

FY 2023 Annual

Budget Report



Providing drivers more choices for their commute



North Carolina
Turnpike Authority

as of May 27, 2022

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.



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STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

J. ERIC BOYETTE
SECRETARY

May 27, 2022

The North Carolina Turnpike Authority is pleased to submit the FY 2023 Annual Budgets for the Triangle Expressway System, Monroe Expressway, and I-77 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 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 2023 Annual Budgets (\$ millions).

	Triangle Expressway System	Monroe Expressway	I-77 Express Lanes
Projected Revenue	\$62.98	\$28.34	-
Total Operations & Maintenance Budget	\$28.03	\$16.35	\$10.02
Total Renewal & Replacement Budget	\$8.01	\$1.15	\$0.05
Total Capital Budget	\$260.46	-	-

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

Sincerely,


James J. Eden
Executive Director


David Roy
Chief Financial Officer

Mailing Address:
NC DEPARTMENT OF TRANSPORTATION
TURNPIKE AUTHORITY
1578 MAIL SERVICE CENTER
RALEIGH, NC 27699-1578

Telephone: (919) 707-2700
Fax: (919) 715-5511
Customer Service: 1-877-368-4968

Website: ncdot.gov

Location:
1 SOUTH WILMINGTON STREET
RALEIGH, NC 27601

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, 2021. 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
North Carolina**

For the Fiscal Year Beginning

July 01, 2021


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, a public agency of the State of North Carolina.

Organizational Chart as of May 27, 2022



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. J. Eric Boyette, the NCDOT Secretary of Transportation, currently serves as the Chair of the Turnpike Authority Board.

Board Members

as of May 27, 2022



J. Eric Boyette
Chairman



James 'Jim' Walker
Vice Chair



Robert D. Teer Jr.
Secretary & Treasurer



John Adcock



Mary N. Clayton



Dr. Pamela Gibson
Senegal



Sam Hunt IV



Montell W. Irvin



Charles 'Chuck'
L. Travis III

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

Turnpike Authority Projects

3

Open to Traffic
 Monroe Expressway
 I-77 Express Lanes North
 Triangle Expressway

2

Under Construction
 I-485 Express Lanes
 Complete 540 Phase 1

4

Under Development
 U.S. 74 Express Lanes
 I-77 Express Lanes South
 Complete 540 Phase 2
 Mid-Currituck Bridge



Charlotte Area	Raleigh Area	Outer Banks
<ul style="list-style-type: none"> Monroe Expressway I-77 Express Lanes North I-485 Express Lanes U.S. 74 Express Lanes I-77 Express Lanes South 	<ul style="list-style-type: none"> Triangle Expressway Complete 540 Phase 1 Complete 540 Phase 2 	<ul style="list-style-type: none"> Mid-Currituck Bridge
<p>Project status as of May 27, 2022</p> <ul style="list-style-type: none"> Open to Traffic Under Construction Under Development 		

Projects Open to Traffic



Triangle Expressway

The Triangle Expressway is a six-lane, 18.8-mile All-Electronic Toll (AET) facility, extending from the interchange of I-40 and N.C. 885 in the north, to N.C. 55 Bypass in the south, to partially complete the “Outer Loop” (I-540 / N.C. 540) around the greater Raleigh area. The Triangle Expressway opened in phases between 2011 and 2013, with the final phase opening to toll traffic on January 2, 2013.

The Triangle Expressway has earned several major engineering awards, including: the American Council of Engineering Companies (ACEC) Grand Award for Engineering Excellence in Transportation, as well as the ACEC People’s Choice Award in 2012, the Southeastern Association of State Highway and Transportation Officials (SASHTO) Best Use of Innovation in the Southeastern Region Award in 2013 and the American Concrete Pavement Association (ACPA) Gold Award for Excellence in Concrete Pavement in 2014.



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



Complete 540 Phase 1

The Complete 540 project is a greenfield project in the greater Raleigh area in North Carolina, that will link the towns of Apex, Cary, Clayton, Garner, Fuquay-Varina, Holly Springs, Knightdale and Raleigh. Phase 1 will extend the existing Triangle Expressway approximately 17.8 miles from N.C. 55 Bypass in Apex to I-40 in southeast Raleigh to partially complete the “Outer Loop”. Unlimited Notice to Proceed was issued for three Design-Build Contracts on September 26, 2019. As of March 31, 2022, design for Phase 1 is complete with the exception of minor design revisions encountered during construction. Right-of-way acquisition, utility relocations and construction are well underway for all three contracts. All 648 right of way parcels have been acquired or have entered the condemnation process, and construction is approximately 55% complete. Phase 1 is currently expected to open to traffic in Spring 2024.

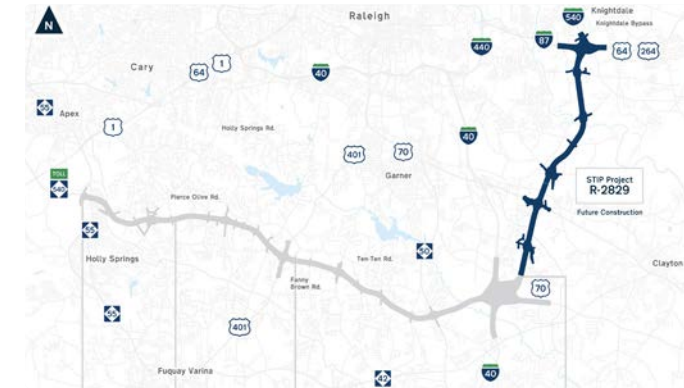


I-485 Express Lanes

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). Construction on the project began in August 2019. The Turnpike Authority will be responsible for account management, billing, and customer service for the express lanes. The I-485 Express Lanes are currently expected to open to traffic in late 2024.

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 2020 to FY 2029 with the first six years (2020 to 2025) referred to as the delivery STIP and the latter four years (2026 to 2029) as the developmental STIP. The following Turnpike Authority projects under development are listed in either the delivery STIP or developmental STIP.



Complete 540 Phase 2

The proposed Complete 540 Phase 2 project (STIP Project R-2829) will extend the Triangle Expressway System from I-40 to the U.S. 64 / U.S. 264 Bypass (I-87) in Knightdale, completing the “Outer Loop” around the greater Raleigh area.



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.



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.



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.

Turnpike Authority 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 NCDOT and NCDIT partners and stakeholders. • Develop strategies and collaborate on regional road planning. • Foster management and business relationships that reflect the region's diversity. • Participate in and lead 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 2023 Strategic Priorities

<p>Enhance Safety</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Strengthen customer relationships
<p>Execute Capital Plan</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Broaden influence as a respected leader & partner  Strengthen customer relationships
<p>Ensure Debt Coverage Ratios are Maintained at or Above Targets</p>	<ul style="list-style-type: none">  Preserve a strong financial standing
<p>Upgrade Back Office System to Cloud</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions
<p>Process Transactions for Partners</p>	<ul style="list-style-type: none">  Broaden influence as a respected leader & partner
<p>Continue to Advance Diversity</p>	<ul style="list-style-type: none">  Broaden influence as a respected leader & partner  Develop a highly qualified & engaged team
<p>Continue to Develop Staff</p>	<ul style="list-style-type: none">  Develop a highly qualified & engaged team
<p>Enhance Financial Reporting to Stakeholders</p>	<ul style="list-style-type: none">  Preserve a strong financial standing
<p>Transponder Fulfillment from Marketplaces</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions  Strengthen customer relationships
<p>Improve Audit using Automation</p>	<ul style="list-style-type: none">  Deliver data-informed transportation solutions
<p>Enhance and Update Policies and Procedures to Strengthen Internal Controls</p>	<ul style="list-style-type: none">  Preserve a strong financial standing  Develop a highly qualified & engaged team
<p>Centralize Traffic Reporting</p>	<ul style="list-style-type: none">  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. 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 additional projects are under construction and four 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, high-income 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 2011 to 2021, the counties' populations grew between 18% to 25% higher than the state at 9%. In addition, the median household income for the counties' is between \$62 thousand to \$84 thousand higher than the state at \$57 thousand.

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 regions. The Turnpike Authority staff and consultants are helping drive two major toll system implementations during the upcoming fiscal year. The first major system improvement is the new Back Office System (BOS), expected to go live during CY 2023. The BOS serves all toll facilities and is considered the central nervous system of the Authority's toll program, providing all customer and financial functions and processes. The second major system improvement is the Roadside Toll Collection System (RTCS) retrofit for the Triangle Expressway. The RTCS retrofit project is replacing all legacy equipment necessary to identify and classify all vehicles on the expressway. Both system improvement projects were previously budgeted for based on the expected lifecycle of system components.

Overall, the Authority's continued focus on customers and effective transportation solutions is the framework of the FY 2023 budget, which allocates resources appropriately to improve key financial metrics and maintain the trust of North Carolina citizens. Fundamental components regarding the budget and associated initiatives are included herein.

FY 2023 Transactions

In FY 2023, 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 over 14% in FY 2023 to 120.6 million as compared to FY 2022 budget.

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 2023 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 2023 estimated operating revenues for the Triangle Expressway and Monroe Expressway combined are \$91.3 million, an increase of 17.3% from the FY 2022 budget. The primary source (92%) of revenue is from tolls (\$83.6 million). Toll revenues for both projects are estimated to increase in FY 2023 as compared to FY 2022 budget as follows: Triangle Expressway, 20.9%; and Monroe Expressway, 11.1%. In addition, toll revenue per lane mile on the Triangle Expressway is one and a half times the revenue collected for the Monroe Expressway (\$514 thousand compared to \$324 thousand).

FY 2023 Debt Summary

Total indebtedness in FY 2023 for the Triangle Expressway and Monroe Expressway systems is expected to decrease by approximately 1.3% to \$2.5 billion. The Triangle Expressway is expected to decrease by approximately 1% to \$1.9 billion due to principal being paid on outstanding debt. The Monroe Expressway is expected to decrease by approximately 2.9% to \$607 million due to the refunding of the Series 2011 bonds in April 2021 and principal being paid on outstanding debt.

FY 2022 Operations & Maintenance Expenditures

Total anticipated O&M expenditures for FY 2023 are \$54.4 million, an increase of \$16.9 million (45%) from FY 2022 projections. By project, the total O&M budget in FY 2023 is 51.5%, 30.1% and 18.4% for the Triangle Expressway, Monroe Expressway, and I-77 Express Lanes, respectively.

The most significant contributor to the O&M budget increase for FY 2023 is an additional \$8.0 million for toll operations, up 52% from FY 2022 projections. The increase is primarily due to a delay for the roadside toll collection system maintenance implementation on the Triangle Expressway for \$6.4 million.

The next significant contributor to the O&M budget increase for FY 2023 is an additional \$7.7 million for customer service operations, up 70% from FY 2022 projections. The increase is primarily due to increased operations staff and labor rates for all projects totaling \$6.4 million.

The remaining O&M budget departments include Finance, Highway Operations, Service and Safety Patrol, Communications and Administrative. The remaining FY 2023 budget increase of \$1.2 million is primarily due to an increase of \$627 thousand in Highway Operations for additional services and increased costs for routine maintenance, an increase of \$372 thousand in Finance for increased NCDOT System Charges rates, and an increase of \$223 thousand in Communications for market research and marketing for the new back office system.

FY 2022 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, including I-77 Express Lanes. For FY 2023, total budgeted capital expenditures for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes are \$8.0 million, \$1.1 million, and \$0.05 million, respectively.

For the Triangle Expressway, over 94% (\$7.5 million) of the capital budget is primarily related to four roadway improvement projects: signs (\$3.3 million), pavement markings and markers (\$2.1 million), concrete (\$1.3 million), and slope repair (\$0.5 million). All major projects are expected due to the age of the assets.

For the Monroe Expressway, over 74% (\$0.8 million) of the capital budget is allocated to toll operations related to system enhancements for the toll collection system. In addition, \$270 thousand (24% of the total) has been allocated for roadway improvements primarily related to \$205 thousand for replacing and cleaning bridge joints and bearings.

FY 2022 Capital Expenditures

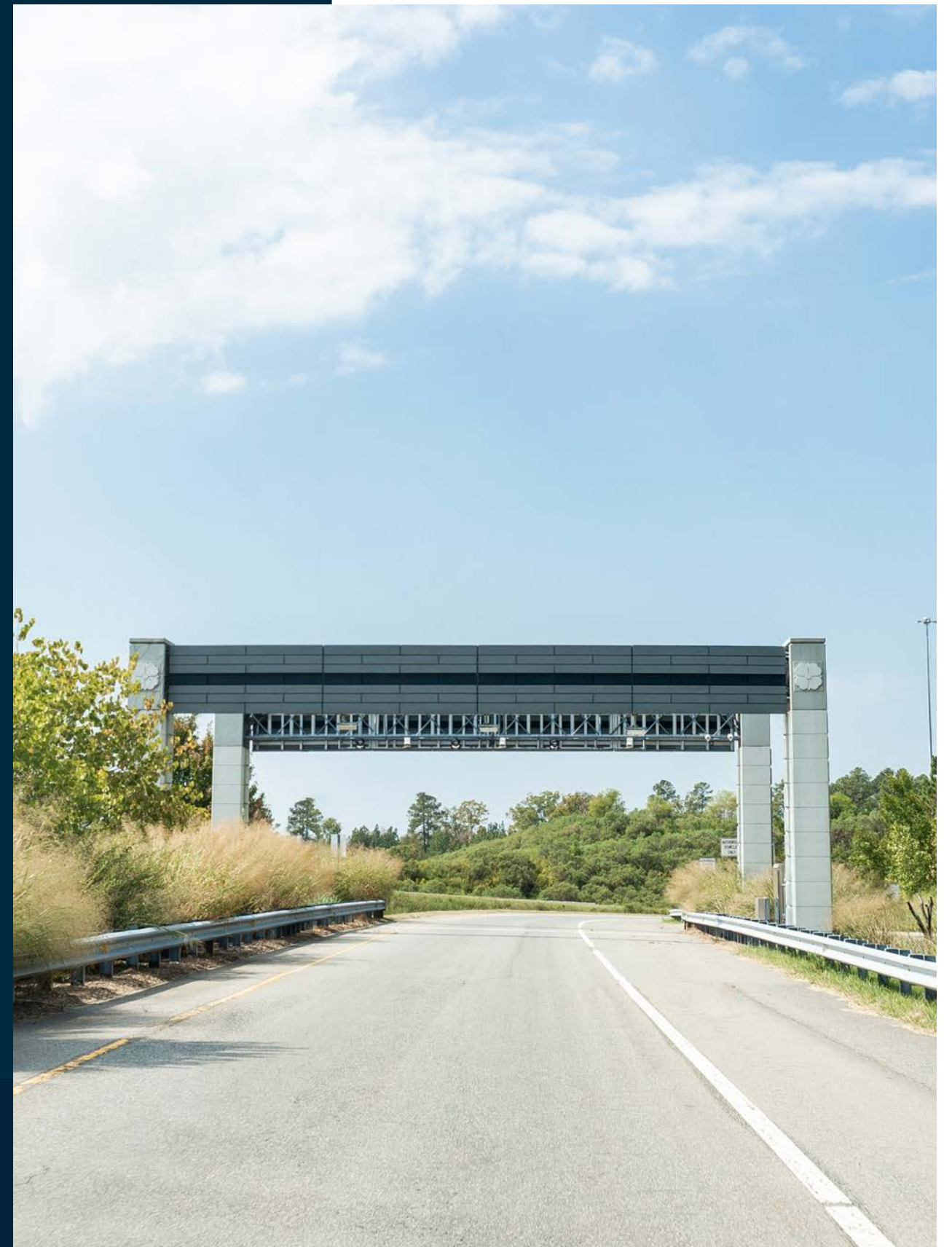
Total anticipated Capital expenditures for FY 2023 are \$260.46 million. These expenditures are related to the construction of the Complete 540 Phase 1 project which is an extension of the existing Triangle Expressway. The largest components of the FY 2023 Capital budget include Design-Build construction, agency costs, and right-of-way acquisition that have budgets of \$183.96 million, \$29.19 million, and \$36.91 million, respectively. The Complete 540 Phase 1 project is currently expected to reach final completion in Spring 2024.

