positions the Turnpike Authority had in FY 2024 and 2025, as well as the number of budgeted positions for FY 2026 and the change from FY 2025. The Turnpike Authority in FY 2026 budgeted for staffing to increase by one Toll Operations position: IT Technical Assistant. Budgets for Turnpike Authority staff are presented as 'NCDOT Labor' or 'NCTA Labor' throughout the report. The Finance and Customer Service departments charge time to a shared charge code to allocate their time across the four projects evenly. The Highway Operations department can charge time to any of the expressways. The Communications and Toll Operations departments can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes, I-485 Express Lanes and/or a shared charge code to allocate their time across the four projects evenly. The Administrative department charge all of their time to the Administrative budget which is allocated across all operational projects evenly.

| | FY 2024 | FY 2025 | FY 2026 | Change From |
|------------------------------------|---------|---------|---------|-------------|
| | Actual | Actual | Budget | 2025 |
| Finance | 2 | 4 | 4 | - |
| Highway Operations | 6 | 6 | 6 | - |
| Service & Safety Patrol | - | - | - | - |
| Toll Operations | 5 | 5 | 6 | 1 |
| Customer Service | 3 | 3 | 3 | - |
| Communications | 3 | 3 | 3 | - |
| Administrative | 6 | 8 | 8 | - |
| Total | 25 | 29 | 30 | 1 |

FY 2026 Operations & Maintenance Budgets

| | Triangle Expressway | Monroe Expressway | I-77 Express Lanes | I-485 Express Lanes |
|---|---------------------|-------------------|--------------------|---------------------|
| Finance | \$2,179,927 | \$958,019 | \$1,375,492 | \$134,897 |
| NCDOT Labor - Allocated | 504,382 | 154,531 | 650,382 | 25,945 |
| NCDOT Labor - Project Specific | - | - | 15,377 | - |
| Consultant Labor - Allocated | 123,573 | 37,860 | 159,342 | 6,357 |
| Consultant Labor - Project Specific | 149,533 | 25,000 | 376,328 | 7,500 |
| Professional Services - Allocated | 106,888 | 32,748 | 137,828 | 5,498 |
| Professional Services - Project Specific | 811,950 | 405,950 | - | - |
| NCDOT System Charges | 483,601 | 301,930 | 36,235 | 89,597 |
| Highway Operations | 6,098,585 | 3,614,448 | - | - |
| NCDOT Labor - Project Specific | 388,049 | 109,830 | - | - |
| Consultant Labor - Project Specific | 315,000 | 540,000 | - | - |
| Routine Maintenance | 4,878,500 | 2,516,393 | - | - |
| Damage Claims | 90,000 | 80,000 | - | - |
| Traffic Management Center Staffing and Facilities | 427,036 | 368,226 | - | - |
| Service and Safety Patrol | 541,200 | 645,640 | - | - |
| Highway Patrol | 291,200 | 375,640 | - | - |
| Incident Management Assistance Patrol | 250,000 | 270,000 | - | - |

| | Triangle Expressway | Monroe Expressway | I-77 Express Lanes | I-485 Express Lanes |
|--|---------------------|-------------------|--------------------|---------------------|
| Toll Operations | 13,388,436 | 7,078,954 | 6,776,025 | 3,135,997 |
| NCDOT Labor - Allocated | 222,436 | 68,149 | 286,823 | 11,442 |
| NCDOT Labor - Project Specific | 237,503 | 182,815 | 73,440 | 91,165 |
| Consultant Labor - Allocated | 324,585 | 99,445 | 418,540 | 16,696 |
| Consultant Labor - Project Specific | 386,041 | 346,079 | 81,585 | 305,876 |
| Utilities | 360,000 | 55,000 | - | - |
| Electronic Toll Collection System Maintenance | 314,622 | 104,650 | - | 50,801 |
| Roadside Toll Collection System Maintenance | 4,800,213 | 3,193,819 | - | 2,114,214 |
| Back Office System Pass Throughs - Allocated | 1,770,494 | 612,719 | 1,888,586 | 96,170 |
| Mailhouse - Allocated | 3,193,026 | 1,710,930 | 2,160,208 | 323,326 |
| Collections - Allocated | 697,929 | 373,974 | 472,176 | 70,672 |
| Back Office System Maintenance - Allocated | 1,081,587 | 331,373 | 1,394,666 | 55,636 |
| HOV Application Maintenance | - | - | - | - |
| Customer Service | 10,419,742 | 3,882,536 | 9,427,223 | 639,126 |
| NCDOT Labor - Allocated | 174,875 | 53,578 | 225,494 | 8,995 |
| Consultant Labor - Allocated | 334,306 | 102,423 | 431,075 | 17,197 |
| Operations Staffing - Allocated | 6,461,756 | 2,601,946 | 4,180,542 | 429,824 |
| Customer Service Center Facilities - Allocated | 744,956 | 228,237 | 960,592 | 38,320 |
| Other - Allocated | 2,426,593 | 743,451 | 3,129,001 | 124,823 |
| Credit Card Expenses | 277,257 | 152,901 | 500,518 | 19,967 |
| Communications | 839,170 | 257,102 | 1,082,079 | 43,166 |
| NCDOT Labor - Allocated | 197,001 | 60,357 | 254,026 | 10,134 |
| NCDOT Labor - Project Specific | - | - | - | - |
| Consultant Labor - Allocated | 113,324 | 34,720 | 146,127 | 5,829 |
| Consultant Labor - Project Specific | - | - | - | - |
| Marketing and Communications - Allocated | 528,845 | 162,026 | 681,926 | 27,204 |
| Administrative | 880,512 | 269,768 | 1,135,387 | 45,293 |
| Administrative - Allocated | 880,512 | 269,768 | 1,135,387 | 45,293 |
| Total | \$34,347,572 | \$16,706,467 | \$19,796,206 | \$3,998,481 |

Totals may not add due to rounding.

Department Budgets & Information

The Turnpike Authority has all of its operating activities and corresponding expenditures organized under seven budget departments: Finance, Highway Operations, Service and Safety patrol, Toll Operations, Customer Service, Communications and Administrative. The following table presents the FY 2026 O&M budgets for the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and I-485 Express Lanes broken down by department.

| | Triangle Expressway | Monroe Expressway | I-77 Express Lanes | I-485 Express Lanes |
|----------------------------------|---------------------|-------------------|--------------------|---------------------|
| Finance | \$2,179,927 | \$958,019 | \$1,375,492 | \$134,897 |
| Highway Operations | 6,098,585 | 3,614,448 | - | - |
| Service and Safety Patrol | 541,200 | 645,640 | - | - |
| Toll Operations | 13,388,436 | 7,078,954 | 6,776,025 | 3,135,997 |
| Customer Service | 10,419,742 | 3,882,536 | 9,427,223 | 639,126 |
| Communications | 839,170 | 257,102 | 1,082,079 | 43,166 |
| Administrative | 880,512 | 269,768 | 1,135,387 | 45,293 |
| Total | \$34,347,572 | \$16,706,467 | \$19,796,206 | \$3,998,481 |

Totals may not add due to rounding.

Finance



Finance

Finance Department Overview

The Finance Department O&M budget includes NCTA labor, consultant labor, various professional services and NCDOT System Charges. Consultant labor in the Finance Department consists of finance and reporting support, as well as, traffic and revenue support. Many of the professional services included in this group support the Turnpike Authority's financial management. These professional services include but are not limited to, trustee fees, TIFIA fees, rating agency fees, investment advisory, bond counsel services, business interruption insurance, and NCTA's continuing disclosure dissemination agent.

NCDOT has several programs that benefit construction, highway maintenance, and other activities. The costs associated with these programs are considered indirect costs since all NCDOT projects benefit from them. NCDOT charges each of their projects with surcharges that are applied to expenditures to pay for these indirect costs. The rates for these surcharges are developed each year based on the projected expenditures for the department. Below is a description of the three system charges that are applied to Turnpike Authority operating expenditures:

- Business System Improvement Project (BSIP) - This project was established for the development, implementation, and support of a new Enterprise Resource Planning (ERP) tool. This initiative was a departmental wide effort to implement a comprehensive financial and management information system to aid management in optimally allocating resources. The current rate is 1.31%.
- Computer Support (CS) – Costs for computer support are relative to supporting the computer environment within the NCDOT Division of Highways. The current rate is 0.96%.
- Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 1.19%.

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Oversee the preparation of a sustainable financial plan to support the I-485 Express Lanes project.
 - Maintain favorable bond ratings for future project financings.
-



Broaden Influence as a Respected Leader & Partner

- Implement best practices that meet the Government Finance Officers Association's program criteria for the Certificate of Achievement for Excellence in Financial Reporting Program and Distinguished Budget Presentation Award.
 - Produce annual financial reports, including an Annual Comprehensive Financial Report and Budget Report, which are timely, compliant, and transparent.
 - Ensure all procurement documents and resulting contracts comply with all applicable laws and regulations and policies, utilize the competitive bid process, and reconcile activity.
-



Strengthen Customer Relationships

- Partner with NCTA Directors to understand ongoing needs and provide collaborative, fiscally responsible solutions.
 - Optimize current Enterprise Resource Planning system to accelerate and improve financial reporting.
-



Preserve a Strong Financial Standing

- Adopt and begin implementation of the Turnpike Authority's Three-Year Work Plan.
 - Monitor the market for opportunities to refund outstanding debt to achieve savings on future debt service payments.
 - Maintain compliance with all required bond and TIFIA loan documentation, including complying with any arbitrage rebate or other federal tax filings and providing for secondary market disclosure.
-



Develop a Highly Qualified & Engaged Team

- Review and update department policies and procedures to implement leading practices and document current workflows.
 - Partner with NCDOT and NCDIT to streamline core business processes.
 - Promote industry participation.
-

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$393,320 | \$504,015 | \$504,382 | \$367 | 0% |
| NCDOT Labor - Allocated | 393,320 | 504,015 | 504,382 | 367 | 0% |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | 69,105 | 227,390 | 273,106 | 45,715 | 20% |
| Consultant Labor - Allocated | 56,507 | 109,436 | 123,573 | 14,137 | 13% |
| Consultant Labor - Project Specific | 12,598 | 117,955 | 149,533 | 31,578 | 27% |
| Finance and Reporting Support | 11,993 | 116,389 | 139,533 | 23,144 | 20% |
| Traffic and Revenue Support | 605 | 1,565 | 10,000 | 8,435 | 539% |
| Professional Services | 508,415 | 849,336 | 918,838 | 69,502 | 8% |
| Professional Services - Allocated | 100,491 | 113,806 | 106,888 | (6,918) | -6% |
| Professional Services - Project Specific | 407,924 | 735,530 | 811,950 | 76,420 | 10% |
| Rating Agencies | 45,000 | 37,500 | 52,000 | 14,500 | 39% |
| Trustee Fees | 15,000 | 23,020 | 21,000 | (2,020) | -9% |
| Asset Management | 32,142 | 52,526 | 50,000 | (2,526) | -5% |
| Arbitrage Reports | 13,000 | 12,000 | 15,000 | 3,000 | 25% |
| Bond Counsel | - | 17,402 | 15,000 | (2,402) | -14% |
| Cherry Bekaert | 3,050 | 3,150 | 3,200 | 50 | 2% |
| Continuing Disclosure Agent | 750 | 1,500 | 750 | (750) | -50% |
| Business Interruption Insurance | 3,600 | 588,348 | 650,000 | 61,652 | 10% |
| Miscellaneous | 295,382 | 84 | 5,000 | 4,916 | 5865% |
| NCDOT System Charges | 317,596 | 400,473 | 483,601 | 83,128 | 21% |
| Total | \$1,288,436 | \$1,981,214 | \$2,179,927 | \$198,713 | 10% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Finance Department budget for the Triangle Expressway has a variance of \$198,713 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report on.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$245,825 | \$252,007 | \$154,531 | (\$97,477) | -39% |
| NCDOT Labor - Allocated | 245,825 | 252,007 | 154,531 | (97,477) | -39% |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | 53,736 | 67,108 | 62,860 | (4,248) | -6% |
| Consultant Labor - Allocated | 35,317 | 54,718 | 37,860 | (16,858) | -31% |
| Consultant Labor - Project Specific | 18,419 | 12,390 | 25,000 | 12,610 | 102% |
| Finance and Reporting Support | 18,419 | 12,390 | 15,000 | 2,610 | 21% |
| Traffic and Revenue Support | - | - | 10,000 | 10,000 | - |
| Professional Services | 362,679 | 361,398 | 438,698 | 77,300 | 21% |
| Professional Services - Allocated | 62,807 | 56,903 | 32,748 | (24,155) | -42% |
| Professional Services - Project Specific | 299,872 | 304,495 | 405,950 | 101,455 | 33% |
| Rating Agencies | 21,000 | 22,500 | 30,000 | 7,500 | 33% |
| Trustee Fees | 9,000 | 10,500 | 21,000 | 10,500 | 100% |
| TIFIA Fees | 13,500 | - | 16,000 | 16,000 | - |
| Asset Management | 56,833 | 76,718 | 50,000 | (26,718) | -35% |
| Arbitrage Reports | 8,000 | 9,000 | 10,000 | 1,000 | 11% |
| Bond Counsel | 35,750 | 10,688 | 25,000 | 14,313 | 134% |
| Cherry Bekaert | 3,050 | 3,150 | 3,200 | 50 | 2% |
| Continuing Disclosure Agent | 750 | - | 750 | 750 | - |
| Business Interruption Insurance | 151,989 | 171,940 | 250,000 | 78,060 | 45% |
| NCDOT System Charges | 186,455 | 261,923 | 301,930 | 40,007 | 15% |
| Total | \$848,694 | \$942,437 | \$958,019 | \$15,582 | 2% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Finance Department budget for the Monroe Expressway has a variance of \$15,582 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of (\$97,477) due to changing allocation methodology.

I-77 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$355,343 | \$505,288 | \$665,759 | \$160,472 | 32% |
| NCDOT Labor - Allocated | 344,155 | 504,015 | 650,382 | 146,367 | 29% |
| NCDOT Labor - Project Specific | 11,189 | 1,273 | 15,377 | 14,105 | 1108% |
| Consultant Labor | 229,260 | 342,151 | 535,670 | 193,519 | 57% |
| Consultant Labor - Allocated | 49,443 | 109,436 | 159,342 | 49,907 | 46% |
| Consultant Labor - Project Specific | 179,817 | 232,716 | 376,328 | 143,612 | 62% |
| Finance and Reporting Support | 179,817 | 232,716 | 376,328 | 143,612 | 62% |
| Professional Services | 313,346 | 275,184 | 137,828 | (137,356) | -50% |
| Professional Services - Allocated | 313,346 | 113,806 | 137,828 | 24,022 | 21% |
| Professional Services - Project Specific | - | 161,378 | - | (161,378) | -100% |
| NCDOT System Charges | 42,615 | 99,477 | 36,235 | (63,242) | -64% |
| Total | \$940,564 | \$1,222,099 | \$1,375,492 | \$153,393 | 13% |

Totals may not add due to rounding.

FY 2026 I-77 Express Lanes Budget Highlights

The Finance Department budget for the I-77 Express Lanes has a variance of \$153,393 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of \$160,472 due to increased rates.
- Consultant Labor has a variance of \$193,519 due to additional consultant efforts.
- Professional Services has a variance of (\$137,356) due to unplanned T&R efforts in FY25 that are not expected to carry over into FY26.
- NCDOT System Charges has a variance of (\$63,242); system variances are functionally a percentage of actual expenditures.

I-485 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|-------------------------------------|---------|---------|-----------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | - | - | \$25,945 | \$25,945 | - |
| NCDOT Labor - Allocated | - | - | 25,945 | 25,945 | - |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | - | - | 13,857 | 13,857 | - |
| Consultant Labor - Allocated | - | - | 6,357 | 6,357 | - |
| Consultant Labor - Project Specific | - | - | 7,500 | 7,500 | - |
| Finance and Reporting Support | - | - | 7,500 | 7,500 | - |
| Professional Services | - | - | 5,498 | 5,498 | - |
| Professional Services - Allocated | - | - | 5,498 | 5,498 | - |
| NCDOT System Charges | - | - | 89,597 | 89,597 | - |
| Total | \$0 | \$0 | \$134,897 | \$134,897 | - |

Totals may not add due to rounding.

FY 2026 I-485 Express Lanes Budget Highlights

The Finance Department budget for the I-485 Express Lanes has no variances to report since I-485 is scheduled to open FY26.

Highway Operations



Highway Operations

Highway Operations Department Overview

The Highway Operations O&M budget includes NCTA labor, consultant labor, routine maintenance, damage claims, and traffic management center (TMC) staffing and facilities. The Turnpike Authority is mandated by state law and the terms of the Trust Agreements to maintain safe facilities in sound condition. Routine maintenance for NCTA facilities includes, but is not limited to, maintenance of the following items: concrete and asphalt roadways, bridges, pavement markings, signs, mowing and landscaping, snow and ice removal, guardrail, lighting and litter removal. Traffic Management Center operators verify roadway incidents, dispatch Incident Management Assistance Patrol (IMAP) and other emergency resources, and monitor, control and disseminate data to and from roadside cameras, traffic detectors and dynamic message signs. NCTA operations personnel are co-located with NCDOT traffic management staff within two TMCs and monitor performance requirements and provide audit and accounting for these operations.

Maintenance Rating Program (MRP)

The Turnpike Authority 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.

| | CY 2022 | CY 2023 | CY 2024 |
|---------------------|---------|---------|---------|
| Triangle Expressway | 94.6 | 95.8 | 95.1 |
| Monroe Expressway | 96.7 | 97.1 | 97.2 |

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

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Integrate a 35-year Capital Maintenance Plan to aid in the development and funding of new projects as well as the implementation of rehabilitation projects.
-



Broaden Influence as a Respected Leader & Partner

- Collaborate with the North Carolina Department of Transportation and other industry leaders to improve safety for our employees, contractors and the traveling public.
-



Strengthen Customer Relationships

- Measure and encourage quality, efficiency and customer service through the Maintenance Rating Program (MRP).
 - Repair deficiencies and damage in accordance with established performance metrics.
 - Before, during and after construction, maintenance and rehabilitation projects, communicate impacts directly to affected motorists and/or residents and provide timely responses to questions/inquiries.
-



Preserve a Strong Financial Standing

- Monitor the maintenance budget to ensure fiscally prudent repairs are made in a timely manner.
 - Confirm that all available insurance claims are processed, and reimbursements are collected for asset damage caused by private motorists.
-



Develop a Highly Qualified & Engaged Team

- Develop a Roadway Maintenance Crew to ensure compliance with the Maintenance Rating Program.
 - Continue to participate in and actively get involved with regional and national technical organizations such as ITS Carolinas and International Bridge, Tunnel and Turnpike Association.
-

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Project Specific | \$374,525 | \$412,863 | \$388,049 | (\$24,814) | -6% |
| Consultant Labor - Project Specific | 194,225 | 261,717 | 315,000 | 53,283 | 20% |
| Roadway Operations Support | 194,225 | 261,717 | 315,000 | 53,283 | 20% |
| Routine Maintenance | 2,160,916 | 3,185,813 | 4,878,500 | 1,692,687 | 53% |
| Pavement | - | - | 120,000 | 120,000 | - |
| Roadside | 285,660 | 536,864 | 1,128,900 | 592,036 | 110% |
| Maintenance | 63,079 | 2,034,226 | 2,505,100 | 470,874 | 23% |
| Traffic | 695,768 | 166,597 | 267,000 | 100,403 | 60% |
| Bridge | 993,404 | - | 20,000 | 20,000 | - |
| Other | 123,005 | 119 | - | (119) | -100% |
| Miscellaneous | - | 448,007 | 837,500 | 389,493 | 87% |
| Damage Claims | 27,348 | 21,800 | 90,000 | 68,200 | 313% |
| Traffic Management Center Staffing & Facilities | 342,875 | 406,858 | 427,036 | 20,177 | 5% |
| Total | \$3,099,890 | \$4,289,051 | \$6,098,585 | \$1,809,533 | 42% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Highway Operations Department budget for the Triangle Expressway has a variance of \$1,809,533 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Routine Maintenance has a variance of \$1,692,687 due to FY25 budget assuming full year operations for C540 Phase 1. Phase 1 had a delayed opening that occurred in September 2024. Budgets were not retroactively adjusted.
- Damage Claims has a variance of \$68,200 due to claims and insurance recoveries being unpredictable.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Project Specific | \$26,788 | - | \$109,830 | \$109,830 | - |
| Consultant Labor - Project Specific | 428,955 | 533,246 | 540,000 | 6,754 | 1% |
| Roadway Operations Support | 428,955 | 533,246 | 540,000 | 6,754 | 1% |
| Routine Maintenance | 1,613,944 | 2,185,789 | 2,516,393 | 330,604 | 15% |
| Pavement | 3,128 | 61,472 | 84,993 | 23,521 | 38% |
| Roadside | 731,162 | 1,005,514 | 1,082,000 | 76,486 | 8% |
| Maintenance | 367,632 | 442,958 | 854,900 | 411,942 | 93% |
| Traffic | 68,073 | 80,467 | 90,000 | 9,533 | 12% |
| Bridge | 89,682 | 186,439 | 30,000 | (156,439) | -84% |
| On-Call | - | - | 15,000 | 15,000 | - |
| Miscellaneous | 354,266 | 408,938 | 359,500 | (49,438) | -12% |
| Damage Claims | 86,912 | 21,358 | 80,000 | 58,642 | 275% |
| Traffic Management Center Staffing & Facilities | 267,296 | 332,055 | 368,226 | 36,171 | 11% |
| Total | \$2,423,895 | \$3,072,448 | \$3,614,448 | \$542,001 | 18% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Highway Operations Department budget for the Monroe Expressway has a variance of \$542,001 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor-Project Specific has a variance of \$109,830 due to the new Western Director of Highway Operations position.
- Routine Maintenance has a variance of \$330,604 due to conservative spending in FY25.
- Damage Claims has a variance of \$58,642 due to claims and insurance recoveries being unpredictable.

