



FY 2024 Annual Comprehensive

Financial Report

North Carolina Turnpike Authority

An Enterprise Fund of the
North Carolina Department of Transportation

Fiscal Years ended
June 30, 2024 and 2023

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Introductory Section



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

October 31, 2024

J.R. "JOEY" HOPKINS
SECRETARY

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

On behalf of the North Carolina Turnpike Authority ("NCTA" or "Authority"), we are pleased to present this Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Authority's Finance Department has prepared this report in accordance with generally accepted accounting principles (GAAP) in the United States and in compliance both with North Carolina General statutes and the Turnpike's financing agreements.

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

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

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

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

AUTHORITY'S PROFILE AND OPERATION

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

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Customer Service: 1-877-368-4968
Website: ncdot.gov

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

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

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

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

ECONOMIC FACTORS

North Carolina Turnpike Authority roadways contribute to the state's economy by supporting a diverse group of customers. These roadways provide users alternative driving routes across the state. North Carolina continues to see extensive population growth, largely in part to job opportunities in various commercial sectors. The North Carolina Office of State Budget and Management projects this population growth at approximately 12% from 2020 to 2030, emphasizing the state's attractiveness for both residents and businesses. North Carolina supports a variety of growing industries including biotechnology, energy, finance, and information technology. The US Bureau of Labor Statistics approximates the North Carolina unemployment rate in July 2024 at 3.6%, indicating low unemployment across the state. Furthermore, according to the US Bureau of Labor Statistics, the Consumer Price Index for All Urban Consumers (CPI-U)

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

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

INTERNAL CONTROL AND FINANCIAL STATEMENT PRESENTATION

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

The Authority's current external auditors, Cherry Bekaert LLP, have completed their audit and have concluded that in their opinions, the comparative financial statements for the years ended June 30, 2023 and June 30, 2024 present fairly, in all material aspects, the financial position of the Authority as of June 30, 2024, and the changes in its financial position and its cash flows for the years then ended in conformity with GAAP. Their report is included in the financial section of this report. The financial section also includes MD&A, which provides an overview and brief analysis of the basic financial statements. Readers are encouraged to review this information.

AWARDS AND ACKNOWLEDGEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Authority believes our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA.

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

Sincerely,



James J. Eden
Executive Director



Cheryl Reed
Chief Financial Officer



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

North Carolina Turnpike Authority

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill


Executive Director/CEO

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.

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.



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

Organizational Chart


Organizational Chart as of October 31, 2024




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. There is currently one vacancy on the Board of Directors. The Chair of the Board is selected by the Turnpike Authority Board. Joey Hopkins, the NCDOT Secretary of Transportation, currently serves as the Chair of the Turnpike Authority Board.


Board Members as of October 31, 2024




Joey Hopkins
Chairman




James 'Jim' Walker
Vice Chair




Robert D. Teer Jr.
Secretary & Treasurer




John Adcock




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.

Projects

3

Open to Traffic

Monroe Expressway
I-77 Express Lanes North
Triangle Expressway



2

Under Construction

I-485 Express Lanes
Complete 540 Phase 2



3

Under Development

U.S. 74 Express Lanes
I-77 Express Lanes South
Mid-Currituck Bridge





Projects Open to Traffic

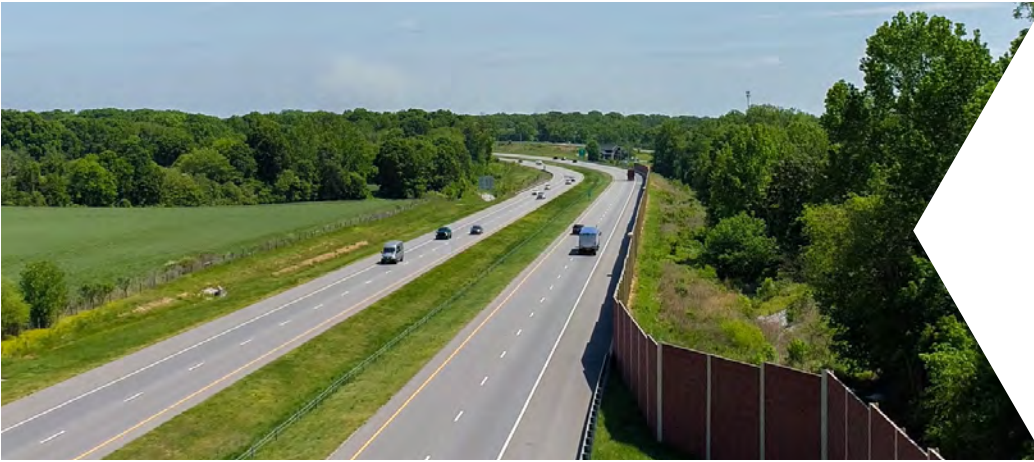


Triangle Expressway

The Triangle Expressway was North Carolina's first toll road. The Expressway opened with All-Electronic Tolling, meaning it was cashless and there was no need for toll booths or toll collectors. The Triangle Expressway opened in many phases from 2011 to 2013. Another major extension opened in September 2024. Today, the Triangle Expressway is a six-lane, 37-mile toll road, extending from the interchange of I-40 and N.C. 885 in the north, I-40 in southeast Raleigh, to partially complete the “Outer Loop” (I-540 / N.C. 540) around the greater Raleigh area.

On September 25, 2024, North Carolina's newest 18-mile section of the Triangle Expressway opened to the public. The Triangle Expressway Extension, known during construction as Complete 540 Phase 1, expands the existing Triangle Expressway from N.C. 55 Bypass in Apex to I-40 in southeast Raleigh.

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

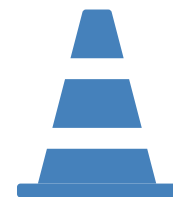
The I-77 Express Lanes North project (“I-77 Express Lanes”) is a public-private partnership (P3) between NCDOT and I-77 Mobility Partners, LLC and is the first P3 toll project in the State of North Carolina. The I-77 Express Lanes North project is approximately 26 miles long between the I-77 and I-277 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 2

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



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 Spring/Summer of 2025.

Projects Under Development

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



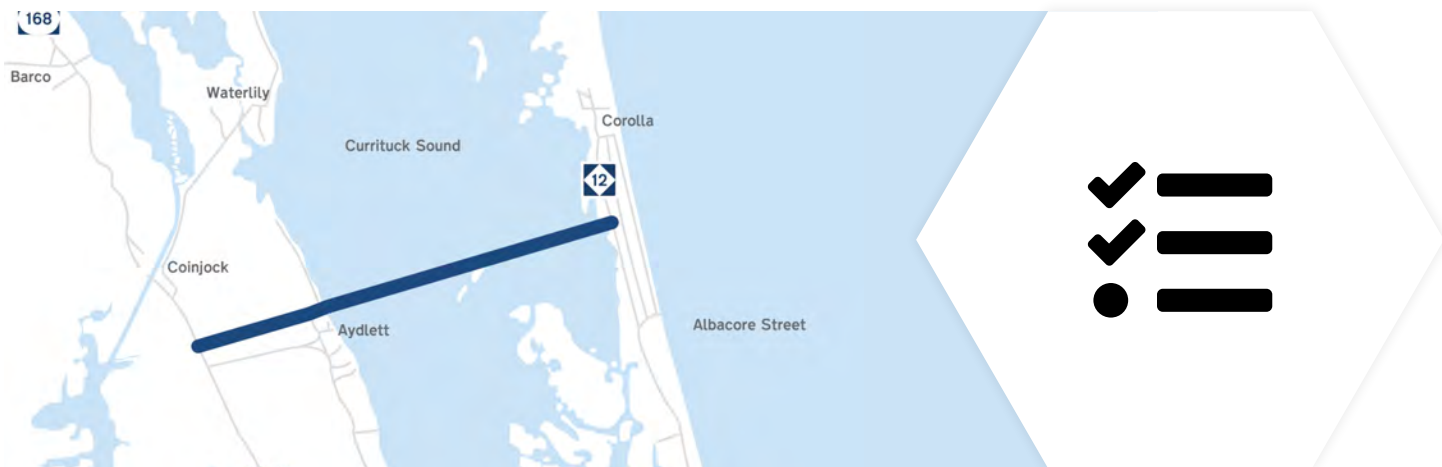
U.S. 74 Express Lanes

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



I-77 Express Lanes South

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



Mid-Currituck Bridge

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

NC Quick Pass®



NC Quick Pass®

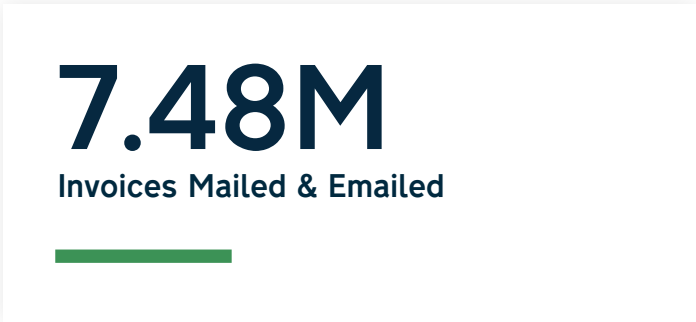
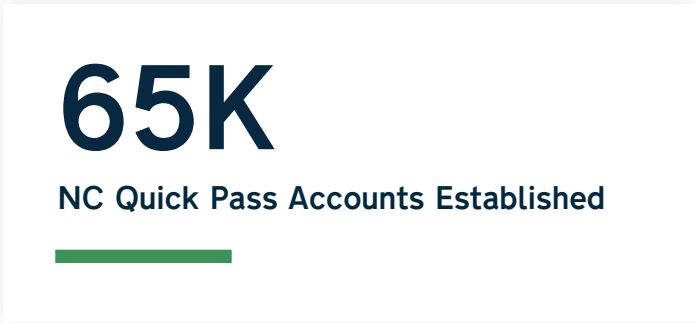
The NC Quick Pass (NCQP) program continued to use a distributed call center approach to better serve its customers and align with the changing workforce. The North Carolina Turnpike Authority (NCTA) built a new call center in Rocky Mount, NC, which opened October 2022. In 2024, NCTA closed the call center in Morrisville and opened a new customer service center in Winston-Salem to meet our customers' needs. This center enhanced NCTA's business continuity plan by providing additional agents to adequately support the back-office system transition.

