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February 24, 2006

Memorandum

To: Grady Rankin

From: David C. Miller

CC: David Joyner

Re: Preliminary Triangle Parkway Financing Plan

Public Financial Management, Inc. ("PFM"), as financial advisor to the NCTA, has prepared this preliminary plan of finance for the Triangle Parkway project. As discussed, PFM has incorporated previously made suggestions described herein as a means to make the project toll revenue bonds more acceptable to credit market investors and to the principal parties to the overall finance plan. Our preliminary financing plan - summarized below - sets forth a recommended plan of finance which we believe to be financially feasible from a credit market perspective.

It should be noted that, beyond the "numbers", there are other issues of importance to credit rating analysts which will need to be covered as part of the credit process. These other issues include:

- A final Wilbur Smith "investment grade" traffic & revenue report,
- A HNTB's consulting engineer's report, including the features of the construction contract,
- Various project agreements relating to funding and operations, in particular any agreement that sets forth loans and/or additional non-toll revenues to fill the project "gap", and
- Development of a Toll Revenue Bonds Resolution and other financing documents.

Furthermore, we have assumed tax-exempt interest rates which are, of course, subject to market conditions and will change in the future.

Our base case plan of finance is based upon the WSA preliminary net toll revenues, which assumes the project extends to McCrimmon Parkway, and the corresponding HNTB cost estimate of $147.5 million. The base case, which is described below, resulted in a $37.996 million funding gap. This gap is assumed to be filled with a governmental loan (from US DOT, NC DOT, or some other source TBD) repaid subordinate to the toll revenue bonds. We also provided an alternate finance plan that utilized a non-toll revenue source over time, presumably from NC DOT but still TBD, in lieu on an upfront loan.

Plan of Finance Assuming a Governmental Loan

The bonds are structured as current interest bonds (CIBs) and 0% coupon, capital appreciation bonds (CABs) in order to improve debt service coverage in the early years of operations and create ascending debt service in the out years. The mix of CIBs versus CABs targets approximately level debt service coverage of 2.0 times or better. We assumed interest rates reflective of a low "BBB" investment grade quality. Because there are no revenues during construction, we must capitalize interest via bond proceeds to cover interest on the CIBs. The amount of capitalized interest is sized to cover construction and 12 months beyond the construction completion date to guard against construction delays. The debt service reserve fund is sized pursuant to the applicable Treasury regulations regarding such funds. The estimated effective true interest cost (TIC), including capitalized interest and all costs of issuance, is 6.41%. The sources and uses are shown below.

Sources		
Par Amount of Current Interest Bonds		$54,815,000.00
Par Amount of Capital Appreciation Bonds		68,194,211.20
Total Par Amount of Bonds		$123,009,211.20
+Premium/-Discount		0.00
Total Bond Proceeds		$123,009,211.20
Accrued Interest		0.00
NC DOT Loans		37,996,000.00
Local Sources		0.00
Total Sources		$161,005,211.20
Uses		
Net Construction Deposit (1)		$139,537,430.16
Debt Service Reserve Fund		12,300,921.12
Capitalized Interest		7,339,102.65
Underwriters' Discount		1,073,509.85
Other Cost of Issuance (2)		750,000.00
Accrued Interest		0.00
Contingency/Rounding		4,247.42
Total Uses		$161,005,211.20
(1) Net of estimated construction fund interest income of	$7,962,569.82	
(2) Includes Bond Counsel, Disclosure Counsel, Financial Advisor, Rating Agencies, etc.		

As indicated, the bonds achieve adequate cumulative coverage which PFM believes will warrant a low investment grade rating if the traffic and revenue study is well received and the other credit issues are addressed. The calculation of net revenues and debt service coverage is shown on the following page.