Service & Safety



Service & Safety Patrol

Service & Safety Patrol Department Overview

The Service and Safety Patrol Department O&M budget consists of the costs for the North Carolina State Highway Patrol, as well as the NCDOT Incident Management Assistance Patrol (IMAP). The staff of the Service and Safety Patrol Department are not Turnpike Authority personnel. The Turnpike Authority is charged activity rates for the efforts of this department. One of the primary missions of the North Carolina State Highway Patrol (SHP) is to ensure safe, efficient transportation on the state's streets and highways. The Turnpike Authority has troopers from Troop C patrolling the Triangle Expressway and troopers from Troop H patrolling the Monroe Expressway. The Triangle Expressway is patrolled one full shift per day. The Monroe Expressway is patrolled two full shifts per day, including one each during the morning and evening peak periods.

NCDOT's IMAP program provides free roadway assistance to stranded motorists regardless of their insurance provider. Since 2022, this service has been provided by GEICO and includes changing flat tires, providing fuel, jumpstarting batteries, clearing roadways and providing temporary traffic control to help keep major North Carolina roadways safe. IMAP also aids law enforcement and first responders during incidents. The Turnpike Authority utilizes dedicated IMAP resources during weekday hours on both the Triangle Expressway and Monroe Expressway, supporting motorists in need during inclement weather events (hurricanes, snowstorms, etc.), as well as informing the Traffic Management Center of road conditions.

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Analyze crash patterns through the Highway Safety Improvement Program (HSIP) to identify locations for improvement.



Broaden Influence as a Respected Leader & Partner

- Collaborate with the North Carolina State Highway Patrol to discuss quarterly safety statistics and observed motorist trends.



Strengthen Customer Relationships

- Monitor the safety of individuals (private citizens, employees, contractors, etc.) using the facility from the Traffic Management Center and manage incidents with support from service and safety patrols.



Preserve a Strong Financial Standing

- Monitor the service and safety patrol budget to ensure there is adequate coverage from Highway Patrol and Incident Management Assistance Patrol.
- Coordinate with the Highway Patrol to collect information for insurance claims.



Develop a Highly Qualified & Engaged Team

- Continue to participate in coordination activities during Emergency Operation Center activation events.
- Coordinate with local first responder agencies upon completion of new projects to determine response routes and traffic control measures during incidents.

State Highway Patrol Key Metrics

SHP Chargeable Activities

| Chargeable Activities | Triangle Expressway | | | Monroe Expressway | | |
|----------------------------|---------------------|------------|-------------|-------------------|-------------|------------|
| | CY 2022 | CY 2023 | CY 2024 | CY 2022 | CY 2023 | CY 2024 |
| Speed Violations | 318 | 382 | 397 | 420 | 562 | 408 |
| Alcohol Violations | 1 | 8 | 2 | 7 | 4 | 1 |
| Seat Belt Violations | 46 | 58 | 61 | 69 | 68 | 43 |
| Child Restraint Violations | 2 | 4 | 1 | 11 | 15 | 4 |
| Reckless Driving | 38 | 72 | 91 | 151 | 143 | 126 |
| Drug Violations | 0 | 2 | 3 | 5 | 1 | 0 |
| Obstructed Plates | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Violations | 380 | 424 | 604 | 514 | 845 | 239 |
| Total | 785 | 950 | 1159 | 1177 | 1638 | 821 |

Statistic tracking for Monroe Expressway began in calendar year 2022.

SHP Non-Chargeable Activities

| Non-Chargeable Activities | Triangle Expressway | | | Monroe Expressway | | |
|---------------------------|---------------------|------------|------------|-------------------|------------|------------|
| | CY2022 | CY2023 | CY2024 | CY2022 | CY2023 | CY2024 |
| Warnings | 665 | 482 | 395 | 238 | 160 | 155 |
| Crashes Investigated | 58 | 86 | 88 | 27 | 35 | 27 |
| Calls for Service | 281 | 201 | 238 | 295 | 287 | 243 |
| Total | 1004 | 769 | 721 | 560 | 482 | 425 |

Statistic tracking for Monroe Expressway began in calendar year 2022.

Incident Management Assistance Patrol Key Metrics

IMAP Services

| Assist Type | Triangle Expressway | | | Monroe Expressway | | |
|-----------------------------|---------------------|------------|------------|-------------------|------------|------------|
| | CY 2022 | CY 2023 | CY 2024 | CY 2022 | CY 2023 | CY 2024 |
| Motorist Assistance | 24 | 16 | 36 | 10 | 10 | 10 |
| Tire | 22 | 14 | 35 | 25 | 32 | 19 |
| Debris | 54 | 31 | 59 | 47 | 45 | 39 |
| Fuel | 19 | 12 | 15 | 11 | 15 | 15 |
| Check on Welfare | 94 | 62 | 59 | 28 | 2 | 0 |
| Traffic Control/Assist Unit | 60 | 54 | 81 | 164 | 164 | 143 |
| Vehicle Removal | 87 | 69 | 120 | 82 | 79 | 86 |
| Disregard/No Assist | 48 | 43 | 87 | 43 | 50 | 46 |
| Other | 0 | 3 | 23 | 5 | 4 | 1 |
| Total | 408 | 304 | 515 | 415 | 401 | 359 |

Statistic tracking for Monroe Expressway began in calendar year 2022.

Average IMAP Response & Clearance Times (Minutes)

| Response Type | Triangle Expressway | | | Monroe Expressway | | |
|---------------|---------------------|---------|---------|-------------------|---------|---------|
| | CY 2022 | CY 2023 | CY 2024 | CY2022 | CY 2023 | CY 2024 |
| AM Response | 9.7 | 14.9 | 18.2 | 12.7 | 13.3 | 14.8 |
| AM Clearance | 8.1 | 9 | 8.7 | 8.3 | 7.1 | 3.6 |
| PM Response | 10.8 | 14.9 | 18.3 | 9.3 | 8.2 | 4.3 |
| PM Clearance | 7.9 | 9.5 | 12.5 | 7.6 | 7.7 | 9.3 |

Statistic tracking for Monroe Expressway began in calendar year 2022.

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---------------------------------------|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| Highway Patrol | \$142,244 | \$201,947 | \$291,200 | \$89,253 | 44% |
| Incident Management Assistance Patrol | 146,371 | 174,069 | 250,000 | 75,931 | 44% |
| Total | \$288,615 | \$376,016 | \$541,200 | \$165,184 | 44% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Triangle Expressway has a variance of \$165,184 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than 50% and 25% are explained below.

- Highway Patrol and Incident Management Assistance Patrol have variances due to FY25 budget assuming full year operations for C540 Phase 1. Phase 1 had a delayed opening that occurred in September 2024. Budgets were not retroactively adjusted.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---------------------------------------|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| Highway Patrol | \$300,977 | \$250,438 | \$375,640 | \$125,203 | 50% |
| Incident Management Assistance Patrol | 277,924 | 217,735 | 270,000 | 52,265 | 24% |
| Total | \$578,901 | \$468,173 | \$645,640 | \$177,467 | 38% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Triangle Expressway has a variance of \$177,467 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than 50% and 25% are explained below.

- Highway Patrol has a variance of \$125,203 due to anticipated contractual price increases.

Toll Operations



Toll Operations

Toll Operations Department Overview

The Toll Operations Department O&M budget consists of NCTA labor, consultant labor, utilities, Electronic Toll Collection System (ETCS) maintenance, Roadside Toll Collection System (RTCS) maintenance, and costs related to NCTA's Back Office System (BOS).

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Build NCTA platform for toll collection that utilizes new technologies (e.g., chat bots, APIs).
- Build independent services-based system integrator, service management, change and release management.
- Build at least three (3) operational dashboards to provide a comprehensive overview of department performance.
- Continue managed service environment but internalize change management and IT service management using enterprise service management (ServiceNow platform).



Broaden Influence as a Respected Leader & Partner

- Three (3) staff members actively participate in at least four (4) technical committee meetings of E-ZPass agencies and neighboring interoperable toll agencies.
- Work closely with NC Division of Motor Vehicles (DMV) and other state DMVs to enhance data exchange using modern technologies.



Strengthen Customer Relationships

- Automate workflows to increase quality and reliability of customer service, audit, and compliance to service levels.
- Increase customer interaction channels such as chatbots, web chat, mobile app, and social communications.
- Always protect customer privacy data.



Preserve a Strong Financial Standing

- Enhance business intelligence/data analytics environment to enhance Traffic and Revenue dashboards.
- Make data-driven decisions to increase collections on all assets.
- Multi-sourced vendors for all applications and infrastructure (cloud) on NCTA Platform.
- Regionalize Level-1 and Level-2 roadside field maintenance.
- Conduct yearly tests to ensure the disaster recovery and business continuity plans are kept current.



Develop a Highly Qualified & Engaged Team

- Implement succession planning and career path development program.
- Align technical teams to meet NCTA five-year transformation plan.
- Adopt Dev Ops software development methodology for active collaboration of technology and operations staff.

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------|--------------|--------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$115,727 | \$222,662 | \$459,939 | \$237,277 | 107% |
| NCDOT Labor - Allocated | 67,544 | 132,368 | 222,436 | 90,069 | 68% |
| NCDOT Labor - Project Specific | 48,183 | 90,295 | 237,503 | 147,208 | 163% |
| Consultant Labor | 270,711 | 515,074 | 710,626 | 195,552 | 38% |
| Consultant Labor - Allocated | 184,129 | 411,303 | 324,585 | (86,718) | -21% |
| Consultant Labor - Project Specific | 86,581 | 103,771 | 386,041 | 282,270 | 272% |
| RTCS & ETC Support | 86,581 | 103,771 | 386,041 | 282,270 | 272% |
| Utilities | 200,437 | 292,158 | 360,000 | 67,842 | 23% |
| Electronic Toll Collection System Maintenance | 148,095 | 32,083 | 314,622 | 282,538 | 881% |
| Roadside Toll Collection System Maintenance | 4,549,250 | 3,502,227 | 4,800,213 | 1,297,986 | 37% |
| Back Office System Pass Throughs - Allocated | 1,377,724 | 2,262,876 | 1,770,494 | (492,382) | -22% |
| Mailhouse - Allocated | 2,745,465 | 3,515,291 | 3,193,026 | (322,265) | -9% |
| Collections - Allocated | 729,893 | 598,290 | 697,929 | 99,639 | 17% |
| Back Office System Maintenance - Allocated | 1,120,368 | 938,539 | 1,081,587 | 143,048 | 15% |
| Total | \$11,257,669 | \$11,879,201 | \$13,388,436 | \$1,509,235 | 13% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Toll Operations Department budget for the Triangle Expressway has a variance of \$1,509,235 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of \$237,277 due to increased rates and new employee additions.
- Consultant Labor and Electronic Toll Collection System Maintenance have variances due to FY25 budget assuming full year operations for C540 Phase 1. Phase 1 had a delayed opening that occurred in September 2024. Budgets were not retroactively adjusted.
- Roadside Toll Collection System Maintenance has a variance of \$1,297,986 due to underspend in FY25 that is expected to occur in FY26.
- Back Office System Pass Throughs-Allocated has a variance of (\$492,382) due to delayed invoicing.
- Mailhouse-Allocated has a variance of (\$322,265) due to changing allocation methodology.
- Back Office System Maintenance-Allocated has a variance of \$143,048 due to assumed increased maintenance.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$70,174 | \$122,699 | \$250,964 | \$128,265 | 105% |
| NCDOT Labor - Allocated | 42,215 | 66,184 | 68,149 | 1,965 | 3% |
| NCDOT Labor - Project Specific | 27,959 | 56,515 | 182,815 | 126,300 | 223% |
| Consultant Labor | 211,655 | 208,439 | 445,524 | 237,085 | 114% |
| Consultant Labor - Allocated | 115,081 | 205,652 | 99,445 | (106,206) | -52% |
| Consultant Labor - Project Specific | 96,574 | 2,787 | 346,079 | 343,292 | 12318% |
| RTCS & ETC Support | 96,574 | 2,787 | 346,079 | 343,292 | 12318% |
| Utilities | 50,774 | 54,048 | 55,000 | 952 | 2% |
| Electronic Toll Collection System Maintenance | 70,690 | 20,417 | 104,650 | 84,233 | 413% |
| Roadside Toll Collection System Maintenance | 2,550,939 | 2,715,029 | 3,193,819 | 478,790 | 18% |
| Back Office System Pass Throughs - Allocated | 861,078 | 1,131,438 | 612,719 | (518,719) | -46% |
| Mailhouse - Allocated | 1,579,617 | 1,524,048 | 1,710,930 | 186,883 | 12% |
| Collections - Allocated | 405,071 | 211,952 | 373,974 | 162,022 | 76% |
| Back Office System Maintenance - Allocated | 700,230 | 469,270 | 331,373 | (137,897) | -29% |
| Total | \$6,500,227 | \$6,457,339 | \$7,078,954 | \$621,615 | 10% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Toll Operations Department budget for the Monroe Expressway has a variance of \$621,615 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of \$128,265 due to increased rates and new employee additions.
- Consultant Labor has a variance of \$237,085 due to conservative spending.
- Electronic Toll Collection System Maintenance has a variance of \$84,233 due to conservative spending.
- Roadside Toll Collection System Maintenance has a variance of \$478,790 due to underspend in FY25 that is expected to occur in FY26.
- Back Office System Pass Throughs-Allocated has a variance of (\$518,719) due to changing allocation methodology and delayed invoicing.
- Mailhouse-Allocated has a variance of \$186,883 due to changing allocation methodology.
- Collections-Allocated has a variance of \$162,022 due to increased collections efforts.
- Back Office System Maintenance-Allocated has a variance of (\$137,897) due to changing allocation methodology.

I-77 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|-------------|-------------|-------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$74,086 | \$147,444 | \$360,263 | \$212,819 | 144% |
| NCDOT Labor - Allocated | 59,101 | 132,368 | 286,823 | 154,455 | 117% |
| NCDOT Labor - Project Specific | 14,986 | 15,077 | 73,440 | 58,363 | 387% |
| Consultant Labor | 161,113 | 411,303 | 500,125 | 88,822 | 22% |
| Consultant Labor - Allocated | 161,113 | 411,303 | 418,540 | 7,237 | 2% |
| Consultant Labor - Project Specific | - | - | 81,585 | 81,585 | - |
| RTCS & ETC Support | - | - | 81,585 | 81,585 | - |
| Back Office System Pass Throughs - Allocated | 3,037,861 | 2,262,876 | 1,888,586 | -374,290 | -17% |
| Mailhouse - Allocated | - | 1,578,490 | 2,160,208 | 581,718 | 37% |
| Collections - Allocated | - | 218,258 | 472,176 | 253,918 | 116% |
| Back Office System Maintenance - Allocated | 980,322 | 938,539 | 1,394,666 | 456,127 | 49% |
| HOV Application Maintenance | 93,310 | - | - | - | - |
| Total | \$4,346,692 | \$5,556,912 | \$6,776,025 | \$1,219,114 | 22% |

Totals may not add due to rounding.

FY 2026 I-77 Express Lanes Budget Highlights

The Toll Operations Department budget for the I-77 Express Lanes has a variance of \$1,219,114 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of \$212,819 due to increased rates and new employee additions.
- Back Office System Pass Throughs-Allocated has a variance of (\$374,290) due to delayed invoicing.
- Mailhouse-Allocated has a variance of \$581,718 due to changing allocation methodology and increased activity.
- Collections-Allocated has a variance of \$253,918 due to increased collections efforts.
- Back Office System Maintenance-Allocated has a variance of \$456,127 due to changing allocation methodology.

I-485 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|---------|---------|-----------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | - | - | \$102,607 | \$102,607 | - |
| NCDOT Labor - Allocated | - | - | 11,442 | 11,442 | - |
| NCDOT Labor - Project Specific | - | - | 91,165 | 91,165 | - |
| Consultant Labor | - | - | 322,572 | 322,572 | - |
| Consultant Labor - Allocated | - | - | 16,696 | 16,696 | - |
| Consultant Labor - Project Specific | - | - | 305,876 | 305,876 | - |
| RTCS & ETC Support | - | - | 305,876 | 305,876 | - |
| Electronic Toll Collection System Maintenance | - | - | 50,801 | 50,801 | - |
| Roadside Toll Collection System Maintenance | - | - | 2,114,214 | 2,114,214 | - |
| Back Office System Pass Throughs - Allocated | - | - | 96,170 | 96,170 | - |
| Mailhouse - Allocated | - | - | 323,326 | 323,326 | - |
| Collections - Allocated | - | - | 70,672 | 70,672 | - |
| Back Office System Maintenance - Allocated | - | - | 55,636 | 55,636 | - |
| Total | - | - | 3,135,997 | \$3,135,997 | - |

Totals may not add due to rounding.

FY 2026 I-485 Express Lanes Budget Highlights

The Toll Operations Department budget for the I-485 Express Lanes has no variances to report since I-485 is scheduled to open FY26.

Customer Service



Customer Service

Customer Service Department Overview

The Customer Service Department O&M budget consists of the costs related to the NC Quick Pass customer service centers. The budget includes costs for NCTA labor, consultant labor, customer service center staffing and facility costs, as well as credit card expenses. Many of the costs associated with customer service are considered shared costs and are allocated to each project based on facility usage or revenues.

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Transform NCTA product solutions to NCTA platform (a service-based system).
 - Leverage state cloud contracts as well as business intelligence and analytics contracts.
 - Build standard gateway to enable interfacing with third party vendors.
-



Broaden Influence as a Respected Leader & Partner

- Work closely with NC Division of Motor Vehicles (DMV) and other state DMVs to allow data exchange.
 - Develop workgroups to enable data sharing and best practices among different tolling agencies across the country.
-



Strengthen Customer Relationships

- Implement solutions to increase payment options for customers using NCTA roadways.
 - Implement solutions to reduce the volume of returned mail (Nixies) by 50%
 - Introduce customer self-service options to increase the number of self-service transactions.
 - Automate workflows to increase quality and reliability of customer service, audit, and compliance to service levels.
 - Increase customer interaction channels such as chatbots, web chat, mobile app, and social communications.
 - Always protect customer privacy data.
-



Preserve a Strong Financial Standing

- Enhance business intelligence/data analytics environment to enhance customer service dashboards.
 - Make data-driven decisions to increase collections on all assets.
 - Conduct yearly tests to ensure the disaster recovery and business continuity plans are kept current.
-



Develop a Highly Qualified & Engaged Team

- Implement succession planning and career path development program.
 - Adopt Dev Ops software development methodology for active collaboration of technology and operations staff.
-

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|---------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$125,784 | \$186,108 | \$174,875 | (11,233) | -6% |
| Consultant Labor - Allocated | 280,616 | 281,874 | 334,306 | 52,432 | 19% |
| Operations Staffing - Allocated | 5,316,376 | 6,093,589 | 6,461,756 | 368,167 | 6% |
| Customer Service Center Facility Pass Throughs - Allocated | 711,668 | 612,878 | 744,956 | 132,078 | 22% |
| Other - Allocated | 2,126,515 | 2,319,266 | 2,426,593 | 107,327 | 5% |
| Credit Card Expenses (IAG) | 192,059 | 272,654 | 277,257 | 4,604 | 2% |
| Total | \$8,753,019 | \$9,766,368 | \$10,419,742 | \$653,374 | 7% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Customer Service Department budget for the Triangle Expressway has a variance of \$653,374 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Operations Staffing-Allocated has a variance of \$368,167 due to increased staffing.
- Customer Service Center Facility Pass Throughs-Allocated has a variance of \$132,078 due to increased facility costs.
- Other-Allocated has a variance of \$107,327 due to reassigned costs.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|--------------------|--------------------|--------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$78,615 | \$93,054 | \$53,578 | (39,476) | -42% |
| Consultant Labor - Allocated | 175,385 | 140,937 | 102,423 | (38,513) | -27% |
| Operations Staffing - Allocated | 2,279,842 | 2,044,748 | 2,601,946 | 557,197 | 27% |
| Customer Service Center Facility Pass Throughs - Allocated | 444,793 | 306,439 | 228,237 | (78,202) | -26% |
| Other - Allocated | 345,043 | 752,664 | 743,451 | (9,212) | -1% |
| Credit Card Expenses (IAG) | 162,153 | 154,576 | 152,901 | (1,675) | -1% |
| Total | \$3,485,831 | \$3,492,418 | \$3,882,536 | \$390,118 | 11% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Customer Service Department budget for the Monroe Expressway has a variance of \$390,118 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25%

are explained below.