Additionally, NC Quick Pass distributed over 289,000 transponders, opened more than 65,000 NC Quick Pass accounts, welcomed 991,000 new Toll Invoice (TI) customers, and mailed and emailed over 7.48 million invoices.

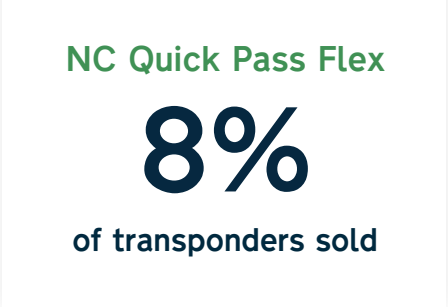
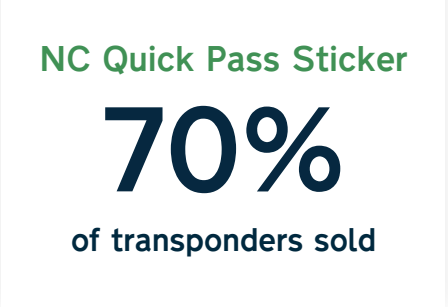
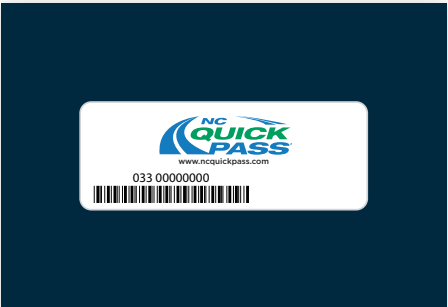
With a new back-office system, the NCQP program added accessibility for customers to more easily make payments and manage their accounts. The new system allowed the addition of new correspondence methods for customers to stay informed about invoices and statements, along with offering an account management app for the first time in the history of the program. These improvements dramatically improved communication to customers regarding their NC Quick Pass account and increased enrollment for prepaid transponder accounts.

As directed by North Carolina General Statute § 136-89.193(b) and Section 3.1 of Session Law 2016-90, the NCTA and the NCDOT report that there were no one-time toll facility users who were charged more than \$50 in processing fees imposed under G.S. 136-89.215 and civil penalties under G.S. 136-89.216.

Fiscal Year 2024 Highlights



Transponders Sold



All other transponders account for 2% of total. Totals may not add due to rounding.

Looking Ahead

Starting in 2025, customers with a NC Quick Pass account will start saving 50% on all-in state tolls, compared to the current 35% savings. NCTA will focus on expanding accessibility to the NC Quick Pass program by offering NC Quick Pass sticker transponders in local retail stores. We will also continue to expand partnerships with License Plate Agency offices giving customers the opportunity to pay toll invoices and purchase transponders. In the coming year, we have a goal to increase NC Quick Pass tag penetration by 5%. We will also send free sticker transponders to all customers in NC and SC that receive invoices in the mail. We want every customer that drives our toll roads to save time traveling and enjoy the lowest toll rate.

Service & Safety



Service & Safety

Highway Patrol

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

Wrong-Way Vehicle Detection Program

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

To supplement WWV technology systems, some interchanges on the Monroe Expressway in Union County saw the installation of upgraded pavement markings that look normal to drivers when traveling in the correct direction but illuminate with messages or symbols in bright red to drivers traveling in the wrong direction. Quickly notifying the driver is the safest and most effective way of preventing a wrong-way driver incident. NCTA continues to search for advanced technologies such as these to provide the safest facilities possible for customers.

Incident Management Assistance Patrol (IMAP)

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

Fiscal Year 2024 Highlights

481

IMAP responses
on the Triangle Expressway



446

IMAP responses
on the Monroe Expressway



Looking Ahead

With the opening of Complete 540 Phase 1, in September 2024, the number of miles to cover by our Service and Safety Patrol on the Triangle Expressway will double. NCTA will work with State Highway Patrol and IMAP to ensure they are ready to ramp up coverage to ensure our customers do not see a dip in response times.

By the end of 2024, an RFP will be advertised for Wrong-Way Vehicle Detection.

Technology



Technology

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

Innovation for Roadside Safety

To reduce the time required to procure and deploy the latest technology on the roadside system, NCTA selected a bench of four roadside vendors with industry-leading solutions. Task orders are issued to the bench vendors to allow competitive bids with innovative solutions for the upcoming roadside projects. I-485 Express Lanes is the first roadside project awarded using the bench contract. NCTA is committed to advancing roadside safety systems. It plans to issue a wrong-way driver Request For Proposal (RFP) seeking vendors leveraging emerging technologies in detection and notifications.

Innovation for Toll Collections

NCTA continues to push the industry to reduce the roadside infrastructure footprint by removing in-pavement sensors and deploying cloud-based tolling solutions. Triangle and Monroe Expressways, in the maintenance phase, are looking to pilot new equipment to advance technology by deploying emerging solutions. Complete-540 toll system will be the first Expressway roadside system to pilot overhead sensors for vehicle detection and classifications. For the I-485 Express Lanes, the system will enable the application of dynamic pricing in separated lanes based on real-time traffic density data. If the road is heavily congested, the price will adjust to regulate the number of users in the Express Lanes, minimizing traffic intensity and improving travel times.

Innovation for Data Security

A year after launching the first cloud-based version of NCTA's new Back Office System (BOS2), NCTA is

now reaping the benefits of leveraging emerging technologies and implementing industry best practices. BOS incorporates advanced security measures, such as end-to-end data encryption, multi-factor user authentication, one-way password hash, and credit card tokenization, to protect sensitive data and build trust with our customers.

Innovation for Customer Service

NCTA expanded its payment network by enabling a direct real-time interface with the retail payment network MoneyGram, thus providing customers with thousands of locations to make convenient and instant payments to replenish their NC Quick Pass account or pay Invoices. Also, to address customers' need to release registration stops or make payments during vehicle registration, NCTA launched a pilot program to allow payments at license plate agency (LPA) locations and will continue to expand the pilot in the areas most convenient to the customers.

Looking Ahead

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

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

Communications



Communications

The Communications and Marketing department is responsible for developing and delivering key messages and objectives to state and local government officials, NC Quick Pass customers, the media and the public.

Public Relations and Community Engagement

For each toll project, great care and attention to detail is taken to provide effective communications and transparency to the public. NCTA strives to provide the community with as much information as possible on the construction of toll projects. The department maintains its [NCTA website](#), issues press releases about impacts to the existing road network and surrounding communities, provides online maps on the status of construction, mails postcards and posts messages to social media to inform local residents being impacted by construction, and coordinates additional public outreach efforts such as speakers at public meetings, civic groups and business organizations.

Complete 540

N.C. Turnpike Authority's largest construction project, Complete 540, is being built in two phases. Phase 1 added approximately 18 miles to the existing Triangle Expressway from N.C. 55 to I-40. The Communications department coordinated two public events to celebrate the opening of Phase 1.

NCTA sponsored [540 Fest](#) on June 22, 2024, prior to the official opening of the roadway with a run, bike and walk event with more than 2,500 people participating. September 25, 2024, the official ribbon cutting ceremony was held to open the roadway to the public and reduce congestion in the Raleigh metropolitan area.

Phase 2 of Complete 540 will add approximately 11 miles from I-40 to I-87/U.S. 64/U.S. 264 Bypass in Knightdale, completing the 540 outer loop around the greater Raleigh area. A groundbreaking ceremony for Complete 540 Phase 2 took place on May 16, 2024.

NC Quick Pass

The department is responsible for the brand, growth and promotion of NC Quick Pass, North Carolina's all- electronic toll collection program. NC Quick Pass customers save 35 percent on tolls. The department working closely with the Customer Service Center regularly communicates and updates NC Quick Pass customers.

NC Quick Pass App

In 2024, the first full year of the NC Quick Pass App, the department continued to enhance the app to meet customer needs. The App allows customers to easily update information and manage their account, review and pay their toll invoice, order a new transponder and set their HOV status.

170K

NC Quick Pass app downloads



Continued Customer Focus

In 2024, the Communications and Marketing department always with an eye on providing outstanding customer service created three new ways to assist customers in obtaining an NC Quick Pass transponder or managing their NC Quick Pass account.

License Plate Agencies

NC Quick Pass launched a new pilot program with two [License Plate Agencies](#) that will allow customers to pay their toll invoices or add funds to their NC Quick Pass account. The first two partnering license plate agencies are located in:

- Durham ([4215 University Dr., Suite 8, Durham, NC 27707](#)); and
- Fuquay Varina ([1421 E. Broad St., Fuquay Varina, NC 27526](#))

NC Quick Pass expects to expand the program to include additional locations in the future.

MoneyGram

NC Quick Pass has also partnered with [MoneyGram](#) which will give customers another option to pay their toll invoice or add funds to their account at any physical MoneyGram location.

Retail Sales of NC Quick Pass Transponders

While not in stores yet, in 2024, the communications department was instrumental in the research and development of an RFP to sell NC Quick Pass transponders in retail stores.

Looking Ahead

The Communications Team will focus on a number of items. Expanding the public's access to obtaining an NC Quick Pass via the new retail sales program. Introducing the NC Only account, making it easier than ever to open an account to save 50 percent on tolls in North Carolina. Educate drivers about the new 540 Phase 1 roadway that recently opened. Conduct customer surveys to gain feedback on their experience with the new NC Only account.