North Carolina Turnpike Authority

Triangle Parkway Financing Plan

Toll Revenue Bonds, Series 2007 With DOT Loans

Date	Gross Toll Revenues (1)	Less: Operations Expense (1)	Plus: Pledged Interest Income	Equals: Pledged Revenues	Net Debt Service (2)	Coverage (E/F)
F.Y.2007						
F.Y.2008						
F.Y.2009						
F.Y.2010	4,067,000	(1,339,000)	20,000	2,748,000		
F.Y.2011	5,976,000	(1,496,000)	66,695	4,546,695	1,122,285.14	4.051x
F.Y.2012	7,653,000	(1,637,000)	87,480	6,103,480	2,974,057.78	2.052x
F.Y.2013	8,928,000	(1,752,000)	88,185	7,264,185	2,988,177.01	2.431x
F.Y.2014	9,843,000	(1,842,000)	88,760	8,089,760	3,575,942.68	2.262x
F.Y.2015	10,850,000	(1,939,000)	89,210	9,000,210	3,993,392.57	2.254x
F.Y.2016	11,600,000	(2,021,000)	89,695	9,668,695	4,454,123.88	2.171x
F.Y.2017	12,402,000	(2,108,000)	90,105	10,384,105	4,797,968.71	2.164x
F.Y.2018	13,259,000	(2,200,000)	90,540	11,149,540	5,164,784.09	2.159x
F.Y.2019	14,178,000	(2,296,000)	91,000	11,973,000	5,553,318.95	2.156x
F.Y.2020	20,119,000	(2,283,000)	225,208	18,061,208	5,973,459.49	3.024x
F.Y.2021	21,288,000	(2,370,000)	250,000	19,168,000	8,699,216.79	2.203x
F.Y.2022	22,526,000	(2,462,000)	250,000	20,314,000	9,184,463.78	2.212x
F.Y.2023	23,836,000	(2,558,000)	250,000	21,528,000	9,703,589.67	2.219x
F.Y.2024	25,221,000	(2,658,000)	250,000	22,813,000	10,255,590.33	2.224x
F.Y.2025	26,688,000	(2,763,000)	250,000	24,175,000	10,835,442.98	2.231x
F.Y.2026	28,239,000	(2,873,000)	250,000	25,616,000	11,346,327.04	2.258x
F.Y.2027	29,881,000	(2,988,000)	250,000	27,143,000	11,905,453.61	2.280x
F.Y.2028	31,619,000	(3,108,000)	250,000	28,761,000	12,629,868.30	2.277x
F.Y.2029	33,457,000	(3,234,000)	250,000	30,473,000	13,397,951.03	2.274x
F.Y.2030	43,183,000	(3,232,000)	250,000	40,201,000	14,208,985.46	2.829x
F.Y.2031	44,047,000	(3,305,000)	250,000	40,992,000	18,641,075.13	2.199x
F.Y.2032	44,928,000	(3,380,000)	250,000	41,798,000	18,975,022.02	2.203x
F.Y.2033	45,826,000	(3,457,000)	250,000	42,619,000	19,347,816.82	2.203x
F.Y.2034	46,743,000	(3,535,000)	250,000	43,458,000	19,727,913.93	2.203x
F.Y.2035	47,678,000	(3,616,000)	250,000	44,312,000	20,120,072.89	2.202x
F.Y.2036	48,623,000	(3,698,000)	250,000	45,175,000	20,519,263.64	2.202x
F.Y.2037	49,604,000	(3,782,000)	250,000	46,072,000	20,920,315.87	2.202x
F.Y.2038	50,596,000	(3,868,000)	250,000	46,978,000	21,352,079.77	2.200x
F.Y.2039	51,608,000	(3,956,000)	250,000	47,902,000	21,804,531.65	2.197x
F.Y.2040	52,640,000	(4,046,000)	250,000	48,844,000	22,267,830.27	2.193x
F.Y.2041	53,693,000	(4,138,000)	250,000	49,805,000	22,736,420.09	2.191x
F.Y.2042	54,766,000	(4,232,000)	250,000	50,784,000	11,290,371.28	4.498x