Summary

The FY 2023 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

More Choices
For Your Commute



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. A financing undertaken by a private entity under a partnership agreement with the entity for the Project.
 - b. Private activity bonds issued under law related to the Project.
 - c. 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. The Monroe Expressway also receives Interest Subsidy Payments to support interest payments on Build America Bonds. 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

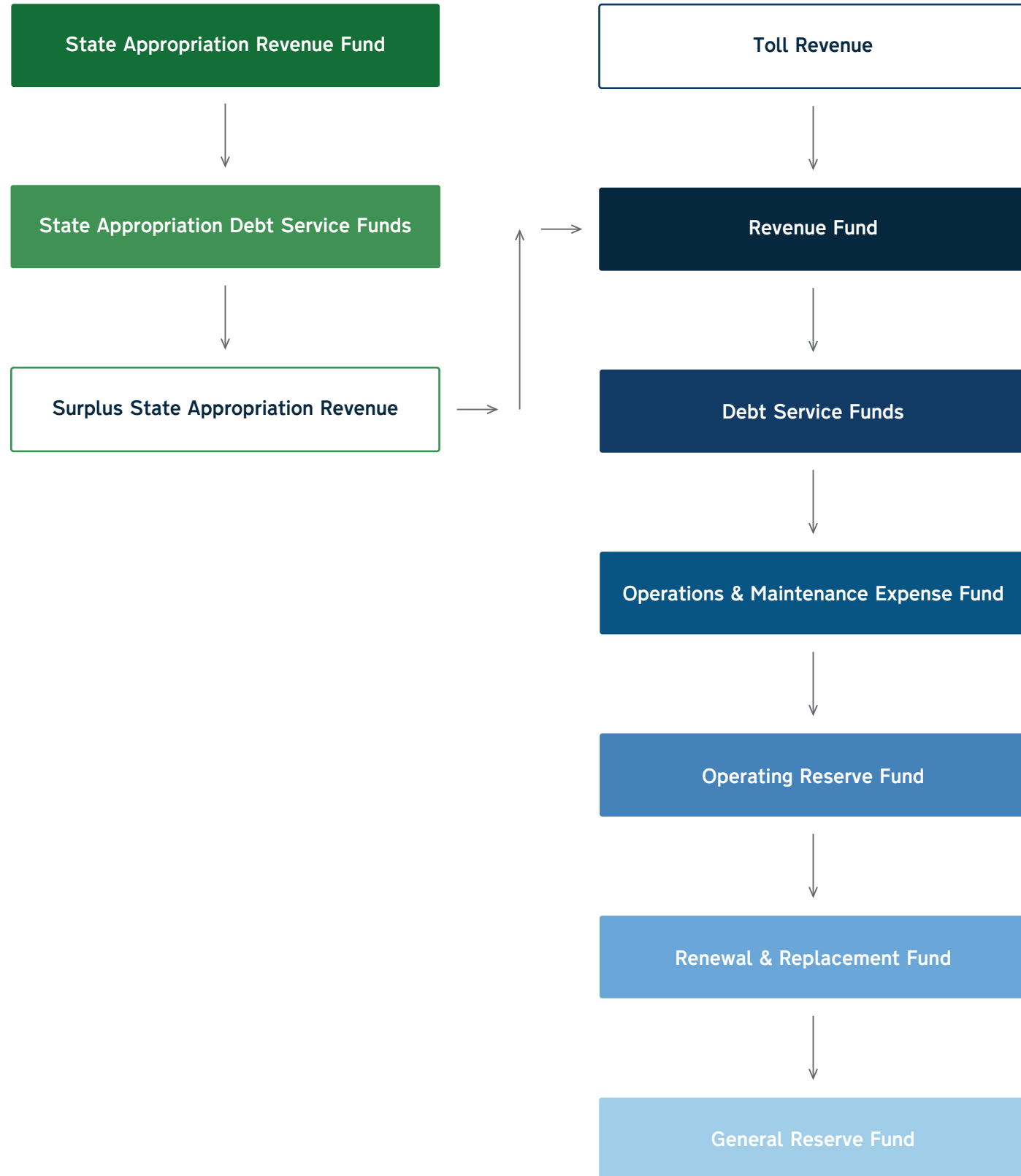
The General Reserve Fund is the last account in the flow of funds for each facility. After all required deposits are made in the accounts above, any remaining moneys shall be deposited in the General Reserve Fund. Moneys held in the General Reserve Fund shall be used for any legally available purpose, 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, 2022 along with the projected receipts and expenditures for FY 2023 and the projected ending account balances for June 30, 2023. 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 2023 due to the budgeted R&R expenditures for the year and a lower R&R Fund requirement for FY 2024. The Project Fund is used to pay for capital expenditures related to the Complete 540 Phase 1 project and is projected to spend proceeds from the NCDOT GARVEE Bonds, State matching funds and remaining Bond Anticipation Notes (BANs) to cover the FY 2023 Capital Budget. Lastly, the Unrestricted General Reserve Fund is projected to decrease due to reduced toll revenue from impacts related to the pandemic.

	FY 2022 Budget		FY 2023 Budget	
	Balance	Receipts	Expenditures ²	Balance
State Appropriation Revenue Fund	\$0	\$25,000,000	\$(25,000,000)	\$0
State Appropriation Debt Service Funds	9,375,755	25,000,000	(22,982,809)	11,392,947
Revenue Fund	0	62,979,847	(62,979,847)	0
Senior Lien Debt Service Funds	10,407,937	42,402,202	(40,605,494)	12,204,645
Operations & Maintenance Expense Fund ¹	4,047,433	28,026,615	(28,026,615)	4,047,433
Operating Reserve Fund	7,006,654	76,839	0	7,083,493
Renewal & Replacement Fund	15,341,865	3,188,260	(8,011,464)	10,518,661
Project Fund	114,617,429	226,577,169	(260,400,000)	80,794,598
Unrestricted General Reserve Fund	38,767,718	0	(6,350,826)	32,416,892

¹ All or a portion of receipts reflects transfers from the Unrestricted General Reserve.

² Reflects debt service paid on July 1, 2021 and January 1, 2022.

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, 2022 along with the projected receipts and expenditures for FY 2023 and the projected ending account balances for June 30, 2023. 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 2022 Budget		FY 2023 Budget	
	Balance	Receipts	Expenditures ¹	Balance
State Appropriation Revenue Fund	\$0	\$24,000,000	\$(24,000,000)	\$0
State Appropriation Debt Service Funds	0	25,459,136	(25,459,136)	0
Revenue Fund	0	28,341,677	(28,341,677)	0
Senior Lien Debt Service Funds	592,439	7,009,513	(7,109,263)	492,689
Senior Lien Debt Service Reserve Fund	12,138,818	0	0	12,138,818
Operations & Maintenance Expense Fund	2,748,053	16,348,049	(16,348,049)	2,748,053
Operating Reserve Fund	4,087,012	0	0	4,087,012
Renewal & Replacement Fund	11,305,918	4,934,064	(1,148,390)	\$15,091,592
TIFIA Debt Service Reserve Fund	11,831,776	0	0	11,831,776
Ramp-Up Reserve Fund	58,664,084	0	0	58,664,084
Unpledged Reserve Fund	23,943,694	0	0	23,943,694

¹ Reflects debt service paid on July 1, 2021 and January 1, 2022.

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.

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 [report of the General Engineering Consultant](#). The Authority shall file copies of its Annual Budget promptly upon availability with the Trustee and TIFIA Lender along with calculations for any required deposits into the Operations and Maintenance Expense Fund, Operating Reserve Fund, and Renewal and Replacement Fund pursuant to Section 503(i), (j), and (k).

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

Budget Procedure

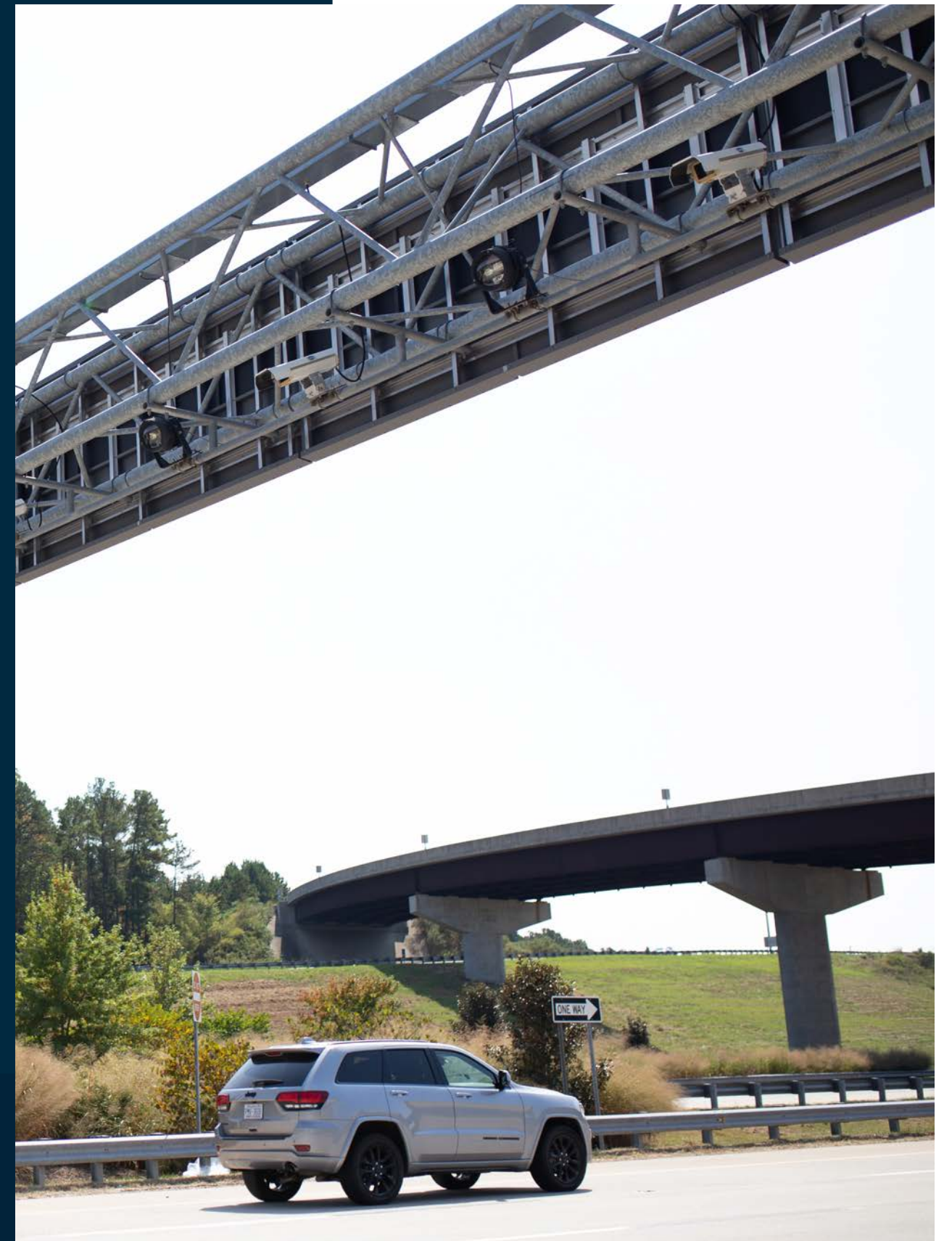
The annual budgeting process begins in November with a kick-off meeting held by the Finance Department and includes the Executive Director, Chief of Staff and all Turnpike Authority directors that oversee budget departments. The kick-off meeting provides an overview of the budgeting schedule along with 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 the middle of December. 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 and Chief of Staff. 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
November 3rd	The Finance Department held a kick-off meeting for the FY 2023 budgeting process. Attendees included the Executive Director, Chief of Staff and all NCTA directors that oversee segments of any or all of the budgets.
November 5th	The Finance Department sent the budget directors their preliminary FY 2023 O&M and R&R budgets based on their FY 2022 budgets.
December 17th	The directors submitted their requested O&M and R&R budgets as well as their FY 2023 department objectives that support the Turnpike Authority's strategic goals.
December 20th – January 12th	The Finance Department compiled all of the requested budgets they received from the directors.
January 17th – February 18th	The Finance Department followed up with directors as needed and continued to make further updates to the budget models.
March 18th	The Finance Department presented the draft FY 2023 O&M and R&R budgets to the Executive Director and Chief of Staff.
March 19th – May 9th	The Finance Department performed final reviews and edits to the O&M and R&R budgets.
May 10th	The Finance Department presented the updated and final FY 2023 O&M budgets as well as the FY 2023-2032 R&R budgets to the Executive Director and Chief of Staff and the Executive Director approved the budgets.
May 27th	The Finance Department submitted the FY 2023 Annual Budgets to the Trustee per Section 705 of the Triangle Expressway System and Monroe Expressway Trust Agreements.

Financial Summaries

More Choices
For Your Commute



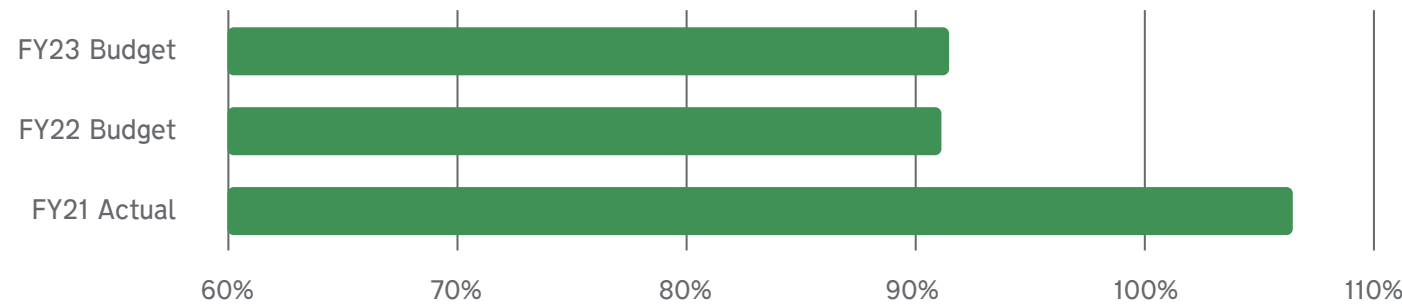
Key Financial Metrics

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 for FY21 actual is over 100% on both facilities due to a one-time change in accounting for bad debt expense from direct write-off to allowance method, resulting in decreased operating revenue. For FY23, these percentages are projected to increase slightly for both facilities as the Authority continues to recover from the pandemic.

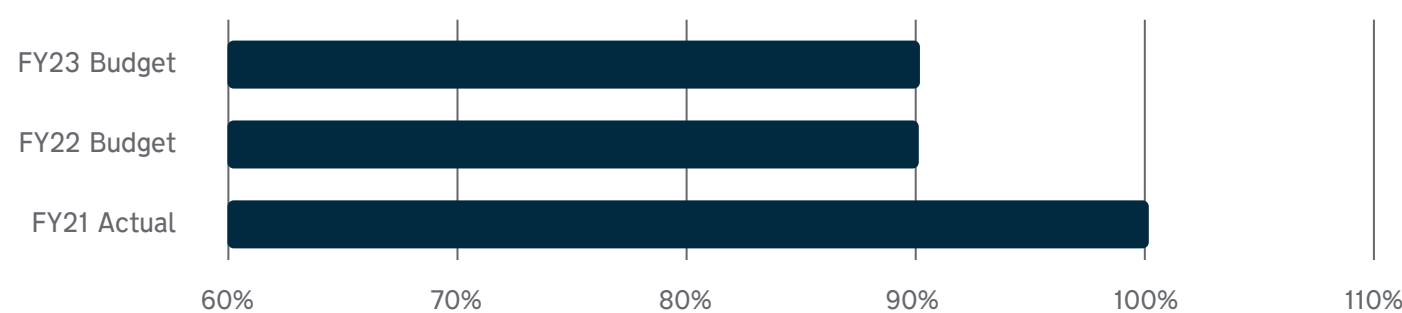
Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$38,822,097	\$47,960,000	\$57,961,000
Operating Revenue	\$36,320,187	\$52,323,000	\$62,980,000
Toll Revenue as a Percent of Operating Revenue	106.9%	91.7%	92.0%



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$22,506,530	\$23,123,000	\$25,680,000
Operating Revenue	\$22,364,475	\$25,554,000	\$28,342,000
Toll Revenue as a Percent of Operating Revenue	100.6%	90.5%	90.6%

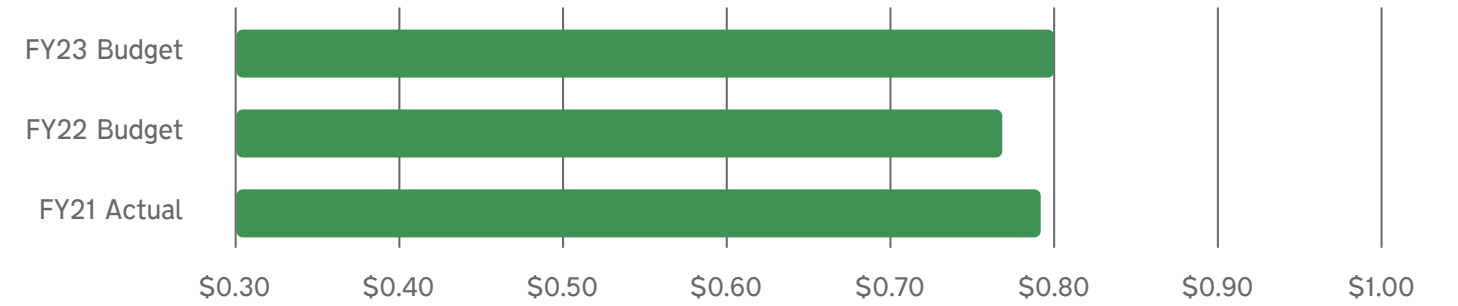


Average Toll per Transaction

The average toll per transaction is calculated by dividing toll revenue by the total number of toll transactions of each facility. The FY22 and FY23 budgets for both facilities are based on updated traffic and revenue projections, which include impacts from the pandemic. For the Triangle Expressway, the FY22 projection decreases slightly, then increases slightly as compared to FY21 actual. For the Monroe Expressway, the actual impact of the pandemic for FY21 is slightly less than projections for FY22 and FY23.

Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$38,822,097	\$47,960,000	\$57,961,000
Toll Transactions	49,068,668	61,907,000	72,645,000
Average Toll Per Transaction	\$0.79	\$0.77	\$0.80



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$22,506,530	\$23,123,000	\$25,680,000
Toll Transactions	37,661,856	43,306,000	47,935,000
Average Toll Per Transaction	\$0.60	\$0.53	\$0.54

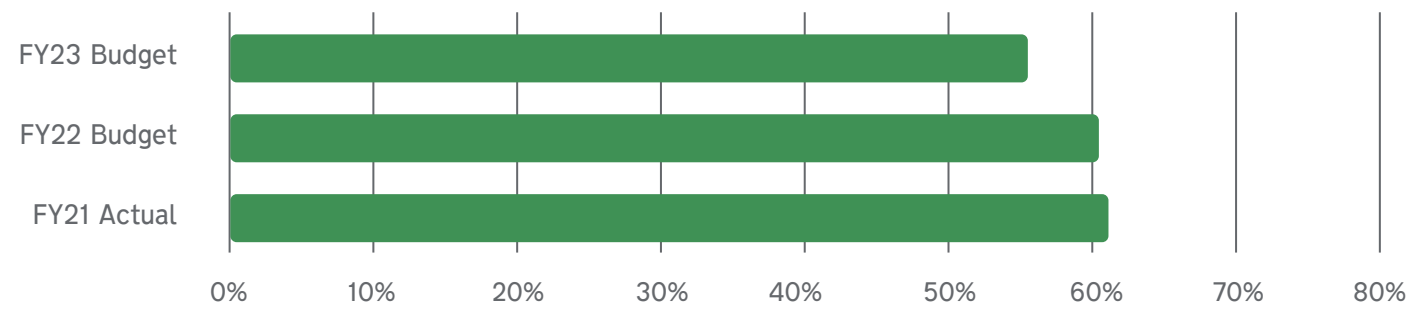


Operating Margin

The operating margin is calculated by dividing operating income by the operating revenue of each facility. The operating margin for FY22 and FY23 is projected to decrease from FY21 actual due to increased operating expenses as compared to FY21 as the Authority held expenses to a minimum as a result of the pandemic.

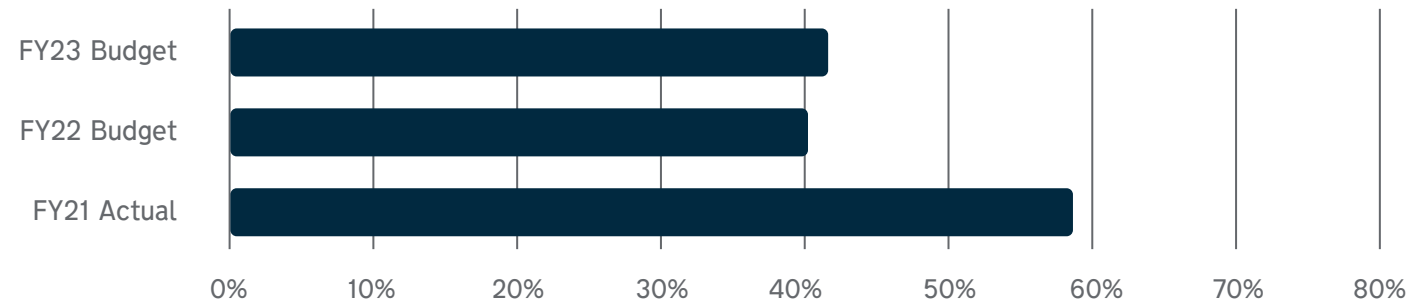
Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Operating Revenue	\$36,320,187	\$52,323,000	\$62,980,000
Operating Expenses	\$13,899,836	\$20,481,969	\$28,026,615
Operating Income	\$22,420,351	\$31,841,031	\$34,953,385
Operating Margin	61.7%	60.9%	55.5%



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Operating Revenue	\$22,364,475	\$25,554,000	\$28,342,000
Operating Expenses	\$11,204,940	\$15,051,017	\$16,348,049
Operating Income	\$11,159,535	\$10,502,983	\$11,993,951
Operating Margin	49.9%	41.1%	42.3%

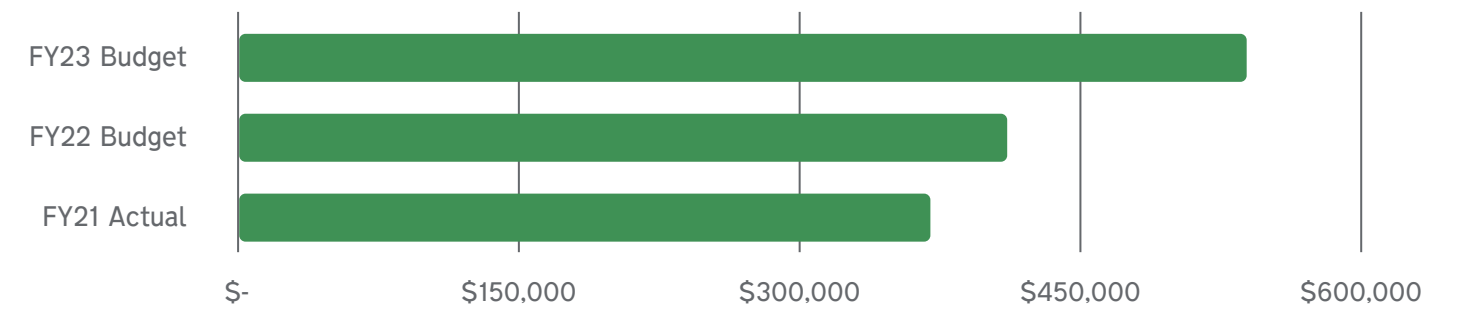


Toll Revenue per Lane Mile

Toll revenue per lane mile is calculated by dividing toll revenue by the lane miles of each facility. The toll revenue per lane mile on both facilities is expected to increase for FY22 and FY23 due to increased toll revenue projections.

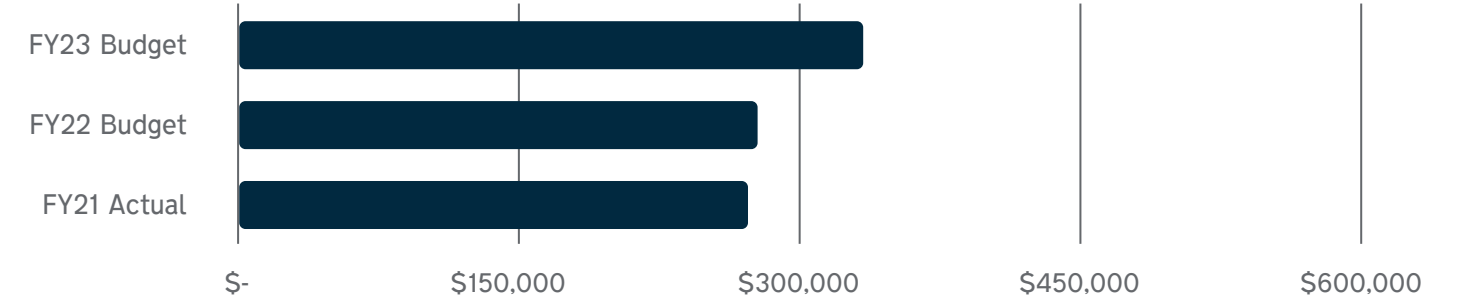
Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$38,822,097	\$47,960,000	\$57,961,000
Lane Miles	112.8	112.8	112.8
Toll Revenue per Lane Mile	\$344,167	\$425,177	\$513,839



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Toll Revenue	\$22,506,530	\$23,123,000	\$25,680,000
Lane Miles	79.2	79.2	79.2
Toll Revenue per Lane Mile	\$284,173	\$291,957	\$324,242

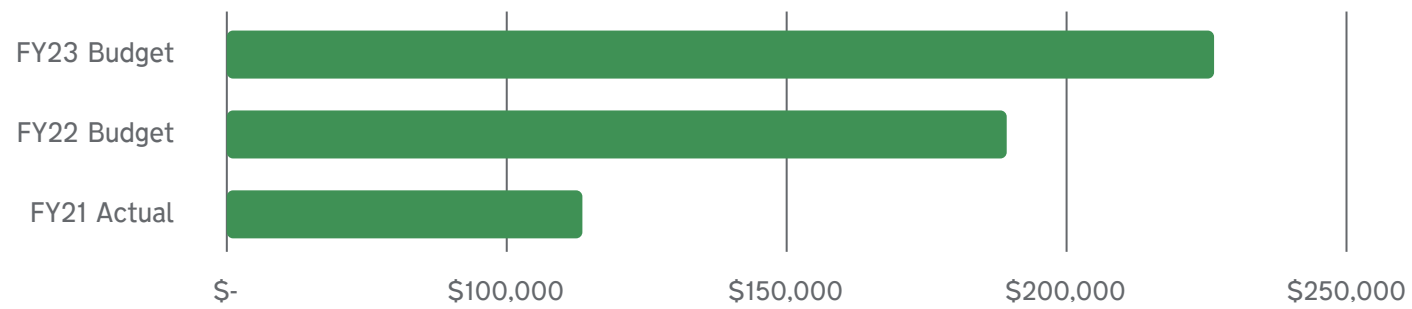


Operating Cost per Lane Mile

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 FY22 and FY23 is projected to increase from FY21 actual due to increased operating expenses as compared to FY21 as the Authority held expenses to a minimum as a result of the pandemic.

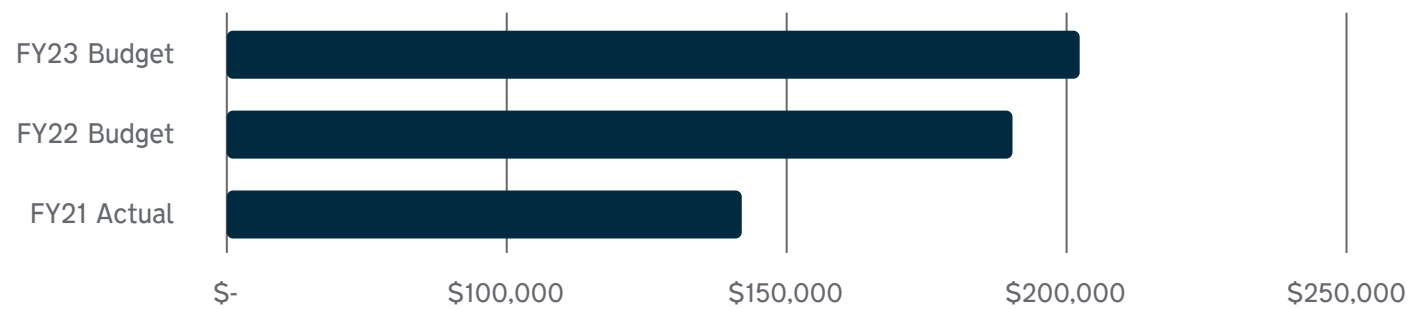
Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Operating Expenses	\$13,899,836	\$20,481,969	\$28,026,615
Lane Miles	112.8	112.8	112.8
Operating Cost per Lane Mile	\$123,225	\$181,578	\$248,463



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Operating Expenses	\$11,204,940	\$15,051,017	\$16,348,049
Lane Miles	79.2	79.2	79.2
Operating Cost per Lane Mile	\$141,476	\$190,038	\$206,415

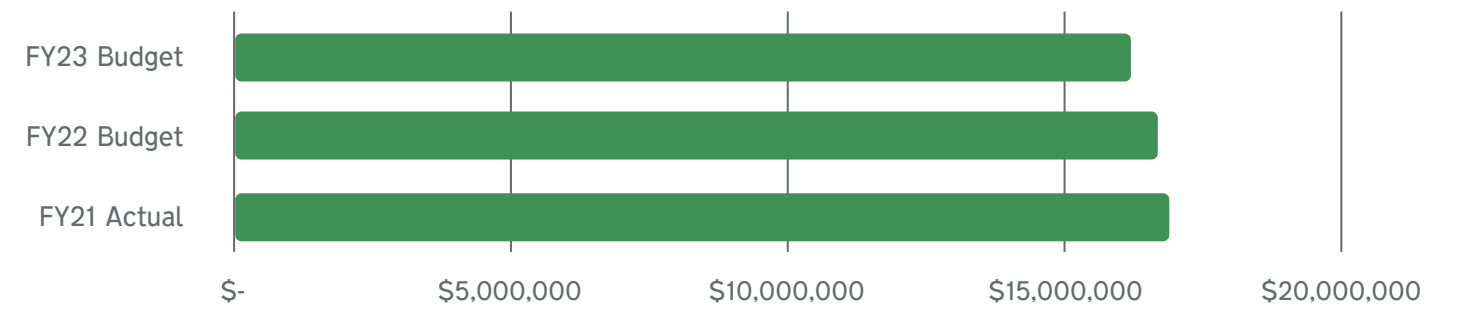


Debt per Lane Mile

Debt per lane mile is calculated by dividing the total indebtedness as of June 30 each year by the lane miles of each facility. The debt per lane mile on both the Triangle Expressway and Monroe Expressway are budgeted to decrease in FY22 and FY23 due to principal being paid on the outstanding debt.

Triangle Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Outstanding Debt	\$1,911,136,359	\$1,887,234,359	\$1,860,245,359
Lane Miles	112.8	112.8	112.8
Debt Per Lane Mile	\$16,942,698	\$16,730,801	\$16,491,537



Monroe Expressway

	FY21 Actual	FY22 Budget	FY23 Budget
Outstanding Debt	\$611,456,904	\$603,081,904	\$593,076,904
Lane Miles	79.2	79.2	79.2
Debt Per Lane Mile	\$7,720,415	\$7,614,671	\$7,488,345



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 Bill by Mail (BBM). ETC tolls are paid electronically with a transponder. These tolls are automatically deducted from a prepaid account. BBM tolls are an alternative payment option for customers without a transponder. Cameras at toll zones capture an image of the vehicle's license plate, and an invoice is mailed to the registered owner of the vehicle. Toll and processing fee revenue projections are provided from Traffic and Revenue forecasts, updated in late 2020. 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 2022 and 2023 toll rates for both the Triangle Expressway and Monroe Expressway are shown below by vehicle classification and payment type.

Toll Rates

Triangle Expressway

	CY 2022		CY 2023	
	ETC	BBM	ETC	BBM
Class 1	\$3.71	\$5.68	\$3.80	\$5.83
Class 2	7.42	11.36	7.60	11.66
Class 3	14.84	22.72	15.20	23.32


Monroe Expressway

	CY 2022		CY 2023	
	ETC	BBM	ETC	BBM
Class 1	\$2.72	\$4.20	\$2.77	\$4.30
Class 2	5.44	8.40	5.54	8.60
Class 3	10.88	16.80	11.08	17.20

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


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, Projections & Budgets for FY 2021 to FY 2023

Triangle Expressway

	FY 2021	FY 2022	FY 2022	FY 2022	FY 2023	FY 2023
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2022 Projection
Revenue						
Toll Revenue	\$36,218,184	\$47,960,000	\$47,960,000	\$-	\$57,961,000	\$10,355,375
Fee Revenue	2,860,401	4,363,000	4,363,000	-	5,019,000	(851,881)
Total	\$39,078,585	\$52,323,000	\$52,323,000	\$-	\$62,980,000	\$9,503,493
Operating Expenses						
Finance	\$719,726	\$866,468	\$843,388	\$(23,081)	\$1,108,255	\$264,867
Highway Operations	1,363,274	3,040,194	2,869,719	(170,475)	3,313,060	443,341
Service & Safety Patrol	271,350	265,000	348,565	83,565	270,600	(77,965)
Toll Operations	5,888,902	8,352,399	5,518,467	(2,833,932)	12,673,969	7,155,503
Customer Service	5,068,318	7,172,401	5,217,436	(1,954,966)	9,603,481	4,386,045
Communications	146,966	360,507	409,153	48,646	517,250	108,097
Administrative	441,302	425,000	429,384	4,384	540,000	110,616
Total	\$13,899,836	\$20,481,970	\$15,636,111	\$(4,845,859)	\$28,026,615	\$12,390,505

FY 2021 Actual Revenue is presented on a cash basis.

Totals may not add due to rounding.

Monroe Expressway

	FY 2021	FY 2022	FY 2022	FY 2022	FY 2023	FY 2023
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2022 Projection
Revenue						
Toll Revenue	\$19,348,596	\$23,102,000	\$23,102,000	\$-	\$25,680,000	\$1,755,396
Fee Revenue	1,601,832	2,531,000	2,531,000	-	2,662,000	(448,644)
Total	\$20,950,428	\$25,633,000	\$25,633,000	\$-	\$28,342,000	\$1,306,752
Operating Expenses						
Finance	\$527,987	\$686,160	\$716,284	\$30,124	\$721,671	\$5,387
Highway Operations	1,605,462	2,692,650	2,767,869	75,219	2,952,249	184,379
Service & Safety Patrol	449,658	634,520	682,901	48,381	645,640	(37,261)
Toll Operations	5,272,852	6,849,596	6,469,981	(379,615)	6,874,938	404,957
Customer Service	2,751,690	3,380,973	2,650,406	(730,567)	4,442,300	1,791,894
Communications	168,969	394,616	377,361	(17,255)	373,751	(3,609)
Administrative	428,323	412,500	416,755	4,255	337,500	(79,255)
Total	\$11,204,940	\$15,051,015	\$14,081,557	\$(969,458)	\$16,348,049	\$2,266,493

FY 2021 Actual Revenue is 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 2021	FY 2022	FY 2022	FY 2022	FY 2023	FY 2023
	Actual	Budget	Projection	Variance Projection to Budget	Budget	Variance to FY 2022 Projection
Operating Expenses						
Finance	\$353,386	\$412,315	\$378,223	\$(34,092)	\$480,600	\$102,377
Highway Operations	-	-	-	-	-	-
Service & Safety Patrol	-	-	-	-	-	-
Toll Operations	2,210,100	3,528,331	3,367,050	(161,281)	3,809,772	442,722
Customer Service	2,715,326	3,794,181	3,238,710	(555,470)	4,791,417	1,552,707
Communications	126,358	378,036	342,697	(35,339)	461,755	119,059
Administrative	428,323	412,500	416,755	4,255	472,500	55,745
Total	\$5,833,493	\$8,525,363	\$7,743,435	\$(781,928)	\$10,016,045	\$2,272,610

Totals may not add due to rounding.