Financial Section

Fiscal Year 2024 Highlights

\$72.9M

Triangle Expressway Actual Revenue

\$34.5M

Monroe Expressway Actual Revenue

Report of Independent Auditor

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the North Carolina Turnpike Authority ("NCTA"), a major enterprise fund of the state of North Carolina, and a business unit of the North Carolina Department of Transportation ("NCDOT") as of June 30, 2024 and 2023, and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise the NCTA's basic financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the NCTA as of June 30, 2024 and 2023, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

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

Emphasis of Matter

As discussed in Note 1, the financial statements present only the NCTA and do not purport to, and do not, present fairly the financial position of the State of North Carolina or the North Carolina Department of Transportation as of June 30, 2024 and 2023, and the changes in its financial position and its cash flows thereof for the years then ended in conformity with U.S. GAAP. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the financial statements of the NCTA. The Schedule of Revenues and Expenditures – Modified Cash Basis – Non-GAAP, is presented for purposes of additional analysis and are not required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenditures – Modified Cash Basis – Non GAAP is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the NCTA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of NCTA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the NCTA's internal control over financial reporting and compliance.



Raleigh, North Carolina
October 25, 2024

Management's Discussion & Analysis

Management's Discussion and Analysis ("MD&A") provides an overview of the North Carolina Turnpike Authority's ("NCTA" or "Turnpike Authority") activities during the fiscal years ("FY") ended June 30, 2024, 2023, and 2022. The MD&A also includes condensed financial information comparing the current year to the prior years.

Overview of the Financial Statements

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

Included in this report are the statements of net position as of June 30, 2024 and 2023, the statements of revenues, expenses, and changes in net position for the years ended June 30, 2024 and 2023, and the statements of cash flows for the years ended June 30, 2024 and 2023. These 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 Authority projects (project specific statements of revenues and expenses are on in the [Schedule of Revenues & Expenditures](#)). These statements use the accrual basis of accounting, which is similar to the accounting used by most private-sector businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statements of net position present assets and deferred outflows of resources less liabilities and deferred inflows of resources, thus presenting NCTA's financial position at the end of the fiscal year, while the statements of revenues, expenses, and changes in net position present information showing how NCTA's net position changed during the fiscal year.

The North Carolina Turnpike Authority

History

In October 2002, legislation was passed authorizing the creation of the Turnpike Authority with the purpose to study, design, plan, construct, promote, 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).

Financial activity for the Turnpike Authority started in late Fiscal Year 2004. By action of the North Carolina General Assembly, effective July 27, 2009, the Turnpike Authority became a part of NCDOT.

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

The Turnpike Authority operates with a project-level financial structure. NCTA projects are financed as individual systems, and revenues are subject to N.C.G.S. §136-89.188(a) which states, “Revenues derived from 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:
5. A financing undertaken by a private entity under a partnership agreement with the entity for the Project.
6. Private activity bonds issued under law related to the Project.
7. Any federal or State loan, line of credit, or loan guarantee relating to the Project.
8. A return on investment of any private entity under a partnership agreement with the entity for the Project.
9. Any other uses granted to a private entity under a partnership agreement with the entity for the Project.”

To maintain the mandated project-level financial structure, the Turnpike Authority must have separate operating and capital budgets for each Turnpike Project.

Toll Rate Policy

On September 17, 2008, the Turnpike Authority Board of Directors adopted a toll rate policy (the “Toll Rate Policy”), which provides guidelines pursuant to which the Turnpike Authority shall establish and adjust toll rate schedules for its projects. Pursuant to the Toll Rate Policy, the Turnpike Authority is required to hire a Traffic Consultant to prepare a Traffic and Revenue Study for each of its projects and forecast the projected traffic and toll revenue to be generated. After receipt of such Traffic and Revenue Study, the Toll Rate Policy directs the 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.

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

The Turnpike Authority 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.

In calendar year 2024, NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Triangle Expressway, 18.8 miles, the cost increased 14 cents to \$3.94, or 3.68 percent. NC Quick Pass customers with a transponder driving a Class 1 or 2-Axle vehicle, traveling the full length of the Monroe Expressway, 19.8 miles, the cost increased 8 cents to \$2.85, or 2.89 percent. The full toll rate schedule for both facilities is available online.

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

Financial Highlights & Analysis

Turnpike Authority Fund

Administrative Activities for fiscal years 2024 and 2023 were limited to salaries, personnel, Board members' per-diem, travel, and other general operating expenditures, while project-related costs were funded by state-appropriated, Federal Highway Administration ("FHWA"), or project-specific financings. Funding for administrative expenses is reviewed and advanced as needed from the Highway Trust Fund. Interest began to accrue on the advance on January 1, 2014.

- The Turnpike Authority's total assets increased \$563.9 million to \$3.8 billion.
- The Turnpike Authority's total capital assets increased \$254.2 million to \$3.1 billion.

Triangle Expressway

The Triangle Expressway is North Carolina's first modern toll road, and is approximately 18.8 miles of new highway construction, extending from the interchange of I-40 and N.C. 885 on the north end, to N.C. 55 Bypass in the south, to partially complete the "Outer Loop" around the greater Raleigh area. The final phase opened to toll traffic on January 2, 2013. In April 2017, the Veridea Parkway interchange, previously named Old Holly Springs-Apex Road, opened to traffic. The Veridea Parkway Interchange is located between the U.S. 1 interchange and the N.C. 55 Bypass interchange on the southern end of the Triangle Expressway and provides a direct local link between the Triangle Expressway and Veridea Parkway/Old Holly Springs-Apex Road. The Veridea Parkway Interchange was paid for in part with proceeds of the 2009 toll revenue bonds. A second interchange, the Morrisville Parkway Interchange, opened to traffic in February 2020. Toll revenues from both the Veridea Parkway Interchange and Morrisville Parkway Interchange are included in Receipts and Revenues of the Triangle Expressway System.

Fiscal Year 2024 Highlights

- Transactions increased 11.1% to 76.9 million in FY 2024 from FY 2023. Actual transactions were 4.7% above Traffic and Revenue projections.
- Actual revenue increased 19.3% to \$72.9 million in FY 2024 from FY 2023. Actual revenue was 10.6% above Traffic and Revenue projections.
- Operating expenses for the Triangle Expressway increased 36.9% to \$25.7M in FY 2024 from FY 2023.

Transactions & Revenue

The Triangle Expressway serves as a commuter facility in the Raleigh area. Total traffic on the facility increased year-over-year since FY 2022. The table below show the number of toll transactions on the Triangle Expressway in fiscal years 2022, 2023 and 2024.

	FY 2022	FY 2023	FY 2024 ¹
Projected Transactions	61,907,000	72,645,000	73,401,637
Actual Transactions	61,137,704	69,170,232	76,870,064
Actual to Projected (%)	99%	95%	105%
Actual Transactions YOY Increase (Decrease) (%)	24.6%	13.1%	11.1%

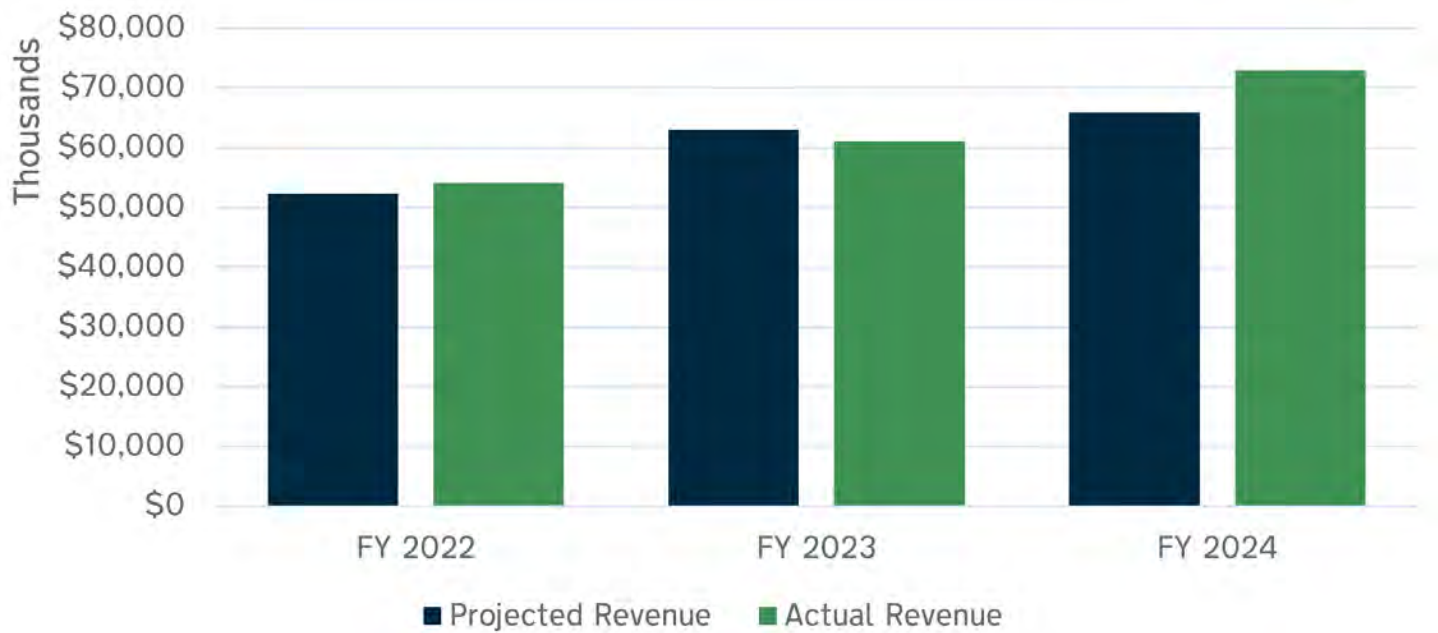


¹ Traffic and Revenue number from CDM Smith in "Triangle Expressway and Complete 540 Phases 1 & 2 Traffic and Revenue Forecast Update" memo dated May 9, 2024.