- Operations Staffing-Allocated has a variance of \$557,197 due to increased staffing.
- Customer Service Center Facility Pass Throughs-Allocated has a variance of (\$78,202) due to changing allocation methodology.

I-77 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|-------------|-------------|-------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$110,061 | \$186,108 | \$225,494 | 39,387 | 21% |
| Consultant Labor - Allocated | 245,539 | 281,874 | 431,075 | 149,201 | 53% |
| Operations Staffing - Allocated | 2,751,094 | 2,736,318 | 4,180,542 | 1,444,224 | 53% |
| Customer Service Center Facility Pass Throughs - Allocated | 623,107 | 612,878 | 960,592 | 347,714 | 57% |
| Other - Allocated | 967,914 | 2,597,491 | 3,129,001 | 531,511 | 20% |
| Credit Card Expenses (IAG) | 351,783 | 454,682 | 500,518 | 45,836 | 10% |
| Total | \$5,049,498 | \$6,869,350 | \$9,427,223 | \$2,557,872 | 37% |

Totals may not add due to rounding.

FY 2026 I-77 Express Lanes Budget Highlights

The Customer Service Department budget for the I-77 Express Lanes has a variance of \$2,557,872 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor-Allocated has a variance of \$149,201 due to changing allocation methodology.
- Operations Staffing-Allocated has a variance of \$1,444,224 due to increased staffing and changing allocation methodology.
- Customer Service Center Facility Pass Throughs-Allocated has a variance of \$347,714 due to changing allocation methodology and shifting expenditures.
- Other-Allocated has a variance of \$531,511 due to changing allocation methodology and reassigned costs.

I-485 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|--|---------|---------|-----------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | - | - | \$8,995 | 8,995 | - |
| Consultant Labor - Allocated | - | - | 17,197 | 17,197 | - |
| Operations Staffing - Allocated | - | - | 429,824 | 429,824 | - |
| Customer Service Center Facility Pass Throughs - Allocated | - | - | 38,320 | 38,320 | - |
| Other - Allocated | - | - | 124,823 | 124,823 | - |
| Credit Card Expenses (IAG) | - | - | 19,967 | 19,967 | - |
| Total | \$0 | \$0 | \$639,126 | \$639,126 | - |

Totals may not add due to rounding.

FY 2026 I-485 Express Lanes Budget Highlights

The Customer Service Department budget for the I-485 Express Lanes has no variances to report on because I-485 is scheduled to open FY26.

Communications



Communications

Communications Department Overview

The Communications Department O&M budget includes NCTA labor, consultant labor and costs associated with marketing, public awareness of NCTA projects and the NC Quick Pass customer experience. The customer service and public outreach initiatives consist of outreach programs to local businesses, creative services, advertising, branding, retail sales and other promotional activities. Outreach also includes public meetings with municipalities, neighborhood and community groups, events and other stakeholders.

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Transform NCTA product solutions to NCTA platform (a service-based system).
- Monitor roadside data to increase transponder penetration across all toll facilities in North Carolina.
- Conduct market research and focus groups to gather valuable data on messaging effectiveness, customer sentiment actionable improvements to our strategies.
- Utilize data from the NC Quick Pass call center, customer surveys and service requests to enhance customer service and improve the customer experience.
- Gather and analyze data from the NC Quick Pass and NCTA websites, NC Quick Pass app, and social media to ensure we are reaching customers and providing a positive customer experience.
- Collect and analyze data from the retail sales program to increase the number of transponder sales at partner locations.



Broaden Influence as a Respected Leader & Partner

- Work with tolling agencies across the country to share our experience and learn from their lessons learned.
- Find new ways to meet customers where they are to provide easy access to manage NC Quick Pass accounts such as Amazon, retail sales, License Plate Agencies and MoneyGram.
- Utilize owned media to highlight NCTA's innovative programs, roadways and successes to the public, business community and stakeholders.



Strengthen Customer Relationships

- Implement solutions to increase payment options for customers using NCTA roadways.
- Implement solutions to reduce the volume mailed customer correspondence or notifications
- Introduce customer self-service options to increase the number of self-service transactions.
- Automate workflows to increase quality and reliability of customer service, audit, and compliance to service levels.
- Increase customer payments collected on channels such as web, app, and License Plate Agencies and MoneyGram.
- Always protect customer privacy data.



Preserve a Strong Financial Standing

- Enhance business intelligence/data analytics environment to enhance customer service dashboards.
- Make data-driven decisions to enhance customer service and increase collections on all assets.
- Increase the number of on-time payments for toll invoice customers.
- Expand available payment channels and locations.



Develop a Highly Qualified & Engaged Team

- Implement succession planning and career path development program.
- Increase networking and career development opportunities.

Communications Key Metrics

| Fiscal Year | FY 2023 Actual | FY 2024 Actual | FY 2025 Estimate | FY 2026 Goals |
|--|----------------|----------------|------------------|---------------|
| Transponder Sales | 243,291 | 285,703 | 330,000 | 360,000 |
| New NC Quick Pass Accounts | 35,277 | 46,665 | 64,156 | 75,000 |
| Toll Invoice Converted to NC Quick Pass Accounts | 48,008 | 55,922 | 57,647 | 60,000 |
| NC Quick Pass Website Traffic | 9,938,791 | 19,604,319 | 35,694,256 | 45,000,000 |
| NC Quick Pass Website Logins | - | 4,897,098 | 6,558,761 | 7,500,000 |
| NC Quick Pass App Downloads | 17,802 | 185,415 | 312,440 | 400,000 |
| NC Quick Pass App Logins | - | 549,558 | 711,647 | 800,000 |
| Construction Outreach and Community Engagement | 31,000 | 88,695 | 108,221 | 100,000* |

*With Complete 540 Phase 1 punch list item construction activities ramping down, we do anticipate a decrease in impressions from FY25 to FY26.

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$168,542 | \$189,753 | \$197,001 | \$7,248 | 4% |
| NCDOT Labor - Allocated | 168,542 | 189,753 | 197,001 | 7,248 | 4% |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | 107,975 | 224,316 | 113,324 | (110,993) | -49% |
| Consultant Labor - Allocated | 101,691 | 109,337 | 113,324 | 3,987 | 4% |
| Consultant Labor - Project Specific | 6,284 | 114,979 | - | (114,979) | - |
| Marketing and Communications Support | 6,284 | 114,979 | - | (114,979) | - |
| Marketing and Communications - Allocated | 182,387 | 260,262 | 528,845 | 268,583 | 103% |
| Total | \$458,904 | \$674,332 | \$839,170 | \$164,839 | 24% |

Totals may not add due to rounding.

FY 2026 Triangle Expressway Budget Highlights

The Communications Department budget for the Triangle Expressway has a variance of \$164,839 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor has a variance of (\$110,993) due to unbudgeted postcard initiative for NCQP in FY25.
- Marketing & Communications-Allocated has a variance of \$268,583 due to marketing contract value being increased to \$1.4 million.

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$112,875 | \$94,877 | \$60,357 | (\$34,520) | -36% |
| NCDOT Labor - Allocated | 105,338 | 94,877 | 60,357 | (34,520) | -36% |
| NCDOT Labor - Project Specific | 7,536 | - | - | - | - |
| Consultant Labor | 68,810 | 55,718 | 34,720 | (20,998) | -38% |
| Consultant Labor - Allocated | 63,557 | 54,669 | 34,720 | (19,949) | -36% |
| Consultant Labor - Project Specific | 5,254 | 1,049 | - | (1,049) | - |
| Marketing and Communications Support | 5,254 | 1,049 | - | (1,049) | - |
| Marketing and Communications - Allocated | 113,992 | 130,131 | 162,026 | 31,895 | 25% |
| Total | \$295,677 | \$280,726 | \$257,102 | (\$23,623) | -8% |

Totals may not add due to rounding.

FY 2026 Monroe Expressway Budget Highlights

The Communications Department budget for the Monroe Expressway has a variance of (\$23,623) from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances report.

I-77 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|-----------|-----------|-------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | \$147,474 | \$189,753 | \$254,026 | \$64,273 | 34% |
| NCDOT Labor - Allocated | 147,474 | 189,753 | 254,026 | 64,273 | 34% |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | 88,980 | 109,337 | 146,127 | 36,790 | 34% |
| Consultant Labor - Allocated | 88,980 | 109,337 | 146,127 | 36,790 | 34% |
| Consultant Labor - Project Specific | - | - | - | - | - |
| Marketing and Communications Support | - | - | - | - | - |
| Marketing and Communications - Allocated | 159,589 | 260,262 | 681,926 | 421,664 | 162% |
| Total | \$396,042 | \$559,352 | \$1,082,079 | \$522,727 | 93% |

Totals may not add due to rounding.

FY 2026 I-77 Express Lanes Budget Highlights

The Communications Department budget for the I-77 Express Lanes has a variance of \$522,727 from FY 2025 actuals. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor has a variance of \$64,273 due to changing allocation methodology.
- Marketing & Communications-Allocated has a variance of \$421,664 due to marketing contract value being increased to \$1.4 million and changing allocation methodology.

I-485 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|---|---------|---------|----------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor | - | - | \$10,134 | \$10,134 | - |
| NCDOT Labor - Allocated | - | - | 10,134 | 10,134 | - |
| NCDOT Labor - Project Specific | - | - | - | - | - |
| Consultant Labor | - | - | 5,829 | 5,829 | - |
| Consultant Labor - Allocated | - | - | 5,829 | 5,829 | - |
| Consultant Labor - Project Specific | - | - | - | - | - |
| Marketing and Communications Support | - | - | - | - | - |
| Marketing and Communications - Allocated | - | - | 27,204 | 27,204 | - |
| Total | \$0 | \$0 | \$43,166 | \$43,166 | - |

Totals may not add due to rounding.

FY 2026 I-485 Express Lanes Budget Highlights

The Communications Department budget for the I-485 Express Lanes has no variances to report since I-485 is scheduled to open FY26.

Administrative



Administrative Department Overview

The Administrative Department budget consists of costs associated with certain NCTA staff labor and travel charges, professional services fees related to but not limited to NCTA's financial advisor and auditor, as well as supplies and materials.

In 2026, a new focus on innovative project delivery is taking place with communities and local planning organizations to explore alternative delivery methods and innovative financing techniques to help accelerate vital infrastructure projects.

FY 2026 Department Objectives (Supporting NCTA Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Oversee the studying, designing, planning, construction, and financing of regional transportation and system improvement projects.



Broaden Influence as a Respected Leader & Partner

- Ensure the Authority and its mission and services are consistently presented with a positive image to relevant stakeholders.
- Continue to develop and build relationships with local and regional planning organizations.



Strengthen Customer Relationships

- Orchestrate the delivery of NCTA's strategic directives to increase value and mobility options for customers.



Preserve a Strong Financial Standing

- Enhance performance reporting and trend analysis of organizational-wide metrics to drive the business and meet financial targets.



Develop a Highly Qualified & Engaged Team

- Expand employee engagement opportunities to develop and recruit talent and maintain a preferred work environment.
- Set the tone, values and culture of the organization and manage internal communications.

Triangle Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|-------------------------|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$583,762 | \$832,120 | \$880,512 | \$48,393 | 6% |
| Total | \$583,762 | \$832,120 | \$880,512 | \$48,393 | 6% |

Monroe Expressway

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|-------------------------|------------------|------------------|------------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$364,851 | \$416,060 | \$269,768 | (\$146,292) | -35% |
| Total | \$364,851 | \$416,060 | \$269,768 | (\$146,292) | -35% |

I-77 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|-------------------------|-----------|-----------|-------------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$510,792 | \$832,120 | \$1,135,387 | \$303,268 | 36% |
| Total | \$510,792 | \$832,120 | \$1,135,387 | \$303,268 | 36% |

I-485 Express Lanes

| | FY 2024 | FY 2025 | FY 2026 | FY 2026 | FY 2026 |
|-------------------------|---------|---------|----------|-----------------------------------|----------------------------------|
| | Actual | Actual | Budget | Variance from FY 2025 Actual (\$) | Variance from FY 2025 Actual (%) |
| NCDOT Labor - Allocated | \$0 | \$0 | \$45,293 | \$45,293 | - |
| Total | \$0 | \$0 | \$45,293 | \$45,293 | - |

FY 2026 Budget Highlights

The Administrative expenditures have variances from FY25 actuals due to changing allocation methodology and the expected opening of I-485 being in FY26.

Long-Term Financial Plans

Triangle Expressway System Long-Term Financial Plan

Triangle Expressway / Complete 540 Phase 2 Long-Term Financial Plan

| | Actual 2025 | Budget 2026 | Estimated 2027 | Estimated 2028 | Estimated 2029 | Estimated 2030 |
|---|----------------|----------------|-------------------|-------------------|-------------------|-------------------|
| 1 Toll Revenue | 111,698,007 | 110,902,987 | 122,030,268 | 130,060,348 | 142,460,585 | 160,117,652 |
| 2 Excess Annual Appropriation | 2,261,295 | 1,637,507 | 1,641,599 | 1,645,844 | 1,649,524 | 1,654,964 |
| Total Pledged Revenues [A] | 113,959,302 | 112,540,495 | 123,671,868 | 131,706,192 | 144,110,109 | 161,772,616 |
| 3 Total Senior Lien Debt Service [B] | 60,967,219 | 62,334,594 | 63,856,219 | 65,454,719 | 79,148,172 | 83,508,625 |
| 4 Adjustment for One Month Advance Funding of DSF | 1,306,396 | 1,459,833 | 1,574,188 | 1,002,542 | 3,198,971 | 1,864,438 |
| Net Senior Lien Debt Service | 62,273,615 | 63,794,427 | 65,430,406 | 66,457,260 | 82,347,143 | 85,373,063 |
| Senior Lien Debt Service Coverage [A / B] | 1.87x | 1.81x | 1.94x | 2.01x | 1.82x | 1.94x |
| 5 TIFIA Mandatory Debt Service [C] | - | 718,469 | 845,210 | 1,106,740 | 1,464,002 | 1,462,630 |
| 6 TIFIA Scheduled Debt Service (net of Mandatory) [D] | - | 4,071,323 | 4,789,521 | 6,271,525 | 8,796,012 | 8,788,235 |
| 7 TIFIA Reserve Fund Deposit / (Release) | - | - | - | - | - | - |
| 8 Adjustment for One Month Advance Funding of DSF & DSRF Earnings | 401,512 | 3,682 | 137,738 | 318,945 | (769) | (769) |
| Net TIFIA Debt Service | 401,512 | 4,793,474 | 5,772,469 | 7,697,210 | 10,259,246 | 10,250,096 |
| Senior & Mandatory TIFIA Debt Service Coverage [A/(B+C)] | 1.87x | 1.78x | 1.91x | 1.98x | 1.79x | 1.90x |
| Senior & All TIFIA Debt Service Coverage [A/(B+C+D)] | 1.87x | 1.68x | 1.78x | 1.81x | 1.61x | 1.73x |
| 9 Operations & Maintenance Requirement | 22,262,448 | 33,471,179 | 35,077,050 | 35,861,863 | 42,248,603 | 44,683,098 |
| 10 Renewal & Replacement Requirement | 11,022,538 | 571,444 | 16,052,676 | 14,172,740 | 6,624,269 | 5,766,670 |
| Excess Cashflow [General Reserve Deposit / (Withdrawal)] | 17,999,190 | 9,909,970 | 1,339,266 | 7,517,119 | 2,630,848 | 15,699,690 |
| General Reserve Balance | 98,513,604 | 108,423,574 | 109,762,840 | 117,279,960 | 119,910,808 | 135,610,497 |

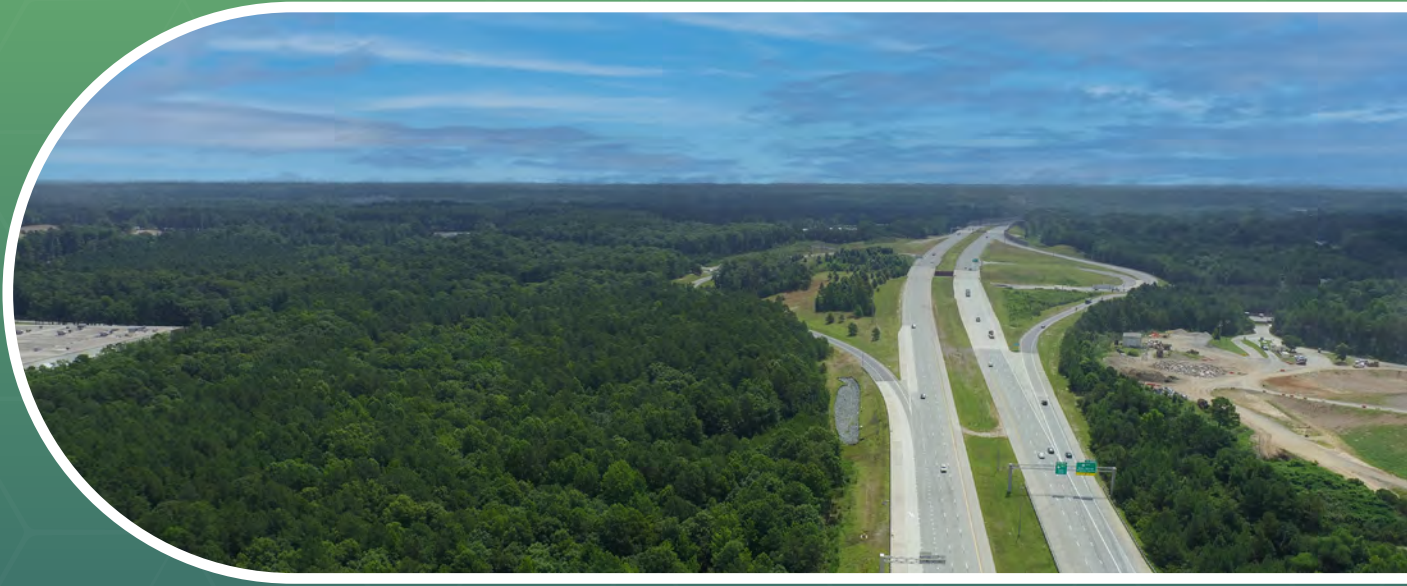
- 1 Source: Triangle Expressway and Complete 540 Phase 1 & 2 Toll Rates Letter dated April 16 2024; prepared by CDM Smith Inc.
- 2 Scheduled annual State Appropriated Revenues of \$25,000,000 less debt service on the outstanding State Appropriation Bonds.
- 3 Reflects cash flow adjustment for one month advance funding of the debt service fund.
- 4 Estimated mandatory debt service payments on the Series 2021 TIFIA Bond.
- 5 Estimated scheduled debt service, net of mandatory debt service, on the Series 2021 TIFIA Bond.
- 6 Sum of estimated deposits to the TIFIA Reserve Fund to meet the requirement thereof as annual debt service on the TIFIA Loan increases and releases of projected fund earnings.
- 7 Reflects cash flow adjustment for one month advance funding of the debt service fund and earnings on the Debt Service Reserve Fund.
- 8 Includes deposits to the Operations and Maintenance Expense Fund and the Operating Reserve Fund.
- 9 Estimated deposits to the Renewal and Replacement Fund.