FY 2023 Staffing Summary

The following table depicts the number of staffing positions the Turnpike Authority had in FY 2021 and 2022, as well as, the number of budgeted positions for FY 2023 and the change from FY 2022. The Turnpike Authority in FY 2022 budgeted for staffing to increase by four field positions and decrease by one administrative position. Field employees charge time directly to projects, whereas administrative employees charge time only to the administrative budget. Budgets for Turnpike Authority staff are presented as 'NCDOT Labor' or 'NCTA Labor' throughout the report.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Finance	2	3	3	-
Highway Operations	3	3	3	-
Service & Safety Patrol	-	-	-	-
Toll Operations	3	5	5	-
Customer Service	1	2	2	-
Communications	2	2	2	-
Administrative	6	5	5	-
Total	17	20	20	-

FY 2023 Operations & Maintenance Budgets

	Triangle Expressway	Monroe Expressway	I-77 Express Lanes
Finance	\$1,108,255	\$721,671	\$480,600
NCDOT Labor - Allocated	203,909	127,443	178,420
NCDOT Labor - Project Specific	-	3,987	2,267
Consultant Labor - Allocated	78,000	48,750	68,250
Consultant Labor - Project Specific	27,500	27,500	150,000
Professional Services - Allocated	53,335	33,334	46,668
Professional Services - Project Specific	389,606	259,050	-
NCDOT System Charges	355,905	221,607	34,995
Highway Operations	3,313,060	2,952,249	-
NCDOT Labor - Project Specific	295,984	22,666	-
Consultant Labor - Project Specific	350,000	425,000	-
Routine Maintenance	2,255,500	2,190,400	-
Damage Claims	15,000	15,000	-
Traffic Management Center Staffing & Facilities	396,576	299,183	-
Service & Safety Patrol	270,600	645,640	-
Highway Patrol	145,600	375,640	-
Incident Management Assistance Patrol	125,000	270,000	-
Toll Operations	12,673,969	6,874,938	3,809,772
NCDOT Labor - Allocated	78,491	49,057	68,679
NCDOT Labor - Project Specific	97,284	97,284	70,378
Consultant Labor - Allocated	360,985	225,616	315,862
Consultant Labor - Project Specific	340,040	312,807	38,515
Utilities	215,000	60,000	-
Electronic Toll Collection System Maintenance	151,395	98,643	-
Roadside Toll Collection System Maintenance	6,822,180	2,941,473	-
Back Office System Pass Throughs - Allocated	1,034,507	649,520	861,245
Mailhouse - Allocated	2,083,847	1,497,999	1,080,911
Collections - Allocated	118,666	85,305	61,553
Back Office System Maintenance - Allocated	1,371,576	857,235	1,200,129
HOV Application Maintenance	-	-	112,500
Customer Service	9,603,481	4,442,300	4,791,417
NCDOT Labor - Allocated	86,342	53,964	75,550
Consultant Labor - Allocated	250,979	156,862	219,606
Operations Staffing - Allocated	6,956,726	3,001,403	2,810,348
Customer Service Center Facilities - Allocated	742,427	464,017	649,624
Other - Allocated	24,000	15,000	21,000
Credit Card Expenses	1,543,006	751,054	1,015,290
Communications	517,250	373,751	461,755
NCDOT Labor - Allocated	68,450	42,781	59,894
NCDOT Labor - Project Specific	-	45,970	7,662
Consultant Labor - Allocated	192,000	120,000	168,000
Consultant Labor - Project Specific	12,000	12,000	12,000
Marketing & Communications - Allocated	244,800	153,000	214,200
Administrative	540,000	337,500	472,500
Administrative - Allocated	540,000	337,500	472,500
Total	\$28,026,615	\$16,348,049	\$10,016,045

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 2023 O&M budgets for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes broken down by department.

	Triangle Expressway	Monroe Expressway	I-77 Express Lanes
Finance	\$1,108,255	\$721,671	\$480,600
Highway Operations	3,313,060	2,952,249	-
Service & Safety Patrol	270,600	645,640	-
Toll Operations	12,673,969	6,874,938	3,809,772
Customer Service	9,603,481	4,442,300	4,791,417
Communications	517,250	373,751	461,755
Administrative	540,000	337,500	472,500
Total	\$28,026,615	\$16,348,049	\$10,016,045

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 0.54%.

Computer Support (CS) – Costs for computer support are relative to supporting the computer environment within the NCDOT Division of Highways. The current rate is 0.91%.

Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 1.25%.

Staffing Summary

The following table depicts the number of staffing positions the Finance Department had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly. The Turnpike Authority increased their Finance Department staff by one position in FY 2022 with the hiring of a budget officer. This role has historically been filled by consultant staff.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Controller	1	1	1	-
Budget Officer	-	1	1	-
Director of Program Development	1	1	1	-
Total	2	3	3	-

FY 2023 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Oversee the preparation of a sustainable financial plan to support Phase 2 of the Triangle Expressway System expansion.
- 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 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$148,024	\$221,020	\$203,909	\$(17,111)	-8%
NCDOT Labor - Allocated	131,217	169,675	203,909	34,234	20%
NCDOT Labor - Project Specific	16,807	51,345	0	(51,345)	-100%
Consultant Labor	73,097	72,300	105,500	33,200	46%
Consultant Labor - Allocated	55,499	47,300	78,000	30,700	65%
Consultant Labor - Project Specific	17,598	25,000	27,500	2,500	10%
Finance & Reporting Support	8,462	15,000	17,500	2,500	17%
Traffic & Revenue Support	9,137	10,000	10,000	0	0%
Professional Services	384,940	402,636	442,941	40,305	10%
Professional Services - Allocated	24,487	31,051	53,335	22,284	72%
Professional Services - Project Specific	360,453	371,585	389,606	18,021	5%
Rating Agencies	92,000	40,000	52,000	12,000	30%
Trustee Fees	17,790	21,000	21,000	0	0%
Investment Advisory	44,023	75,000	75,000	0	0%
Arbitrage Reports	15,000	15,000	15,000	0	0%
Bond Counsel	9,144	30,000	30,000	0	0%
Cherry Bekaert	2,700	2,800	2,800	0	0%
Continuing Disclosure Agent	750	750	750	0	0%
Business Interruption Insurance	179,026	182,035	188,056	6,021	3%
Miscellaneous	20	5,000	5,000	0	0%
NCDOT System Charges	113,666	147,431	355,905	208,474	141%
Total	\$719,726	\$843,388	\$1,108,255	\$264,867	31%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Finance Department budget for the Triangle Expressway has a variance of \$264,867 from FY 2022 projections. 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 \$(51,345) due to the Director of Program Development shifting focus from operational projects to development projects.
- NCDOT System Charges are assessed as a percentage of all project specific expenditures and have a variance of \$208,474 due to increased rates.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$138,489	\$185,223	\$131,430	\$(53,793)	-29%
NCDOT Labor - Allocated	127,357	164,685	127,443	(37,242)	-23%
NCDOT Labor - Project Specific	11,132	20,538	3,987	(16,551)	-81%
Consultant Labor	66,544	85,214	76,250	(8,964)	-11%
Consultant Labor - Allocated	53,866	45,909	48,750	2,841	6%
Consultant Labor - Project Specific	12,677	39,305	27,500	(11,805)	-30%
Finance & Reporting Support	12,677	29,305	17,500	(11,805)	-40%
Traffic & Revenue Support	0	10,000	10,000	0	0%
Professional Services	214,814	273,148	292,384	19,236	7%
Professional Services - Allocated	23,767	29,639	33,334	3,695	12%
Professional Services - Project Specific	191,047	243,509	259,050	15,541	6%
Rating Agencies	18,000	30,000	30,000	0	0%
Trustee Fees	10,000	15,000	21,000	6,000	40%
TIFIA Fees	14,000	14,500	14,500	0	0%
Investment Advisory	26,005	35,000	35,000	0	0%
Arbitrage Reports	7,000	10,000	10,000	0	0%
Bond Counsel	9,144	30,000	30,000	0	0%
Cherry Bekaert	2,700	2,800	2,800	0	0%
Continuing Disclosure Agent	750	750	750	0	0%
Business Interruption Insurance	103,449	105,459	115,000	9,541	9%
NCDOT System Charges	108,139	172,699	221,607	48,908	28%
Total	\$527,987	\$716,284	\$721,671	\$5,387	1%

Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Finance Department budget for the Monroe Expressway has a variance of \$5,387 from FY 2022 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

I-77 Express Lanes

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$130,092	\$174,954	\$180,687	\$5,733	3%
NCDOT Labor - Allocated	127,357	164,685	178,420	13,736	8%
NCDOT Labor - Project Specific	2,735	10,269	2,267	(8,002)	-78%
Consultant Labor	194,988	146,176	218,250	72,074	49%
Consultant Labor - Allocated	53,866	45,909	68,250	22,341	49%
Consultant Labor - Project Specific	141,121	100,267	150,000	49,733	50%
Finance & Reporting Support	141,121	100,267	150,000	49,733	50%
Professional Services	23,767	29,639	46,668	17,029	57%
Professional Services - Allocated	23,767	29,639	46,668	17,029	57%
NCDOT System Charges	4,540	27,454	34,995	7,541	27%
Total	\$353,386	\$378,223	\$480,600	\$102,377	27%

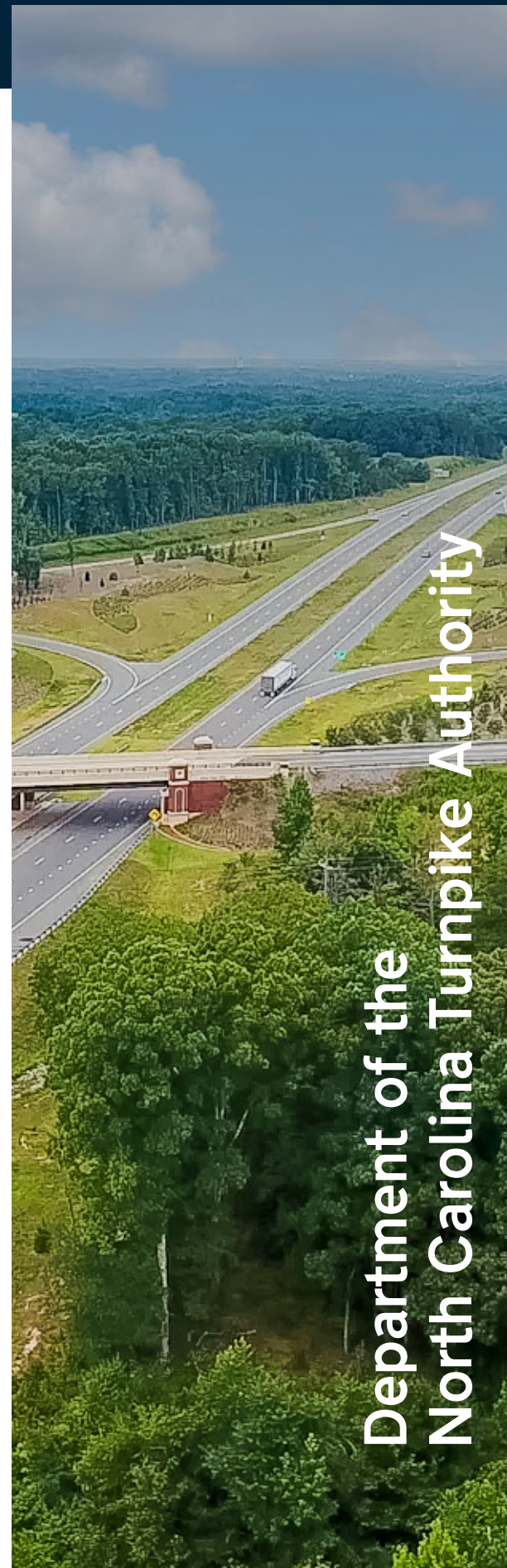
Totals may not add due to rounding.

FY 2023 I-77 Express Lanes Budget Highlights

The Finance Department budget for the I-77 Express Lanes has a variance of \$102,377 from FY 2022 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

Highway Operations



Department of the
North Carolina Turnpike Authority

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. TMC 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

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 2019	CY 2020	CY 2021
Triangle Expressway	93.0	91.5	92.7
Monroe Expressway	-	94.6*	94.8

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

Staffing Summary

The following table depicts the number of staffing positions the Highway Operations Department had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. These employees can charge time to the Triangle Expressway or Monroe Expressway.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Deputy Chief Engineer for Highway Operations	1	1	1	-
Triangle Expressway Roadway Manager	1	1	1	-
Triangle Expressway Roadway Maintenance Engineer	1	1	1	-
Total	3	3	3	-

FY 2023 Department Objectives (Supporting Turnpike Authority 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.
- 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.
- 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 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor - Project Specific	\$308,772	\$305,511	\$295,984	\$(9,526)	-3%
Consultant Labor - Project Specific	\$255,035	\$322,605	\$350,000	\$27,395	8%
Roadway Operations Support	255,035	322,605	350,000	27,395	8%
Routine Maintenance	973,035	1,916,500	2,255,500	339,000	18%
Pavement	150,777	170,000	170,000	-	0%
Roadside	231,013	665,000	665,000	-	0%
Maintenance	173,585	678,500	963,500	285,000	42%
Traffic	67,016	146,000	146,000	-	0%
Bridge	110,233	2,500	56,500	54,000	2160%
Other	25,275	-	-	-	-
Miscellaneous	215,135	254,500	254,500	-	0%
Damage Claims	(554,119)	(119,144)	15,000	134,144	-113%
Traffic Management Center Staffing & Facilities	380,551	444,247	396,576	(47,671)	-11%
Total	\$1,363,274	\$2,869,719	\$3,313,060	\$443,341	15%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Highway Operations Department budget for the Triangle Expressway has a variance of \$443,341 from FY 2022 projections. 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 \$339,000 due to increased costs for litter removal and snow and ice, as well as, a new replace bridge expansion joints cost.
- Damage Claims has a variance of \$134,144 due to increased insurance recoveries in FY 2022 which are unpredictable.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor - Project Specific	\$16,910	\$21,854	\$22,666	\$812	4%
Consultant Labor - Project Specific	356,765	432,892	425,000	(7,892)	-2%
Roadway Operations Support	356,765	432,892	425,000	(7,892)	-2%
Routine Maintenance	924,465	1,964,900	2,190,400	225,500	11%
Pavement	-	-	40,000	40,000	-
Roadside	320,773	722,000	1,027,000	305,000	42%
Maintenance	326,418	787,400	737,900	(49,500)	-6%
Traffic	33,083	73,000	73,000	-	0%
Bridge	-	25,000	25,000	-	0%
On-Call	-	100,000	30,000	(70,000)	-70%
Miscellaneous	244,191	257,500	257,500	-	0%
Damage Claims	42,885	49,048	15,000	(34,048)	-69%
Traffic Management Center Staffing	264,437	299,175	299,183	8	0%
Total	\$1,605,462	\$2,767,869	\$2,952,249	\$184,379	7%

Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Highway Operations Department budget for the Monroe Expressway has a variance of \$184,379 from FY 2022 projections. All variances within the budget that exceed \$100,000 or are greater than 25% are explained below.

- Routine Maintenance has a variance of \$225,500 primarily due to an increase in roadside vegetation enhancement.



Service & Safety Patrol



Department of the
North Carolina Turnpike Authority

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 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.

Since 2015, State Farm has served as the official sponsor of NCDOT's IMAP program, a free service that provides roadway assistance to stranded motorists, regardless of their insurance provider. IMAP services include 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 TMC of road conditions.

FY 2023 Department Objectives (Supporting Turnpike Authority 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 monthly 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 safety and service patrol budget to ensure there is adequate coverage from Highway Patrol and Incident Management Assistance Patrol.
- Coordinate with the North Carolina State 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.