(1) Projected values provided by Wilbur Smith and Associates in the 01/12/2006 Preliminary Traffic and Revenue Study (Interim Results)

(2) Net of Capitalized Interest and interest earnings on the DSRF

The flow of funds, that is the priority of toll revenues to repay the bonds and loan, is as follows:

- Pledged Revenues is equal to Gross Revenues less O&M costs, i.e. net operating revenues. I have included the interest earnings from the O&M Reserve Fund and the Renewal & Replacement Fund. A future discussion point with NC DOT is whether or not they will pay for maintenance and/or operations, and whether or not they would seek reimbursement of the same after debt service is paid.
- Pledged Revenues cover Net Debt Service which is gross annual debt service on the bonds less capitalized interest and less interest earnings on the debt service fund.
- PFM recommends a gradual "funding up" of the debt service reserve fund ("DSRF") over time from toll revenues. The DSRF deposit which can be legally funded from bond proceeds will be limited to less than the maximum annual debt service ("MADS"). Additional funding of the DSRF up to MADS will create a stronger security for those investors buying in the later years. The DSRF is restricted in use to the payment of bond debt service.
- PFM recommends an operations and maintenance reserve to be funded from toll revenues at two months worth of O&M expenditures. O&M Reserve balances would be restricted in use to O&M expenditures and to debt service on the bonds in the event annual cash flow was insufficient for such purposes.
- A renewal & replacement fund ("R&R Fund") should be maintained at an adequate balance from toll revenues. The R&R Fund should come behind the DSRF fund up and the O&M Reserve in the flow of funds. R&R Fund balances would be restricted in use to non-recurring maintenance expenditures as well as O&M expenditures and debt service on the bonds in the event annual cash flow was insufficient for such purposes. Given that I do not have any engineering estimates at this time, I admittedly just guessed at an appropriate annual R&R contribution.
- A loan repayment account should be established within the bond resolution flow of funds for the payment of the governmental loan. I assumed interest on unpaid balances would accrue at 3% per annum and would be paid from surplus toll revenues. I assumed that loan repayments would come after the R&R Fund, but that would be a subject for future discussion.
- Finally, the "bottom bucket" in the flow of funds would be a general reserve fund. Moneys deposited in the general reserve could be used for any lawful purpose of the NCTA. For credit purposes, however, I would suggest that the bond resolution be closed, i.e. that balances in the general reserve be limited to any of the above listed purposes, capital improvements to the NCTA system or related transportation improvements, and the redemption of outstanding bonds. I allowed $2 million to flow into the general reserve in the first two years of operations, and then all excess revenues go to loan repayment and after loan repayment into the general reserve.

The following table provides the estimated flow of funds.

North Carolina Turnpike Authority
Triangle Parkway Financing Plan
Toll Revenue Bonds, Series 2007 With DOT Loans