Monroe Expressway Long-Term Financial Plan

Monroe Expressway Long-Term Financial Plan

| | Actual 2025 | Budget 2026 | Estimated 2027 | Estimated 2028 | Estimated 2029 | Estimated 2030 |
|---|----------------|----------------|-------------------|-------------------|-------------------|-------------------|
| 1 Toll Revenue | 41,483,938 | 33,978,076 | 34,779,408 | 35,788,180 | 36,791,616 | 37,784,479 |
| 2 Excess Annual Appropriation | 2,032,652 | 1,448,500 | 1,435,875 | 1,434,375 | 1,425,000 | 1,419,250 |
| 3 Pledged Account Earnings | 787,456 | 1,135,940 | 1,135,940 | 1,184,818 | 1,237,389 | 1,239,397 |
| Total Pledged Revenue [A] | 44,304,046 | 36,562,515 | 37,351,223 | 38,407,373 | 39,454,005 | 40,443,126 |
| 4 Total Senior Lien Debt Service [B] | 5,822,054 | 6,843,929 | 7,066,429 | 7,501,013 | 7,557,679 | 7,738,513 |
| Senior Lien Debt Service Coverage [A/ B] | 7.61x | 5.34x | 5.29x | 5.12x | 5.22x | 5.23x |
| 5 TIFIA Debt Service (Mandatory) [C] | 6,528,936 | 6,809,483 | 7,030,026 | 7,030,026 | 7,391,909 | 7,444,745 |
| Senior & TIFIA Debt Service Coverage [A/(B+C)] | 3.59x | 2.68x | 2.65x | 2.64x | 2.64x | 2.66x |
| 6 Operations & Maintenance Requirement | 16,162,032 | 16,706,467 | 16,523,254 | 16,636,309 | 16,844,569 | 16,850,568 |
| 7 Renewal & Replacement Requirement | 13,467,069 | 6,202,635 | 4,287,589 | 4,611,482 | 4,860,758 | 5,262,625 |
| Excess Cashflow | 2,323,955 | - | 2,443,926 | 2,628,545 | 2,799,089 | 3,146,676 |
| 8 TIFIA Debt Service (Scheduled) | - | - | - | - | 2,698,696 | 2,645,860 |
| 9 Unpledged Account Earnings | 1,209,825 | 987,015 | 1,006,755 | 1,026,890 | 1,047,428 | 1,068,377 |
| 10 General Reserve Balance | | | | | | |
| Pledged Account Including Ramp-Up Reserve Sub-Account | 30,603,941 | 30,603,941 | 33,047,867 | 35,676,411 | 35,776,804 | 36,277,621 |
| Unpledged Account | 49,350,737 | 50,337,752 | 51,344,507 | 52,371,397 | 53,418,825 | 54,487,202 |
| Total General Reserve Fund Balance | 79,954,678 | 80,941,693 | 84,392,374 | 88,047,809 | 89,195,630 | 90,764,823 |

- 1 Source: Monroe Expressway Traffic and Revenue Forecast Update dated May 9, 2024 prepared by CDM Smith Inc.
- 2 Scheduled annual State Appropriated Revenues of \$24,000,000 less debt service on the outstanding State Appropriation Bonds.
- 3 Assumed interest earnings on the Pledged Account of the General Fund transferred to the Revenue Fund.
- 4 Debt service on the Outstanding Senior Lien Bonds.
- 5 Mandatory debt service payments on the Series 2016 TIFIA Bond.
- 6 Includes deposits to the Operations and Maintenance Expense Fund and the Operating Reserve Fund.
- 7 Estimated deposits to the Renewal and Replacement Fund.
- 8 Scheduled debt service payments on the Series 2016 TIFIA Bond.
- 9 Assumed interest earnings on the Unpledged Account of the General Fund.
- 10 Includes balances in all sub-accounts of the General Reserve Fund: Ramp-Up Reserve Account, Pledged Account and Unpledged Account.



Capital & Debt

FY 2026 Renewal & Replacement Budgets

The Turnpike Authority is required to protect, preserve and maintain its facilities. During the initial years of operation, a new facility should require relatively minor renewal and replacement activities. However, as the many elements of the facility are subjected to aging and wear, increasing amounts of maintenance and rehabilitation will be required. In order to protect the investments in its assets, revenues are to be allocated annually to a Renewal and Replacement fund established in connection with the issuance of bonds to finance each project. Amounts in the Renewal and Replacement fund are to be used for paying all or any of the cost of any capital improvements, or for any unusual or extraordinary maintenance or repairs that do not occur annually. It should be noted that the Renewal and Replacement budgets presented in this section are in present day dollars.

The FY 2026 Renewal and Replacement budgets total \$6,606,474 for the Triangle Expressway System, \$2,064,305 for the Monroe Expressway, \$1,663,890 for the I-77 Express Lanes, and \$66,376 for I-485 Express Lanes. A 10-year capital plan for each budget group is included in the subsequent section. The Triangle Expressway System long-range capital plan is now inclusive of assumptions related to the Complete 540 Phase 2 project, which is an extension of the existing Triangle Expressway, currently under construction.

Department Budgets & Information

The Turnpike Authority has all of its R&R activities and corresponding expenditures organized under three budget departments: finance, highway operations, and toll operations. The following table presents the FY 2026 R&R budgets for the Triangle Expressway System, Monroe Expressway, I-77 Express Lanes, and I-485 Express Lanes broken down by department.

The existing Triangle Expressway is over 10 years old and is requiring a few major renewal and replacement projects for FY 2026 including, but not limited to seal all bridge decks and clean bearings (\$2.8 million), shoulder berm gutter repair/replacement (\$0.6 million), BOS system enhancements (\$0.7 million), and permit site repairs (\$0.5 million).

The Monroe Expressway requires some renewal and replacement projects for FY 2026 which includes but not limited to system enhancements for Toll Collection System (\$0.6 million) and system enhancements for ITS (\$0.4 million).

| | Triangle Expressway | Monroe Expressway | I-77 Express Lanes | I-485 Express Lanes |
|-----------------------------------|---------------------|-------------------|--------------------|---------------------|
| Finance | \$246,469 | \$55,815 | \$0 | \$0 |
| NCDOT System Charges | 246,469 | 55,815 | - | - |
| Highway Operations | 4,861,344 | 418,244 | 392,440 | 15,655 |
| Roadway | 4,861,344 | 418,244 | 392,440 | 15,655 |
| Toll Operations | 1,498,661 | 1,590,246 | 1,271,450 | 50,721 |
| Facilities | - | 60,000 | - | - |
| Intelligent Transportation System | 512,630 | 440,060 | - | - |
| Toll Collection Systems | 986,031 | 1,090,187 | 1,271,450 | 50,721 |
| Total | \$6,606,474 | \$2,064,305 | \$1,663,890 | \$66,376 |

Totals may not add due to rounding.

Finance

The 10-year Finance Department R&R budget consists of NCDOT System Charges that are assessed on all project specific expenditures. The North Carolina Department of Transportation has several programs that benefit construction, highway maintenance, and other activities. The costs associated with these programs are considered indirect costs because all the NCDOT projects benefit from them. Rates are developed each year to distribute these costs among projects. Below is a description of the seven system charges that are applied to NCTA's R&R budgets. The first three system charges are assessed against all project specific expenditures and the last four system charges are only applied to expenditures that are entered in the NCDOT's Highway Construction and Materials System (HiCAMS).

- Business System Improvement Project (BSIP) - This project was established for the development, implementation, and support of a new Enterprise Resource Planning (ERP) tool. This initiative was a departmental wide effort to implement a comprehensive financial and management information system to aid management in optimally allocating resources. The current rate is 1.31%.
- Computer Support (CS) – Costs for computer support are relative to supporting the computer

environment within the NCDOT Division of Highways. The current rate is 0.96%.

- Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 1.19%.
- Business Development – Costs related to the administration of the disadvantaged business enterprise program for construction projects. The current rate is 0.19%.
- Construction Administration – Costs related to the administration of construction projects. The current rate is 0.35%.
- Materials and Test – Labor and equipment costs related to testing of materials on construction projects. The current rate is 1.44%.
- Work Zone Safety – Costs related to the State Highway Patrol patrolling speeders on construction projects. The current rate is 0.11%.

Triangle Expressway System

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|---|-----------|-----------|-----------|-----------|-----------|----------|-------------|-----------|-----------|----------|
| Business System Improvement Project Surcharges | \$66,412 | \$127,633 | \$160,563 | \$124,050 | \$46,542 | \$24,445 | \$310,238 | \$176,611 | \$171,385 | \$10,415 |
| Computer Support Surcharges | 48,668 | 93,533 | 117,664 | 90,907 | 34,107 | 17,914 | 227,350 | 129,425 | 125,595 | 7,632 |
| Special Assessment Surcharges | 60,329 | 115,942 | 145,855 | 112,687 | 42,279 | 22,205 | 281,819 | 160,433 | 155,686 | 9,461 |
| Business Development Surcharges | 6,460 | 13,623 | 19,000 | 12,635 | - | - | 18,202 | - | 1,235 | - |
| Central Administration Surcharges | 11,900 | 25,095 | 35,000 | 23,275 | - | - | 33,530 | - | 2,275 | - |
| Materials & Test Surcharges | 48,960 | 103,248 | 144,000 | 95,760 | - | - | 137,952 | - | 9,360 | - |
| Work Zone Safety Surcharges | 3,740 | 7,887 | 11,000 | 7,315 | - | - | 10,538 | - | 715 | - |
| Total | \$246,469 | \$486,961 | \$633,081 | \$466,628 | \$122,929 | \$64,564 | \$1,019,629 | \$466,468 | \$466,251 | \$27,507 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

Monroe Expressway

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|---|----------|-----------|----------|-----------|-----------|-----------|---------|-------------|----------|-----------|
| Business System Improvement Project Surcharges | \$21,132 | \$104,735 | \$30,509 | \$99,508 | \$97,832 | \$98,845 | \$2,882 | \$260,428 | \$7,009 | \$97,530 |
| Computer Support Surcharges | 15,486 | 76,752 | 22,358 | 72,922 | 71,693 | 72,436 | 2,112 | 190,848 | 5,136 | 71,472 |
| Special Assessment Surcharges | 19,196 | 95,141 | 27,715 | 90,393 | 88,870 | 89,790 | 2,618 | 236,572 | 6,367 | 88,596 |
| Business Development Surcharges | - | 12,540 | - | - | - | - | - | 34,960 | - | 12,540 |
| Central Administration Surcharges | - | 23,100 | - | - | - | - | - | 64,400 | - | 23,100 |
| Materials & Test Surcharges | - | 95,040 | - | - | - | - | - | 264,960 | - | 95,040 |
| Work Zone Safety Surcharges | - | 7,260 | - | - | - | - | - | 20,240 | - | 7,260 |
| Total | \$55,815 | \$414,567 | \$80,582 | \$262,824 | \$258,395 | \$261,071 | \$7,612 | \$1,072,408 | \$18,511 | \$395,537 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

Highway Operations

The 10-year Highway Operations Department R&R budget consists of the roadway costs related to the following 10 categories on each Turnpike Authority facility: asphalt pavement, concrete pavement, bridges, pavement markings and markers, slope repairs, lighting, signs, paint, landscaping and miscellaneous.

Triangle Expressway System

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|--|-------------|-------------|--------------|-------------|-------------|-----------|--------------|-------------|-------------|-----------|
| Asphalt Pavement | \$15,000 | \$30,000 | \$30,000 | \$6,015,000 | \$15,000 | \$15,000 | \$8,295,000 | \$164,000 | \$164,000 | \$164,000 |
| Concrete Pavement | 600,000 | 7,170,000 | - | 650,000 | - | - | 1,300,000 | - | 650,000 | - |
| Bridges | 2,960,000 | 160,000 | 160,000 | 160,000 | 369,000 | 369,000 | 2,369,000 | 369,000 | 529,000 | 529,000 |
| Pavement Markings & Markers | - | - | 81,000 | 1,173,000 | - | - | 2,100,000 | 30,000 | 1,273,000 | - |
| Slope Repair | 300,000 | 300,000 | 300,000 | 300,000 | 600,000 | 300,000 | 300,000 | 300,000 | 300,000 | - |
| Lighting | - | 105,000 | 79,000 | - | - | - | 200,000 | - | 100,000 | - |
| Underdrains | 80,000 | 80,000 | 80,000 | 80,000 | 160,000 | 80,000 | 80,000 | 80,000 | 80,000 | - |
| Paint | - | 860,000 | 10,000,000 | - | - | - | - | - | - | - |
| Landscaping | - | - | - | - | - | - | 700,000 | - | 300,000 | - |
| Miscellaneous | 602,000 | 102,000 | 102,000 | 102,000 | 602,000 | 102,000 | 102,000 | 102,000 | 602,000 | 102,000 |
| Total | \$4,557,000 | \$8,807,000 | \$10,832,000 | \$8,480,000 | \$1,746,000 | \$866,000 | \$15,446,000 | \$1,045,000 | \$3,998,000 | \$795,000 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

Monroe Expressway

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|--|-----------|-------------|-----------|-----------|-----------|-----------|-----------|--------------|-----------|-------------|
| Asphalt Pavement | - | \$6,600,000 | - | - | \$15,000 | \$15,000 | \$15,000 | \$15,000 | - | \$6,600,000 |
| Bridges | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 | 205,000 |
| Pavement Markings & Markers | 40,000 | 640,000 | - | - | - | 640,000 | - | - | - | 640,000 |
| Slope Repair | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | - | - | - | - |
| Lighting | 30,000 | - | 30,000 | - | - | - | - | - | 30,000 | - |
| Signs | - | - | - | - | - | - | - | 400,000 | - | - |
| Paint | - | - | - | - | - | - | - | 19,200,000 | - | - |
| Total | \$325,000 | \$7,495,000 | \$285,000 | \$255,000 | \$270,000 | \$910,000 | \$220,000 | \$19,820,000 | \$235,000 | \$7,445,000 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

Toll Operations

The 10-year Toll Operations Department R&R budgets consist of costs related to Facilities, Intelligent Transportation Systems (ITS) and Toll Collection Systems. The Facilities budgets include costs related to the vaults on the side of the Turnpike Authority's facilities next to each toll gantry that contain equipment related to the toll collection systems. The ITS budgets consist of costs related to roadside devices including Closed Circuit Television (CCTV) cameras, Microwave Vehicle Detection Stations (MVDS), full-matrix Dynamic Message Signs (DMS) and the Wrong- Way Vehicle Detection (WWVD) and notification systems. Lastly, the Toll Collection System budgets consist of costs related to the renewal and/or replacement of the Back Office System, Roadside Toll Collection Systems, Electronic Toll Collection Systems, the Operations vendor, and upgrades to the Customer Service Centers.

Triangle Expressway System

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-----------|
| Facilities | \$- | \$60,000 | \$300,000 | \$- | \$- | \$- | \$- | \$220,000 | \$118,000 | \$- |
| Vault Sealant & Seal Cracks | - | 60,000 | - | - | - | - | - | - | 118,000 | - |
| HVAC Replacement | - | - | - | - | - | - | - | 220,000 | - | - |
| Generator Replacement | - | - | 300,000 | - | - | - | - | - | - | - |
| Intelligent Transportation System | 512,630 | - | - | - | 434,208 | - | - | 1,958,803 | - | - |
| System Enhancements | 394,030 | - | - | - | 386,208 | - | - | - | - | - |
| System Enhancements - Labor | 48,000 | - | - | - | 48,000 | - | - | - | - | - |
| Color DMS | - | - | - | - | - | - | - | 1,608,803 | - | - |
| DMS Structures | - | - | - | - | - | - | - | 350,000 | - | - |
| ITS Spare Parts | 70,600 | - | - | - | - | - | - | - | - | - |
| Toll Collection System | 986,031 | 1,690,811 | 1,795,212 | 3,122,124 | 2,357,862 | 1,608,328 | 10,943,356 | 12,318,528 | 12,251,747 | 611,187 |
| Toll Collection System - Allocated | 986,031 | 814,811 | 589,531 | 959,659 | 985,215 | 608,328 | 607,070 | 2,030,590 | 2,011,915 | 611,187 |
| Toll Collection System - Project Specific | - | 876,000 | 1,205,681 | 2,162,465 | 1,372,647 | 1,000,000 | 10,336,286 | 10,287,938 | 10,239,832 | - |
| RTCS & ITS Refresh | - | - | - | - | - | - | 9,669,620 | 9,621,272 | 9,573,165 | - |
| RTCS & ITS Refresh - Labor | - | - | - | - | - | - | 666,667 | 666,667 | 666,667 | - |
| RTCS & ITS Refresh Procurement | - | - | - | - | - | 1,000,000 | - | - | - | - |
| ETCS Refresh | - | - | 905,681 | 901,153 | 896,647 | - | - | - | - | - |
| ETCS Refresh - Labor | - | - | 300,000 | 300,000 | 300,000 | - | - | - | - | - |
| ETCS Procurement | - | 500,000 | - | - | - | - | - | - | - | - |
| Loop Recuts in Asphalt Lanes | - | - | - | 150,000 | 150,000 | - | - | - | - | - |
| Loop Recuts in Asphalt Lanes - Labor | - | - | - | 32,000 | 26,000 | - | - | - | - | - |
| Loop Recuts in Concrete | - | 340,000 | - | - | - | - | - | - | - | - |
| Loop Recuts in Concrete - Labor | - | 36,000 | - | - | - | - | - | - | - | - |
| System Enhancements | - | - | - | 579,312 | - | - | - | - | - | - |
| System Enhancements - Labor | - | - | - | 200,000 | - | - | - | - | - | - |
| Total | \$1,498,661 | \$1,750,811 | \$2,095,212 | \$3,122,124 | \$2,792,070 | \$1,608,328 | \$10,943,356 | \$14,497,331 | \$12,369,747 | \$611,187 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

Monroe Expressway

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|---|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|
| Facilities | \$60,000 | \$0 | \$0 | \$110,000 | \$0 | \$0 | \$0 | \$60,000 | \$300,000 | \$0 |
| Vault Sealant & Seal Cracks | 60,000 | - | - | - | - | - | - | 60,000 | - | - |
| HVAC Replacement | - | - | - | 110,000 | - | - | - | - | - | - |
| Generator Replacement | - | - | - | - | - | - | - | - | 300,000 | - |
| Intelligent Transportation System | 440,060 | - | - | - | - | 184,000 | - | - | - | - |
| System Enhancements | 392,060 | - | - | - | - | - | - | - | - | - |
| System Enhancements - Labor | 48,000 | - | - | - | - | - | - | - | - | - |
| Vehicle Detector Loops | - | - | - | - | - | 160,000 | - | - | - | - |
| Vehicle Detector Loops - Labor | - | - | - | - | - | 24,000 | - | - | - | - |
| Toll Collection System | 1,090,187 | 732,226 | 2,206,171 | 7,478,898 | 7,430,560 | 6,588,569 | 132,099 | 433,074 | 421,715 | 125,798 |
| Toll Collection System - Allocated | 302,097 | 232,226 | 162,219 | 247,840 | 232,490 | 137,173 | 132,099 | 433,074 | 421,715 | 125,798 |
| Toll Collection System - Project Specific | 788,090 | 500,000 | 2,043,952 | 7,231,058 | 7,198,069 | 6,451,397 | - | - | - | - |
| RTCS & ITS Refresh | - | - | - | 5,857,492 | 5,828,204 | 5,799,063 | - | - | - | - |
| RTCS & ITS Refresh - Labor | - | - | - | 333,333 | 333,333 | 333,333 | - | - | - | - |
| RTCS & ITS Refresh Procurement | - | - | 1,000,000 | - | - | - | - | - | - | - |
| ETCS Refresh | - | - | 743,952 | 740,232 | 736,531 | - | - | - | - | - |
| ETCS Refresh - Labor | - | - | 300,000 | 300,000 | 300,000 | - | - | - | - | - |
| ETCS Procurement | - | 500,000 | - | - | - | - | - | - | - | - |
| Loop Recuts in Asphalt Lanes | - | - | - | - | - | 280,000 | - | - | - | - |
| Loop Recuts in Asphalt Lanes - Labor | - | - | - | - | - | 39,000 | - | - | - | - |
| System Enhancements | 588,090 | - | - | - | - | - | - | - | - | - |
| System Enhancements - Labor | 200,000 | - | - | - | - | - | - | - | - | - |
| Total | \$1,590,246 | \$732,226 | \$2,206,171 | \$7,588,898 | \$7,430,560 | \$6,772,569 | \$132,099 | \$493,074 | \$721,715 | \$125,798 |

Totals may not add due to rounding.
Budgets are presented in 2025 dollars.

I-77 Express Lanes

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|------------------------------------|--------------------|--------------------|------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|------------------|
| Toll Collection System | 1,271,450 | 1,063,043 | 793,709 | 1,286,588 | 1,272,965 | 786,378 | 787,956 | 2,675,403 | 2,683,631 | 767,654 |
| Toll Collection System - Allocated | 1,271,450 | 1,063,043 | 793,709 | 1,286,588 | 1,272,965 | 786,378 | 787,956 | 2,675,403 | 2,683,631 | 767,654 |
| Total | \$1,271,450 | \$1,063,043 | \$793,709 | \$1,286,588 | \$1,272,965 | \$786,378 | \$787,956 | \$2,675,403 | \$2,683,631 | \$767,654 |

Totals may not add due to rounding.

Budgets are presented in 2025 dollars.

I-485 Express Lanes

| | FY 2026 | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 | FY 2033 | FY 2034 | FY 2035 |
|---|-----------------|------------------|--------------------|--------------------|------------------|------------------|------------------|------------------|--------------------|--------------------|
| Facilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$60,000 | \$0 | \$0 | \$110,000 |
| Vault Sealant & Seal Cracks | - | - | - | - | - | - | 60,000 | - | - | - |
| HVAC Replacement | - | - | - | - | - | - | - | - | - | 110,000 |
| Generator Replacement | - | - | - | - | - | - | - | - | - | - |
| Intelligent Transportation System | - | - | 448,000 | - | - | 448,000 | 184,000 | - | 448,000 | - |
| System Enhancements | - | - | 400,000 | - | - | 400,000 | - | - | 400,000 | - |
| System Enhancements - Labor | - | - | 48,000 | - | - | 48,000 | - | - | 48,000 | - |
| Vehicle Detector Loops | - | - | - | - | - | - | 160,000 | - | - | - |
| Vehicle Detector Loops - Labor | - | - | - | - | - | - | 24,000 | - | - | - |
| Toll Collection System | 50,721 | 990,169 | 818,866 | 1,361,666 | 856,554 | 74,011 | 353,985 | 769,529 | 1,270,041 | 5,766,224 |
| Toll Collection System - Allocated | 50,721 | 90,169 | 74,913 | 121,434 | 120,023 | 74,011 | 73,985 | 269,529 | 270,041 | 82,275 |
| Toll Collection System - Project Specific | - | 900,000 | 743,952 | 1,240,232 | 736,531 | - | 280,000 | 500,000 | 1,000,000 | 5,683,949 |
| RTCS & ITS Refresh | - | - | - | - | - | - | - | - | - | 5,683,949 |
| RTCS & ITS Refresh Procurement | - | - | - | - | - | - | - | - | 1,000,000 | - |
| ETCS Refresh | - | - | 743,952 | 740,232 | 736,531 | - | - | - | - | - |
| ETCS Procurement | - | 900,000 | - | - | - | - | - | - | - | - |
| Loop Recuts in Asphalt Lanes | - | - | - | - | - | - | 280,000 | - | - | - |
| System Enhancements | - | - | - | 500,000 | - | - | - | 500,000 | - | - |
| Total | \$50,721 | \$990,169 | \$1,266,866 | \$1,361,666 | \$856,554 | \$522,011 | \$597,985 | \$769,529 | \$1,718,041 | \$5,876,224 |

Totals may not add due to rounding.