Triangle Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
Highway Patrol	\$135,769	\$202,193	\$145,600	\$(56,593)	-28%
Incident Management Assistance Patrol	135,581	146,372	125,000	(21,372)	-15%
Total	\$271,350	\$348,565	\$270,600	\$(77,965)	-22%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Triangle Expressway has a variance of \$(77,965) from FY 2022 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Highway Patrol has a variance of \$(56,593) due to delayed billing from FY 2021.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
Highway Patrol	\$199,993	\$429,833	\$375,640	\$(54,193)	-13%
Incident Management Assistance Patrol	249,665	253,068	270,000	16,932	7%
Total	\$449,658	\$682,901	\$645,640	\$(37,261)	-5%

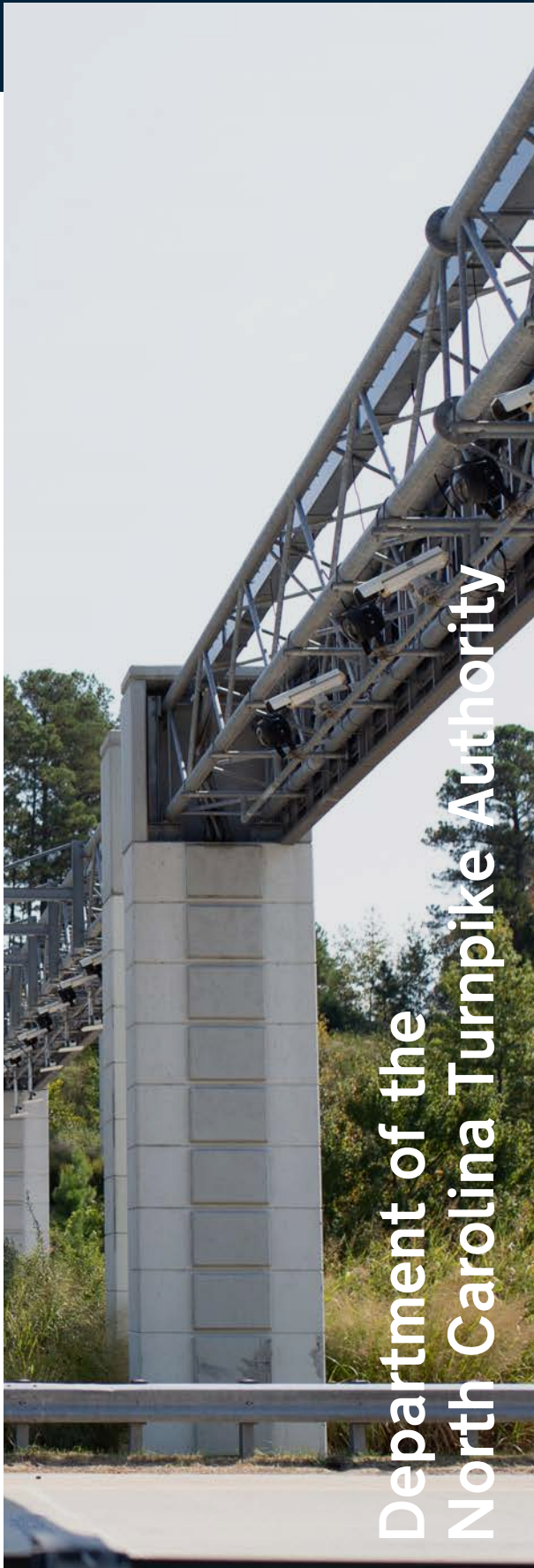
Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Service and Safety Patrol Department budget for the Monroe Expressway has a variance of \$(37,261) from FY 2022 projections. All variances within the budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- No variances to report.

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).

Staffing Summary

The following table depicts the number of staffing positions the Toll Operations Department had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly. In FY 2022, NCTA's toll operations group gained two staff members and their positions were new to the FY 2022 budget.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Chief Technology Officer	1	1	1	-
Director of Innovation and Strategy	-	1	1	-
Back Office System Manager	1	1	1	-
Business Systems Officer	-	1	1	-
Roadside Toll Collection System Manager	1	1	1	-
Total	3	5	5	-

FY 2023 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Deliver Data-Informed Transportation Solutions

- Build NCTA platform for toll collection that integrates with new technologies.
- Build independent services-based system integrator, service management, change and release management.
- Continue managed service environment but internalize change management and IT service management using enterprise service management.



Broaden Influence as a Respected Leader & Partner

- Actively participate in technical committees 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 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$111,071	\$108,258	\$175,775	\$67,517	62%
NCDOT Labor - Allocated	45,705	44,434	78,491	34,057	77%
NCDOT Labor - Project Specific	65,366	63,823	97,284	33,460	52%
Consultant Labor	710,684	505,172	701,024	195,852	39%
Consultant Labor - Allocated	218,681	117,633	360,985	243,352	207%
Consultant Labor - Project Specific	492,003	387,539	340,040	(47,500)	-12%
RTCS & ETCS Support	492,003	387,539	340,040	(47,500)	-12%
Utilities	174,431	215,000	215,000	-	0%
Electronic Toll Collection System Maintenance	115,993	202,646	151,395	(51,251)	-25%
Roadside Toll Collection System Maintenance	2,296,609	458,939	6,822,180	6,363,241	1387%
Back Office System Pass Throughs - Allocated	117,652	694,296	1,034,507	340,211	49%
Mailhouse - Allocated	1,174,639	2,179,903	2,083,847	(96,056)	-4%
Collections - Allocated	28,307	34,000	118,666	84,666	249%
Back Office System Maintenance - Allocated	1,159,515	1,120,253	1,371,576	251,323	22%
Total	\$5,888,902	\$5,518,467	\$12,673,969	\$7,155,503	130%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Toll Operations Department budget for the Triangle Expressway has a variance of \$7,155,503 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor - Allocated has a variance of \$243,352 primarily due to increased AVI support cost.
- Electronic Toll Collection System Maintenance has a variance of \$(51,251) due to delayed billing from FY 2021.
- Roadside Toll Collection System Maintenance has a variance of \$6,363,241 due to shifting FY 2022 budget for retrofit implementation delay in acceptance.
- Back Office System Pass Throughs - Allocated has a variance of \$340,211 due to additional activities being included as pass through items under the new Back Office System contract.
- Collections - Allocated is calculated based on the projected revenue for the fiscal year and has a variance of \$84,666 due to a proportional increase in projected revenue from FY 2022.
- Back Office System Maintenance - Allocated has a variance of \$251,323 due to a delay in new back office system implementation.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$83,720	\$95,528	\$146,340	\$50,812	53%
NCDOT Labor - Allocated	44,361	43,127	49,057	5,929	14%
NCDOT Labor - Project Specific	39,360	52,401	97,284	44,883	86%
Consultant Labor	658,743	492,282	538,422	46,141	9%
Consultant Labor - Allocated	212,249	114,173	225,616	111,442	98%
Consultant Labor - Project Specific	446,493	378,109	312,807	(65,302)	-17%
RTCS & ETCS Support	446,493	378,109	312,807	(65,302)	-17%
Utilities	46,346	48,095	60,000	11,905	0
Electronic Toll Collection System Maintenance	76,304	166,333	98,643	(67,690)	-41%
Roadside Toll Collection System Maintenance	2,433,083	2,663,098	2,941,473	278,376	10%
Back Office System Pass Throughs - Allocated	114,192	673,875	649,520	(24,355)	-4%
Mailhouse - Allocated	738,846	1,210,466	1,497,999	287,533	24%
Collections - Allocated	17,593	33,000	85,305	52,305	158%
Back Office System Maintenance - Allocated	1,104,024	1,087,304	857,235	(230,069)	-21%
Total	\$5,272,852	\$6,469,981	\$6,874,938	\$404,957	6%

Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Toll Operations Department budget for the Monroe Expressway has a variance of \$404,957 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor - Allocated has a variance of \$111,442 primarily due to increased AVI support cost.
- Electronic Toll Collection System Maintenance has a variance of \$(67,690) due to delayed billing from FY 2021;
- Roadside Toll Collection System Maintenance has a variance of \$278,376 due to better estimates from FY 2022.
- Mailhouse - Allocated is calculated based on projected bill by mail transactions for the fiscal year and has a variance of \$287,533 due to a proportional increase in bill by mail transactions from FY 2022.
- Collections - Allocated is calculated based on the projected revenue for the fiscal year and has a variance of \$52,305 due to a proportional increase in projected revenue from FY 2022.
- Back Office System Maintenance - Allocated has a variance of \$(230,069) due to allocation method update.

I-77 Express Lanes

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$48,483	\$45,129	\$139,058	\$93,929	208%
NCDOT Labor - Allocated	44,361	43,127	68,679	25,552	59%
NCDOT Labor - Project Specific	4,122	2,001	70,378	68,377	3417%
Consultant Labor	212,249	137,949	354,377	216,428	157%
Consultant Labor - Allocated	212,249	114,173	315,862	201,689	177%
Consultant Labor - Project Specific	-	23,775	38,515	14,740	62%
RTCS & ETCS Support	-	23,775	38,515	14,740	62%
Back Office System Pass Throughs - Allocated	114,192	673,875	861,245	187,370	28%
Mailhouse - Allocated	494,209	1,164,794	1,080,911	(83,883)	-7%
Collections - Allocated	12,195	33,000	61,553	28,553	87%
Back Office System Maintenance - Allocated	1,104,024	1,087,304	1,200,129	112,825	10%
HOV Application Maintenance	224,748	225,000	112,500	(112,500)	-50%
Total	\$2,210,100	\$3,367,050	\$3,809,772	\$442,722	13%

Totals may not add due to rounding.

FY 2023 I-77 Express Lanes Budget Highlights

The Toll Operations Department budget for the I-77 Express Lanes has a variance of \$442,722 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor - Project Specific has a variance of \$68,377 due to addition of two staff members.
- Consultant Labor - Allocated has a variance of \$201,689 due to increased AVI support cost.
- Back Office System Pass Throughs - Allocated has a variance of \$187,370 due to additional activities being included as pass through items under the new Back Office System contract.
- Back Office System Maintenance - Allocated has a variance of \$112,825 due to a delay in new back office system implementation.
- HOV Application Maintenance has a variance of \$(112,500) due to transition to new BOS system.

Customer Service



Department of the North Carolina Turnpike Authority

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.

Staffing Summary

The following table depicts the number of staffing positions the Customer Service Department had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. These employees charge time to a shared charge code to allocate their time across the three projects evenly. The Customer Service department gained one staff member in FY 2022 and their position was new to the FY 2022 budget.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Manager of Customer Service	1	1	1	-
Data Analyst	-	1	1	-
Total	1	2	2	-

FY 2023 Department Objectives (Supporting Turnpike Authority 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 DMV's 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.
- 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 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor - Allocated	\$63,139	\$66,396	\$86,342	\$19,947	30%
Consultant Labor - Allocated	142,031	194,275	250,979	56,703	29%
Operations Staffing - Allocated	3,549,320	3,387,164	6,956,726	3,569,562	105%
Customer Service Center Facility Pass Throughs - Allocated	364,189	297,074	742,427	445,354	150%
Other - Allocated	79,474	18,624	24,000	5,376	29%
Credit Card Expenses	870,164	1,253,903	1,543,006	289,103	23%
Total	\$5,068,318	\$5,217,436	\$9,603,481	\$4,386,045	84%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Customer Service Department budget for the Triangle Expressway has a variance of \$4,386,045 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor - Allocated has a variance of \$56,703 due to an additional embedded consultant.
- Operations Staffing - Allocated has a variance of \$3,569,562 due to increased staff and rates.
- Customer Service Center Facility Pass Throughs - Allocated has a variance of \$445,354 due to an additional call center location.
- Credit Card Expenses is calculated based on projected revenue for the fiscal year and has a variance of \$289,103 due to a proportional increase in projected revenue from FY 2022.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor - Allocated	\$43,803	\$64,443	\$53,964	\$(10,479)	-16%
Consultant Labor - Allocated	137,854	188,561	156,862	(31,700)	-17%
Operations Staffing - Allocated	1,695,272	1,405,993	3,001,403	1,595,410	113%
Customer Service Center Facility Pass Throughs - Allocated	353,478	288,336	464,017	175,681	61%
Other - Allocated	12,108	18,076	15,000	(3,076)	-17%
Credit Card Expenses	509,174	684,997	751,054	66,057	10%
Total	\$2,751,690	\$2,650,406	\$4,442,300	\$1,791,894	68%

Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Customer Service Department budget for the Monroe Expressway has a variance of \$1,791,894 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Operations Staffing - Allocated has a variance of \$1,595,410 due to increased staff and rates.
- Customer Service Center Facility Pass Throughs - Allocated has a variance of \$175,681 due to an additional call center location.

I-77 Express Lanes

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor - Allocated	\$62,589	\$64,443	\$75,550	\$11,107	17%
Consultant Labor - Allocated	137,854	188,561	219,606	31,045	16%
Operations Staffing - Allocated	1,639,442	1,597,719	2,810,348	1,212,629	76%
Customer Service Center Facility Pass Throughs - Allocated	353,478	288,336	649,624	361,288	125%
Other - Allocated	21,264	18,076	21,000	2,924	16%
Credit Card Expenses	500,699	1,081,575	1,015,290	(66,286)	-6%
Total	\$2,715,326	\$3,238,710	\$4,791,417	\$1,552,707	48%

Totals may not add due to rounding.

FY 2023 I-77 Express Lanes Budget Highlights

The Customer Service Department budget for the I-77 Express Lanes has a variance of \$1,552,707 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Operations Staffing - Allocated has a variance of \$1,212,629 due to increased staff and rates.
- Customer Service Center Facility Pass Throughs - Allocated has a variance of \$361,288 due to an additional call center location.

Communications



Department of the
North Carolina Turnpike Authority

Communications Department Overview

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

Staffing Summary

The following table depicts the number of staffing positions the Communications Department had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. These employees can charge time to the Triangle Expressway, Monroe Expressway, I-77 Express Lanes and/or a shared charge code to allocate their time across the three projects evenly.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Director of Communications & Marketing	1	1	1	-
Director of Outreach & Community Affairs	1	1	1	-
Total	2	2	2	-

FY 2023 Department Objectives (Supporting Turnpike Authority Strategic Goals)



Broaden Influence as a Respected Leader & Partner

- Develop strong relationships with the public, reporters and influencers across all media outlets.



Strengthen Customer Relationships

- Increase the number of NC Quick Pass Accounts.
- Educate drivers on NC Quick Pass Account options and benefits.
- Strong use of communication channels to notify customers and residents of ongoing construction and maintenance activities.
- Continually improve overall customer experience.



Preserve a Strong Financial Standing

- Increase the NC Quick Pass participation as a percent of transactions on the Triangle Expressway by two percent per year.
- Increase NC Quick Pass participation as a percent of transactions on the Monroe Expressway by five percent per year.
- Increase “on-time” payment of Bill by Mail transactions by five percent.



Develop a Highly Qualified & Engaged Team

- Develop NC Quick Pass and NCTA staff training and orientation.

Triangle Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$51,771	\$100,667	\$68,450	\$(32,216)	-32%
NCDOT Labor - Allocated	19,795	34,146	68,450	34,304	100%
NCDOT Labor - Project Specific	31,976	66,521	-	(66,521)	-100%
Consultant Labor	75,360	223,258	204,000	(19,258)	-9%
Consultant Labor - Allocated	70,210	208,258	192,000	(16,258)	-8%
Consultant Labor - Project Specific	5,150	15,000	12,000	(3,000)	-20%
Marketing & Communications Support	5,150	15,000	12,000	(3,000)	-20%
Marketing & Communications - Allocated	19,834	85,228	244,800	159,572	187%
Total	\$146,966	\$409,153	\$517,250	\$108,097	26%

Totals may not add due to rounding.

FY 2023 Triangle Expressway Budget Highlights

The Communications Department budget for the Triangle Expressway has a variance of \$108,097 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- NCDOT Labor - Project Specific has a variance of \$(66,521) due to focusing public outreach initiatives overall.
- Marketing & Communications - Allocated has a variance of \$159,572 due to an increase in market research and marketing for the new back office system.

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$78,873	\$77,506	\$88,751	\$11,245	15%
NCDOT Labor - Allocated	19,213	33,142	42,781	9,640	29%
NCDOT Labor - Project Specific	59,660	44,364	45,970	1,606	4%
Consultant Labor	70,845	217,133	132,000	(85,133)	-39%
Consultant Labor - Allocated	68,145	202,133	120,000	(82,133)	-41%
Consultant Labor - Project Specific	2,699	15,000	12,000	(3,000)	-20%
Marketing & Communications Support	2,699	15,000	12,000	(3,000)	-20%
Marketing & Communications - Allocated	\$19,251	\$82,722	\$153,000	\$70,278	85%
Total	\$168,969	\$377,361	\$373,751	\$(3,609)	-1%

Totals may not add due to rounding.

FY 2023 Monroe Expressway Budget Highlights

The Communications Department budget for the Monroe Expressway has a variance of \$(3,609) from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Consultant Labor - Allocated has a variance of \$(82,133) due to increased public outreach initiatives, which were on hold during FY 2021.
- Marketing & Communications - Allocated has a variance of \$70,278 due to an increase in market research and marketing for the new back office system.

I-77 Express Lanes

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
NCDOT Labor	\$30,281	\$42,842	\$67,555	\$24,714	58%
NCDOT Labor - Allocated	19,213	33,142	59,894	26,752	81%
NCDOT Labor - Project Specific	11,068	9,700	7,662	(2,039)	-21%
Consultant Labor	76,826	217,133	180,000	(37,133)	-17%
Consultant Labor - Allocated	68,145	202,133	168,000	(34,133)	-17%
Consultant Labor - Project Specific	8,680	15,000	12,000	(3,000)	-20%
Marketing & Communications Support	8,680	15,000	12,000	(3,000)	-20%
Marketing & Communications - Allocated	\$19,251	\$82,722	\$214,200	\$131,478	159%
Total	\$126,358	\$342,697	\$461,755	\$119,059	35%

Totals may not add due to rounding.