Date	Pledged Revenues	Less: Net Debt Service	Less: DSRF Deposit	= Excess Project Revenues	to O&M Account & O&M Reserve	Deposit to Renewal & Replacement	= Surplus Project Revenues	Deposit to Repayment of Loans	= Deposit to General Reserve
F.Y.2007	0.00								
F.Y.2008	0.00							0.00	0.00
F.Y.2009	0.00							0.00	0.00
F.Y.2010	2,748,000.00			2,748,000.00	(223,166.67)		2,524,833.33	(1,524,833.33)	1,000,000.00
F.Y.2011	4,546,695.00	(1,122,285.14)		3,424,409.86	(26,166.67)		3,398,243.19	(2,398,243.19)	1,000,000.00
F.Y.2012	6,103,480.00	(2,974,057.78)		3,129,422.22	(23,500.00)		3,105,922.22	(3,105,922.22)	0.00
F.Y.2013	7,264,185.00	(2,988,177.01)		4,276,007.99	(19,166.67)		4,256,841.32	(4,256,841.32)	0.00
F.Y.2014	8,089,760.00	(3,575,942.68)		4,513,817.32	(15,000.00)		4,498,817.32	(4,498,817.32)	0.00
F.Y.2015	9,000,210.00	(3,993,392.57)		5,006,817.43	(16,166.67)		4,990,650.76	(4,990,650.76)	0.00
F.Y.2016	9,668,695.00	(4,454,123.88)		5,214,571.12	(13,666.67)		5,200,904.45	(5,200,904.45)	0.00
F.Y.2017	10,384,105.00	(4,797,968.71)		5,586,136.29	(14,500.00)		5,571,636.29	(5,571,636.29)	0.00
F.Y.2018	11,149,540.00	(5,164,784.09)		5,984,755.91	(15,333.33)		5,969,422.57	(5,969,422.57)	0.00
F.Y.2019	11,973,000.00	(5,553,318.95)		6,419,681.05	(16,000.00)		6,403,681.05	(6,403,681.05)	0.00
F.Y.2020	18,061,207.65	(5,973,459.49)		12,087,748.17	2,166.67	(1,000,000.00)	11,089,914.83	(5,528,532.17)	5,561,382.66
F.Y.2021	19,168,000.00	(8,699,216.79)	(288,719.88)	10,180,063.33	(14,500.00)	(1,000,000.00)	9,165,563.33	0.00	9,165,563.33
F.Y.2022	20,314,000.00	(9,184,463.78)	(713,919.00)	10,415,617.22	(15,333.33)	(1,000,000.00)	9,400,283.89	0.00	9,400,283.89
F.Y.2023	21,528,000.00	(9,703,589.67)	(759,081.50)	11,065,328.83	(16,000.00)	(1,000,000.00)	10,049,328.83	0.00	10,049,328.83
F.Y.2024	22,813,000.00	(10,255,590.33)	(803,920.00)	11,753,489.67	(16,666.67)	(1,000,000.00)	10,736,823.00	0.00	10,736,823.00
F.Y.2025	24,175,000.00	(10,835,442.98)	(848,152.50)	12,491,404.52	(17,500.00)	(1,000,000.00)	11,473,904.52	0.00	11,473,904.52
F.Y.2026	25,616,000.00	(11,346,327.04)	(4,497,512.00)	9,772,160.96	(18,333.33)	(1,000,000.00)	8,753,827.62	0.00	8,753,827.62
F.Y.2027	27,143,000.00	(11,905,453.61)	(396,274.50)	14,841,271.89	(19,166.67)	(1,000,000.00)	13,822,105.22	0.00	13,822,105.22
F.Y.2028	28,761,000.00	(12,629,868.30)	(404,995.00)	15,726,136.70	(20,000.00)	(1,000,000.00)	14,706,136.70	0.00	14,706,136.70
F.Y.2029	30,473,000.00	(13,397,951.03)	(413,110.50)	16,661,938.47	(21,000.00)	(1,000,000.00)	15,640,938.47	0.00	15,640,938.47
F.Y.2030	40,201,000.00	(14,208,985.46)	(425,844.00)	25,566,170.54	333.33	(1,000,000.00)	24,566,503.87	0.00	24,566,503.87
F.Y.2031	40,992,000.00	(18,641,075.13)	(433,512.00)	21,917,412.87	(12,166.67)	(1,000,000.00)	20,905,246.21	0.00	20,905,246.21
F.Y.2032	41,798,000.00	(18,975,022.02)	(435,898.00)	22,387,079.98	(12,500.00)	(1,000,000.00)	21,374,579.98	0.00	21,374,579.98
F.Y.2033	42,619,000.00	(19,347,816.82)	(452,720.00)	22,818,463.18	(12,833.33)	(1,000,000.00)	21,805,629.85	0.00	21,805,629.85
F.Y.2034	43,458,000.00	(19,727,913.93)	(459,260.00)	23,270,826.07	(13,000.00)	(1,000,000.00)	22,257,826.07	0.00	22,257,826.07
F.Y.2035	44,312,000.00	(20,120,072.89)	(470,236.00)	23,721,691.11	(13,500.00)	(1,000,000.00)	22,708,191.11	0.00	22,708,191.11
F.Y.2036	45,175,000.00	(20,519,263.64)	(475,648.00)	24,180,088.36	(13,666.67)	(1,000,000.00)	23,166,421.69	0.00	23,166,421.69
F.Y.2037	46,072,000.00	(20,920,315.87)	(485,496.00)	24,666,188.13	(14,000.00)	(1,000,000.00)	23,652,188.13	0.00	23,652,188.13
F.Y.2038	46,978,000.00	(21,352,079.77)		25,625,920.23	(14,333.33)	(1,000,000.00)	24,611,586.90	0.00	24,611,586.90
F.Y.2039	47,902,000.00	(21,804,531.65)		26,097,468.36	(14,666.67)	(1,000,000.00)	25,082,801.69	0.00	25,082,801.69
F.Y.2040	48,844,000.00	(22,267,830.27)		26,576,169.74	(15,000.00)	(1,000,000.00)	25,561,169.74	0.00	25,561,169.74
F.Y.2041	49,805,000.00	(22,736,420.09)		27,068,579.91	(15,333.33)	(1,000,000.00)	26,053,246.58	0.00	26,053,246.58
F.Y.2042	50,784,000.00	(11,290,371.28)		39,493,628.72	(15,666.67)	(1,000,000.00)	38,477,962.06	0.00	38,477,962.06