Budgets are presented in 2025 dollars.

FY 2026 Capital Budget

Capital expenditures are related to the construction and implementation of new Turnpike Authority projects. NCTA does not select roads to become toll roads. Local planning organizations responsible for developing long-range transportation plans for their region can consider tolling as a tool to accelerate certain roadway projects. N.C.G.S. §136-89.183(a)(2) requires that toll projects be approved by all affected Metropolitan Planning Organizations (MPOs) and Rural Planning Organizations (RPOs). When NCDOT receives a proposal from a local planning organization that a project be implemented as a toll facility, the project is evaluated in the NCDOT's prioritization process. Part of this evaluation includes assessing the financial feasibility to determine the ability of a toll candidate project to generate revenue sufficient to cover its own costs of operation and to assess its ability to fund all or a portion of the capital costs through toll financing. If the project scores sufficiently enough to become programmed in the State Transportation Improvement Program (STIP), the NCDOT and NCTA conduct the necessary project development studies for the project to be implemented as a toll facility.

The FY 2026 Capital Budget for the Turnpike Authority is inclusive of costs related to the construction of the Complete 540 Phase 2 project. The Complete 540 Phase 2 project is an extension of the existing Triangle Expressway and is divided into two construction contracts designated as R-2829A and R-2829B as shown in the map below. The Complete 540 Phase 2 project is currently expected to reach Substantial Completion in 2029. Once open to traffic, expenditures for the Complete 540 Phase 2 project will be included in the Triangle Expressway System's O&M and R&R budgets. O&M expenditures for the Triangle Expressway System are currently projected to increase by approximately 19 percent in FY 2029 when the Complete 540 Phase 2 project opens. R&R expenditures for the project are shown in the current Triangle Expressway System R&R budget starting as early as FY 2029. The Turnpike Authority is utilizing State Appropriation Bonds, Toll Revenue Bonds, a TIFIA Loan, Bond Anticipation Notes, NCDOT GARVEE Bonds and State matching funds as the primary sources to finance the Complete 540 Phase 2 project. In December 2019, NCTA sold State Appropriation Bonds and Toll Revenue Bonds and closed on a TIFIA Loan. In October 2020, NCTA issued Bond Anticipation Notes to be paid off with a single draw on the TIFIA Loan upon maturity. In January 2023, the TIFIA Loan was drawn in full to defease the Series 2020 Bond Anticipation Notes.

The Complete 540 Phase 2 project is an extension of the existing Triangle Expressway and is divided into two construction contracts designated as R-2829A and R-2829B. Once open to traffic, expenditures for the Complete 540 Phase 2 project will be included in the Triangle Expressway System's O&M and R&R budgets. The Turnpike Authority is utilizing Toll Revenue Bonds, a TIFIA Loan, NCDOT GARVEE Bonds and State matching funds as the primary sources to finance the Complete 540 Phase 2 project. In January 2024, NCTA sold Toll Revenue Bonds and closed on a TIFIA Loan.



The FY 2026 Capital Budget for the Complete 540 Phase 2 project totals \$327.39 million as seen in the table below. The five main groups of the Capital Budget include Construction, Toll Integration, Right of Way (ROW), Utilities, and Agency Costs. The FY 2026 capital expenditures will be paid for with NCDOT GARVEE, State matching funds, and bond proceeds.

| Complete 540 Capital Budget FY26 (\$ millions) | Phase 2 |
|--|-----------------|
| Construction | \$201.22 |
| Toll Integration | - |
| Right of Way | 49.71 |
| Utilities | 5.42 |
| Agency Costs | 71.04 |
| Total | \$327.39 |

Totals may not add due to rounding.

Construction

The Turnpike Authority procured two Design-Build contracts for the Complete 540 Phase 2 project. The costs reflected in the Design-Build contracts include design and the construction of the following elements: earthwork, pavement, drainage, fencing, sidewalk, guardrail, bridges, walls, maintenance of traffic, signing, toll infrastructure and all other items that are a part of major highway construction. Landscaping expenditures have also been included under Construction.

| Construction FY26 (\$ millions) | Phase 2 |
|---------------------------------|-----------------|
| R-2829A | \$64.44 |
| R-2829B | 136.78 |
| Total | \$201.22 |

Totals may not add due to rounding.

Toll Integration

The first major component of the Toll Integration budget is the Roadside Toll Collection System. The scope of work for the RTCS includes the design, development, installation, and maintenance of a fully- automated toll collection system. The toll integration budget also includes costs for the design, development, installation, and implementation of hardware, software, and telecommunication networks for customer account processing, billing processing, necessary system interfaces, and maintenance. The final components of the toll integration budget include costs for amending the existing operations staffing and Electronic Toll Collection System contracts.

| Toll Integration FY26 (\$ millions) | Phase 2 |
|-------------------------------------|---------------|
| R-2829A | \$0.00 |
| R-2828 | - |
| Total | \$0.00 |

Totals may not add due to rounding.

Right of Way

The Right of Way budget was developed from estimates prepared by a right-of-way acquisition firm based on tax records and sales data. The budget also includes contingencies for unwilling sellers, relocations, and condemnations. On Phase 2, Right-of-way consultant costs for R-2829A and R-2829B are included in the Design-Build contract for those segments.

| Right of Way FY26 (\$ millions) | Phase 2 |
|---------------------------------|----------------|
| R-2829A | \$16.86 |
| R-2829B | 32.85 |
| Total | \$49.71 |

Totals may not add due to rounding.

Utilities

The Utilities budget consists of costs related to the relocation of existing utilities within the project limits, which includes those owned by Duke Energy, AT&T, Century Link, Charter/Spectrum, Earthlink, Google Fiber, Level 3, MCNC, Verizon, Colonial Pipeline, Cardinal Pipeline and PSNC.

| Utilities FY26 (\$ millions) | Phase 2 |
|------------------------------|---------------|
| R-2829A | \$1.85 |
| R-2829B | 3.57 |
| Total | \$5.42 |

Totals may not add due to rounding.

Agency Costs

The budget for Agency costs includes estimates for construction administration, engineering reviews, change orders, public education and outreach, Construction Engineering, and Inspection (CE&I), stipends, incentives, and contingency funds.

| Agency Costs FY26 (\$ millions) | Phase 2 |
|---------------------------------|----------------|
| R-2829A | \$43.19 |
| R-2829B | 27.85 |
| Total | \$71.04 |

Totals may not add due to rounding.

Debt Outstanding

The tables below present the outstanding debt for the Triangle Expressway System and Monroe Expressway. The TIFIA Loans on both projects are subordinate to the Senior Lien Revenue Bonds. The Turnpike Authority has no legal debt limits. Existing debt levels have little effect on current operations for both projects. The debt service coverage ratios for both projects are projected to be at or above the minimum rate covenant requirements.

Triangle Expressway System

| Series | Purpose | Underlying Ratings ¹ | | | Outstanding Par ² | Maturity |
|---|---|---------------------------------|-----|-------|------------------------------|----------|
| | | Moody's | S&P | Fitch | | |
| Appropriation Revenue Refunding Bonds, Series 2018A | Refunding for Savings | Aa1 | AA+ | - | \$150,125,000 | 1/1/39 |
| Appropriation Revenue Refunding Bonds, Series 2018B | Refunding for Savings | - | - | - | \$107,510,000 | 1/1/32 |
| Appropriation Revenue Bonds, Series 2019 | New money; Complete 540 Phase 1 Capital | Aa1 | AA+ | AA+ | \$137,994,000 ³ | 1/1/49 |
| Senior Lien Revenue Bonds, Series 2009B | New money; Triangle Expressway Capital | Baa2 | BBB | BBB+ | \$105,753,789 ⁴ | 1/1/38 |
| Senior Lien Revenue Refunding Bonds, Series 2017 | Refunding for Savings | - | BBB | BBB+ | \$131,885,000 | 1/1/39 |
| Senior Lien Revenue Refunding Bonds, Series 2018 | Refunding for Savings | - | BBB | BBB+ | \$385,920,000 | 1/1/41 |
| Senior Lien Revenue Bonds, Series 2019 | New money; Complete 540 Phase 1 Capital | - | BBB | BBB+ | \$370,975,000 | 1/1/55 |
| Senior Lien Revenue Bonds, Series 2024A | New money; Complete 540 Phase 2 Capital | - | BBB | BBB+ | \$304,575,000 | 1/1/58 |
| Senior Lien Revenue Bonds, Series 2024B | New money; Complete 540 Phase 2 Capital | - | BBB | BBB+ | \$38,341,386 ⁵ | 1/1/53 |
| TIFIA Loan, 2021 | New money; Complete 540 Phase 1 Capital | - | BBB | BBB+ | \$522,279,880 ⁶ | 1/1/58 |
| TIFIA Loan, 2024 | New money; Complete 540 Phase 2 Capital | - | BBB | BBB+ | \$417,193,471 ⁷ | 7/1/63 |

1 Underlying Ratings as of July 1, 2025.

2 Outstanding Par as of July 1, 2025.

3 Capital Appreciation Bonds listed as accreted value.

4 Capital Appreciation Bonds listed as accreted value.

5 Capital Appreciation Bonds listed as accreted value.

6 Inclusive of par value and accrued interest.

7 Loan has not been drawn on but is anticipated to be in FY 2027.

Monroe Expressway

| Series | Purpose | Underlying Ratings ⁸ | | | Outstanding Par ⁹ | Maturity |
|---|---|---------------------------------|-----|-------|------------------------------|----------|
| | | Moody's | S&P | Fitch | | |
| Appropriation Revenue Refunding Bonds, Series 2021 (forward delivery) | Refunding for Savings | Aa1 | AA+ | AA+ | \$65,950,000 | 7/1/41 |
| Appropriation Revenue Refunding Bonds, Series 2024 | Refunding for Savings | Aa1 | - | AA+ | \$176,220,000 | 1/1/41 |
| Senior Lien Revenue Bonds, Series 2016A | New money; Triangle Expressway Capital | Baa2 | A- | - | \$118,315,000 | 7/1/54 |
| Senior Lien Revenue Bonds, Series 2016C | Refunding for Savings | Baa2 | A- | - | \$26,046,385 ¹⁰ | 7/1/41 |
| TIFIA Loan, 2017 | New money; Complete 540 Phase 1 Capital | Baa2 | A- | - | \$179,468,812 ¹¹ | 7/1/53 |

8 Underlying Ratings as of July 1, 2025.

9 Outstanding Par as of July 1, 2025.

10 Capital Appreciation Bonds listed as accreted value.

11 Inclusive of par value and accrued interest.

Debt Service

The tables below present the principal and interest payments as well as the debt service coverage ratios for the Triangle Expressway System and Monroe Expressway through maturity. Debt service paid on July 1 is included in the prior fiscal year.

Triangle Expressway System

State Appropriation Bonds (Series 2018A, 2018B & 2019)

| FY | Interest | Principal | Total Debt Service |
|------|-------------|--------------|--------------------|
| 2026 | \$8,837,493 | \$14,134,000 | \$22,971,493 |
| 2027 | \$8,433,401 | \$14,525,000 | \$22,958,401 |
| 2028 | \$8,018,156 | \$14,925,000 | \$22,943,156 |
| 2029 | \$7,591,476 | \$15,336,000 | \$22,927,476 |
| 2030 | \$7,153,036 | \$15,759,000 | \$22,912,036 |
| 2031 | \$6,702,527 | \$16,192,000 | \$22,894,527 |
| 2032 | \$6,239,610 | \$16,639,000 | \$22,878,610 |
| 2033 | \$5,625,800 | \$18,960,000 | \$24,585,800 |
| 2034 | \$4,851,900 | \$19,735,000 | \$24,586,900 |
| 2035 | \$4,046,400 | \$20,540,000 | \$24,586,400 |
| 2036 | \$3,208,100 | \$21,375,000 | \$24,583,100 |
| 2037 | \$2,335,600 | \$22,250,000 | \$24,585,600 |
| 2038 | \$1,427,400 | \$23,160,000 | \$24,587,400 |

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2039 | \$482,100 | \$24,105,000 | \$24,587,100 |
| 2040 | \$11,315,750 | \$13,684,250 | \$25,000,000 |
| 2041 | \$11,858,000 | \$13,142,000 | \$25,000,000 |
| 2042 | \$12,363,750 | \$12,636,250 | \$25,000,000 |
| 2043 | \$12,832,250 | \$12,167,750 | \$25,000,000 |
| 2044 | \$13,262,250 | \$11,737,750 | \$25,000,000 |
| 2045 | \$13,709,500 | \$11,290,500 | \$25,000,000 |
| 2046 | \$14,090,250 | \$10,909,750 | \$25,000,000 |
| 2047 | \$14,488,250 | \$10,511,750 | \$25,000,000 |
| 2048 | \$14,875,750 | \$10,124,250 | \$25,000,000 |
| 2049 | \$15,225,000 | \$9,775,000 | \$25,000,000 |
| 2050 | \$0 | \$0 | \$0 |
| 2051 | \$0 | \$0 | \$0 |

Totals may not add due to rounding.

Senior Lien Toll Revenue Bonds (Series 2009B, 2017, 2018, 2019, 2024A, & 2024B)

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2026 | \$56,223,344 | \$21,340,000 | \$77,563,344 |
| 2027 | \$55,089,969 | \$23,995,000 | \$79,084,969 |
| 2028 | \$53,818,469 | \$26,865,000 | \$80,683,469 |
| 2029 | \$52,548,172 | \$26,600,000 | \$79,148,172 |
| 2030 | \$54,532,116 | \$28,976,509 | \$83,508,625 |
| 2031 | \$51,002,601 | \$34,356,274 | \$85,358,875 |
| 2032 | \$49,226,550 | \$38,158,576 | \$87,385,125 |

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2042 | \$31,952,400 | \$23,030,000 | \$54,982,400 |
| 2043 | \$30,966,950 | \$25,600,000 | \$56,566,950 |
| 2044 | \$29,607,950 | \$28,760,000 | \$58,367,950 |
| 2045 | \$28,086,325 | \$32,105,000 | \$60,191,325 |
| 2046 | \$26,401,200 | \$35,300,000 | \$61,701,200 |
| 2047 | \$24,561,950 | \$38,270,000 | \$62,831,950 |
| 2048 | \$22,571,200 | \$41,360,000 | \$63,931,200 |

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2033 | \$72,165,914 | \$23,179,961 | \$95,345,875 |
| 2034 | \$73,001,854 | \$26,034,521 | \$99,036,375 |
| 2035 | \$73,764,002 | \$28,408,373 | \$102,172,375 |
| 2036 | \$74,342,494 | \$30,861,256 | \$105,203,750 |
| 2037 | \$74,881,243 | \$33,187,457 | \$108,068,700 |
| 2038 | \$59,777,218 | \$41,475,183 | \$101,252,400 |
| 2039 | \$38,476,600 | \$63,655,000 | \$102,131,600 |
| 2040 | \$35,680,425 | \$56,855,000 | \$92,535,425 |
| 2041 | \$33,278,450 | \$49,030,000 | \$82,308,450 |

Totals may not add due to rounding.

Junior Lien TIFIA Loan (2021 & 2024)

| FY | Interest ¹² | Principal | Total Debt Service ¹³ |
|------|------------------------|--------------|----------------------------------|
| 2026 | \$9,579,584 | \$0 | \$9,579,584 |
| 2027 | \$9,978,357 | \$0 | \$9,978,357 |
| 2028 | \$17,239,516 | \$0 | \$17,239,516 |
| 2029 | \$24,886,209 | \$500,000 | \$25,386,209 |
| 2030 | \$28,880,157 | \$500,000 | \$29,380,157 |
| 2031 | \$29,702,408 | \$500,000 | \$30,202,408 |
| 2032 | \$30,560,796 | \$500,000 | \$31,060,796 |
| 2033 | \$31,456,886 | \$500,000 | \$31,956,886 |
| 2034 | \$32,271,731 | \$500,000 | \$32,771,731 |
| 2035 | \$32,750,173 | \$500,000 | \$33,250,173 |
| 2036 | \$33,236,877 | \$1,000,000 | \$34,236,877 |
| 2037 | \$33,663,194 | \$1,000,000 | \$34,663,194 |
| 2038 | \$33,903,456 | \$1,000,000 | \$34,903,456 |
| 2039 | \$34,080,822 | \$1,000,000 | \$35,080,822 |
| 2040 | \$34,062,509 | \$1,000,000 | \$35,062,509 |
| 2041 | \$34,044,222 | \$19,630,451 | \$53,674,673 |
| 2042 | \$33,515,032 | \$38,706,595 | \$72,221,626 |

Totals may not add due to rounding.

Debt Service Ratios

¹² Interest payments may be deferred.

¹³ Includes Debt Service of Phase 1 and Phase 2 TIFIA Loans.

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2049 | \$20,421,075 | \$44,645,000 | \$65,066,075 |
| 2050 | \$43,090,403 | \$23,919,547 | \$67,009,950 |
| 2051 | \$43,938,560 | \$24,755,890 | \$68,694,450 |
| 2052 | \$44,717,666 | \$25,624,084 | \$70,341,750 |
| 2053 | \$39,969,316 | \$32,045,784 | \$72,015,100 |
| 2054 | \$15,060,250 | \$57,745,000 | \$72,805,250 |
| 2055 | \$6,854,925 | \$62,295,000 | \$69,149,925 |
| 2056 | \$0 | \$0 | \$0 |
| 2057 | \$0 | \$0 | \$0 |

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2043 | \$32,803,460 | \$39,418,166 | \$72,221,626 |
| 2044 | \$32,078,207 | \$40,143,419 | \$72,221,626 |
| 2045 | \$31,340,823 | \$40,880,804 | \$72,221,626 |
| 2046 | \$30,589,282 | \$41,632,345 | \$72,221,626 |
| 2047 | \$29,823,924 | \$42,397,702 | \$72,221,626 |
| 2048 | \$29,043,896 | \$43,177,731 | \$72,221,626 |
| 2049 | \$28,250,730 | \$43,970,896 | \$72,221,626 |
| 2050 | \$27,284,935 | \$45,283,871 | \$72,568,806 |
| 2051 | \$25,798,550 | \$46,770,256 | \$72,568,806 |
| 2052 | \$24,254,662 | \$48,314,145 | \$72,568,806 |
| 2053 | \$22,656,217 | \$49,912,589 | \$72,568,806 |
| 2054 | \$20,995,719 | \$51,573,088 | \$72,568,806 |
| 2055 | \$19,272,406 | \$53,296,400 | \$72,568,806 |
| 2056 | \$17,481,958 | \$55,086,848 | \$72,568,806 |
| 2057 | \$15,626,926 | \$56,941,881 | \$72,568,806 |
| 2058 | \$13,699,379 | \$54,229,733 | \$67,929,112 |
| 2059 | \$11,582,028 | \$51,707,388 | \$63,289,416 |
| 2060 | \$9,332,840 | \$53,956,576 | \$63,289,416 |

| Budgeted 2026 | Debt Service ¹⁴ | | Debt Service Coverage | |
|-------------------------------|----------------------------|-------------|-----------------------|-------------|
| Pledged Revenue ¹⁵ | Senior Lien | Junior Lien | Senior Lien | Junior Lien |
| \$112,540,495 | \$63,794,427 | \$718,469 | 1.81x | 1.78x |