FY 2023 I-77 Express Lanes Budget Highlights

The Communications Department budget for the I-77 Express Lanes has a variance of \$119,059 from FY 2022 projections. All variances within each budget that exceed \$100,000 or are greater than \$50,000 and 25% are explained below.

- Marketing & Communications - Allocated has a variance of \$131,478 due to an increase in market research and marketing for the new back office system.

Administrative

Department of the
North Carolina Turnpike Authority

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.

Staffing Summary

The following table depicts the number of administrative staffing positions the Turnpike Authority had in FY 2021 and 2022, as well as, the budgeted positions for FY 2023 and the change from FY 2022. The Program Analyst position was transferred to NCDOT during FY 2021. These employees charge all of their time to the Administrative Department budget which is allocated across all operational projects evenly.

	FY 2021	FY 2022	FY 2023	Change From
	Actual	Actual	Budget	2022
Executive Director	1	1	1	-
Chief of Staff	1	1	1	-
Chief Financial Officer	1	1	1	-
Contract Administrator	1	1	1	-
Executive Assistant	1	1	1	-
Program Analyst	1	-	-	-
Total	6	5	5	-

FY 2023 Department Objectives (Supporting Turnpike Authority 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 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
Administrative – Allocated	\$441,302	\$429,384	\$540,000	\$110,616	26%
Total	\$441,302	\$429,384	\$540,000	\$110,616	26%

Monroe Expressway

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
Administrative – Allocated	\$428,323	\$416,755	\$337,500	\$(79,255)	-19%
Total	\$428,323	\$416,755	\$337,500	\$(79,255)	-19%

I-77 Express Lanes

	FY 2021	FY 2022	FY 2023	FY 2023	FY 2023
	Actuals	Projection	Budget	Variance from FY 2022 Projection (\$)	Variance from FY 2022 Projection (%)
Administrative – Allocated	\$428,323	\$416,755	\$472,500	\$55,745	13%
Total	\$428,323	\$416,755	\$472,500	\$55,745	13%

FY 2022 Budget Highlights

The Administrative expenditures for the Triangle Expressway, Monroe Expressway and I-77 Express Lanes budgets have variances from FY 2022 projections of \$110,616, \$(79,255) and \$55,745, respectively. The variances are due to updated allocation percentages to better align costs with projected revenues.

Long-Term Financial Plans



Triangle Expressway System Long-Term Financial Plan

	Actual 2021	Projected 2022	Budget 2023	Estimated 2024	Estimated 2025	Estimated 2026
1 Toll Revenue	39,078,585	52,322,709	62,979,847	78,182,407	100,753,619	112,319,986
2 Excess Annual Appropriation	11,770,469	2,002,512	2,017,192	2,030,811	2,043,681	2,028,507
Total Pledged Revenues [A]	50,849,054	54,325,222	64,997,039	80,213,218	102,797,300	114,348,493
3 Total Senior Lien Debt Service [B]	32,344,254	38,496,494	40,605,494	51,541,044	60,967,219	62,334,594
Adjustment for One Month Advance						
4 Funding of DSF	5,871,615	1,551,458	1,796,708	2,397,967	1,306,396	1,459,833
Net Senior Lien Debt Service	38,215,869	40,047,952	42,402,202	53,939,010	62,273,615	63,794,427
Senior Lien Debt Service Coverage [A / B]	1.57x	1.41x	1.60x	1.56x	1.69x	1.83x
5 TIFIA Mandatory Debt Service [C]	-	-	-	-	-	701,620
TIFIA Scheduled Debt Service (net of						
6 Mandatory) [D]	-	-	-	-	-	3,975,844
7 TIFIA Reserve Fund Deposit / (Release)	-	-	-	-	-	-
Adjustment for One Month Advance						
8 Funding of DSF & DSRF Earnings	-	-	-	-	-	(753,062)
Net TIFIA Debt Service	-	-	-	-	-	3,924,401
Senior & Mandatory TIFIA Debt Service						
Coverage [A/(B+C)]	1.57x	1.41x	1.60x	1.56x	1.69x	1.81x
Senior & All TIFIA Debt Service Coverage						
[A/(B+C+D)]	1.57x	1.41x	1.60x	1.56x	1.69x	1.71x
9 Operations & Maintenance Requirement	13,615,572	19,464,127	27,962,103	29,569,011	33,917,334	34,925,557
10 Renewal & Replacement Requirement	4,815,291	-	3,206,327	3,056,023	877,053	11,122,285
Excess Cashflow [General Reserve						
Deposit / (Withdrawal)]	(5,797,678)	(5,186,858)	(8,573,593)	(6,350,826)	5,729,298	581,823
11 General Reserve Balance	48,240,362	43,053,504	34,479,911	28,129,085	33,858,384	34,440,207

- Source: Draft Triangle Expressway and Complete 540 Phase 1 T&R Forecast Update; prepared by CDM Smith Inc.
- Scheduled annual State Appropriated Revenues of \$25,000,000 less debt service on the outstanding State Appropriation Bonds.
- Debt service on the Outstanding Senior Lien Bonds. FY 2021 includes a transfer from the General Reserve Fund to the appropriate Interest Account of the Senior Lien Debt Service Fund for the purpose of paying interest on the 2017 Bonds and 2018 Bonds on January 1, 2021.
- Reflects cash flow adjustment for one month advance funding of the debt service fund.
- Estimated mandatory debt service payments on the Series 2021 TIFIA Bond.
- Estimated scheduled debt service, net of mandatory debt service, on the Series 2021 TIFIA Bond.
- 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.
- Reflects cash flow adjustment for one month advance funding of the debt service fund and earnings on the Debt Service Reserve Fund.
- Includes deposits to the Operations and Maintenance Expense Fund and the Operating Reserve Fund.
- Estimated deposits to the Renewal and Replacement Fund.
- The General Reserve Balance is inclusive of both restricted and unrestricted reserves, but excludes debt service amounts.

Monroe Expressway Long-Term Financial Plan

	Actual 2021	Projected 2022	Budget 2023	Estimated 2024	Estimated 2025	Estimated 2026
1 Toll Revenue	20,950,428	25,633,366	28,341,677	30,023,196	31,679,912	32,801,529
2 Excess Annual Appropriation	978,533	2,416,600	2,418,749	1,442,094	1,445,529	1,457,130
3 Pledged Account Earnings	543,341	1,545,088	1,545,088	1,545,088	478,586	478,586
Total Pledged Revenue [A]	22,472,302	29,595,054	32,305,514	33,010,378	33,604,027	34,737,245
4 Total Senior Lien Debt Service [B]	5,968,594	5,969,263	7,104,513	5,912,263	5,912,263	6,827,263
Senior Lien Debt Service Coverage [A / B]	3.77x	4.96x	4.55x	5.58x	5.68x	5.09x
5 TIFIA Debt Service (Mandatory) [C]	2,528,795	2,153,661	3,915,748	6,079,469	6,607,592	6,809,396
Senior & TIFIA Debt Service Coverage						
[A/(B+C)]	2.64x	3.64x	2.93x	2.75x	2.68x	2.55x
6 Operations & Maintenance Requirement	11,443,543	15,051,017	16,672,307	16,189,948	15,858,737	16,164,162
7 Renewal & Replacement Requirement	1,470,915	6,421,114	4,612,946	4,828,699	5,225,435	4,936,425
Excess Cashflow	1,060,456	-	-	-	-	-
8 TIFIA Debt Service (Scheduled)	-	-	-	-	-	-
9 Unpledged Account Earnings	87,548	524,106	534,589	545,280	1,622,689	1,655,142
10 General Reserve Balance						
Pledged Account Including Ramp-Up						
Reserve Sub-Account	53,325,137	53,325,137	53,325,137	53,325,137	54,391,640	55,479,473
Unpledged Account	26,205,324	26,729,430	27,264,019	27,809,299	28,365,485	28,932,795
Total General Reserve Fund Balance	79,530,461	80,054,567	80,589,156	81,134,436	82,757,125	84,412,267

- Source: January 2022 Monroe Expressway T&R Forecast Update prepared by CDM Smith Inc.
- Scheduled annual State Appropriated Revenues of \$24,000,000 less debt service on the outstanding State Appropriation Bonds.
- Assumed interest earnings on the Pledged Account of the General Fund transferred to the Revenue Fund.
- Debt service on the Outstanding Senior Lien Bonds.
- Mandatory debt service payments on the Series 2016 TIFIA Bond.
- Includes deposits to the Operations and Maintenance Expense Fund and the Operating Reserve Fund.
- Estimated deposits to the Renewal and Replacement Fund.
- Scheduled debt service payments on the Series 2016 TIFIA Bond.
- Assumed interest earnings on the Unpledged Account of the General Fund.
- Includes balances in all sub-accounts of the General Reserve Fund: Ramp-Up Reserve Account, Pledged Account and Unpledged Account.

Capital & Debt

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FY 2023 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 2023 Renewal and Replacement budgets total \$8,011,464 for the Triangle Expressway System, \$1,148,390 for the Monroe Expressway, and \$49,500 for the I-77 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 1 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 2023 R&R budgets for the Triangle Expressway System, Monroe Expressway and I-77 Express Lanes broken down by department.

The existing Triangle Expressway is nearly 10 years old and is requiring a few major renewal and replacement projects for FY 2023 including, but not limited to re-sheeting signs (\$3.3 million), removing and replacing pavement markings and markers (\$2.1 million), patching and resealing concrete (\$1.3 million) and slope repair (\$0.5 million).

The Monroe Expressway is less than four years old, and requires minimal R&R for FY 2023 which includes but not limited to replacing and cleaning bridge joints and bearings (\$0.2 million) and toll collection system enhancements (\$0.8 million).

	Triangle Expressway System	Monroe Expressway	I-77 Express Lanes
Finance	\$308,464	\$28,890	\$-
NCDOT System Charges	308,464	28,890	-
Highway Operations	7,542,000	270,000	-
Roadway	7,542,000	270,000	-
Toll Operations	161,000	849,500	49,500
Facilities	110,000	-	-
Intelligent Transportation System	-	-	-
Toll Collection Systems	51,000	849,500	49,500
Total	\$8,011,464	\$1,148,390	\$49,500

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 0.54%.

Computer Support (CS) – Costs for computer support are relative to supporting the computer environment within the NCDOT Division of Highways. The current rate is 0.91%.

Special Assessments – Special Assessments are for miscellaneous items or programs that support both state and federal projects. The current rate is 1.25%.

Business Development – Costs related to the administration of the disadvantaged business enterprise program for construction projects. The current rate is 0.18%.

Construction Administration – Costs related to the administration of construction projects. The current rate is 0.39%.

Materials and Test – Labor and equipment costs related to testing of materials on construction projects. The current rate is 1.49%.

Work Zone Safety – Costs related to the State Highway Patrol patrolling speeders on construction projects. The current rate is 0.14%.

Triangle Expressway System

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Business System Improvement Project Surcharges	\$41,321	\$16,346	\$8,046	\$3,124	\$49,885
Computer Support Surcharges	69,633	27,546	13,560	5,265	84,066
Special Assessment Surcharges	95,650	37,838	18,626	7,233	115,475
Business Development Surcharges	8,334	5,040	-	-	12,906
Central Administration Surcharges	18,057	10,920	-	-	27,963
Materials & Test Surcharges	68,987	41,720	-	-	106,833
Work Zone Safety Surcharges	6,482	3,920	-	-	10,038
Total	\$308,464	\$143,329	\$40,232	\$15,622	\$407,166

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Monroe Expressway

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Business System Improvement Project Surcharges	\$5,778	\$4,174	\$1,458	\$47,591	\$4,077
Computer Support Surcharges	9,737	7,034	2,457	80,200	6,871
Special Assessment Surcharges	13,375	9,663	3,375	110,164	9,438
Business Development Surcharges	-	-	-	11,880	-
Central Administration Surcharges	-	-	-	25,740	-
Materials & Test Surcharges	-	-	-	98,340	-
Work Zone Safety Surcharges	-	-	-	9,240	-
Total	\$28,890	\$20,871	\$7,290	\$383,155	\$20,385

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Business System Improvement Project Surcharges	\$9,783	\$57,411	\$53,269	\$6,815	\$90,522
Computer Support Surcharges	16,486	96,748	89,768	11,484	152,546
Special Assessment Surcharges	22,646	132,896	123,308	15,775	209,541
Business Development Surcharges	-	11,970	14,904	-	2,340
Central Administration Surcharges	-	25,935	32,292	-	5,070
Materials & Test Surcharges	-	99,085	123,372	-	19,370
Work Zone Safety Surcharges	-	9,310	11,592	-	1,820
Total	\$48,915	\$433,355	\$448,505	\$34,074	\$481,209

Monroe Expressway (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Business System Improvement Project Surcharges	\$12,576	\$41,019	\$43,784	\$37,289	\$1,188
Computer Support Surcharges	21,193	69,124	73,783	62,839	2,002
Special Assessment Surcharges	29,112	94,951	101,351	86,317	2,750
Business Development Surcharges	-	-	-	-	-
Central Administration Surcharges	-	-	-	-	-
Materials & Test Surcharges	-	-	-	-	-
Work Zone Safety Surcharges	-	-	-	-	-
Total	\$62,882	\$205,094	\$218,918	\$186,446	\$5,940

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, underdrains, paint and miscellaneous.

Triangle Expressway System

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Asphalt Pavement	\$-	\$15,000	\$15,000	\$15,000	\$15,000
Concrete Pavement	1,300,000	-	-	-	7,170,000
Bridges	160,000	2,960,000	160,000	160,000	160,000
Pavement Markings & Markers	2,100,000	-	30,000	81,000	-
Slope Repair	500,000	-	-	-	-
Lighting	-	-	-	-	105,000
Signs	3,330,000	-	-	-	-
Underdrains	-	-	-	-	-
Paint	-	-	-	-	750,000
Landscaping	-	-	-	-	-
Miscellaneous	152,000	52,000	52,000	252,000	102,000
Total	\$7,542,000	\$3,027,000	\$257,000	\$508,000	\$8,302,000

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Asphalt Pavement	\$15,000	\$6,000,000	\$8,280,000	\$-	\$15,000
Concrete Pavement	-	650,000	-	-	1,300,000
Bridges	160,000	160,000	160,000	160,000	2,160,000
Pavement Markings & Markers	-	1,173,000	-	-	2,100,000
Slope Repair	-	-	-	-	-
Lighting	79,000	-	-	-	100,000
Signs	-	-	-	-	-
Underdrains	-	-	-	-	-
Paint	-	-	-	-	-
Landscaping	-	-	-	-	700,000
Miscellaneous	52,000	52,000	52,000	102,000	52,000
Total	\$306,000	\$8,035,000	\$8,492,000	\$262,000	\$6,427,000

Monroe Expressway

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Asphalt Pavement	\$15,000	\$15,000	\$15,000	\$6,600,000	\$-
Bridges	205,000	205,000	205,000	205,000	205,000
Pavement Markings & Markers	-	-	-	640,000	-
Slope Repair	50,000	50,000	50,000	50,000	50,000
Lighting	-	-	-	30,000	-
Total	\$270,000	\$270,000	\$270,000	\$7,525,000	\$255,000

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Monroe Expressway (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Asphalt Pavement	\$-	\$-	\$15,000	\$15,000	\$15,000
Bridges	205,000	205,000	205,000	205,000	205,000
Pavement Markings & Markers	-	-	640,000	-	-
Slope Repair	50,000	50,000	50,000	50,000	-
Lighting	30,000	-	-	-	-
Total	\$285,000	\$255,000	\$910,000	\$270,000	\$220,000

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 2023	FY 2024	FY 2025	FY 2026	FY 2027
Facilities	\$110,000	\$-	\$-	\$-	\$60,000
Vault Sealant & Seal Cracks	-	-	-	-	60,000
HVAC Replacement	110,000	-	-	-	-
Generator Replacement	-	-	-	-	-
Intelligent Transportation System	-	-	442,030	70,600	-
System Enhancements	-	-	394,030	-	-
System Enhancements – Labor	-	-	48,000	-	-
ITS & Facility Maintenance Spare Parts	-	-	-	70,600	-
Toll Collection System	51,000	51,000	828,545	407,537	1,426,062
Toll Collection System - Allocated	51,000	51,000	37,500	407,537	550,062
Toll Collection System - Project Specific	-	-	791,045	-	876,000
RTCS & ITS Refresh	-	-	-	-	-
RTCS & ITS Refresh - Labor	-	-	-	-	-
RTCS & ITS Procurement	-	-	-	-	-
ETCS Refresh	-	-	-	-	-
ETCS Refresh - Labor	-	-	-	-	-
ETCS Procurement	-	-	-	-	500,000
Loop Recuts in Asphalt Lanes	-	-	-	-	-
Loop Recuts in Asphalt Lanes - Labor	-	-	-	-	-
Loop Recuts in Concrete	-	-	-	-	340,000
Loop Recuts in Concrete - Labor	-	-	-	-	36,000
System Enhancements	-	-	591,045	-	-
System Enhancements - Labor	-	-	200,000	-	-
Total	\$161,000	\$51,000	\$1,270,575	\$478,137	\$1,486,062