Plan of Finance Assuming Additional Annual Non-Toll Revenues

The introduction of non-toll revenues from a reliable source such as NC DOT can dramatically improve the debt structure, improve credit ratings, lower the costs of capital, and eliminate the need for an upfront governmental loan. In this scenario, we assumed that a governmental entity dedicated to NCTA an annual payment of $3.250 million per annum for 35 years for the project. The bonds are structured as mostly current interest bonds (CIBs) with a reduced amount of capital appreciation bonds (CABs) and only slightly ascending annual debt service. Because of the stable revenues from a non-toll source and the more conservative debt structure, we targeted debt service coverage approximately 1.6 times in the early years but let it grow as toll revenues increased. High traffic growth and toll rate increases are not needed to make this scenario work which should improve the overall credit quality. We assumed interest rates reflective of a high "BBB" investment grade quality. Specifically, we assumed interest rates at 50 basis points lower than the comparable scenario maturities. Plus, the reduction of CABs further reduces interest costs as we assumed CABs carried an 85 basis points premium over CIBs. Because there now are reliable revenues during construction, we reduced the capitalized interest paid via bond proceeds during the construction period and 12 months beyond. The debt service reserve fund is still sized pursuant to the applicable Treasury regulations regarding such funds. All together, this scenario with annual revenues from a governmental source, rather than an upfront loan, produces a much more efficient financing plan. The estimated effective TIC, including capitalized interest and all costs of issuance, is 5.56%. The sources and uses are shown below followed by the coverage and flow of funds tables.

Sources		
Par Amount of Current Interest Bonds		$127,045,000.00
Par Amount of Capital Appreciation Bonds		36,318,994.30
Total Par Amount of Bonds		$163,363,994.30
+Premium/-Discount		0.00
Total Bond Proceeds		$163,363,994.30
Accrued Interest		0.00
NC DOT Loans		0.00
Local Sources		0.00
Total Sources		$163,363,994.30
Uses		
Net Construction Deposit (1)		$139,537,430.16
Debt Service Reserve Fund		14,372,568.75
Capitalized Interest		7,284,949.82
Underwriters' Discount		1,418,692.40
Other Cost of Issuance (2)		750,000.00
Accrued Interest		0.00
Contingency/Rounding		353.16
Total Uses		$163,363,994.30
(1) Net of estimated construction fund interest income of	$7,962,569.82	
(2) Includes Bond Counsel, Disclosure Counsel, Financial Advisor, Rating Agencies, etc.		