The table below shows the amount of actual revenue earned on the Triangle Expressway in fiscal years 2022, 2023 and 2024. FY 2024 actual revenue on the Triangle Expressway totaled \$72.9 million. Actual revenue is on a cash basis and is inclusive of toll revenue as well as revenue from the following:

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

	FY 2022	FY 2023	FY 2024 ²
Projected Revenue	\$52,323,000	\$62,980,000	\$65,962,000
Actual Revenue	\$54,042,716	\$61,134,301	\$72,943,867
Actual to Projected (%)	103%	97%	111%
Actual Revenue YOY Increase (Decrease) (%)	-26.0%	13.1%	19.3%



	FY 2022	FY 2023	FY 2024
Toll Revenue as a % of Total Actual Revenue	88.9%	89.6%	87.7%
Toll Rev	\$48,057,109	\$54,753,024	\$63,997,344
Actual Rev	\$54,042,716	\$61,134,249	\$72,943,867

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

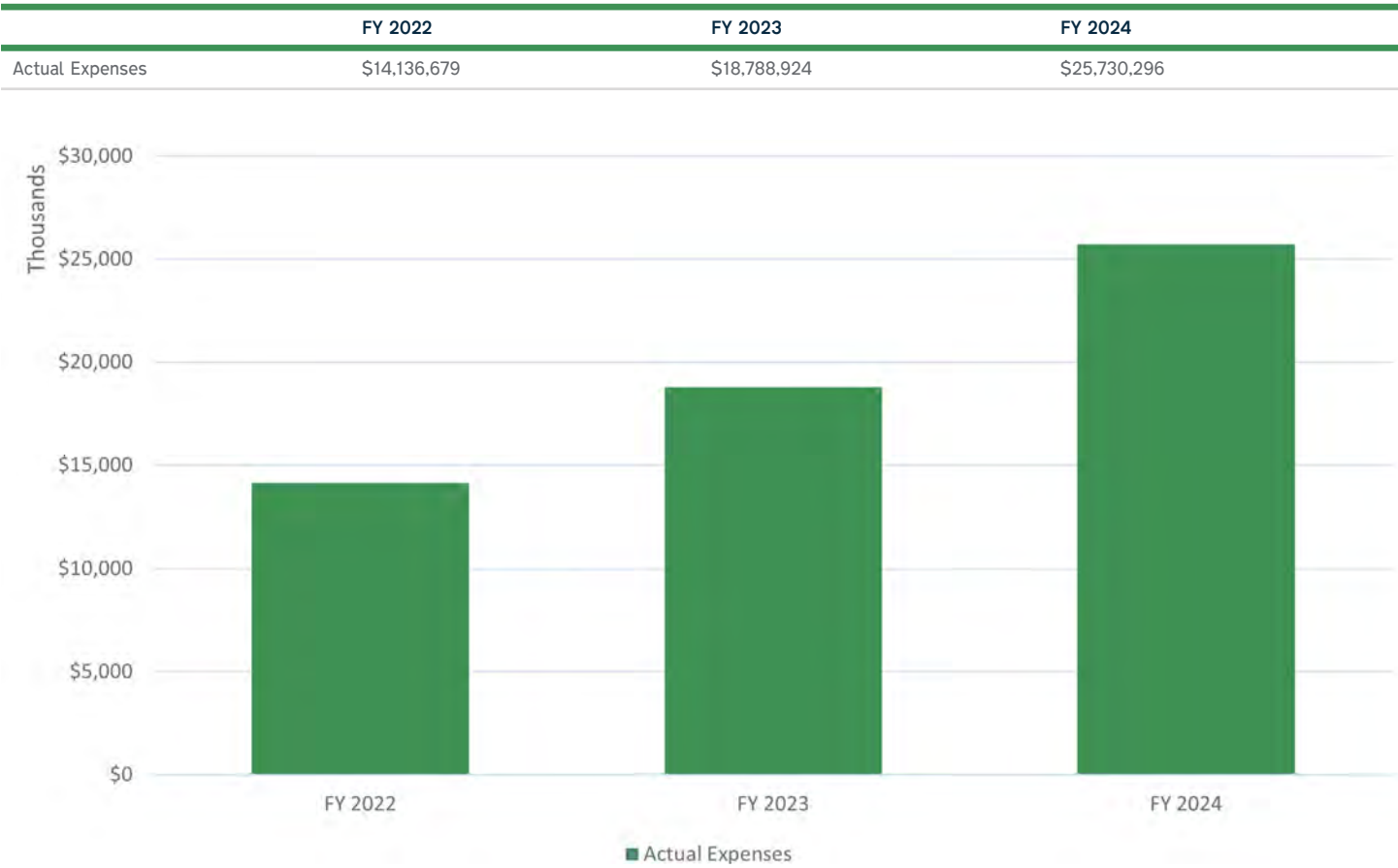
² Traffic and Revenue number from CDM Smith in "Triangle Expressway and Complete 540 Phases 1 & 2 Traffic and Revenue Forecast Update" memo dated May 9, 2024.

Operating Expenses

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

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

Below is a breakdown of the actual operating expenses for the Triangle Expressway for fiscal years 2022, 2023 and 2024.



Monroe Expressway

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

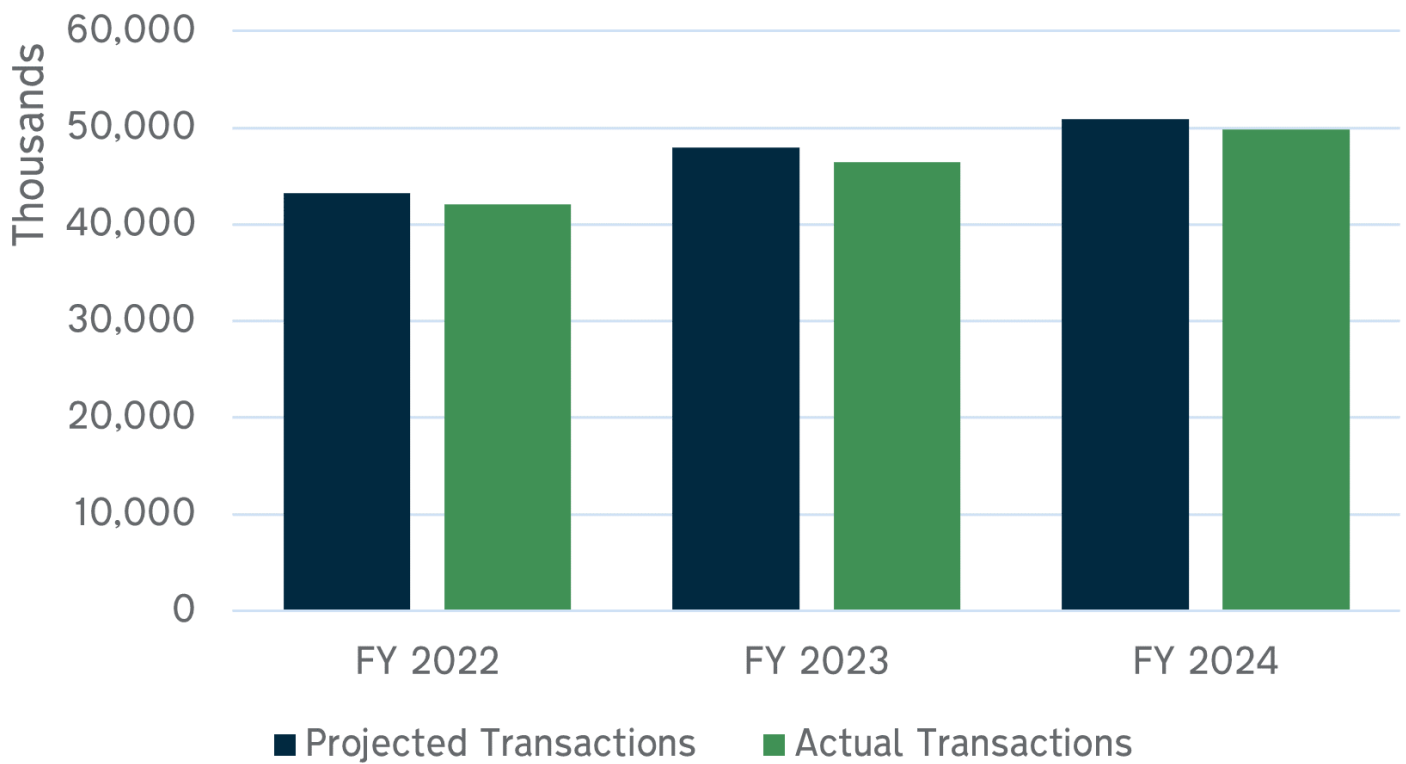
Fiscal Year 2024 Highlights

- Transactions increased 7.3% to 49.8 million in FY 2024 from FY 2023. Actual transactions were 2.2% below Traffic and Revenue projections.
- Actual revenue increased 18.8% to \$34.5 million in FY 2024 from FY 2023. Actual revenue exceeded Traffic and Revenue projections by 14.9%.
- Operating expenses for the Monroe Expressway decreased 1.5% to \$14.5M in FY 2024 from FY 2023.

Transactions & Revenue

The Monroe Expressway serves as a commuter facility in the Charlotte area. Total traffic on the facility increased year-over-year since FY 2022. The table below show the number of toll transactions on the Triangle Expressway in fiscal years 2022, 2023 and 2024.