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Triangle Expressway System (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Facilities	\$300,000	\$-	\$-	\$-	\$-
Vault Sealant & Seal Cracks	-	-	-	-	-
HVAC Replacement	-	-	-	-	-
Generator Replacement	300,000	-	-	-	-
Intelligent Transportation System	-	434,208	-	-	-
System Enhancements	-	386,208	-	-	-
System Enhancements – Labor	-	48,000	-	-	-
ITS & Facility Maintenance Spare Parts	-	-	-	-	-
Toll Collection System	1,610,774	2,816,345	4,321,706	1,401,472	10,736,564
Toll Collection System - Allocated	405,093	653,880	2,949,059	401,472	400,278
Toll Collection System - Project Specific	1,205,681	2,162,465	1,372,647	1,000,000	10,336,286
RTCS & ITS Refresh	-	-	-	-	9,669,620
RTCS & ITS Refresh - Labor	-	-	-	-	666,667
RTCS & ITS Procurement	-	-	-	1,000,000	-
ETCS Refresh	905,681	901,153	896,647	-	-
ETCS Refresh - Labor	300,000	300,000	300,000	-	-
ETCS Procurement	-	-	-	-	-
Loop Recuts in Asphalt Lanes	-	150,000	150,000	-	-
Loop Recuts in Asphalt Lanes - Labor	-	32,000	26,000	-	-
Loop Recuts in Concrete	-	-	-	-	-
Loop Recuts in Concrete - Labor	-	-	-	-	-
System Enhancements	-	579,312	-	-	-
System Enhancements - Labor	-	200,000	-	-	-
Total	\$1,910,774	\$3,250,553	\$4,321,706	\$1,401,472	\$10,736,564

Monroe Expressway

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Facilities	\$-	\$-	\$-	\$60,000	\$-
Vault Sealant & Seal Cracks	-	-	-	60,000	-
HVAC Replacement	-	-	-	-	-
Intelligent Transportation System	-	184,000	-	440,060	-
Vehicle Detector Loops	-	160,000	-	-	-
Vehicle Detector Loops – Labor	-	24,000	-	-	-
System Enhancements	-	-	-	392,060	-
System Enhancements – Labor	-	-	-	48,000	-
Toll Collection System	849,500	368,500	37,500	1,195,627	1,050,062
Toll Collection System - Allocated	49,500	49,500	37,500	407,537	550,062
Toll Collection System - Project Specific	800,000	319,000	-	788,090	500,000
RTCS & ITS Refresh	-	-	-	-	-
RTCS & ITS Refresh – Labor	-	-	-	-	-
RTCS & ITS Procurement	-	-	-	-	-
ETCS Refresh	-	-	-	-	-
ETCS Refresh - Labor	-	-	-	-	-
ETCS Procurement	-	-	-	-	500,000
Loop Recuts in Asphalt Lanes	-	280,000	-	-	-
Loop Recuts in Asphalt Lanes - Labor	-	39,000	-	-	-
System Enhancements	600,000	-	-	588,090	-
System Enhancements - Labor	200,000	-	-	200,000	-
Total	\$849,500	\$552,500	\$37,500	\$1,695,687	\$1,050,062

Budgets are presented in 2022 dollars.

Totals may not add due to rounding.

Monroe Expressway (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Facilities	\$-	\$110,000	\$-	\$-	\$-
Vault Sealant & Seal Cracks	-	-	-	-	-
HVAC Replacement	-	110,000	-	-	-
Intelligent Transportation System	-	-	-	184,000	-
Vehicle Detector Loops	-	-	-	160,000	-
Vehicle Detector Loops – Labor	-	-	-	24,000	-
System Enhancements	-	-	-	-	-
System Enhancements – Labor	-	-	-	-	-
Toll Collection System	2,449,045	7,884,938	10,147,128	6,852,869	400,278
Toll Collection System - Allocated	405,093	653,880	2,949,059	401,472	400,278
Toll Collection System - Project Specific	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 Procurement	1,000,000	-	-	-	-
ETCS Refresh	743,952	740,232	736,531	-	-
ETCS Refresh - Labor	300,000	300,000	300,000	-	-
ETCS Procurement	-	-	-	-	-
Loop Recuts in Asphalt Lanes	-	-	-	280,000	-
Loop Recuts in Asphalt Lanes - Labor	-	-	-	39,000	-
System Enhancements	-	-	-	-	-
System Enhancements - Labor	-	-	-	-	-
Total	\$2,449,045	\$7,994,938	\$10,147,128	\$7,036,869	\$400,278

I-77 Express Lanes

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Toll Collection System	\$49,500	\$49,500	\$37,500	\$407,537	\$550,062
Toll Collection System - Allocated	49,500	49,500	37,500	407,537	550,062
Total	\$49,500	\$49,500	\$37,500	\$407,537	\$550,062

Budgets are presented in 2022 dollars.

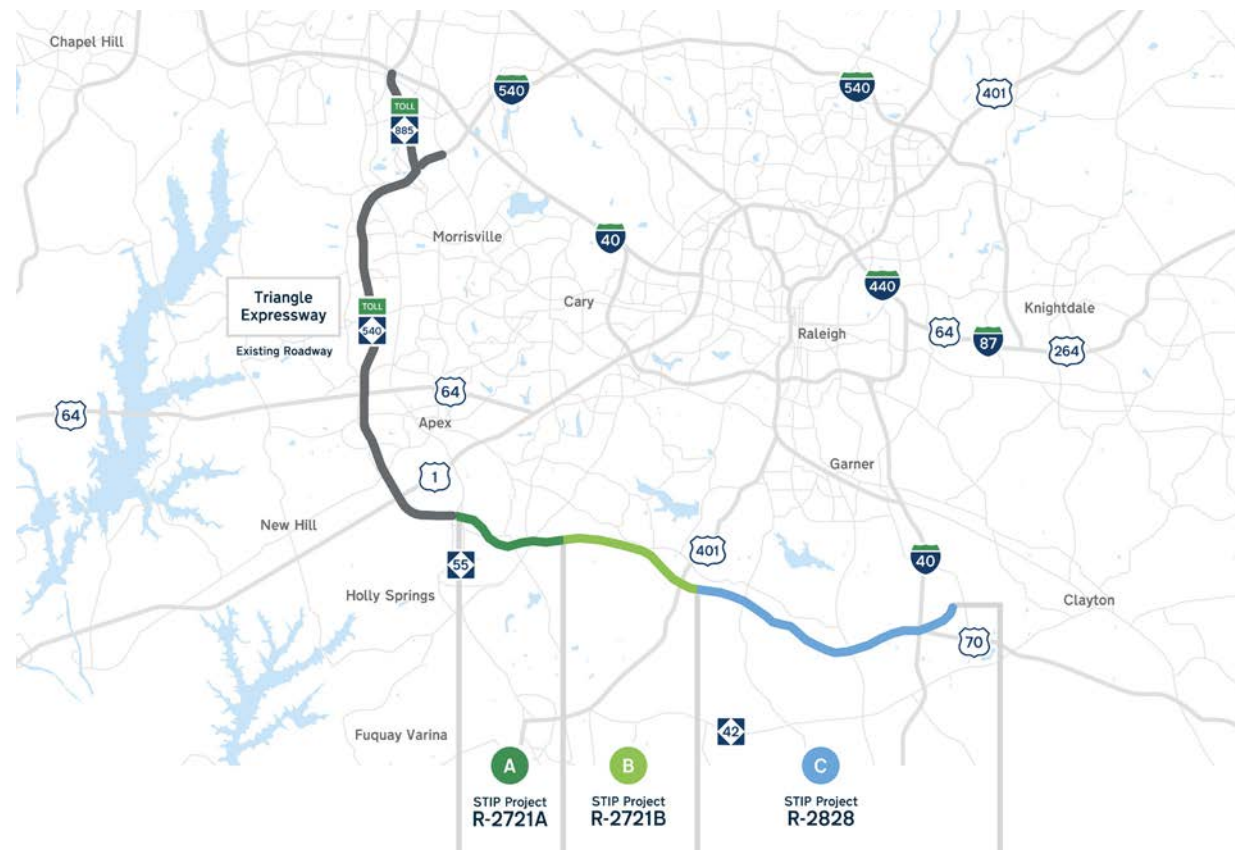
I-77 Express Lanes (continued)

	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Toll Collection System	\$405,093	\$653,880	\$2,949,059	\$401,472	\$400,278
Toll Collection System - Allocated	405,093	653,880	2,949,059	401,472	400,278
Total	\$405,093	\$653,880	\$2,949,059	\$401,472	\$400,278

FY 2023 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 2023 Capital Budget for the Turnpike Authority is inclusive of costs related to the construction of the Complete 540 Phase 1 project. The Complete 540 Phase 1 project is an extension of the existing Triangle Expressway and is divided into three construction contracts designated as R-2721A, R-2721B and R-2828 as shown in the map below. The project is currently expected to reach Substantial Completion in Spring 2024. Once open to traffic, expenditures for the Complete 540 Phase 1 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 50 percent in FY 2024 when the Complete 540 Phase 1 project opens. R&R expenditures for the project are shown in the current Triangle Expressway System R&R budget starting as early as FY 2027. 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 1 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. As of May 27, 2022, the Turnpike Authority has not drawn on the TIFIA Loan.



The FY 2023 Capital Budget for the Complete 540 Phase 1 project totals \$260.46 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 2023 capital expenditures will be paid for with proceeds from the Triangle Expressway System Revenue Bond Anticipation Notes that were issued in October 2020, NCDOT GARVEE Bonds and State matching funds.

Complete 540 Phase 1 Capital Budget (\$ millions)	FY 2023
Construction	\$183.96
Toll Integration	10.41
Right of Way	36.91
Utilities	0
Agency Costs	29.19
Total	\$260.46

Totals may not add due to rounding.

Construction

The Turnpike Authority procured three Design-Build contracts for the construction of the Complete 540 Phase 1 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.

Construction (\$ millions)	FY 2023
R-2721A	\$45.76
R-2721B	38.48
R-2828	99.72
Total	\$183.96

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 (\$ millions)	FY 2023
R-2721A	\$1.94
R-2721B	3.42
R-2828	5.05
Total	\$10.41

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. The final component of the budget includes consultant costs for R-2721A and R-2721B as the right-of-way consultant costs for R-2828 are included in the Design-Build contract for that segment.

Right of Way (\$ millions)	FY 2023
R-2721A	\$12.74
R-2721B	13.88
R-2828	10.29
Total	\$36.91

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 (\$ millions)	FY 2023
R-2721A	\$0
R-2721B	0
R-2828	0
Total	\$0

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 (\$ millions)	FY 2023
R-2721A	\$9.15
R-2721B	6.36
R-2828	13.68
Total	\$29.19

Totals may not add due to rounding.



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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	-	-	-	\$147,592,000	1/1/32
Appropriation Revenue Bonds, Series 2019	New money: Complete 540 Phase 1 Capital	Aa1	AA+	AA+	\$125,596,750	1/1/49
Senior Lien Revenue Bonds, Series 2009B	New money: Triangle Expressway Capital	Baa2	BBB	BBB	\$85,943,637	1/1/38
Senior Lien Revenue Refunding Bonds, Series 2017	Refunding for Savings	-	BBB	BBB	\$171,510,000	1/1/39
Senior Lien Revenue Refunding Bonds, Series 2018	Refunding for Savings	-	BBB	BBB	\$396,420,000	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 Bond Anticipation Notes, Series 2020	To be paid off by the 2021 TIFIA Loan upon maturity	-	BBB	BBB	\$499,460,000	2/1/24
TIFIA Loan, 2021 ³	New money: Complete 540 Phase 1 Capital	-	BBB	BBB	\$-	1/1/58

¹ Underlying Ratings as of April 8, 2022

² Outstanding Par as of July 1, 2022

³ As of May 27, 2022, NCTA had not drawn on the TIFIA Loan

Monroe Expressway

Series	Purpose	Ratings ¹			Outstanding Par ²	Maturity
		Moody's	S&P	Fitch		
Appropriation Revenue Bonds, Series 2010A	New money: Monroe Expressway Capital	Aa1	AA+	-	\$225,545,000	1/1/41
Appropriation Revenue Refunding Bonds, Series 2021 (forward delivery)	Refunding for savings	Aa1	AA+	AA+	\$72,595,000	7/1/41
Senior Lien Revenue Bonds, Series 2016A	New money: Monroe Expressway Capital	Baa3	BBB	-	\$119,455,000	7/1/54
Senior Lien Revenue Bonds, Series 2016C	New money: Monroe Expressway Capital	Baa3	BBB	-	\$22,647,081	7/1/41
TIFIA Loan, 2017	New money: Monroe Expressway Capital	Baa3	BBB	-	\$166,500,000	7/1/53

¹ Ratings as of April 8, 2022

² Outstanding Par as of July 1, 2022

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	FY	Interest	Principal	Total Debt Service
2023	\$9,983,809	\$12,999,000	\$22,982,809	2036	\$3,208,100	\$21,375,000	\$24,583,100
2024	\$9,612,189	\$13,357,000	\$22,969,189	2037	\$2,335,600	\$22,250,000	\$24,585,600
2025	\$9,230,319	\$13,726,000	\$22,956,319	2038	\$1,427,400	\$23,160,000	\$24,587,400
2026	\$8,837,493	\$14,134,000	\$22,971,493	2039	\$482,100	\$24,105,000	\$24,587,100
2027	\$8,433,401	\$14,525,000	\$22,958,401	2040	\$11,315,750	\$13,684,250	\$25,000,000
2028	\$8,018,156	\$14,925,000	\$22,943,156	2041	\$11,858,000	\$13,142,000	\$25,000,000
2029	\$7,591,476	\$15,336,000	\$22,927,476	2042	\$12,363,750	\$12,636,250	\$25,000,000
2030	\$7,153,036	\$15,759,000	\$22,912,036	2043	\$12,832,250	\$12,167,750	\$25,000,000
2031	\$6,702,527	\$16,192,000	\$22,894,527	2044	\$13,262,250	\$11,737,750	\$25,000,000
2032	\$6,239,610	\$16,639,000	\$22,878,610	2045	\$13,709,500	\$11,290,500	\$25,000,000
2033	\$5,625,800	\$18,960,000	\$24,585,800	2046	\$14,090,250	\$10,909,750	\$25,000,000
2034	\$4,851,900	\$19,735,000	\$24,586,900	2047	\$14,488,250	\$10,511,750	\$25,000,000
2035	\$4,046,400	\$20,540,000	\$24,586,400	2048	\$14,875,750	\$10,124,250	\$25,000,000
				2049	\$15,225,000	\$9,775,000	\$25,000,000

Senior Lien Toll Revenue Bonds (Series 2009B, 2017, 2018, 2019 & 2020)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2023	\$26,615,494	\$13,990,000	\$40,605,494	2039	\$23,247,850	\$63,655,000	\$86,902,850
2024	\$34,371,044	\$17,170,000	\$51,541,044	2040	\$20,451,675	\$56,855,000	\$77,306,675
2025	\$42,002,219	\$18,965,000	\$60,967,219	2041	\$18,049,700	\$49,030,000	\$67,079,700
2026	\$40,994,594	\$21,340,000	\$62,334,594	2042	\$16,723,650	\$23,030,000	\$39,753,650
2027	\$39,861,219	\$23,995,000	\$63,856,219	2043	\$15,738,200	\$25,600,000	\$41,338,200
2028	\$38,589,719	\$26,865,000	\$65,454,719	2044	\$14,379,200	\$28,760,000	\$43,139,200
2029	\$37,319,422	\$26,600,000	\$63,919,422	2045	\$12,857,575	\$32,105,000	\$44,962,575
2030	\$36,024,875	\$32,255,000	\$68,279,875	2046	\$11,172,450	\$35,300,000	\$46,472,450
2031	\$34,480,125	\$35,650,000	\$70,130,125	2047	\$9,333,200	\$38,270,000	\$47,603,200
2032	\$32,686,375	\$39,470,000	\$72,156,375	2048	\$7,342,450	\$41,360,000	\$48,702,450
2033	\$31,322,125	\$48,795,000	\$80,117,125	2049	\$5,192,325	\$44,645,000	\$49,837,325
2034	\$30,407,625	\$53,400,000	\$83,807,625	2050	\$3,791,200	\$14,250,000	\$18,041,200
2035	\$29,353,625	\$57,590,000	\$86,943,625	2051	\$3,200,700	\$15,275,000	\$18,475,700
2036	\$28,170,000	\$61,805,000	\$89,975,000	2052	\$2,568,000	\$16,360,000	\$18,928,000
2037	\$26,994,950	\$65,845,000	\$92,839,950	2053	\$1,891,100	\$17,485,000	\$19,376,100
2038	\$25,533,650	\$60,490,000	\$86,023,650	2054	\$1,168,500	\$18,645,000	\$19,813,500
				2055	\$397,800	\$19,890,000	\$20,287,800