North Carolina Turnpike Authority
Triangle Parkway Financing Plan
Toll Revenue Bonds, Series 2007 With DOT Annual Payments

Date	Gross Toll Revenues (1)	Plus: NC DOT Revenues	Less: Operations Expense (1)	Plus: Pledged Interest Income	Equals: Pledged Revenues	Net Debt Service (2)	Coverage (E/F)
F.Y.2007							
F.Y.2008							
F.Y.2009							
F.Y.2010	4,067,000	0	(1,339,000)	51,119	2,779,119		
F.Y.2011	5,976,000	1,625,000	(1,496,000)	179,833	6,284,833	2,713,672.30	2.316x
F.Y.2012	7,653,000	3,250,000	(1,637,000)	250,000	9,516,000	5,878,932.10	1.619x
F.Y.2013	8,928,000	3,250,000	(1,752,000)	250,000	10,676,000	5,875,979.72	1.817x
F.Y.2014	9,843,000	3,250,000	(1,842,000)	250,000	11,501,000	6,495,447.85	1.771x
F.Y.2015	10,850,000	3,250,000	(1,939,000)	250,000	12,411,000	7,011,986.01	1.770x
F.Y.2016	11,600,000	3,250,000	(2,021,000)	250,000	13,079,000	8,316,813.83	1.573x
F.Y.2017	12,402,000	3,250,000	(2,108,000)	250,000	13,794,000	8,550,538.33	1.613x
F.Y.2018	13,259,000	3,250,000	(2,200,000)	250,000	14,559,000	8,801,400.88	1.654x
F.Y.2019	14,178,000	3,250,000	(2,296,000)	250,000	15,382,000	9,055,862.96	1.699x
F.Y.2020	20,119,000	3,250,000	(2,283,000)	250,000	21,336,000	10,306,373.16	2.070x
F.Y.2021	21,288,000	3,250,000	(2,370,000)	250,000	22,418,000	10,564,563.77	2.122x
F.Y.2022	22,526,000	3,250,000	(2,462,000)	250,000	23,564,000	10,837,824.80	2.174x
F.Y.2023	23,836,000	3,250,000	(2,558,000)	250,000	24,778,000	11,118,315.42	2.229x
F.Y.2024	25,221,000	3,250,000	(2,658,000)	250,000	26,063,000	11,405,449.61	2.285x
F.Y.2025	26,688,000	3,250,000	(2,763,000)	250,000	27,425,000	11,698,630.42	2.344x
F.Y.2026	28,239,000	3,250,000	(2,873,000)	250,000	28,866,000	11,988,574.42	2.408x
F.Y.2027	29,881,000	3,250,000	(2,988,000)	250,000	30,393,000	12,278,268.34	2.475x
F.Y.2028	31,619,000	3,250,000	(3,108,000)	250,000	32,011,000	12,571,279.03	2.546x
F.Y.2029	33,457,000	3,250,000	(3,234,000)	250,000	33,723,000	12,877,929.78	2.619x
F.Y.2030	43,183,000	3,250,000	(3,232,000)	250,000	43,451,000	13,187,630.96	3.295x
F.Y.2031	44,047,000	3,250,000	(3,305,000)	250,000	44,242,000	13,504,858.67	3.276x
F.Y.2032	44,928,000	3,250,000	(3,380,000)	250,000	45,048,000	13,829,019.03	3.257x
F.Y.2033	45,826,000	3,250,000	(3,457,000)	250,000	45,869,000	14,164,275.39	3.238x
F.Y.2034	46,743,000	3,250,000	(3,535,000)	250,000	46,708,000	14,505,081.90	3.220x
F.Y.2035	47,678,000	3,250,000	(3,616,000)	250,000	47,562,000	14,856,265.66	3.201x
F.Y.2036	48,623,000	3,250,000	(3,698,000)	250,000	48,425,000	15,217,180.20	3.182x
F.Y.2037	49,604,000	3,250,000	(3,782,000)	250,000	49,322,000	15,587,372.30	3.164x
F.Y.2038	50,596,000	3,250,000	(3,868,000)	250,000	50,228,000	15,979,596.40	3.143x
F.Y.2039	51,608,000	3,250,000	(3,956,000)	250,000	51,152,000	16,393,410.42	3.120x
F.Y.2040	52,640,000	3,250,000	(4,046,000)	250,000	52,094,000	16,819,595.19	3.097x
F.Y.2041	53,693,000	3,250,000	(4,138,000)	250,000	53,055,000	17,257,353.77	3.074x
F.Y.2042	54,766,000	3,250,000	(4,232,000)	250,000	54,034,000	3,473,014.80	15.558x