Monroe Expressway

State Appropriation Bonds (Series 2021 & 2024)

| FY | Interest | Principal | Total Debt Service |
|------|--------------|--------------|--------------------|
| 2026 | \$11,921,500 | \$10,265,000 | \$22,186,500 |
| 2027 | \$11,399,125 | \$10,775,000 | \$22,174,125 |
| 2028 | \$10,850,625 | \$11,310,000 | \$22,160,625 |
| 2029 | \$10,275,000 | \$11,870,000 | \$22,145,000 |
| 2030 | \$9,670,750 | \$12,460,000 | \$22,130,750 |
| 2031 | \$9,036,500 | \$13,075,000 | \$22,111,500 |
| 2032 | \$8,370,875 | \$13,735,000 | \$22,105,875 |
| 2033 | \$7,671,750 | \$14,410,000 | \$22,081,750 |
| 2034 | \$6,938,250 | \$15,130,000 | \$22,068,250 |

| FY | Interest | Principal | Total Debt Service |
|------|-------------|--------------|--------------------|
| 2035 | \$6,168,125 | \$15,875,000 | \$22,043,125 |
| 2036 | \$5,360,125 | \$16,665,000 | \$22,025,125 |
| 2037 | \$4,511,875 | \$17,495,000 | \$22,006,875 |
| 2038 | \$3,621,375 | \$18,360,000 | \$21,981,375 |
| 2039 | \$2,686,750 | \$19,275,000 | \$21,961,750 |
| 2040 | \$1,705,625 | \$20,235,000 | \$21,940,625 |
| 2041 | \$675,750 | \$21,235,000 | \$21,910,750 |
| 2042 | \$0 | \$0 | \$0 |
| 2043 | \$0 | \$0 | \$0 |

Senior Lien Toll Revenue Bonds (Series 2016A & 2016C)

| FY | Interest | Principal | Total Debt Service |
|------|-------------|-------------|--------------------|
| 2026 | \$6,188,904 | \$638,359 | \$6,827,263 |
| 2027 | \$6,292,199 | \$735,064 | \$7,027,263 |
| 2028 | \$6,513,326 | \$983,936 | \$7,497,263 |
| 2029 | \$6,592,788 | \$949,475 | \$7,542,263 |
| 2030 | \$6,728,250 | \$999,012 | \$7,727,263 |
| 2031 | \$6,852,865 | \$1,009,398 | \$7,862,263 |
| 2032 | \$7,022,948 | \$1,064,315 | \$8,087,263 |
| 2033 | \$7,201,783 | \$1,110,480 | \$8,312,263 |
| 2034 | \$7,395,794 | \$1,151,469 | \$8,547,263 |
| 2035 | \$7,617,556 | \$1,199,707 | \$8,817,263 |
| 2036 | \$7,837,840 | \$1,234,422 | \$9,072,263 |
| 2037 | \$8,054,399 | \$1,257,864 | \$9,312,263 |
| 2038 | \$8,333,887 | \$1,313,375 | \$9,647,263 |
| 2039 | \$8,572,293 | \$1,334,969 | \$9,907,263 |
| 2040 | \$8,836,818 | \$1,360,445 | \$10,197,263 |

| FY | Interest | Principal | Total Debt Service |
|------|-------------|--------------|--------------------|
| 2041 | \$8,817,648 | \$1,719,614 | \$10,537,263 |
| 2042 | \$5,892,500 | \$4,910,000 | \$10,802,500 |
| 2043 | \$5,647,000 | \$5,445,000 | \$11,092,000 |
| 2044 | \$5,374,750 | \$6,025,000 | \$11,399,750 |
| 2045 | \$5,073,500 | \$6,670,000 | \$11,743,500 |
| 2046 | \$4,740,000 | \$7,350,000 | \$12,090,000 |
| 2047 | \$4,372,500 | \$8,025,000 | \$12,397,500 |
| 2048 | \$3,971,250 | \$8,740,000 | \$12,711,250 |
| 2049 | \$3,534,250 | \$9,525,000 | \$13,059,250 |
| 2050 | \$3,058,000 | \$10,670,000 | \$13,728,000 |
| 2051 | \$2,524,500 | \$11,460,000 | \$13,984,500 |
| 2052 | \$1,951,500 | \$12,075,000 | \$14,026,500 |
| 2053 | \$1,347,750 | \$13,150,000 | \$14,497,750 |
| 2054 | \$690,250 | \$13,805,000 | \$14,495,250 |
| 2055 | \$0 | \$0 | \$0 |
| 2055 | \$0 | \$0 | \$0 |

14 Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

15 Operating Revenue plus excess appropriation revenue.

Totals may not add due to rounding.

Subordinate Lien TIFIA Loan

| FY | Interest | Principal | Total Debt Service |
|------|-------------|-------------|--------------------|
| 2026 | \$5,518,197 | \$1,291,286 | \$6,809,483 |
| 2027 | \$5,476,435 | \$1,553,590 | \$7,030,026 |
| 2028 | \$5,428,069 | \$1,601,957 | \$7,030,026 |
| 2029 | \$5,375,515 | \$2,044,851 | \$7,420,366 |
| 2030 | \$5,310,740 | \$2,280,985 | \$7,591,725 |
| 2031 | \$5,238,283 | \$2,571,057 | \$7,809,340 |
| 2032 | \$5,156,611 | \$2,876,003 | \$8,032,614 |
| 2033 | \$5,065,716 | \$3,202,663 | \$8,268,380 |
| 2034 | \$4,964,407 | \$3,553,790 | \$8,518,197 |
| 2035 | \$4,852,222 | \$3,912,865 | \$8,765,087 |
| 2036 | \$4,728,624 | \$4,293,698 | \$9,022,322 |
| 2037 | \$4,593,346 | \$4,717,437 | \$9,310,783 |
| 2038 | \$4,444,922 | \$5,128,951 | \$9,573,872 |
| 2039 | \$4,283,577 | \$5,572,706 | \$9,856,283 |
| 2040 | \$4,108,154 | \$6,042,445 | \$10,150,600 |

| FY | Interest | Principal | Total Debt Service |
|------|-------------|--------------|--------------------|
| 2041 | \$3,918,795 | \$6,498,017 | \$10,416,812 |
| 2042 | \$3,714,915 | \$6,989,967 | \$10,704,883 |
| 2043 | \$3,495,648 | \$7,512,920 | \$11,008,567 |
| 2044 | \$3,259,808 | \$8,065,715 | \$11,325,524 |
| 2045 | \$3,007,339 | \$8,628,700 | \$11,636,039 |
| 2046 | \$2,737,264 | \$9,195,434 | \$11,932,698 |
| 2047 | \$2,449,518 | \$9,790,378 | \$12,239,895 |
| 2048 | \$2,142,936 | \$10,417,819 | \$12,560,755 |
| 2049 | \$1,817,465 | \$11,057,319 | \$12,874,783 |
| 2050 | \$1,474,277 | \$11,400,506 | \$12,874,783 |
| 2051 | \$1,117,408 | \$12,154,156 | \$13,271,564 |
| 2052 | \$734,889 | \$13,190,495 | \$13,925,384 |
| 2053 | \$323,337 | \$13,923,101 | \$14,246,439 |
| 2054 | \$0 | \$0 | \$0 |

Totals may not add due to rounding.

Debt Service Coverage Ratios

| Budgeted 2026 | Debt Service ¹⁶ | | Debt Service Coverage | |
|-------------------------------|----------------------------|-------------|-----------------------|-------------|
| Pledged Revenue ¹⁷ | Senior Lien | Junior Lien | Senior Lien | Junior Lien |
| \$36,562,515 | \$6,843,929 | \$6,809,483 | 5.34x | 2.68x |

¹⁶ Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

¹⁷ Operating Revenue plus projected excess appropriation revenue and additional interest earnings on certain funds.



Demographic & Economic Information

Population

The North Carolina Turnpike Authority currently operates facilities in four NC counties: Durham, Mecklenburg, Union, and Wake. Population growth serves as one indicator of potential roadway usage. Table 1 shows the population growth in all four counties and the State for the 10-year period between 2014 and 2024. The population of the State grew by 11.1% percent from 2014 to 2024, for a growth rate of approximately 1.11 percent annually. The four counties within the existing Turnpike Authority service area experienced population growth ranging from 15.7 to 23.5 percent.

Table 1: Percent Increase in Population Estimates 2014-2024

| | 2014 ¹ | 2024 ² | Population Increase | Percent Increase | Average Growth Rate Per Year |
|--------------------|-------------------|-------------------|---------------------|------------------|------------------------------|
| Durham County | 294,488 | 340,677 | 46,189 | 15.7% | 1.57% |
| Mecklenburg County | 1,011,745 | 1,180,037 | 168,292 | 16.6% | 1.66% |
| Union County | 215,224 | 265,730 | 50,506 | 23.5% | 2.35% |
| Wake County | 995,520 | 1,216,309 | 220,789 | 22.2% | 2.22% |
| North Carolina | 9,881,906 | 10,978,531 | 1,096,625 | 11.1% | 1.11% |

Composition of Population

Table 2 represents the racial and ethnic makeup of the four counties within the existing NCTA service area as compared with the State.

Table 2: County & State Population by Race/Ethnicity³

| | Total Population | White | | Black or African American | | American Indian & Alaska Native Alone | | Asian | | Native American / Pacific Islander | | Some Other Race | | Two or More Races | |
|--------------------|------------------|-----------|-------|---------------------------|-------|---------------------------------------|------|---------|------|------------------------------------|------|-----------------|-------|-------------------|------|
| | | # | % | # | % | # | % | # | % | # | % | # | % | # | % |
| Durham County | 329,405 | 149,981 | 45.5% | 108,885 | 33.1% | 1,687 | 0.5% | 16,950 | 5.1% | 164 | 0.0% | 50,307 | 15.3% | 28,332 | 8.6% |
| Mecklenburg County | 1,130,906 | 526,435 | 46.5% | 344,569 | 30.5% | 4,355 | 0.4% | 69,579 | 6.2% | 434 | 0.0% | 174,580 | 15.4% | 97,368 | 8.6% |
| Union County | 244,975 | 174,145 | 71.1% | 27,397 | 11.2% | 1,086 | 0.4% | 10,002 | 4.1% | 58 | 0.0% | 31,683 | 12.9% | 17,450 | 7.1% |
| Wake County | 1,151,009 | 683,568 | 59.4% | 221,985 | 19.3% | 3,325 | 0.3% | 93,193 | 8.1% | 383 | 0.0% | 131,104 | 11.4% | 92,986 | 8.1% |
| North Carolina | 10,584,340 | 6,695,587 | 63.3% | 2,178,329 | 20.6% | 110,873 | 1.0% | 333,844 | 3.2% | 6,153 | 0.1% | 1,158,750 | 10.9% | 753,265 | 7.1% |

Totals may not add due to rounding.

1 NC OSBM, County Population Estimates, 2014

2 NC OSBM, County Population Totals, 2024.

3 Source: US Census Bureau, American Community Survey (ACS) Demographic and Housing Estimates, 2023: ACS 5-year Estimates (2019-2023), Table DP05. "Race."

Table 3 shows the number of households and vehicles available. Approximately 55% or more of the households in all four counties and the State have two or more vehicles.

Table 3: County & State Households with Zero, One, or Two or More Vehicles⁴

| | Occupied Housing Units | No Vehicle Available | | One Vehicle Available | | Two or More Vehicles Available | |
|--------------------|------------------------|----------------------|------|-----------------------|-------|--------------------------------|-------|
| | | # | % | # | % | # | % |
| Durham County | 138,502 | 9,577 | 6.9% | 53,135 | 38.4% | 75,790 | 54.7% |
| Mecklenburg County | 455,494 | 25,870 | 5.7% | 176,767 | 38.8% | 252,857 | 55.5% |
| Union County | 82,231 | 1,929 | 2.3% | 16,532 | 20.1% | 63,770 | 77.5% |
| Wake County | 445,636 | 18,164 | 4.1% | 142,650 | 32.0% | 284,822 | 63.9% |
| North Carolina | 4,186,924 | 223,126 | 5.3% | 1,309,872 | 31.3% | 2,653,926 | 63.4% |

Totals may not add due to rounding.

Household Income

Table 4 shows the per capita personal income and median household income for the state of North Carolina as well as the counties within the existing Turnpike Authority service area.

Table 4: County & State Per Capita Personal Income & Median Household

| | Per Capita Personal Income | Median Household Income ⁵ |
|---------------------------------|----------------------------|--------------------------------------|
| Durham County ⁶ | \$64,059 | \$79,501 |
| Mecklenburg County ⁷ | \$82,500 | \$83,765 |
| Union County ⁸ | \$72,553 | \$99,243 |
| Wake County ⁹ | \$81,322 | \$101,763 |
| North Carolina ¹⁰ | \$61,579 | \$69,904 |

4 Source: US Census Bureau, American Community Survey 5-year Estimates (2019-2023), Table B25044, “Tenure by Vehicles Available.”

5 Source: US Census Bureau. Quick Facts. Median household income (in 2023 dollars), 2019-2023

6 Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2023, as reported February 20, 2025.

7 Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2023, as reported February 20, 2025.

8 Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2023, as reported February 20, 2025.

9 Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2023, as reported February 20, 2025.

10 Bureau of Economic Analysis. State Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/statebf.cfm>, for 2023, as reported March 2023.

Local Economy

Employment growth and a stable or decreasing unemployment rate is an integral factor for measuring the success of a locality. Population continues to rise in the State; and unemployment in North Carolina is generally low. Consistently, the largest industries in the State continue to be education, healthcare, government (civilian, military, and federal), academia, technology, and retail.

Employment in North Carolina is spread across the state's 100 counties, with some areas being more urban or rural in their makeup. As trends in the largest private employers in the State have changed, so too have the predominant industries that compromise most of the State's non-government (and non-public) workforce. Currently, the leading private employers in the State include retailers, healthcare providers, financial institutions, and telecommunications. Table 5 shows North Carolina's ten largest employers in 2014 and in 2024, Table 6 shows the ten largest principal property taxpayers by County in 2024, and Table 7 shows the 2024 employment levels for the State as well as the counties currently in the Turnpike Authority service area.

Table 5: North Carolina's Statewide 10 Largest Employers¹¹

| 2014 | 2024 |
|--|----------------------------------|
| Wal-Mart | Wal-Mart |
| Charlotte Mecklenburg Hospital | Duke University |
| Duke University | Charlotte Mecklenburg Hospital |
| Food Lion | Wells Fargo |
| Wells Fargo | Food Lion |
| Department of Public Safety | Amazon |
| National Guard of NC | Defense Ex Army Navy & Air Force |
| Wake County Public Schools | Wake County Public Schools |
| Bank of America | Bank of America |
| Charlotte Mecklenburg Board of Education | WFU Baptist Medical Center |

¹¹ Sources: US Census Bureau, NC Department of Commerce, Bureau of Economic Analysis <https://d4.nccommerce.com/QCEWLargestEmployers.aspx>

Table 6: Top 10 Principal Property Taxpayers by County in 2024¹²

| Durham | Mecklenburg | Union | Wake |
|-----------------------------------|--------------------------|-------------------------------------|----------------------|
| Wolfspeed Inc | Duke Energy | Allegheny Technologies | Duke Energy Progress |
| Merck Sharp & Dohme Corp | Bank of America | Charlotte Pipe & Foundry Company | Highwoods Realty Lp |
| Eli Lilly and Company | Wells Fargo | Duke Power Company | SAS Institute Inc |
| KBI Biopharma Inc | American Airlines | Union Electric Membership Corp | Seqirus Inc |
| Biogen US Corporation | Truist | Piedmont Natural Gas | Cisco Systems Inc |
| Duke Energy Carolinas, LLC | Piedmont Natural Gas Co. | Tyson Foods Inc Processing Plant | WMCI Raleigh |
| Are-NC Region No. 19 Holding, LLC | Spectrum | AMH NC Properties LP | SREIT |
| Aisin North Carolina Corporation | AT&T | Consolidated Metco Inc. | Truist Bank |
| Southpoint Mall LLC | South Park Mall | Utility Lines Construction Services | CVM Holdings, LLC |
| EMC Corporation | Panthers Stadium | M/I Homes of Charlotte LLC | Glaxo Smith Kline |

Table 7: County & State Employment in 2024

| Geography | Labor Force | Employed | Unemployed | Unemployment Rate |
|----------------------------------|-------------|-----------|------------|-------------------|
| Durham County ¹³ | 185,230 | 179,293 | 5,937 | 3.2% |
| Mecklenburg County ¹⁴ | 655,802 | 631,808 | 23,994 | 3.7% |
| Union County ¹⁵ | 133,173 | 128,895 | 4,278 | 3.2% |
| Wake County ¹⁶ | 679,550 | 658,385 | 21,165 | 3.1% |
| North Carolina ¹⁷ | 5,294,511 | 5,098,151 | 196,360 | 3.7% |

¹² Sources: Wake County Government, Mecklenburg County Government, Durham County Government, Union County Government. North Carolina Department of State Treasurer. <https://lgcportal.nctreasurer.com/AnnualAuditReports/>

¹³ Bureau of Labor Statistics. Labor force data by county, 2024 annual averages. <https://www.bls.gov/lau/tables.htm>

¹⁴ Bureau of Labor Statistics. Labor force data by county, 2024 annual averages. <https://www.bls.gov/lau/tables.htm>

¹⁵ Bureau of Labor Statistics. Labor force data by county, 2024 annual averages. <https://www.bls.gov/lau/tables.htm>

¹⁶ Bureau of Labor Statistics. Labor force data by county, 2024 annual averages. <https://www.bls.gov/lau/tables.htm>

¹⁷ Bureau of Labor Statistics. Labor force data for North Carolina, April 2025. <https://www.bls.gov/eag/eag.nc.htm>



Appendices

Monroe Expressway General Engineering Consultant (GEC) Report

Monroe Expressway General Engineering Consultant (GEC) Report

Appendix A: FY 2026 GEC Annual Budget Report

HNTB Corporation
The HNTB Companies
Infrastructure Solutions

4000 Center at North Hills Street
Raleigh, NC 27609

Telephone (919) 546-8997
Facsimile (919) 546-9421
hntb.com

May 29, 2025

Mr. James J. Eden
Executive Director
North Carolina Turnpike Authority
2501 Aerial Center Parkway
Suite 200
Morrisville, NC 27560



Dear Mr. Eden:

Reference is made to the Monroe Expressway Trust Agreement dated December 1, 2016 between Computershare Corporate Trust (previously Wells Fargo), as Trustee, and the North Carolina Turnpike Authority. HNTB as the General Engineering Consultant provides the following report on the fiscal year (FY) 2026 Annual Budgets for the Monroe Expressway.

The Monroe Expressway opened to traffic on November 27, 2018 in accordance with the Construction Agreement ("the Agreement") for Substantial Completion. Final Completion was reached on October 16, 2020 in accordance with the Agreement. There was a three-year warranty period for the Monroe Expressway following Substantial Completion ending in November 2021. Coinciding with Final Completion, a baseline inspection of the Monroe Expressway was completed on October 26, 2020, and ongoing quarterly inspections of the facility in accordance with the Turnpike Authority's Maintenance Rating Program (MRP) began in 2021. These quarterly MRP inspections are used to evaluate the proper maintenance, repair needed and operation of the Monroe Expressway. Due to the relative age of the roadway, renewal and replacement activities and their associated costs are minor.

The FY 2026 operations & maintenance (O&M) budget, and the renewal and replacement (R&R) budget for FY 2026 through 2035 have been updated from the base case financial model based on a review of the operating and maintenance activities as well as further development of the long-range capital plan for the facility.

The FY 2026 Annual Budgets for the Monroe Expressway were developed by the Turnpike Authority, with involvement from HNTB, and we believe the following budgets are sufficient to support the proper maintenance, repair, and operation of the Monroe Expressway during the ensuing Fiscal Year:

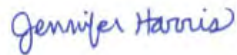
- FY 2026 O&M Budget: \$16.71 M
- FY 2026 R&R Budget: \$2.06 M

The FY 2026 Annual Budgets assume a total of \$16.71 million to be deposited in the Operating Expense Fund throughout the fiscal year, and also assume deposits to ensure the following minimum fund balances as of July 1, 2025:

- Operating Reserve Fund: \$4.18 M
- Renewal & Replacement Fund: \$9.57 M

Please feel free to reach out with any questions or comments upon reviewing the FY 2026 Annual Budgets.

Sincerely,



Jennifer Harris, P.E.
Senior Project Manager

CC: Cheryl Reed, Chief Financial Officer, NCTA
David Roy, Director of Innovative Finance, NCTA
Kim Medlin, Deputy Chief Financial Officer, NCTA

Financial Policies

Toll Rate Policy

POLICY FOR ADOPTING TOLL SCHEDULES AND ADJUSTMENTS TO TOLL SCHEDULES

WHEREAS, the North Carolina Turnpike Authority is authorized to fix, revise, charge and collect tolls and fees for the use of turnpike projects pursuant to G.S. § 136-89.183(5);

NOW THEREFORE, the Authority hereby adopts the following policy to guide the Authority in adopting toll schedules and adjustment to toll schedules as follows:

(a) Prior to the time the Authority issues bonds to finance a turnpike project, the Authority will retain the services of a Traffic and Revenue Consultant (a “Traffic Consultant”) to forecast the projected traffic for the turnpike project and the toll revenues to be generated from such traffic (a “Final Traffic and Revenue Study”). Such Final Traffic and Revenue Study shall be prepared based upon, among other things, assumptions the Traffic Consultant determines to be reasonable regarding the toll schedule to be used in collecting tolls for use of the turnpike project, together with anticipated increases in such tolls.