	FY 2022	FY 2023	FY 2024 ³
Projected Transactions	43,255,000	47,935,000	50,935,000
Actual Transactions	42,104,433	46,435,301	49,819,706
Actual to Projected (%)	97%	97%	98%
Actual Transactions YOY Increase (Decrease) (%)	11.8%	10.3%	7.3%

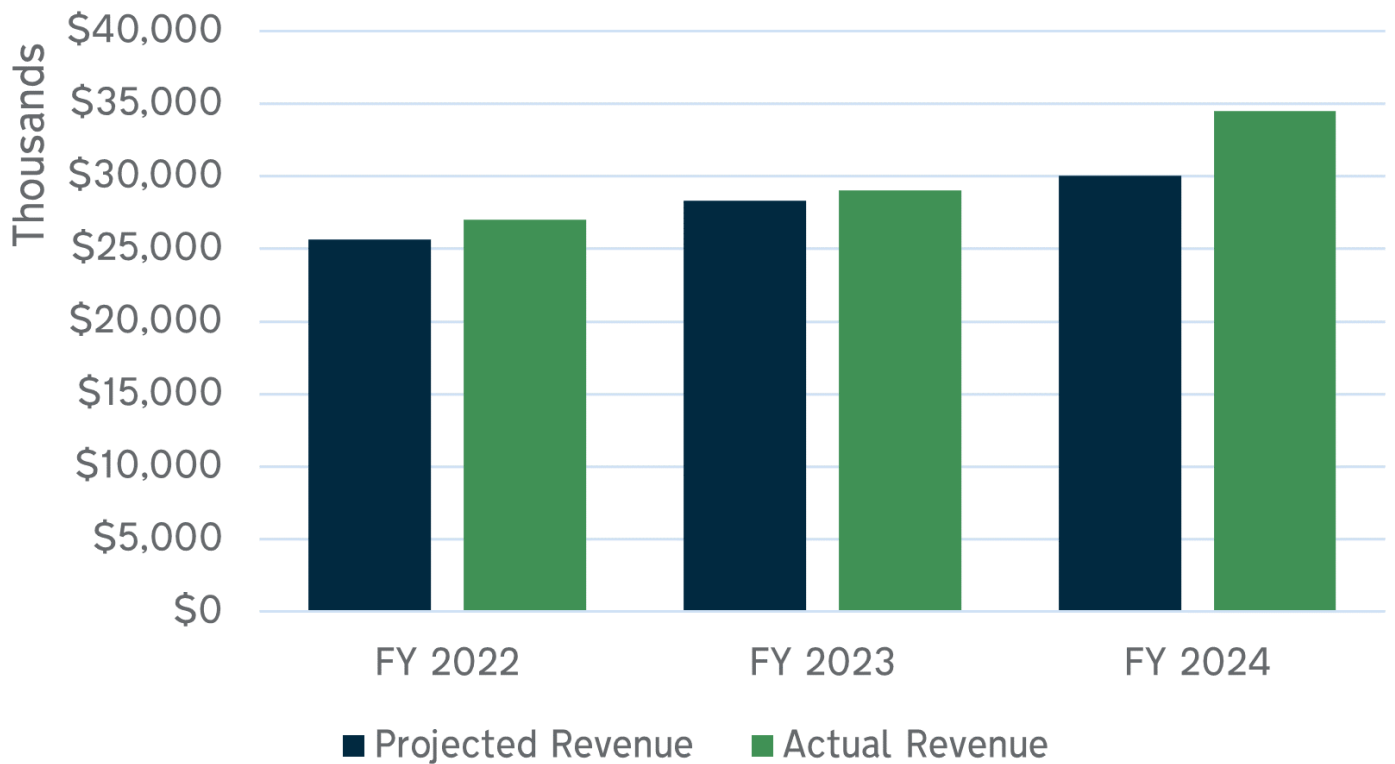


3 Traffic and Revenue number from CDM Smith in "Monroe Expressway Traffic and Revenue Forecast Update" memo dated May 9, 2024.

The table below shows the actual revenue received on the Monroe Expressway in fiscal years 2022, 2023 and 2024. FY 2024 actual revenue on the Monroe Expressway totaled \$34.5 million. Actual revenue is on a cash basis and is inclusive of toll revenue as well as revenue from the following:

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

	FY 2022	FY 2023	FY 2024
Projected Revenue	\$25,633,000	\$28,342,000	\$30,023,002
Actual Revenue	\$27,023,684	\$29,024,768	\$34,490,420
Actual to Projected (%)	105%	102%	115%
Actual Revenue YOY Increase (Decrease) (%)	29.0%	7.4%	18.8%



	FY 2022	FY 2023	FY 2024
Toll Revenue as a % of Total Actual Revenue	88.4%	88.6%	86.1%
Toll Rev	\$23,884,857	\$25,727,434	\$29,698,333
Actual Rev	\$27,023,684	\$29,024,768	\$34,490,420

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

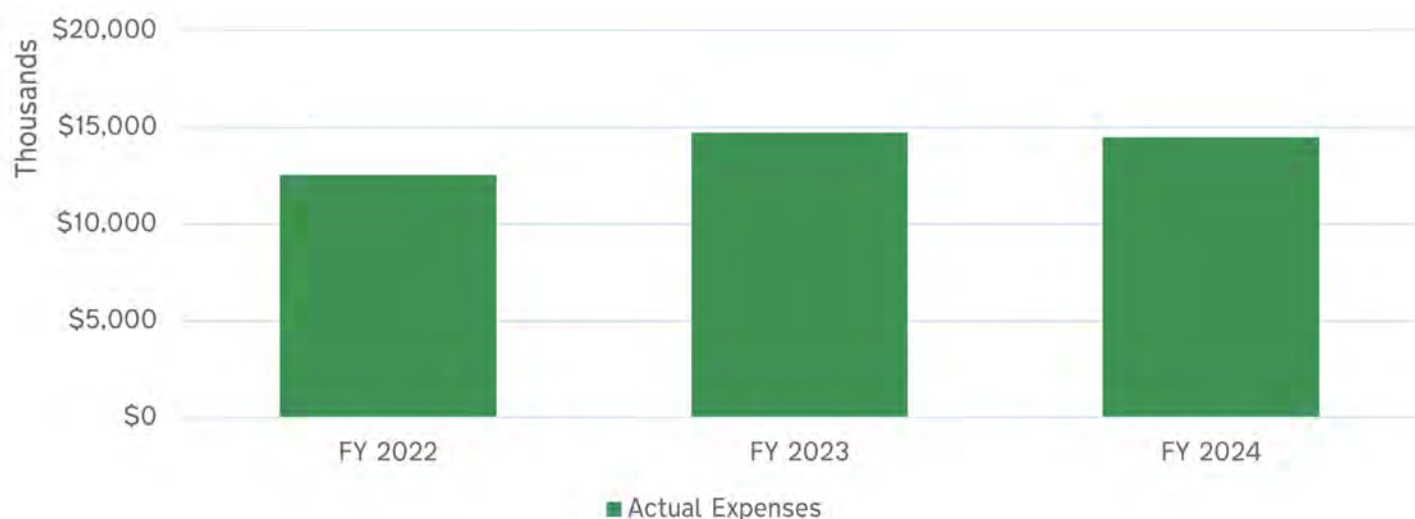
Operating Expenses

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

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

Below is a breakdown of the actual operating expenses for the Monroe Expressway for fiscal years 2022, 2023 and 2024.

	FY 2022	FY 2023	FY 2024
Actual Expenses	\$12,532,450	\$14,716,742	\$14,498,076



New Debt Issuances

Triangle Expressway

In January 2024, NCTA closed on the financing for the Complete 540 Phase 2 Project. The financing included:

- \$304,575,000 of Triangle Expressway System Senior Lien Turnpike Revenue Bonds, Series 2024A
- \$35,785,304.75 of Triangle Expressway System Senior Lien Turnpike Revenue Bonds Series 2024B (CABs)
- \$417,193,471 of Triangle Expressway System Revenue Bond, TIFIA Series 2024

Monroe Expressway

In April 2024, NCTA closed on \$182,810,000 of Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2024 to refund the remaining Series 2010A Build America Bonds.

Debt Outstanding as of June 30, 2024

Triangle Expressway

Series	Outstanding Par ⁴	Final Maturity
Appropriation Revenue Refunding Bonds, Series 2018A	\$150,125,000	1/1/39
Appropriation Revenue Refunding Bonds, Series 2018B	\$121,236,000	1/1/32
Appropriation Revenue Bonds, Series 2019	\$133,731,000 ⁵	1/1/49
Senior Lien Revenue Bonds, Series 2009B	\$98,689,524 ⁶	1/1/38
Senior Lien Revenue Refunding Bonds, Series 2017	\$145,920,000	1/1/39
Senior Lien Revenue Refunding Bonds, Series 2018	\$390,850,000	1/1/41
Senior Lien Revenue Bonds, Series 2019	\$370,975,000	1/1/55
Senior Lien Revenue Bonds, Series 2024A	\$304,575,000	1/1/58
Senior Lien Revenue Bonds, Series 2024B	\$37,598,375 ⁷	1/1/53
TIFIA Loan, 2021	\$512,851,759 ⁸	1/1/58

Monroe Expressway

Series	Outstanding Par ⁹	Final Maturity
Appropriation Revenue Refunding Bonds, Series 2021 (forward delivery)	\$68,605,000	7/1/41
Appropriation Revenue Refunding Bonds, Series 2024	\$182,810,000	1/1/41
Senior Lien Revenue Bonds, Series 2016A	\$118,315,000	7/1/54
Senior Lien Revenue Bonds, Series 2016C	\$24,859,826 ¹⁰	7/1/41
TIFIA Loan, 2017	\$180,524,001 ¹¹	7/1/53

4 Outstanding Par as of July 1, 2024.

5 Capital Appreciation Bonds listed as accreted value.

6 Capital Appreciation Bonds listed as accreted value.

7 Capital Appreciation Bonds listed as accreted value.

8 Inclusive of par value and accrued interest.

9 Outstanding Par as of July 1, 2024.

10 Capital Appreciation Bonds listed as accreted value.

11 Inclusive of par value and accrued interest.

Fund Balances as of June 30, 2024

Triangle Expressway

Fund	Balance
State Appropriation Revenue	-
Revenue	-
Operations & Maintenance Expense Fund	3,614,954
Operating Reserve Fund	8,385,214
Renewal & Replacement Fund	17,309,916
Project Fund	197,939,626
Restricted General Reserve	1,383,993
Unrestricted General Reserve	70,471,527

Monroe Expressway

Fund	Balance
State Appropriation Revenue	-
State Appropriation Reserve	4,542
Revenue	-
Senior Lien Debt Service Reserve Fund	12,442,467
Operations & Maintenance Expense Fund	1,455,408
Operating Reserve Fund	4,122,977
Renewal & Replacement Fund	29,554,181
TIFIA Debt Service Reserve Fund	12,598,569
Ramp-up Reserve Fund	55,002,252
Unpledge Reserve	23,140,912

Net Position

Net position represents the residual interest in the Turnpike Authority's assets after all liabilities are deducted. For reporting purposes, they are divided into three categories: net investment in capital assets; restricted; and unrestricted.