(1) Projected values provided by Wilbur Smith and Associates in the 01/12/2006 Preliminary Traffic and Revenue Study (Interim Results)

(2) Net of Capitalized Interest and interest earnings on the DSRF

North Carolina Turnpike Authority

Triangle Parkway Financing Plan

Toll Revenue Bonds, Series 2007 With DOT Annual Payments

Date	Pledged Revenues	Less: Net Debt Service	Less: DSRF Deposit	= Excess Project Revenues	to O&M Account & O&M Reserve	Deposit to Renewal & Replacement	= Surplus Project Revenues	Deposit to Repayment of Loans	= Deposit to General Reserve
F.Y.2007	0.00								
F.Y.2008	0.00							0.00	0.00
F.Y.2009	0.00							0.00	0.00
F.Y.2010	2,779,119.05			2,779,119.05	(223,166.67)		2,555,952.38	0.00	2,555,952.38
F.Y.2011	6,284,832.98	(2,713,672.30)		3,571,160.67	(26,166.67)		3,544,994.01	0.00	3,544,994.01
F.Y.2012	9,516,000.00	(5,878,932.10)		3,637,067.90	(23,500.00)		3,613,567.90	0.00	3,613,567.90
F.Y.2013	10,676,000.00	(5,875,979.72)		4,800,020.28	(19,166.67)		4,780,853.61	0.00	4,780,853.61
F.Y.2014	11,501,000.00	(6,495,447.85)		5,005,552.15	(15,000.00)		4,990,552.15	0.00	4,990,552.15
F.Y.2015	12,411,000.00	(7,011,986.01)		5,399,013.99	(16,166.67)		5,382,847.33	0.00	5,382,847.33
F.Y.2016	13,079,000.00	(8,316,813.83)		4,762,186.17	(13,666.67)		4,748,519.51	0.00	4,748,519.51
F.Y.2017	13,794,000.00	(8,550,538.33)		5,243,461.67	(14,500.00)		5,228,961.67	0.00	5,228,961.67
F.Y.2018	14,559,000.00	(8,801,400.88)		5,757,599.12	(15,333.33)		5,742,265.79	0.00	5,742,265.79
F.Y.2019	15,382,000.00	(9,055,862.96)		6,326,137.04	(16,000.00)		6,310,137.04	0.00	6,310,137.04
F.Y.2020	21,336,000.00	(10,306,373.16)		11,029,626.84	2,166.67	(1,000,000.00)	10,031,793.51	0.00	10,031,793.51
F.Y.2021	22,418,000.00	(10,564,563.77)		11,853,436.23	(14,500.00)	(1,000,000.00)	10,838,936.23	0.00	10,838,936.23
F.Y.2022	23,564,000.00	(10,837,824.80)		12,726,175.20	(15,333.33)	(1,000,000.00)	11,710,841.87	0.00	11,710,841.87
F.Y.2023	24,778,000.00	(11,118,315.42)		13,659,684.58	(16,000.00)	(1,000,000.00)	12,643,684.58	0.00	12,643,684.58
F.Y.2024	26,063,000.00	(11,405,449.61)		14,657,550.39	(16,666.67)	(1,000,000.00)	13,640,883.72	0.00	13,640,883.72
F.Y.2025	27,425,000.00	(11,698,630.42)		15,726,369.58	(17,500.00)	(1,000,000.00)	14,708,869.58	0.00	14,708,869.58
F.Y.2026	28,866,000.00	(11,988,574.42)	(313,981.25)	16,563,444.33	(18,333.33)	(1,000,000.00)	15,545,110.99	0.00	15,545,110.99
F.Y.2027	30,393,000.00	(12,278,268.34)	(352,806.00)	17,761,925.66	(19,166.67)	(1,000,000.00)	16,742,758.99	0.00	16,742,758.99