(b) On or prior to the date a turnpike project open for service, the Authority will adopt the toll rate schedule for the use of the turnpike project. Such toll schedule may provide for toll rates based upon the factors the Authority determines appropriate, including, but not limited to, the location of the turnpike project for which the toll is collected, the type of vehicles anticipated to use the turnpike project, the method of collection of the toll (electronic, video, cash or other method) and other factors. At the time the initial toll rate schedule for a turnpike project is adopted, the Authority shall file with the Trustee a report of a Traffic Consultant to the effect that, based upon the tolls forecasted to be collected using the toll schedule adopted, the forecasted revenues of such turnpike project are forecasted to be at least at the same levels as those set forth in the Final Traffic and Revenue Study, or if such levels cannot be achieved, that the tolls are established at rates that maximize forecasted revenues..

(c) After a toll rate schedule is adopted, the tolls set forth in the toll rate schedule adopted shall be increased on each January 1 by the same percentage amounts for each year as the toll increases in the assumptions of the Traffic Consultant used in preparing the Final Traffic and Revenue Study.

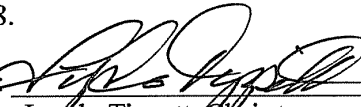
(d) Notwithstanding the preceding subsection, the Authority may determine that a toll increase otherwise required to go into effect pursuant to (c) shall not go into effect as scheduled if the Authority delivers to the Trustee, prior to the January 1 when the toll increase otherwise would go into effect:

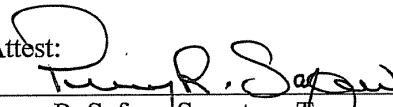
(i) a resolution of the Board, directing that the tolls shall not be increased at all or shall be increased by a lesser amount than assumed in the Final Traffic and Revenue Study;

(ii) an Officer’s Certificate certifying that the Authority was in compliance with all the applicable rate covenants set forth in the bond documents for the bonds that financed the turnpike project for the most recent fiscal year; and

(iii) a report of a Traffic Consultant showing that for each succeeding fiscal year through the final maturity date of all debt incurred for the turnpike project, the forecasted revenues in each such fiscal year would be such that \$1 of additional senior lien indebtedness could be issued by the Authority in compliance with the requirements of the additional debt limitations set forth in the bond documents for such bonds issued to finance the turnpike project.

Adopted this the 17th day of September, 2008.

Signed: 
Lyndo Tippett, Chairman
North Carolina Turnpike Authority

Attest: 
Perry R. Safran, Secretary-Treasurer
North Carolina Turnpike Authority Board

Debt Policy & Procedures



NORTH CAROLINA TURNPIKE AUTHORITY Debt

NCDOT POLICY
A.10.0101

| | | |
|---|--------------------------------|--|
| Business Category: NC Turnpike Authority | | Business Area: NC Turnpike Authority |
| Approval Date: | Last Revision Date: N/A | Next Review Date: |
| Authority: <u>N.C. Gen Stat. § 136-89.183</u> <u>N.C. Gen Stat. § 136-89.189</u> <u>N.C. Gen Stat. § 136-89.190</u> | | Select all that apply: <input type="checkbox"/> N/A <input type="checkbox"/> Requires Board approval <input type="checkbox"/> Requires Federal Highways Administration (FHWA) approval <input type="checkbox"/> Requires other external agency approval: Click here to enter external agency name(s). |
| Definitions: | | |
| Policy: I. Introduction A. Purpose The purpose of this North Carolina Turnpike Authority (NCTA) Debt Policy is to establish guidelines and a framework for the issuance and management of NCTA's debt. NCTA is committed to consistent, best practices financial management, including maintaining the financial strength and flexibility of NCTA and the full and timely repayment of all financial obligations. Debt transactions that violate any terms of existing documents including Trust Agreements, TIFIA Loan Agreements, bond insurance policies, and state and federal laws will not be considered. NCTA will be open to recommendations or ideas for any proposed transaction as well as variations from the following guidelines provided that such variation must be fully examined in conjunction with NCTA's advisors and justified to the NCTA Board of Directors. This policy does not address or govern NCTA's engagement in Public-Private-Partnerships. B. Review This Policy will be reviewed by NCTA no less than once every (2) two years and any changes to this Policy will be presented to and approved by the NCTA Board of Directors. This Policy will also be made available on the NCTA's website (https://www.ncdot.gov/divisions/turnpike/investor/Pages/default.aspx). C. Best Interest of NCTA Although adherence to this policy is desirable, deviations from the policy may be appropriate at times to address: (i) changing financial goals; (ii) emerging financial products/debt structures; and/or (iii) unique market opportunities. Consequently, the general best interests of NCTA will supersede any provision of the policy. | | |

D. Authority

N.C. Gen Stat. § 136-89.183

N.C. Gen Stat. § 136-89.189

N.C. Gen Stat. § 136-89.190

II. Financial Planning and Debt Issuance Policy

- A. NCTA will retain the services of a traffic engineer and a general engineering consultant to obtain independent professional advice on the acquisition, construction, operation, and management of the Turnpike Projects. In addition to other duties, the consultants will prepare cost and revenue estimates for all bonded projects and for any projects in which the NCTA funds are used in partnership with funds from other entities.
- B. NCTA will retain the services of a registered Municipal Advisor to serve in capacity as Financial Advisor to perform the tasks set forth in this policy.
- C. In consultation with the Financial Advisor, NCTA will develop, maintain, and update, as appropriate, comprehensive Financial Planning Models as tools in developing a financing plan for existing and proposed toll systems. NCTA will annually review its capital plans and adjust them as necessary in order to comply with the annual debt coverage commitments.
- D. Financial Planning Models will incorporate longer-term capital improvements and the following elements, in addition to other factors:
 - 1. System revenue projections from NCTA's traffic consultant or alternative revenue projection scenarios
 - 2. Existing debt service requirements
 - 3. Projected Operations and Maintenance expenses and Renewal and Replacement Expenses along with required deposits to all reserves
 - 4. Estimated additional debt service requirements
 - 5. Estimated investment income
- E. Long-term debt will be used to finance capital projects and certain equipment where it is cost effective, prudent or otherwise determined to be in the best interest of NCTA. Long-term debt, which includes capital lease financings, will not be used to fund NCTA's operations. The maturity of long-term debt issued by NCTA to finance an asset or project should not exceed the useful life of the asset or project financed.
- F. Medium-term or "put" bonds will be used judiciously and only after careful analysis and discussion of the interest rate and rollover risks involved.
- G. Variable rate debt may be issued in various forms - e.g., bonds, commercial paper, bank lines. The amount of unhedged variable rate debt generally should not exceed 10% of outstanding debt for any NCTA System. As a goal, NCTA desires its total hedged and unhedged variable rate debt not to exceed 20% of outstanding long-term debt for any NCTA System.

III. Debt Service Coverage Targets and Limits

The amount of bonds to be issued is limited by the respective Trust Agreements, including TIFIA Loan Agreements, as applicable, that govern the debt issuance and covenants contained therein, including, but not limited to, the rate covenant and additional bonds test. Target debt service coverage levels, leverage ratios and

liquidity metrics will be set based on the most recent rating agency guidance to ensure investment grade ratings are attained on all senior lien and TIFIA lien rated debt.

IV. Method of Sale Evaluation

With the goal of obtaining the lowest cost of capital and completing a successful transaction, for each transaction recommended, the Director of Finance, with advice from the Financial Advisor, will undertake an analysis to determine the recommended method of sale, including competitive, negotiated, or direct placement.

- A. The evaluation will take into consideration, among other factors the following considerations as outlined in the Government Finance Officers' Association (GFOA) best practice recommendations:
 1. Expected credit rating of bonds being issued
 2. Strength of revenue stream
 3. Structure of bonds and potential need for extensive explanation to the bond market
 4. Disclosure requirements for various methods of sale
 5. Use of insurance or other credit enhancement
 6. Other factors that staff, in consultation with the Financial Advisor, believes favor the use of one method over the other
- B. The evaluation will be shared with the Finance Committee and a recommendation as to the method of sale will be presented.
- C. Should NCTA select the use of a negotiated sale, the following guidelines will be followed to increase the likelihood of a successful transaction and fully documented negotiated sale process:
 1. Underwriters will be selected through a formal Request for Proposal (RFP) process in accordance with NCTA's Procurement Policies either on a deal-by-deal basis or as part of a pool of underwriters for a specified term. Exceptions may be made when in the best interest of NCTA such as when time is of the essence.
 2. NCTA's Financial Advisor will advise NCTA on all aspects of the sale, including but not limited to structuring, disclosure preparation and bond pricing.
 3. Staff and the Financial Advisor will make a recommendation for lead underwriting firm and all participating co-senior and co-manager firms based on:
 - i. results of most recent RFP selection,
 - ii. firm's contribution to development of strategies for transaction,
 - iii. demonstrated ability of firm to successfully underwrite similar transactions, and
 - iv. previous work assigned to firm under current RFP selection
 4. Staff and the Financial Advisor will review all orders for bonds during pricing to understand investor interest and best negotiate a final coupon and yield scale for the bonds.
 5. The Financial Advisor will prepare a post-sale summary and analysis that documents the pricing of the bonds relative to other similar transactions priced at or near the time of NCTA's bond sale and record the true interest cost of the sale and the date of the verbal award. The analysis will be shared with the Finance Committee.
- D. Should a direct placement be recommended, staff and the Financial Advisor will undertake a competitive process for selecting the direct placement counterparty to ensure NCTA's objectives are met at the lowest cost of capital. Such process ideally would include a formal RFP or solicitation of pricing indications, as appropriate.

V. Debt Structure

- A. Debt structures will be determined in consultation with the NCDOT Chief Financial Officer.
- B. NCTA will engage the Local Government Commission (LGC) at the appropriate time for guidance on proposed debt issuances and will maintain contact with LGC staff throughout the debt issuance process. NCTA will follow LGC guidelines for requesting approval including organizing transaction updates to LGC staff, providing transaction overviews and materials to the Commission, and requesting approval in a timely manner.
- C. NCTA may utilize various debt structures to accomplish its financing goals, including but not limited to, the use of premium bonds, discount bonds, capital appreciation bonds, convertible capital appreciation bonds, bond anticipation notes, commercial paper, variable rate and multimodal bonds and capitalized interest, when appropriate in order to achieve the goals provided in this Debt Management Policy.
- D. NCTA will consider interest rate swap transactions only as they relate to its debt management program and not as an investment instrument. No swap transaction should impair the outstanding uninsured bond rating of NCTA's rated obligations.
 1. Swap Agreements may be used for one or more of the following purposes only:
 - i. To achieve significant savings as compared to a product available in the bond market. Significant savings shall be calculated after adjusting for (a) applicable fees, including takedown, remarketing and credit enhancement fees, and (b) call options that may be available on the bonds. Examples may include synthetic fixed rate debt and synthetic variable rate debt. Alternatively, significant savings are deemed to occur if the use of derivatives helps to achieve diversification of a particular bond offering.
 - ii. To prudently hedge risk in the context of a particular financing or the overall asset/liability management of NCTA. Examples may include buying interest rate caps and entering into delayed-start Swaps.
 - iii. To incur variable rate exposure within prudent guidelines, such as buying interest rate caps or entering into a Swap in which NCTA's payment obligation is based on a floating rate.
 - iv. To achieve more flexibility in meeting overall financial objectives than available in conventional markets. An example may include a Swaption (an option to enter into a Swap) with an upfront annuity payment.
 2. Swap Adviser Required: NCTA shall engage a Swap adviser (a "Qualified Independent Representative" as defined under the Dodd-Frank Act) to assist in determining whether and under what terms to enter into a Swap.
 3. Legal Opinion Required: NCTA must receive an opinion acceptable to the market from a nationally recognized bond law firm that the Swap is a legal, valid and binding obligation of NCTA and entering into the transaction complies with applicable law in effect on the date hereof and as they may be amended in the future.
 4. No Speculation Allowed: Swaps shall not be used for speculative purposes. Associated risks will be prudent risks that are appropriate for NCTA to take based on the advice, knowledge and experience of NCTA staff and NCTA's Swap adviser.
 5. Methods by which Swaps may be Solicited: In general, NCTA should procure Swaps by competitive bidding. The process used (e.g. Request for Proposal) can limit the number of

firms solicited to no fewer than three. NCTA shall determine which parties it will allow to participate in a competitive transaction. In situations in which NCTA would like to reward a particular firm or wishes to achieve diversification of counterparty exposure, NCTA may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to a specified percentage of the notional amount of the Swap Agreement. In addition, to encourage competition, NCTA may allow bidders to match the winning bid up to a specified amount of the notional amount as long as the bid is no greater than a specified spread from the winning bidder. The parameters for the bid must be disclosed in writing to all potential bidders.

Notwithstanding the above, NCTA may procure a Swap by negotiated method in either of the following situations:

- i. NCTA makes a determination that, due to the size or complexity of a particular Swap, a negotiated transaction would result in the most favorable pricing and terms. NCTA shall use a Swap adviser to assist in the price negotiations, in the development of terms, and in risk assessment.
 - ii. NCTA makes a determination, in light of the facts and circumstances, that entering into a negotiated Swap will promote its interests by encouraging and rewarding innovation.
6. Each Swap executed by NCTA shall be subject to an independent review and analysis by a financial advisor or other qualified party and include a finding that its terms and conditions reflected a fair market value as of the date and time of its execution
7. Form and Content of Swaps: To the extent possible, the Swap shall contain terms and conditions set forth in the International Swap and Derivatives Association Inc. Master Agreement, including any schedules and confirmation. The schedule should be modified to reflect specific legal requirements and business terms desired by NCTA. NCTA shall consider including provisions that permit NCTA to assign its rights and obligations under the Swap and to optionally terminate the Swap at its market value at any time. Unless specifically noted in the Swap, the counterparty shall not have the right to assign or terminate a Swap without the prior written consent of NCTA.
8. Risk Analysis Required: Before entering into a Swap, NCTA shall evaluate all the risks inherent in the transaction. These risks to be evaluated could include counterparty risk, termination risk, rollover risk, basis risk, tax event risk and amortization risk. NCTA shall endeavor to diversify its exposure to counterparties. To that end, before entering into a Swap, NCTA should determine its exposure to the relevant counterparty or counterparties and determine how the proposed transaction would affect the exposure.
9. Counterparty Selection Criteria and Provision for Collateralization: NCTA may enter into a Swap if the counterparty has at least one long-term unsecured credit rating in the AA category and no other rating below the 'A' category from Fitch, Moody's or Standard & Poor's, and the counterparty has demonstrated experience in successfully executing Swaps. If after entering into a Swap the ratings of the counterparty are downgraded below 'BBB' by any one of the ratings agencies, then the Swap shall be subject to termination by NCTA unless (a) the counterparty provides either a substitute guarantor or assigns the Swap, in either case, to a party meeting the rating criteria reasonably acceptable to NCTA or (b) the counterparty (or

guarantor if applicable) collateralizes the Swap in accordance with the criteria set forth in the Swap and this Policy. Should the counterparty (or guarantor if applicable) elect to collateralize the Swap, then, in addition to any requirements in the Swap, the obligations of the counterparty shall be fully and continuously collateralized by direct obligations of, or obligations the principal and interest on which are guaranteed by, the United States of America, and such collateral shall be deposited with NCTA or an agent thereof. Such collateral posted by a counterparty shall have a net market value of at least one hundred percent (100%).

10. Disclosure and Financial Reporting: NCTA will take steps to ensure that there is full and complete disclosure of all interest rate swaps to the NCTA Board of Directors, rating agencies and in disclosure documents. With respect to its financial statements, NCTA will adhere to the guidelines for the financial reporting of interest rate swaps as set forth by the Government Accounting Standards Board.
11. Dodd-Frank Act\Conformance to Dodd-Frank: It is the intent of NCTA to conform this Policy to the requirements relating to legislation and regulations for derivatives transactions under Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as supplemented and amended from time to time, including any regulations promulgated in connection therewith (herein collectively referred to as "Dodd-Frank"). Pursuant to such intent, it is the policy of NCTA that, with respect to each interest rate swap: (i) each swap advisor engaged or to be engaged by NCTA will function as the designated qualified independent representative of NCTA, sometimes referred to as the "Designated QIR"; (ii) each swap advisor will agree to meet and meets the requirements specified in CFTC Regulation 23.450(b)(1) or any successor regulation thereto (herein referred to as the "Representative Regulation"); (iii) each swap advisor will provide a written certification to NCTA to the effect that such swap advisor agrees to meet and meets the requirements specified in the Representative Regulation; (iv) NCTA will monitor the performance of each swap advisor consistent with the requirements specified in the Representative Regulation; (v) NCTA will exercise independent judgment in consultation with its swap advisor in evaluating all recommendations, if any, presented by any swap dealer with respect to transactions authorized pursuant to this Policy; and (vi) NCTA will rely on the advice of its swap advisor with respect to interest rate swaps authorized pursuant to this Policy and will not rely on recommendations, if any, presented by any swap dealer with respect to interest rate swaps authorized pursuant to this Policy.
12. Legal Entity Identifier: NCTA shall obtain and maintain current at all times a "legal entity identifier" from a firm designated by the CFTC to provide such numbers.
13. Long-Term Implications: In evaluating a particular transaction involving the use of a Swap, NCTA shall review long-term implications associated with entering into Swaps, including costs of borrowing, historical interest rate trends, sensitivity analysis, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.
14. Methods to be Used to Reflect the Use of Swaps in NCTA's Financial Statements: NCTA shall reflect the use of Swaps on its financial statements in accordance with generally accepted accounting principles and shall include appropriate information about the market value, risk

and legal authority regarding such agreements. Such disclosure in NCTA's financial statements will provide appropriate information to ratings agencies, investors and the secondary market.

15. Monitoring: NCTA's staff shall monitor the use of Swaps on a continual basis.

Responsibilities for monitoring shall include the following activities:

- i. Preparing a description of each Swap, including a summary of its terms and conditions, the notional amount, rates, maturity and other provisions thereof.
- ii. Determining any amounts which were required to be paid and received, and that the amounts were paid and received in a timely manner.
- iii. Determining that each counterparty is in compliance with its rating requirements.
- iv. Determining that each counterparty is in compliance with the downgrade provisions, if any (see Counterparty Selection Criteria and Provision for Collateralization Criteria).
- v. Determining at least quarterly, that all posted collateral, if required, has a net market value of at least one hundred percent (100%) of the net market value of the Swap to NCTA (see Counterparty Selection Criteria and Provision for Collateralization).
- vi. Taking appropriate action to limit undesirable exposures.
- vii. Developing a contingency plan in the event that early termination of the Swap is determined to be desirable or warranted.
- viii. Obtaining market valuation information from counterparties or third-party advisors to meet GASB fiscal year end reporting requirements.

VI. Call Provisions

- A. Call provisions for NCTA bond issues will be made as short as possible consistent with the lowest interest cost to NCTA, taking into consideration the option value of such call provisions.
- B. When practical and cost efficient, all NCTA bonds should be callable at par.

VII. Debt Refunding

NCTA staff and the Financial Advisor will monitor the municipal bond market for opportunities to obtain interest savings by refunding or refinancing outstanding debt. As a general rule, the present value savings of a particular refunding should equal or exceed 3% of the refunded maturities and not materially extend the maturity of the outstanding debt. For an advance refunding a higher minimum savings threshold should be required, depending on how soon the bonds may be called. However, in order to meet certain restructuring or risk management goals, NCTA may elect to lower the present value savings threshold for any individual transaction.

VIII. Credit Enhancement and Liquidity

Bond insurance, surety policies, letters of credit, liquidity facilities and other credit enhancements will be used when it provides economic savings or risk management opportunities for NCTA. Letters of credit, liquidity facilities or other credit facilities may expose NCTA to bank provider risk. In those instances, bank providers should not possess long term credit ratings lower than "A2/A/A" and short-term ratings lower than "P-1/A-1/F" from Moody's Investors Services, Standard and Poor's Corporation and Fitch Ratings, respectively.

IX. Continuing Disclosure

NCTA is committed to providing continuing disclosure of financial and pertinent credit information relevant to NCTA's outstanding securities and will continue to comply with those provisions of Securities and Exchange Commission (SEC) Rule 15c2-12 concerning primary and secondary market disclosure. NCTA has engaged the services of Disclosure Counsel to provide guidance and advice to NCTA concerning securities law and disclosure issues. NCTA will also coordinate with the North Carolina Department of Transportation and North Carolina Office of State Budget and Management as applicable. Additionally, NCTA will maintain financial information on its website to provide timely information to the market and public. Such information will include, but not be limited to, audited comprehensive annual financial reports, rate covenant reports, and ratings reports.