Condensed Statements of Net Position

	2024	2023	2022
Current Assets	\$ 97,509,569	\$ 85,801,706	\$ 51,936,083
Restricted Assets, Prepaid Insurance Costs, and Net OPEB Asset	666,598,895	368,597,384	528,352,985
Capital Assets	3,054,702,659	2,800,516,047	2,583,207,797
Total Assets	3,818,811,123	3,254,915,137	3,163,496,865
Deferred Outflows of Resources	24,208,027	21,018,744	23,562,733
Current Liabilities	235,458,486	257,800,304	225,049,027
Noncurrent Liabilities	2,984,140,855	2,671,741,301	2,718,837,473
Total Liabilities	3,219,599,341	2,929,541,605	2,943,886,500
Deferred Inflows of Resources	35,119,358	20,955,385	7,542,181
Net Investment in Capital Assets	746,189,608	531,138,700	422,923,974
Restricted:			
Debt service	131,152,130	142,613,215	197,962,415
Transportation	45,898,985	19,475,299	17,470,046
Unrestricted	(334,940,272)	(367,790,323)	(402,725,518)
Net Position	\$ 588,300,451	\$ 325,436,891	\$ 235,630,917

Current Assets

Current assets increased in fiscal year 2024 primarily due to an increase of \$22.2 million in accounts receivable for toll invoice customer toll revenue. Current assets increased in fiscal year 2023 primarily due to an increase of \$17.1 million in accounts receivable for toll invoice customer toll revenue and an increase of \$20.8 million in intergovernmental receivables from the National Highway Performance Program (NHPP) for the Triangle Expressway's Complete 540 project. For additional information regarding NCTA's current assets, please see [Note 1](#) in the financial statements.

Non-Current Assets

Non-current assets increased in fiscal year 2024 primarily due to an increase in restricted investments of \$265.6 million for the issuance of new C540 Phase 2 Senior Lien revenue bonds not fully drawn down. Non-current assets decreased in fiscal year 2023 primarily due to a decrease in restricted investments of \$171.3 million for the continued construction of the Triangle Expressway's Complete 540 project using bond proceeds. For additional information regarding NCTA's restricted assets, please see [Note 1](#), [Note 2](#), and [Note 3](#) in the financial statements.

Capital Assets

Capital Assets, Non-Depreciable

The increases in fiscal years 2024 and 2023 were due to the continued progress on the Complete 540 project with an increase for right-of-way (ROW) acquisition of \$46.5 million and \$34.7 million, respectively; and an increase for construction in progress of \$237.3 million and \$212.3 million, respectively. For additional information regarding NCTA's capital assets, please see [Note 1](#) and [Note 4](#) in the financial statements.

Capital Assets, Depreciable, Net

The decrease of \$29.7 million in each fiscal year of 2024 and 2023 was due to the current year depreciation expense on the Triangle Expressway and Monroe Expressway projects. For additional information regarding NCTA's capital assets, please see [Note 1](#) and [Note 4](#) in the financial statements.

Current Liabilities

Current liabilities include accounts payable, current portion of interest payable, obligations under securities lending, current portion of revenue bonds payable, and other current liabilities. Current liabilities decreased in fiscal year 2024 primarily due to a decrease of \$19.1 million in Due to Other Funds for North Carolina Department of Transportation. Current liabilities increased in fiscal year 2023 primarily due to a \$16.7 million increase in Due to Other Funds for ROW acquisition expenditures for the Complete 540 project and an increase of \$13.5 million in Accounts Payable. For additional information regarding NCTA's current liabilities, please see [Note 1](#) and [Note 5](#) of the financial statements.

Non-Current Liabilities

Non-current liabilities include revenue bonds payable, notes payable, funds advanced to the Turnpike Authority from the Highway Trust Fund to cover the Turnpike Authority's administrative expenditures, and the non-current portion of accrued vacation and interest payable. Non-current liabilities increased in fiscal

year 2024 primarily due to the issuance of new C540 Phase 2 Senior Lien revenue bonds and corresponding increase in accrued interest payable. Non-current liabilities decreased in fiscal year 2023 primarily due to utilizing the TIFIA line of credit to refund the Triangle Expressway Senior Lien Revenue Bond Anticipation Notes, Series 2020 for the Complete 540 project. For additional information regarding NCTA's non-current liabilities, please see [Note 1](#), [Note 7](#), [Note 10](#) and [Note 11](#) and in the financial statements.

Net Position and Revenues, Expenses, and Changes in Net Position

For fiscal years 2024, 2023, and 2022, the Turnpike Authority ended with positive net position.

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

	2024	2023	2022
Operating Revenues:			
Charges for Services	\$ 111,481,581	\$ 94,172,843	\$ 89,667,045
Other Operating Revenues	17,683,724	17,598,892	17,604,543
Total Operating Revenues	129,165,305	111,771,735	107,271,588
Operating Expenses:			
Personnel Services	4,713,513	3,189,566	3,024,259
Supplies and Materials	195,434	1,643,019	613,815
Contracted Personnel Services	12,967,625	12,733,449	8,595,600
Travel	81,992	84,194	72,971
Advertising	583,849	718,950	159,027
Utilities	358,126	553,651	330,178
Dues and Subscription Fees	51,003	10,216	43,887
Other Services	20,202,517	17,837,082	29,013,342
Cost of Goods Sold	1,238,743	608,213	933,468
Capital Outlay	34,082,428	42,286,501	35,794,768
Rental Expense	195,405	113,913	199,973
Depreciation	29,686,821	29,683,523	29,683,523
Total Operating Expenses	104,357,456	109,462,277	108,464,811
Operating Income (Loss)	24,807,849	2,309,458	(1,193,223)
Nonoperating Revenue (Expenses) and Capital Grants	102,954,372	(25,486,063)	(102,730,936)
Transfers In	135,101,339	112,982,579	57,023,246
Transfers Out	-	-	-
Change in Net Position	262,863,560	89,805,974	(46,900,913)
Net Position Beginning, July 1	325,436,891	235,630,917	282,531,830
Net Position Ending, June 30	588,300,451	325,436,891	235,630,917

Operating Revenues

Operating revenues are revenues derived from the business operations of the Turnpike Authority. These include toll revenues, fees, and sales revenue from the sale of transponders. Operating revenues increased in fiscal years 2024 and 2023 primarily due to increases of \$17.3 million and \$4.5 million, respectively, in toll revenues from increased traffic levels. For additional information regarding NCTA's operating revenues, please [Note 1](#) and [Note 9](#) in the financial statements.

Operating Expenses

Operating expenses are expenses used to acquire or produce goods and services to carry out the mission of the Turnpike Authority. Operating expenses decreased \$5.1 million primarily due to completing C540 Phase 1 construction. In fiscal year 2023, operating expenses increased insignificantly at \$1.0 million. For additional information regarding NCTA's operating expenses, please [Note 1](#), [Note 6](#), [Note 10](#), and [Note 11](#) in the financial statements.

Non-operating and Other Revenue/Expenses

Non-operating revenues/expenses are revenues received or expenses incurred for which goods and services are not provided or received. They include capital grants, investment income, and debt service expense. In fiscal year 2024, debt service interest expense decreased \$22.8 million primarily due to NCTA closing on \$182,810,000 of Monroe Expressway System State Appropriation Revenue Refunding Bonds, Series 2024 to refund Series 2010A BABs, in an effort to reduce the agency's exposure to sequestration risk. In fiscal year 2023, non-operating revenues and expenses decreased an insignificant amount of \$1.9 million. Capital grants are the funds received from the Federal Highway Administration ("FHWA") and NCDOT for their participation in the initial construction of toll highways and in preliminary studies to determine the feasibility of a toll facility. Capital grants increased in fiscal years 2024 and 2023 primarily due to increases of \$97.0 million and \$75.4 million, respectively, in funding from the National Highway Performance Program (NHPP) for the Triangle Expressway's Complete 540 project. For additional information regarding NCTA's nonoperating and other revenue/expenses, please see [Note 1](#) in the financial statements.

Transfers In

Transfers in include funds received from NCDOT for gap funding of debt service and funds for the FHWA State match. The amount of funds received for gap funding of debt service remained unchanged at \$49.0 million in fiscal years 2024 and 2023. For additional information regarding NCTA's transfers in, please see [Note 1](#) in the financial statements.

Transfers Out

Transfers out include funds disbursed to reimburse NCDOT for project participation incurred with proceeds from the sale of bonds for the Complete 540 project. There were no transfers out in fiscal years 2024 and 2023. For additional information regarding NCTA's transfers out, please see [Note 1](#) in the financial statements.

Requests for Information

Additional information may be found on the Turnpike Authority's [Investor Information website](#). Any request for information about this report should be sent to the Controller at the North Carolina Turnpike Authority, 1 South Wilmington Street, Raleigh, NC 27601.