F.Y.2028	32,011,000.00	(12,571,279.03)	(364,610.00)	19,075,110.97	(20,000.00)	(1,000,000.00)	18,055,110.97	0.00	18,055,110.97
F.Y.2029	33,723,000.00	(12,877,929.78)	(370,805.00)	20,474,265.22	(21,000.00)	(1,000,000.00)	19,453,265.22	0.00	19,453,265.22
F.Y.2030	43,451,000.00	(13,187,630.96)	(381,926.00)	29,881,443.04	333.33	(1,000,000.00)	28,881,776.37	0.00	28,881,776.37
F.Y.2031	44,242,000.00	(13,504,858.67)	(392,534.00)	30,344,607.33	(12,166.67)	(1,000,000.00)	29,332,440.66	0.00	29,332,440.66
F.Y.2032	45,048,000.00	(13,829,019.03)	(402,628.00)	30,816,352.97	(12,500.00)	(1,000,000.00)	29,803,852.97	0.00	29,803,852.97
F.Y.2033	45,869,000.00	(14,164,275.39)	(411,694.00)	31,293,030.61	(12,833.33)	(1,000,000.00)	30,280,197.27	0.00	30,280,197.27
F.Y.2034	46,708,000.00	(14,505,081.90)	(419,989.00)	31,782,929.10	(13,000.00)	(1,000,000.00)	30,769,929.10	0.00	30,769,929.10
F.Y.2035	47,562,000.00	(14,856,265.66)	(432,513.00)	32,273,221.34	(13,500.00)	(1,000,000.00)	31,259,721.34	0.00	31,259,721.34
F.Y.2036	48,425,000.00	(15,217,180.20)	(444,266.00)	32,763,553.80	(13,666.67)	(1,000,000.00)	31,749,887.14	0.00	31,749,887.14
F.Y.2037	49,322,000.00	(15,587,372.30)	(454,991.00)	33,279,636.70	(14,000.00)	(1,000,000.00)	32,265,636.70	0.00	32,265,636.70
F.Y.2038	50,228,000.00	(15,979,596.40)		34,248,403.60	(14,333.33)	(1,000,000.00)	33,234,070.27	0.00	33,234,070.27
F.Y.2039	51,152,000.00	(16,393,410.42)		34,758,589.58	(14,666.67)	(1,000,000.00)	33,743,922.91	0.00	33,743,922.91
F.Y.2040	52,094,000.00	(16,819,595.19)		35,274,404.81	(15,000.00)	(1,000,000.00)	34,259,404.81	0.00	34,259,404.81
F.Y.2041	53,055,000.00	(17,257,353.77)		35,797,646.23	(15,333.33)	(1,000,000.00)	34,782,312.89	0.00	34,782,312.89
F.Y.2042	54,034,000.00	(3,473,014.80)		50,560,985.20	(15,666.67)	(1,000,000.00)	49,545,318.53	0.00	49,545,318.53

The flow of funds is the same as the base case scenario except that there is no repayment of any governmental loan. Therefore, the surplus revenues are available to help fund additional NCTA projects under a system financing concept. Also, given a couple of years of operating performance as forecast, NCTA could feasibly begin annually returning the $3.25 million payments to NCTA as toll revenues and reserves would be more than adequate to pay O&M, debt service, and R&R. As indicated, the bonds achieve cumulative coverage which PFM believes will warrant a high "BBB" quality investment grade rating if the traffic and revenue study is well received and the other credit issues are addressed.