X. Credit Objectives

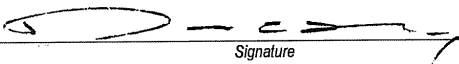
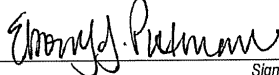
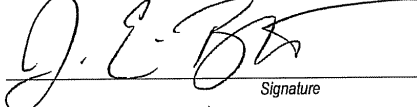
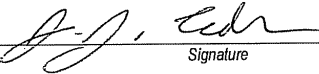
- A. It is NCTA's intent to maintain and improve the credit ratings on its outstanding and proposed bond issues. NCTA will maintain long-term debt ratings from at least two of the three major bond rating agencies - Moody's Investors Service, Standard and Poor's Corporation, and Fitch Ratings. NCTA may discontinue the use of ratings from any agency which currently rates the debt of NCTA if, based on advice from NCTA's Financial Advisor and underwriting team, the discontinuance of such rating will not adversely affect the rates that can be achieved in selling NCTA's debt without such rating. NCTA may issue non-rated debt when determined to be reasonable by NCTA's advisors and deemed in the best interest of NCTA by the NCTA Board of Directors.
- B. NCTA's Director of Finance will maintain frequent communications with the credit rating agencies that currently assign ratings to NCTA's various debt obligations, and bond insurers that currently enhance any of NCTA's various debt obligations. This effort must include providing periodic updates on NCTA's general financial condition along with coordinating meetings and presentations, as necessary, in conjunction with a new debt issuance.
- C. NCTA's Director of Finance will consider, in conjunction with the Financial Advisor and Disclosure Counsel, elements of an investor relations program that may be designed to keep present and future investors that hold NCTA's debt fully informed on current developments related to NCTA and its long-term debt.

XI. On-going Reporting Requirements

- A. At least once each year, the Director of Finance will provide the Finance Committee and the Board of Directors a report on the status NCTA's debt. At a minimum, the report must include:
 - 1. Amount and percentage of total debt by security type
 - 2. Any changes in ratings, including ratings of credit enhancers and swap counterparties
 - 3. Current mark-to-market value of all interest rate exchange agreements, if applicable
 - 4. Historical rate performance for all variable rate bonds, if applicable
- B. NCTA's Director of Finance, with the assistance of the Financial Advisor, will be responsible for analyzing any unsolicited proposals received relative to debt issues, responding to the proposal as appropriate, and recommending to the Finance Committee any action to be taken in a timely manner.

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| <p>Scope: Click here to provide a statement identifying to whom the policy applies.</p> |
| <p>Procedures: Click here to briefly reference any standard operating procedure or procedure manual. Provide hyperlinks when applicable.</p> |
| <p>Related Documents: Click here to list any forms, tools, and/or background material relevant to the policy. Whenever possible, hyperlink to related documents.</p> |

| Revision History | | |
|------------------|-----------------|-------------|
| Revision Date | Revision Number | Description |
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| Policy Approval | | |
|--|--|-------------------|
| <p><i>Signing below certifies that the aforementioned policy has been vetted by the business area representative, applicable legal counsel (AG's office, etc.), and executive staff member(s).</i></p> | | |
| Business Area Representative |  Signature | 8-6-20 Date |
| Legal Counsel <i>(Responsible for the Unit)</i> |  Signature | 8-11-2020 Date |
| Executive Staff Member <i>(Responsible for the Unit)</i> |  Signature | 8-6-20 Date |
| Executive Staff Member <i>(Responsible for the Unit)</i> |  Signature | 8-6-20 Date |
| Executive Staff Member <i>(Responsible for the Unit)</i> | _____ Signature | _____ Date |

Investment Policy

§ 159-30. Investment of idle funds.

(a) A local government or public authority may deposit at interest or invest all or part of the cash balance of any fund. The finance officer shall manage investments subject to whatever restrictions and directions the governing board may impose. The finance officer shall have the power to purchase, sell, and exchange securities on behalf of the governing board. The investment program shall be so managed that investments and deposits can be converted into cash when needed.

(b) Moneys may be deposited at interest in any bank, savings and loan association, or trust company in this State in the form of certificates of deposit or such other forms of time deposit as the Commission may approve. Investment deposits, including investment deposits of a mutual fund for local government investment established under subdivision (c)(8) of this section, shall be secured as provided in G.S. 159-31(b).

(b1) In addition to deposits authorized by subsection (b) of this section, the finance officer may deposit any portion of idle funds in accordance with all of the following conditions:

- (1) The funds are initially deposited through a bank or savings and loan association that is an official depository and that is selected by the finance officer.
 - (2) The selected bank or savings and loan association arranges for the redeposit of funds in deposit accounts of the local government or public authority in one or more federally insured banks or savings and loan associations wherever located, provided that no funds shall be deposited in a bank or savings and loan association that at the time holds other deposits from the local government or public authority.
 - (3) The full amount of principal and any accrued interest of each deposit account are covered by federal deposit insurance.
 - (4) The selected bank or savings and loan association acts as custodian for the local government or public authority with respect to the deposit in the local government's or public authority's account.
 - (5) On the same date that the local government or public authority funds are redeposited, the selected bank or savings and loan association receives an amount of federally insured deposits from customers of other financial institutions wherever located equal to or greater than the amount of the funds invested by the local government or public authority through the selected bank or savings and loan association.
- (c) Moneys may be invested in the following classes of securities, and no others:
- (1) Obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States.
 - (2) Obligations of the Federal Financing Bank, the Federal Farm Credit Bank, the Bank for Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, Fannie Mae, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the United States Postal Service.
 - (3) Obligations of the State of North Carolina.
 - (4) Bonds and notes of any North Carolina local government or public authority, subject to such restrictions as the secretary may impose.
 - (5) Savings certificates issued by any savings and loan association organized under the laws of the State of North Carolina or by any federal savings and loan association having its principal office in North Carolina; provided that any principal amount of such certificate in excess of the amount insured by the federal government or any agency thereof, or by a mutual deposit guaranty association authorized by the Commissioner of Banks of the Department of Commerce of the State of North Carolina, be fully collateralized.
 - (6) Prime quality commercial paper bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligation.

- (7) Bills of exchange or time drafts drawn on and accepted by a commercial bank and eligible for use as collateral by member banks in borrowing from a federal reserve bank, provided that the accepting bank or its holding company is either (i) incorporated in the State of North Carolina or (ii) has outstanding publicly held obligations bearing the highest rating of at least one nationally recognized rating service and not bearing a rating below the highest by any nationally recognized rating service which rates the particular obligations.
- (8) Participating shares in a mutual fund for local government investment; provided that the investments of the fund are limited to those qualifying for investment under this subsection (c) and that said fund is certified by the Local Government Commission. The Local Government Commission shall have the authority to issue rules and regulations concerning the establishment and qualifications of any mutual fund for local government investment.
- (9) A commingled investment pool established and administered by the State Treasurer pursuant to G.S. 147-69.3.
- (10) A commingled investment pool established by interlocal agreement by two or more units of local government pursuant to G.S. 160A-460 through G.S. 160A-464, if the investments of the pool are limited to those qualifying for investment under this subsection (c).
- (11) Evidences of ownership of, or fractional undivided interests in, future interest and principal payments on either direct obligations of the United States government or obligations the principal of and the interest on which are guaranteed by the United States, which obligations are held by a bank or trust company organized and existing under the laws of the United States or any state in the capacity of custodian.
- (12) Repurchase agreements with respect to either direct obligations of the United States or obligations the principal of and the interest on which are guaranteed by the United States if entered into with a broker or dealer, as defined by the Securities Exchange Act of 1934, which is a dealer recognized as a primary dealer by a Federal Reserve Bank, or any commercial bank, trust company or national banking association, the deposits of which are insured by the Federal Deposit Insurance Corporation or any successor thereof if:
 - a. Such obligations that are subject to such repurchase agreement are delivered (in physical or in book entry form) to the local government or public authority, or any financial institution serving either as trustee for the local government or public authority or as fiscal agent for the local government or public authority or are supported by a safekeeping receipt issued by a depository satisfactory to the local government or public authority, provided that such repurchase agreement must provide that the value of the underlying obligations shall be maintained at a current market value, calculated at least daily, of not less than one hundred percent (100%) of the repurchase price, and, provided further, that the financial institution serving either as trustee or as fiscal agent for the local government or public authority holding the obligations subject to the repurchase agreement hereunder or the depository issuing the safekeeping receipt shall not be the provider of the repurchase agreement;
 - b. A valid and perfected first security interest in the obligations which are the subject of such repurchase agreement has been granted to the local government or public authority or its assignee or book entry procedures, conforming, to the extent practicable, with federal regulations and satisfactory to the local government or public authority have been established for the benefit of the local government or public authority or its assignee;
 - c. Such securities are free and clear of any adverse third party claims; and

d. Such repurchase agreement is in a form satisfactory to the local government or public authority.

(13) In connection with funds held by or on behalf of a local government or public authority, which funds are subject to the arbitrage and rebate provisions of the Internal Revenue Code of 1986, as amended, participating shares in tax-exempt mutual funds, to the extent such participation, in whole or in part, is not subject to such rebate provisions, and taxable mutual funds, to the extent such fund provides services in connection with the calculation of arbitrage rebate requirements under federal income tax law; provided, the investments of any such fund are limited to those bearing one of the two highest ratings of at least one nationally recognized rating service and not bearing a rating below one of the two highest ratings by any nationally recognized rating service which rates the particular fund.

(d) Investment securities may be bought, sold, and traded by private negotiation, and local governments and public authorities may pay all incidental costs thereof and all reasonable costs of administering the investment and deposit program. Securities and deposit certificates shall be in the custody of the finance officer who shall be responsible for their safekeeping and for keeping accurate investment accounts and records.

(e) Interest earned on deposits and investments shall be credited to the fund whose cash is deposited or invested. Cash of several funds may be combined for deposit or investment if not otherwise prohibited by law; and when such joint deposits or investments are made, interest earned shall be prorated and credited to the various funds on the basis of the amounts thereof invested, figured according to an average periodic balance or some other sound accounting principle. Interest earned on the deposit or investment of bond funds shall be deemed a part of the bond proceeds.

(f) Registered securities acquired for investment may be released from registration and transferred by signature of the finance officer.

(g) A local government, public authority, an entity eligible to participate in the Local Government Employee's Retirement System, or a local school administrative unit may make contributions to a Local Government Other Post-Employment Benefits Trust established pursuant to G.S. 159-30.1.

(h) A unit of local government employing local law enforcement officers may make contributions to the Local Government Law Enforcement Special Separation Allowance Fund established in G.S. 147-69.5. (1957, c. 864, s. 1; 1967, c. 798, ss. 1, 2; 1969, c. 862; 1971, c. 780, s. 1; 1973, c. 474, ss. 24, 25; 1975, c. 481; 1977, c. 575; 1979, c. 717, s. 2; 1981, c. 445, ss. 1-3; 1983, c. 158, ss. 1, 2; 1987, c. 672, s. 1; 1989, c. 76, s. 31; c. 751, s. 7(46); 1991 (Reg. Sess., 1992), c. 959, s. 77; c. 1007, s. 40; 1993, c. 553, s. 55; 2001-193, s. 16; 2001-487, s. 14(o); 2005-394, s. 2; 2007-384, ss. 4, 9; 2010-175, s. 1; 2013-305, s. 1.)

Revenue Retention Policy

REVENUE RETENTION POLICY of the NORTH CAROLINA TURNPIKE AUTHORITY BOARD

It is the policy of the North Carolina Turnpike Authority that all Turnpike Projects are intended to generate sufficient funds to cover their own operations and maintenance costs and the portion of debt service on the bonds issued to finance that Turnpike Project, and that a project that cannot show that it will eventually meet this requirement will not be undertaken.

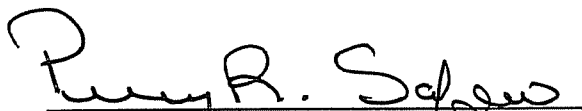
It is further the policy of the Authority that toll revenues generated in one corridor are intended to be expended on financial obligations and improvements in the corridor from which those revenues were generated. In special circumstances, revenues from an existing Turnpike Authority project may be used temporarily to help support a project in another corridor for reasons of financial distress or to meet "ramp up" debt service coverage and debt service subsidies. In such situations any subsidy from an established project to another project shall be treated internally as a loan to be repaid to the established project as soon as the new project becomes self-sustaining or it is financially feasible.

Adopted by the North Carolina Turnpike Authority Board, this 16ⁿ day of August 2006;



Lyndo Tippet, Chairman
North Carolina Turnpike Authority

Attest:



Perry R. Safran, Secretary-Treasurer
North Carolina Turnpike Authority

Glossary

A

Accrual Basis of Accounting

Revenues and expenses are considered regardless of when cash is received or paid, expenses are recorded when an obligation has been incurred.

Audited Financial Statements

The Authority's financial statements reviewed and audited by an independent auditor.

Actual Revenue

Actual revenue is reported on a cash basis and is inclusive of the following: toll revenue, processing fees, interest earnings, credit card equity fees, non-sufficient funds fees, and actual damages.

Authority Act

2002 legislation that authorized the creation of the North Carolina Turnpike Authority 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.

All Electronic Tolling (AET)

Technology which enables cashless toll collection, either through transponders and/or license plate readers, eliminating the necessity of stopping the vehicle to pay the toll.

Automated Vehicle Identification (AVI)

A system which transmits signals from an on-board tag or transponder to roadside receivers for uses such as electronic fee collection and stolen vehicle recovery.

Annual Budget

Includes the Operations and Maintenance Budgets as well as the Renewal and Replacement Budgets for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Average Toll per Transaction

Ratio calculated by dividing toll revenue by the total number of toll transactions.

Audit

An official inspection of an organization's accounts, systems and/or processes, typically by an independent body.

B

Back Office System (BOS)

Database system that enables registration and maintenance of customer accounts; facilitates funds transfer between participating Authorities.

Balanced Budget

Annual revenues meet or exceed annual expenses including debt service, operations and maintenance costs, as well as renewal and replacement costs.

B

Bond Anticipation Notes (BANs)

A short-term interest-bearing security issued in advance of a larger, future bond issue.

Bonds

A written guarantee to pay a principal amount and/or interest at a specified date or dates known as the maturity date(s).

Business System Improvement Project (BSIP)

NCDOT surcharge costs related to the development, implementation and support of a new enterprise resource planning tool.

C

Capital Budget

The budget containing the costs related to the construction of the Complete 540 Phase 1 project.

Computer Support (CS) Costs

NCDOT surcharge costs for computer support relative to supporting the computer environment within the NCDOT Division of Highways.

Capital Expenditures

Capital expenditures are related to the construction and implementation of new Turnpike Authority projects.

Customer Service Center (CSC)

Walk in center for customers where they have the options to open or manage their accounts, purchase transponders, add funds to their accounts, settle disputes or pay invoices.

Cash Basis of Accounting

Recording transactions for revenue and expenses only when the corresponding cash is received, or payments are made.

D

Debt Coverage Ratio

The ratio of Net Debt Service to Net Revenues.

Debt Service Funds

Funds created by the Trust Agreement for the purpose of paying principal and interest on outstanding debt obligations.

D

Debt per Lane Mile

Ratio calculated by dividing bond indebtedness by total lane miles.

Department

A major administrative division of the Turnpike Authority that has overall management responsibility for a group of related operations within a functional area.

E

Electronic Toll Collection System (ETCS)

The collection of tolls based on the automatic identification and classification of vehicles using electronic systems.

E-ZPass Interagency Group (IAG)

The E-ZPass IAG is an association of 25 toll agencies in 15 states that operates the E-ZPass electronic toll collection program. E-ZPass is the world leader in toll interoperability, with more than 24 million E-ZPass devices in circulation.

F

Fiscal Year

12-month period used for the annual operating budget and reporting of the financial position of operations of the Turnpike Authority. The Authority's fiscal year begins July 1st and ends June 30th.

Fund

An account established to hold money for specific activities.

Fund Balance

Represents the difference between fund assets and fund liabilities at year-end.

G

Generally Accepted Accounting Principles (GAAP)

The conventions, rules and procedures that serve as the norm for the fair presentation of financial statements.

H

Highway Construction and Materials System (HiCAMS)

NCDOT's construction contract management and administration system.

High Occupancy Vehicle (HOV) Lanes

Lanes typically reserved for vehicles with two or more occupants.

I

Incident Management Assistance Patrol (IMAP)

State Farm serves as the official sponsor for IMAP; a free service that provides roadway assistance to stranded motorists.

International Bridge, Tunnel & Turnpike Association (IBTTA)

The worldwide alliance of toll operators and associated industries that provides a forum for sharing knowledge and ideas to promote and enhance toll-financed and other direct-user-fee-financed transportation services.

Intelligent Transportation System (ITS)

The Authority maintains a system of vehicle detectors that continuously measure traffic volumes and speeds along the roadways.

Interoperability

A cooperative arrangement established between public and/or commercial entities (Authorities, parking lot operators, etc.) wherein tags issued by one entity will be accepted at facilities belonging to all other entities without degradation in service performance.

L

Lane Miles

The total length of a road multiplied by the number of lanes.

Loop Detector

A vehicle sensor used either to count or detect the presence of a vehicle in the toll lane. The metallic mass of a vehicle located above wires laid in the concrete produce electromagnetic signals that can be sensed electronically.

M

Maintenance Rating Program (MRP)

Maintenance evaluation program for roadway features and toll facilities on the Triangle Expressway. The MRP for the Monroe Expressway is currently under development.

N

Net Revenue

The Turnpike Authority's total revenue less its operating expenditures for the fiscal year.

North Carolina Turnpike Authority (NCTA)

A business unit of the North Carolina Department of Transportation created by the Authority Act in 2002.

North Carolina Department of Information Technology (NCDIT)

A department of the North Carolina state government.

NC Quick Pass (NCQP)

The Turnpike Authority's all-electronic toll collection program on the Triangle Expressway, Monroe Expressway and I-77 Express Lanes that offers drivers two ways to pay for tolls: a pre-paid transponder account or a post-paid toll invoice.

North Carolina Department of Transportation (NCDOT)

A department of the North Carolina state government.

O

Operations & Maintenance (O&M) Budget

The budget containing the costs related to the daily operations and maintenance of the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Operating Margin

Ratio that is calculated by dividing the budgeted operating income by the budgeted operating revenue.

O

Operations & Maintenance (O&M) Expense Fund

Fund created by the Trust Agreement to pay for the operations and maintenance expenses of each facility.

Operating Revenue

Operating Revenue is reported on a modified accrual basis and is inclusive of the following: toll revenue, processing fees, interest earnings, credit card equity fees, non-sufficient funds fees, and actual damages.

Operating Cost per Lane Mile

Ratio that is calculated by dividing operating expenses by total lane miles.

P

Public-Private Partnership (P3)

A public-private partnership, sometimes referred to as PPP, or P3, is a government service or private business venture funded and operated through a partnership of government and one or more private sector companies. A PPP involves a contract between a public sector authority and a private party, in which the private party provides a public service or project and assumes substantial financial, technical and operational risk in the project.

R

Ramp-up

Term used for potential traffic on new toll facilities to account for the time needed for travelers to become aware of the new toll road and benefit from using it.

Revenue Fund

Fund created by the Trust Agreement for the purpose of depositing gross revenues arising from the operation and ownership of the Triangle Expressway and Monroe Expressway.

Renewal & Replacement (R&R) Budget

The budget containing costs related to the renewal and replacement of assets on the Triangle Expressway, Monroe Expressway and I-77 Express Lanes.

Right of Way (ROW)

Land purchased for the construction, operations and maintenance of a facility.

R

Renewal & Replacement (R&R) Fund

Special fund to which deposits are made to pay all or a portion of the cost of unusual or extraordinary maintenance, repairs, renewals or replacements or capital improvements related to the roadways.

Roadside Toll Collection System (RTCS)

Detect vehicles at the toll zones, build the proper transactions, and transmit that transaction and supporting data to the BOS.

T

Toll Invoice (TI)

Represents customers that receive a toll invoice from license plate readings. Previously referred to as Bill By Mail (BBM).

Traffic Management Center (TMC)

Serves as a location for the Authority to monitor traffic conditions on the roadways. Also referred to as the State Traffic Operating Center (STOC).

Toll Revenue

Revenue collected from the toll roads with the use of electronic toll collection devices either with transponders and or through the capture of license plate images.

Transponder

The in-vehicle device component of an ETC system. A receiver or transceiver permitting the operator's road-side unit to communicate with, identify, and conduct an electronic toll transaction.

Toll Revenue as Percent of Operating System

Ratio that is calculated by dividing toll revenue by the operating revenue.

Transportation Infrastructure Finance & Innovation Act (TIFIA)

Act from 1998 which secured loan agreements between NCTA and the United States Department of Transportation to construct the Triangle Expressway and Monroe Expressway.

Toll Revenue per Lane Mile

Ratio calculated by dividing toll revenues by the total lane miles.

Trust Agreement

The Amended and Restated Trust Agreement dated December 1, 2019 for the Triangle Expressway System and the Trust Agreement dated December 1, 2016 for the Monroe Expressway System that governs all matters relating to the bonds and the operation of the facilities.

Traffic & Revenue (T&R) Study

Purpose of the study is to develop a forty-year annual traffic and toll revenue forecast for the roadways.

Trustee

The Turnpike Authority's Trustee is Computershare Corporate Trust.

U

United States Department of Transportation (USDOT)

A federal department of the United States government.

W

Wrong Way Vehicle Detection (WWVD)

System that provides visual alerts to wrong-way vehicles. Roadside signage and lane striping helps discourage wrong-way turns.



North Carolina Turnpike Authority

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