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF NET POSITION

JUNE 30, 2024 AND 2023

	2024	2023
ASSETS		
Current Assets:		
Securities Lending Collateral	\$ 7,440,441	\$ 1,020,321
Accounts Receivable, Net	80,304,272	58,125,209
Inventory	1,454,290	1,074,528
Intergovernmental Receivable	8,310,566	25,581,648
Total Current Assets	<u>97,509,569</u>	<u>85,801,706</u>
Noncurrent Assets:		
Restricted Assets:		
Cash and Cash Equivalents	78,240,411	50,195,497
Investments	579,726,296	314,123,402
Total Restricted Assets	<u>657,966,707</u>	<u>364,318,899</u>
Prepaid Insurance Costs	8,632,188	4,278,485
Capital Assets, Nondepreciable:		
Land and Permanent Easements	636,972,582	590,424,120
Construction in Progress	1,148,139,380	910,822,653
Capital Assets, Depreciable, Net of Depreciation:		
Highway network	1,269,590,697	1,299,269,274
Total Capital Assets, Net of Depreciation	<u>3,054,702,659</u>	<u>2,800,516,047</u>
Total Noncurrent Assets	<u>3,721,301,554</u>	<u>3,169,113,431</u>
Total Assets	<u>3,818,811,123</u>	<u>3,254,915,137</u>
Deferred Outflows of Resources:		
Pension	1,444,495	1,250,417
Other Postemployment Benefits	1,592,278	1,597,382
Unamortized Bond Refunding Charges	21,171,254	18,170,945
Total Deferred Outflows of Resources	<u>\$ 24,208,027</u>	<u>\$ 21,018,744</u>

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF NET POSITION (CONTINUED)

JUNE 30, 2024 AND 2023

	2024	2023
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 25,352,745	\$ 30,346,258
Accrued Interest Payable	48,792,017	56,476,044
Accrued Vacation	33,742	36,553
Obligations Under Securities Lending	7,440,441	1,020,321
Due to the State (NCDOT)	92,535,058	111,590,293
Bonds Payable, Net	41,806,000	42,002,000
Note Payable, Net	709,726	-
Intergovernmental Payables	2,077,401	2,006,851
Funds Held for Others	16,711,356	14,321,984
Total Current Liabilities	<u>235,458,486</u>	<u>257,800,304</u>
Noncurrent Liabilities:		
Bonds Payable, Net	2,167,709,320	1,875,536,769
Note Payable	665,034,594	665,961,980
Advances from Other Funds	33,872,326	32,839,728
Accrued Interest Payable	111,976,041	92,892,599
Accrued Vacation	472,135	347,808
Net OPEB Liability	3,008,410	2,450,532
Net Pension Liability	2,068,029	1,711,885
Total Noncurrent Liabilities	<u>2,984,140,855</u>	<u>2,671,741,301</u>
Total Liabilities	<u>3,219,599,341</u>	<u>2,929,541,605</u>
Deferred Inflows of Resources:		
Pension	24,417	40,391
Deferred Gain on Refunding	34,150,961	19,578,829
Other Postemployment Benefits	943,980	1,336,165
Total Deferred Inflows of Resources	<u>35,119,358</u>	<u>20,955,385</u>
NET POSITION		
Net Investment in Capital Assets	746,189,608	531,138,700
Restricted:		
Debt Service	131,152,130	142,613,215
Transportation	45,898,985	19,475,299
Unrestricted	(334,940,272)	(367,790,323)
Total Net Position	<u>\$ 588,300,451</u>	<u>\$ 325,436,891</u>

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

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

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Revenues:		
Operating Revenues:		
Charges for Services	\$ 111,481,581	\$ 94,172,843
Other Operating Revenues	17,683,724	17,598,892
Total Revenues	129,165,305	111,771,735
Expenses:		
Operating Expenses:		
Personnel Services	4,713,513	3,189,566
Supplies and Materials	195,434	1,643,019
Contracted Personnel Services	12,967,625	12,733,449
Travel	81,992	84,194
Advertising	583,849	718,950
Utilities	358,126	553,651
Dues and Subscription Fees	51,003	10,216
Other Services	20,202,517	17,837,082
Cost of Goods Sold	1,238,743	608,213
Capital Outlay	34,082,428	42,286,501
Rental Expense	195,405	113,913
Depreciation	29,686,821	29,683,523
Total Operating Expenses	104,357,456	109,462,277
Operating Gain	24,807,849	2,309,458
Nonoperating Revenues (Expenses):		
Investment Earnings	19,844,954	10,407,076
Federal Interest Subsidy on Debt	2,976,846	3,877,885
Interest and Fees	(92,418,151)	(115,267,249)
Miscellaneous	131,285	41,988
Total Nonoperating Expenses	(69,465,066)	(100,940,300)
Loss Before Transfers and Capital Grants	(44,657,217)	(98,630,842)
Capital Grants	172,419,438	75,454,237
Transfers In	135,101,339	112,982,579
Change in Net Position	262,863,560	89,805,974
Net Position, Beginning	325,436,891	235,630,917
Net Position, Ending	\$ 588,300,451	\$ 325,436,891

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

NORTH CAROLINA TURNPIKE AUTHORITY

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Cash Flows from Operating Activities:		
Receipts from Customers	\$ 91,399,848	\$ 78,460,180
Payments to Employees and Fringe Benefits	(4,151,093)	(3,021,508)
Payments to Vendors and Suppliers	(81,313,811)	(57,215,971)
Other Receipts	8,649,661	18,131,275
Other Payments	(123,939)	(53,197)
Net Cash Flows from Operating Activities	<u>14,460,666</u>	<u>36,300,779</u>
Cash Flows from Noncapital Financing Activities:		
Advances from Other Funds	<u>1,032,598</u>	<u>2,416,187</u>
Net Cash Flows from Noncapital Financing Activities	<u>1,032,598</u>	<u>2,416,187</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Capital Assets	(303,301,291)	(246,040,714)
Transfers from Other Funds	135,101,338	112,982,580
Federal Interest Subsidy on Debt	2,976,846	3,877,885
Capital Contributions	189,551,619	56,039,975
Capital Gifts	1,249,755	-
Principal Payments	(250,279,659)	(536,454,000)
Interest Payments	(77,424,913)	(98,387,212)
Proceeds from Capital Debt	568,403,738	499,461,980
Bond Issuance Costs	(7,971,243)	(71,250)
Insurance Recoveries	127,338	23,382
Net Cash Flows from Capital and Related Financing Activities	<u>258,433,528</u>	<u>(208,567,374)</u>
Cash Flows from Investing Activities:		
Proceeds from Sale and Maturities of Investments	658,779,784	576,823,684
Purchase of Investments	(920,965,555)	(403,573,647)
Investment Earnings	16,303,893	8,447,710
Net Cash Flows from Investing Activities	<u>(245,881,878)</u>	<u>181,697,747</u>
Net Change in Cash and Cash Equivalents	28,044,914	11,847,339
Cash and Cash Equivalents, Beginning of Year	50,195,497	38,348,158
Cash and Cash Equivalents, End of Year	<u>\$ 78,240,411</u>	<u>\$ 50,195,497</u>

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

NORTH CAROLINA TURNPIKE AUTHORITY
STATEMENTS OF CASH FLOWS (CONTINUED)

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
Reconciliation of Operating Gain to Net Cash		
Flows From Operating Activities:		
Operating Gain	\$ 24,807,849	\$ 2,309,458
Adjustments to Reconcile Operating Gain to		
Net Cash Flows from Operating Activities:		
Operating Activities:		
Depreciation Expense	29,686,821	29,683,523
Nonoperating Miscellaneous and Other Expense	(8,095,183)	(124,447)
Management Fees	(123,935)	(53,197)
Changes in Assets and Deferred Outflows:		
Accounts Receivable	(22,179,065)	(17,100,212)
Intergovernmental Receivables	(1,110,855)	(2,491,540)
Due from Other Funds	-	1,128,636
Inventory	(379,762)	(159,659)
Net OPEB Asset	-	1,530
Deferred Outflows for Pensions	(194,078)	(442,777)
Deferred Outflows for OPEB	5,104	218,639
Changes in Liabilities and Deferred Inflows:		
Accounts Payable	8,078,306	2,822,234
Due to Other Funds	(19,055,235)	16,708,950
Funds Held for Others	2,389,372	3,560,635
Due to Fiduciary	-	-
Unearned Revenue	-	(150,000)
Compensated Absences	121,516	57,492
Net OPEB Liability	561,826	(481,902)
Deferred Inflows for OPEB	(392,185)	242,670
Net Pension Liability	356,144	1,199,967
Deferred Inflows for Pensions	(15,974)	(629,221)
Net Cash Flows from Operating Activities	<u>\$ 14,460,666</u>	<u>\$ 36,300,779</u>
Noncash Investing, Capital, and Financing Activities:		
Change in Fair Value of Investments	(17,092,965)	(4,289,423)
Change in Construction in Progress as a Result of		
Accrued Liabilities	9,828,561	22,916,373
Change in Net OPEB Liability related to		
Noncapital Contributions	(3,948)	(18,605)
Change in Securities Lending Collateral	6,420,120	(4,171,005)
Increase in Receivables Related to Nonoperating		
Income	-	19,414,263
Assets Acquired through Assumption of a Liability	321,867	148,784

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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

Organization and Purpose – The North Carolina Turnpike Authority (“NCTA”) was established by G.S. 136 Article 6H on October 3, 2002. Effective July 27, 2009, the North Carolina General Assembly adopted Session Law 2009-343, transferring the NCTA to the North Carolina Department of Transportation (“NCDOT”) to conserve expenditures and improve efficiency. The NCTA is a business unit of NCDOT and is subject to and under the direct supervision of the Secretary of Transportation. NCTA is presented as a major enterprise fund in the State of North Carolina. Currently, NCTA is authorized to construct, operate, and maintain up to 11 turnpike projects in the state.

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

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

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

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

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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

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

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

Allowance for Doubtful Accounts – NCTA determines the allowance for doubtful accounts for the uncollectible portion of toll revenues based on historical collections. As of June 30, 2024 and 2023, NCTA's allowance for doubtful accounts totaled \$60,580,398 and \$34,512,607, respectively.

During the year ended June 30, 2024, NCTA changed its methodology for calculating the allowance as the implementation of its new back-office software provided for more accurate calculations of the estimated allowance based on life-to-date reporting for all invoices issued and collected.

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

Restricted Cash and Cash Equivalents – This classification includes funds received through toll revenue collections. The proceeds are to be used for debt service payment. The funds are held in the NC STIF. Ownership interest of the NC STIF is determined on a fair market valuation basis as of June 30, 2024 and 2023, in accordance with the NC STIF operating procedures.

Restricted Investments – This classification includes revenue and funds received from the State of North Carolina to be used solely for the construction of the Triangle Expressway and the Monroe Expressway. See Note 3 for further information on restricted investments.