Junior Lien TIFIA Loan

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2023	\$0	\$0	\$0	2041	\$9,427,142	\$19,107,127	\$28,534,269
2024	\$0	\$0	\$0	2042	\$8,912,308	\$37,647,030	\$46,559,338
2025	\$0	\$0	\$0	2043	\$8,220,216	\$38,339,122	\$46,559,338
2026	\$4,703,903	\$0	\$4,703,903	2044	\$7,514,815	\$39,044,523	\$46,559,338
2027	\$5,533,691	\$0	\$5,533,691	2045	\$6,797,617	\$39,761,721	\$46,559,338
2028	\$7,245,960	\$0	\$7,245,960	2046	\$6,066,648	\$40,492,689	\$46,559,338
2029	\$9,584,961	\$500,000	\$10,084,961	2047	\$5,322,242	\$41,237,096	\$46,559,338
2030	\$9,575,811	\$500,000	\$10,075,811	2048	\$4,563,565	\$41,995,773	\$46,559,338
2031	\$9,566,661	\$500,000	\$10,066,661	2049	\$3,792,113	\$42,767,225	\$46,559,338
2032	\$9,557,504	\$500,000	\$10,057,504	2050	\$3,115,850	\$19,209,805	\$22,325,655
2033	\$9,548,361	\$500,000	\$10,048,361	2051	\$2,762,702	\$19,562,953	\$22,325,655
2034	\$9,539,211	\$500,000	\$10,039,211	2052	\$2,402,782	\$19,922,874	\$22,325,655
2035	\$9,530,061	\$500,000	\$10,030,061	2053	\$2,036,806	\$20,288,849	\$22,325,655
2036	\$9,518,629	\$1,000,000	\$10,518,629	2054	\$1,663,822	\$20,661,834	\$22,325,655
2037	\$9,500,342	\$1,000,000	\$10,500,342	2055	\$1,283,980	\$21,041,675	\$22,325,655
2038	\$9,482,042	\$1,000,000	\$10,482,042	2056	\$896,875	\$21,428,780	\$22,325,655
2039	\$9,463,742	\$1,000,000	\$10,463,742	2057	\$503,216	\$21,822,440	\$22,325,655
2040	\$9,445,429	\$1,000,000	\$10,445,429	2058	\$102,038	\$11,060,790	\$11,162,828

Monroe Expressway

State Appropriation Bonds (Series 2010A & 2021)

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2023	\$15,379,136	\$10,080,000	\$25,459,136	2032	\$9,456,582	\$15,370,000	\$24,826,582
2024	\$14,910,192	\$11,395,000	\$26,305,192	2033	\$8,628,091	\$15,970,000	\$24,598,091
2025	\$14,362,738	\$11,800,000	\$26,162,738	2034	\$7,767,574	\$16,600,000	\$24,367,574
2026	\$13,761,519	\$12,235,000	\$25,996,519	2035	\$6,873,217	\$17,250,000	\$24,123,217
2027	\$13,110,944	\$12,710,000	\$25,820,944	2036	\$5,944,208	\$17,930,000	\$23,874,208
2028	\$12,435,170	\$13,200,000	\$25,635,170	2037	\$4,978,734	\$18,640,000	\$23,618,734
2029	\$11,733,533	\$13,710,000	\$25,443,533	2038	\$3,975,213	\$19,375,000	\$23,350,213
2030	\$11,004,868	\$14,240,000	\$25,244,868	2039	\$2,932,445	\$20,140,000	\$23,072,445
2031	\$10,248,128	\$14,790,000	\$25,038,128	2040	\$1,848,732	\$20,940,000	\$22,788,732
				2041	\$722,377	\$21,765,000	\$22,487,377

Debt Service Coverage Ratios

Pledged Revenue ¹	Debt Service ²		Debt Service Coverage	
	Senior Lien	Junior Lien	Senior Lien	Junior Lien
64,997,039	40,605,494	-	1.60x	1.60x

¹ Operating Revenue plus projected excess appropriation revenue of \$2,017,192.50.

² Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

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

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2023	\$5,969,263	\$1,140,000	\$7,109,263	2039	\$8,572,293	\$1,334,969	\$9,907,263
2024	\$5,912,263	\$0	\$5,912,263	2040	\$8,836,818	\$1,360,445	\$10,197,263
2025	\$5,912,263	\$0	\$5,912,263	2041	\$8,817,648	\$1,719,614	\$10,537,263
2026	\$6,188,904	\$638,359	\$6,827,263	2042	\$5,892,500	\$4,910,000	\$10,802,500
2027	\$6,292,199	\$735,064	\$7,027,263	2043	\$5,647,000	\$5,445,000	\$11,092,000
2028	\$6,513,326	\$983,936	\$7,497,263	2044	\$5,374,750	\$6,025,000	\$11,399,750
2029	\$6,592,788	\$949,475	\$7,542,263	2045	\$5,073,500	\$6,670,000	\$11,743,500
2030	\$6,728,250	\$999,012	\$7,727,263	2046	\$4,740,000	\$7,350,000	\$12,090,000
2031	\$6,852,865	\$1,009,398	\$7,862,263	2047	\$4,372,500	\$8,025,000	\$12,397,500
2032	\$7,022,948	\$1,064,315	\$8,087,263	2048	\$3,971,250	\$8,740,000	\$12,711,250
2033	\$7,201,783	\$1,110,480	\$8,312,263	2049	\$3,534,250	\$9,525,000	\$13,059,250
2034	\$7,395,794	\$1,151,469	\$8,547,263	2050	\$3,058,000	\$10,670,000	\$13,728,000
2035	\$7,617,556	\$1,199,707	\$8,817,263	2051	\$2,524,500	\$11,460,000	\$13,984,500
2036	\$7,837,840	\$1,234,422	\$9,072,263	2052	\$1,951,500	\$12,075,000	\$14,026,500
2037	\$8,054,399	\$1,257,864	\$9,312,263	2053	\$1,347,750	\$13,150,000	\$14,497,750
2038	\$8,333,887	\$1,313,375	\$9,647,263	2054	\$690,250	\$13,805,000	\$14,495,250

Subordinate Lien TIFIA Loan

FY	Interest	Principal	Total Debt Service	FY	Interest	Principal	Total Debt Service
2023	\$3,915,748	\$0	\$3,915,748	2038	\$4,444,864	\$5,128,885	\$9,573,749
2024	\$5,572,071	\$507,398	\$6,079,469	2039	\$4,283,522	\$5,572,635	\$9,856,156
2025	\$5,552,417	\$1,055,176	\$6,607,592	2040	\$4,108,101	\$6,042,368	\$10,150,469
2026	\$5,518,126	\$1,291,270	\$6,809,396	2041	\$3,918,745	\$6,497,933	\$10,416,677
2027	\$5,476,365	\$1,553,570	\$7,029,935	2042	\$3,714,867	\$6,989,877	\$10,704,745
2028	\$5,427,999	\$1,601,936	\$7,029,935	2043	\$3,495,603	\$7,512,823	\$11,008,425
2029	\$5,375,446	\$2,044,824	\$7,420,270	2044	\$3,259,766	\$8,065,611	\$11,325,377
2030	\$5,310,672	\$2,280,955	\$7,591,627	2045	\$3,007,301	\$8,628,588	\$11,635,889
2031	\$5,238,216	\$2,571,023	\$7,809,239	2046	\$2,737,228	\$9,195,315	\$11,932,544
2032	\$5,156,544	\$2,875,966	\$8,032,511	2047	\$2,449,486	\$9,790,251	\$12,239,737
2033	\$5,065,651	\$3,202,622	\$8,268,273	2048	\$2,142,909	\$10,417,684	\$12,560,593
2034	\$4,964,343	\$3,553,745	\$8,518,088	2049	\$1,817,441	\$11,057,176	\$12,874,617
2035	\$4,852,160	\$3,912,815	\$8,764,974	2050	\$1,474,258	\$11,400,359	\$12,874,617
2036	\$4,728,563	\$4,293,643	\$9,022,205	2051	\$1,117,393	\$12,154,000	\$13,271,393
2037	\$4,593,287	\$4,717,376	\$9,310,663	2052	\$734,880	\$13,190,325	\$13,925,204
				2053	\$323,333	\$13,922,922	\$14,246,255

Debt Service Coverage Ratios

Pledged Revenue ¹	Debt Service ²		Debt Service Coverage	
	Senior Lien	Subordinate Lien	Senior Lien	Subordinate Lien
\$32,305,514	\$7,109,263	\$3,915,748	4.54x	2.93x

¹ Operating Revenue plus projected excess appropriation revenue of \$2,418,749 and additional interest earnings on certain funds.

² Per Bond Resolution calculation, debt service paid on 7/1 each year is included in the prior fiscal year.

Demographic & Economic Information

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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 2011 and 2021. The population of the State grew by 9 percent from 2011 to 2021, for a growth rate of approximately 0.9 percent annually. The four counties within the existing Turnpike Authority service area experienced population growth ranging from 19 to 25 percent.

Table 1: Percent Increase in Population Estimates 2011-2021

	July 2011 ¹	July 2021 ²	Population Increase	Percent Increase	Average Growth Rate per Year
Durham County	276,527	329,973	53,446	19.3%	1.8%
Mecklenburg County	941,357	1,133,504	192,147	20.4%	1.9%
Union County	204,341	242,651	38,310	18.8%	1.7%
Wake County	927,141	1,156,274	229,133	24.7%	2.2%
North Carolina	9,644,670	10,535,205	890,535	9.2%	0.9%

Source:

¹ NC OSBM, Annual County Population Totals, 2010-2019, January 2022.

² NC OSBM, Projected Annual County Population Totals, January 2022.

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/Ethnicity

	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	317,665	161,588	50.9%	112,965	35.6%	850	0.3%	15,802	5.0%	168	0.1%	10,565	3.3%	15,727	5.0%
Mecklenburg County	1,095,170	568,313	51.9%	346,514	31.6%	3,818	0.3%	66,376	6.1%	426	0.0%	66,116	6.0%	43,607	4.0%
Union County	235,767	187,121	79.4%	27,297	11.6%	574	0.2%	7,804	3.3%	68	0.0%	5,513	2.3%	7,390	3.1%
Wake County	1,091,662	696,626	63.8%	220,232	20.2%	3,413	0.3%	80,059	7.3%	470	0.0%	43,422	4.0%	47,440	4.3%
North Carolina	10,439,388	6,488,459	62.2%	2,140,217	20.5%	130,032	1.2%	343,051	3.3%	8,518	0.1%	617,390	5.9%	711,721	6.8%

Source: US Census Bureau, American Community Survey 5-year Estimates (2016-2020), Table DP05. "Race." Totals may not add up to 100 percent due to rounding.

Table 3 shows the number of households and vehicles available. Approximately half 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 Vehicles

	Occupied Housing Units		No Vehicle Available		One Vehicle Available		Two or More Vehicles Available	
	#	%	#	%	#	%	#	%
Durham County	130,128		9,128	7.0%	49,883	38.3%	49,883	38.3%
Mecklenburg County	421,950		23,730	5.6%	160,665	38.1%	165,248	39.2%
Union County	77,791		2,068	2.7%	14,995	19.3%	34,132	43.9%
Wake County	410,552		15,217	3.7%	127,052	30.9%	177,780	43.3%
North Carolina	4,031,592		223,909	5.6%	1,266,438	31.4%	1,537,451	38.1%

Source: US Census Bureau, American Community Survey 5-year Estimates (2016-2020), Table B25044. "Tenure by Vehicles Available." Totals may not add up to 100 percent 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 ³
Durham County ¹	\$54,0561	\$62,812
Mecklenburg County ¹	\$65,2441	\$69,240
Union County ¹	\$56,8201	\$82,557
Wake County ¹	\$65,4501	\$83,567
North Carolina ²	\$55,0432	\$56,642

Sources:

- ¹ Bureau of Economic Analysis. County Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/countybf.cfm> for 2020, as reported November 2021.
- ² Bureau of Economic Analysis. State Per Capita Personal Income: <https://apps.bea.gov/regional/bearfacts/statebf.cfm>, for 2021, as reported March 2022.
- ³ US Census Bureau. Quick Facts. Median household income (in 2020 dollars), 2016-2020.



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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 comprise 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 2011 and in 2021, Table 6 shows the ten largest taxpayers by County in 2021, and Table 7 shows the 2021 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 Employers

2011	2021
Wal-Mart	Wal-Mart
Duke University	Duke University
Charlotte Mecklenburg Hospital	Food Lion
Food Lion	Atrium Health
Wells Fargo	Wells Fargo
Department of Defense	Amazon Fulfillment Services Inc.
NC Department of Corrections	Department of Defense
Charlotte-Mecklenburg Board of Education	Lowes Companies Inc.
Bank of America	Wake County Public Schools
Wake County Public Schools	Department of Public Safety

Sources: US Census Bureau, NC Department of Commerce, Bureau of Economic Analysis

Table 6: Top 10 Taxpayers by County in 2021

Durham	Mecklenburg	Union	Wake
Cree Inc.	Duke Energy	Union Electric Membership Corp	Duke Energy Progress Inc.
Joannpht Carolina LLC	Wells Fargo	Allegheny Technologies	Highwoods Realty LP
Duke Energy	Bank of America	Duke Energy	SAS Institute Inc.
Southpoint Mall LLC	American Airlines	Charlotte Pipe & Foundry	Cisco Systems Inc.
Parmer RTP LLC	Piedmont Natural Gas Company	Piedmont Natural Gas	WMCI Raleigh LLC
International Business Machines	Spectrum	Consolidated Metco Inc.	CVM Holdings LLC
EMC Corporation	Truist Bank	Time Warner Cable Southeast	Network Appliance Inc.
Biogen US Corporation	SouthPark Mall	Greiner Bio-One North America	Seqirus Inc
Merck Sharp & Dohme Corp	AT&T	IA Monroe Poplin LLC	Truist Bank
IBM Corporation	301 College Street LLC	CSX Transportation	First Citizens Bank & Trust Co.

Source: Wake County Government, Mecklenburg County Government, Durham County Government, Union County Government

Table 7: County & State Employment in 2021

Geography	Labor Force	Employed	Unemployed	Unemployment Rate
Durham County	173,036	164,575	8,461	4.9%
Mecklenburg County	622,535	586,989	35,546	5.7%
Union County	122,953	117,415	5,538	4.5%
Wake County	594,147	566,521	27,626	4.6%
North Carolina	5,024,000	4,795,000	229,000	4.6%

Source: Bureau of Labor Statistics. Labor force data by county, 2021 annual averages. <https://www.bls.gov/lau/tables.htm>

Appendices

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Monroe Expressway GEC Report

HNTB Corporation
The HNTB Companies
Infrastructure Solutions

343 E. Six Forks Road
Suite 200
Raleigh, NC 27609

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

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May 24, 2022

Mr. James J. Eden
Executive Director
North Carolina Turnpike Authority
1 S. Wilmington Street
Raleigh, NC 27601



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) 2023 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, therefore, an evaluation as to the proper maintenance, repair, and operation of the Monroe Expressway for purposes of the FY 2022 Annual Budgets was not needed at that time. 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.

The FY 2023 operations & maintenance (O&M) budget, and the renewal and replacement (R&R) budget for FY 2023 through 2032 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 2023 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 2023 O&M Budget: \$16.35M
- FY 2023 R&R Budget: \$1.15M

In addition, the FY 2023 Annual Budgets assume a total of \$16.35 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, 2022:

- Operating Reserve Fund: \$4.09M
- Renewal & Replacement Fund: \$5.42M

Please feel free to reach out with any questions or comments upon reviewing the FY 2023 Annual Budgets.

Sincerely,

A handwritten signature in blue ink that reads "Jennifer Harris". The signature is written in a cursive style and is enclosed in a light blue rectangular box.

Jennifer Harris, P.E.
Senior Project Manager

CC: David Roy, Chief Financial Officer, NCTA
Kim Medlin, Controller, 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.

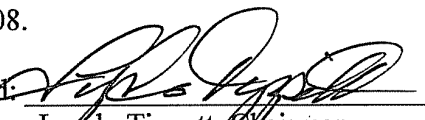
(d) Notwithstanding the preceding subsection, the Authority may determine that a toll increase otherwise required to go into effect pursuant to (c) shall not go into effect as scheduled if the Authority delivers to the Trustee, prior to the January 1 when the toll increase otherwise would go into effect:

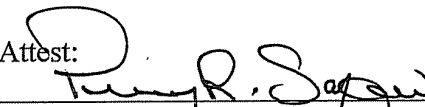
(i) a resolution of the Board, directing that the tolls shall not be increased at all or shall be increased by a lesser amount than assumed in the Final Traffic and Revenue Study;

(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: N.C. Gen Stat. § 136-89.183 N.C. Gen Stat. § 136-89.189 N.C. Gen Stat. § 136-89.190		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/FI" 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.

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.

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

Revision History		
Revision Date	Revision Number	Description

Policy Approval		
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).		
Business Area Representative	 <small>Signature</small>	<u>8-6-20</u> <small>Date</small>
Legal Counsel <small>(Responsible for the Unit)</small>	 <small>Signature</small>	<u>8-6-2020</u> <small>Date</small>
Executive Staff Member <small>(Responsible for the Unit)</small>	 <small>Signature</small>	<u>8-6-20</u> <small>Date</small>
Executive Staff Member <small>(Responsible for the Unit)</small>	 <small>Signature</small>	<u>8-6-20</u> <small>Date</small>
Executive Staff Member <small>(Responsible for the Unit)</small>	 <small>Signature</small>	<u>8-6-20</u> <small>Date</small>

- (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
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 16th day of August 2006;


Lyndo Tippet, Chairman
North Carolina Turnpike Authority

Attest:


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



Innovative
Transportation
Solutions

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 (cont'd)

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 (cont'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.

N (cont'd)

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 the post-paid Bill by Mail program.

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.

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.

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 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.

T (cont'd)

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.

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).

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.



Keep North Carolina Moving



**North Carolina
Turnpike Authority**

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