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

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

Capital Assets, Depreciable – Capital assets, depreciable are stated at cost at the date of acquisition or fair value at date of donation in the case of gifts. Assets that have a value or cost in excess of \$5,000 at the date of acquisition and have an expected useful life of two or more years are capitalized. This definition conforms to the policy of the North Carolina Office of State Controller.

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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

Subscription-Based Information Technology Arrangement – Subscription-Based Information Technology Arrangements are right-to-use subscription assets. Subscription assets that have a value or cost in excess of \$400,000 at the date of the agreement are capitalized. This definition conforms to the policy of the North Carolina Office of State Controller.

Depreciation is calculated using the straight-line method over the estimated useful life of 50 years for the highway network. Capital assets are carried at cost less accumulated depreciation.

Noncurrent Liabilities – Noncurrent liabilities include the advances from the state (NCDOT), bonds payable, a note payable, accrued interest, accrued vacation, net pension liability, and net OPEB liability that will not be paid within the next fiscal year.

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

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

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

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

Restricted – This represents funds received through toll revenue collections and other deposits that are to be used for debt service payments and reserves. These funds are held in the NC STIF and other investments (see Notes 2 and 3).

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

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

Revenue and Expense Recognition – NCTA classifies its revenue and expenses as operating and nonoperating in the accompanying statements of revenues, expenses, and changes in net position. Operating expenses generally result from providing services and producing and delivering goods in connection with NCTA's principal ongoing operations. Operating expenses are all expense transactions incurred other than those related to capital and non-capital financing or investing activities as defined by GASB 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*. Nonoperating expenses mainly relate to interest expense and the amortization of premiums and discounts of long-term debt.

Operating revenues include activity from the toll roads that were open for operations during the fiscal years ended June 30, 2024 and 2023. These revenues include toll revenues, processing fees, and other charges arising from the toll roads.

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

Transfers In/Out – House Bill 817 [Session Law 2013-183] amends the law that created the Highway Trust Fund. The amendment directs that funds are to be transferred to NCTA to pay debt service or related financing expenses on revenue bonds or notes issued for the following toll road construction projects: Triangle Expressway and Monroe Connector/Bypass. Debt has been issued for the Triangle Expressway/Complete 540 and the Monroe Connector/Bypass, and approximately \$135,101,000 was transferred to NCTA during the years ended June 30, 2024 and 2023, respectively. Transfers totaling approximately \$49,000,000 and \$1,900,000 were made from the Highway Trust Fund to NCTA as a result of state match for expenditures that were initially covered by the Highway Fund for continued construction related expenditures during the years ended June 30, 2024 and 2023, respectively.

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 2—Deposits

As of June 30, 2024 and 2023, \$78,240,411 and \$50,195,497, respectively, shown on the statements of net position as restricted cash and cash equivalents represent the NCTA's equity position in the State Treasurer's NC Short-Term Investment Fund ("NC STIF"). The NC STIF (a portfolio within the State Treasurer's Investment Pool, an external investment pool that is not registered with the Securities and Exchange Commission and does not have a credit rating) had a weighted average maturity 1.4 years as of June 30, 2024 and 2023.

Ownership interest of the NC STIF is determined on a fair market valuation basis as of June 30, 2024 and 2023, in accordance with the NC STIF operating procedures. Valuation of the underlying assets is performed by the custodian.

NCTA's fair value share of the NC STIF was determined based on Level 2 inputs in accordance with U.S. GAAP. At 2024 and 2023, \$78,240,411 and \$50,195,497, respectively, are classified as restricted. These amounts represent cash collected from toll revenues that is restricted for payments on bonds. Deposit and investment risks associated with the State Treasurer's Investment Pool (which includes the State Treasurer's NC STIF) are included in the State of North Carolina's ACFR. An electronic version of this report is available by accessing the NC OSC's Internet home page <http://www.ncosc.net/> and clicking on "Public Information" or by calling the State Controller's Financial Reporting Section at (919) 707-0500.

Note 3—Restricted investments

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

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

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

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

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 3—Restricted investments (continued)

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

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

2024				
Type of Investment	Valuation Measurement Method	Fair Value	Investment Maturities (in Years)	
			Less Than 1 Year	1 – 5 Years
NC STIF	Fair Value - Level 2	\$ 2,369,417	\$ 2,369,417	\$ -
U.S. Treasuries	Fair Value - Level 1	345,115,949	222,966,542	122,149,407
U.S. Agencies	Fair Value - Level 1	18,302,883	4,053,196	14,249,687
Commerical Paper	Fair Value - Level 2	1,487,406	1,487,406	-
Money Market Mutual Funds	Amortized Cost	212,450,641	212,450,641	-
		<u>\$ 579,726,296</u>	<u>\$ 443,327,202</u>	<u>\$ 136,399,094</u>
2023				
Type of Investment	Valuation Measurement Method	Fair Value	Investment Maturities (in Years)	
			Less Than 1 Year	1 – 5 Years
NC STIF	Fair Value - Level 2	\$ 3,652,973	\$ 3,652,973	\$ -
U.S. Treasuries	Fair Value - Level 1	115,677,389	61,962,553	53,714,836
U.S. Agencies	Fair Value - Level 1	16,946,547	10,914,545	6,032,002
Money Market Mutual Funds	Amortized Cost	177,846,493	177,846,493	-
		<u>\$ 314,123,402</u>	<u>\$ 254,376,564</u>	<u>\$ 59,746,838</u>

As of June 30, 2024 and 2023, included in the Money Market Mutual Funds totals as stated above, \$212,450,641 and \$177,846,593, respectively, were invested in the PFM Funds – Prime Series, Institutional Class. The PFM Funds – Prime Series is an SEC-registered money market mutual fund. The fund invests in obligations of the United States government and its agencies, high quality debt obligations of U.S. companies, and obligations of financial institutions. The fund seeks to maintain a constant \$1 net asset value and is rated AAAM by Standard & Poor's. In addition, the fund maintains a weighted average maturity of 60 days or less.

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 4—Capital assets

A summary of changes in capital assets for the year ended June 30, 2024 is presented as follows:

	July 1, 2023	Additions	Disposals	Transfers	June 30, 2024
Capital Assets, Nondepreciable					
Land and Permanent Easements	\$ 590,424,120	\$ 46,548,462	\$ -	\$ -	\$ 636,972,582
Construction in Progress	910,822,653	237,316,727	-	-	1,148,139,380
Total Capital Assets, Nondepreciable	1,501,246,773	283,865,189	-	-	1,785,111,962
Capital Assets, Depreciable					
Highway Network	1,534,468,821	-	-	-	1,534,468,821
Machinery and Equipment	32,606	-	-	-	32,606
Total Capital Assets, Depreciable	1,534,501,427	-	-	-	1,534,501,427
Less Accumulated Depreciation for:					
Highway Network	235,199,547	29,678,577	-	-	264,878,124
Machinery and Equipment	32,606	-	-	-	32,606
Total Accumulated Depreciation	235,232,153	29,678,577	-	-	264,910,730
Total Capital Assets, Depreciable, Net of Depreciation	1,299,269,274	(29,678,577)	-	-	1,269,590,697
Capital Assets, Net of Depreciation	\$ 2,800,516,047	\$ 254,186,612	\$ -	\$ -	\$ 3,054,702,659

A summary of changes in capital assets for the year ended June 30, 2023 is presented as follows:

	July 1, 2022	Additions	Disposals	Transfers	June 30, 2023
Capital Assets, Nondepreciable					
Land and Permanent Easements	\$ 555,710,391	\$ 34,713,729	\$ -	\$ -	\$ 590,424,120
Construction in Progress	698,544,609	212,278,044	-	-	910,822,653
Total Capital Assets, Nondepreciable	1,254,255,000	246,991,773	-	-	1,501,246,773
Capital Assets, Depreciable					
Highway Network	1,534,468,821	-	-	-	1,534,468,821
Machinery and Equipment	32,606	-	-	-	32,606
Total Capital Assets, Depreciable	1,534,501,427	-	-	-	1,534,501,427
Less Accumulated Depreciation for:					
Highway Network	205,516,024	29,683,523	-	-	235,199,547
Machinery and Equipment	32,606	-	-	-	32,606
Total Accumulated Depreciation	205,548,630	29,683,523	-	-	235,232,153
Total Capital Assets, Depreciable, Net of Depreciation	1,328,952,797	(29,683,523)	-	-	1,299,269,274
Capital Assets, Net of Depreciation	\$ 2,583,207,797	\$ 217,308,250	\$ -	\$ -	\$ 2,800,516,047

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 5—Advances from the State (NCDOT)

The following is a summary of changes in the NCTA's Advances from the State (NCDOT) as of June 30, 2024:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>June 30, 2024</u>
Advances from the State (NCDOT)	\$ 32,839,728	\$ 1,032,598	\$ 33,872,326

The following is a summary of changes in the NCTA's Advances from the State (NCDOT) as of June 30, 2023:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>June 30, 2023</u>
Advances from the State (NCDOT)	\$ 30,423,541	\$ 2,416,187	\$ 32,839,728

Pursuant to G.S. 136-176(b), operation and project development costs for NCTA are eligible for funding from the Highway Trust Fund administration funds. These funds are considered an Advance from the State (NCDOT) and are to be repaid from toll revenue as soon as possible. Beginning January 1, 2014, one year after NCTA began collecting tolls on the completed Triangle Expressway project, NCTA began accruing interest on the unpaid balance owed to the Highway Trust Fund at a rate equal to the State Treasurer's average annual yield (4.09% as of June 30, 2024) on its investment of Highway Trust Fund funds pursuant to G.S. 147-6.1. The NCTA accrued \$982,201 and \$272,968 of interest for the years ended June 30, 2024 and 2023, respectively.

Note 6—Rent expense

During the year ended June 30, 2014, NCTA entered into short-term equipment rental agreements for road maintenance equipment with the North Carolina Department of Transportation. Rental expense relating to these agreements during the years ended June 30, 2024 and 2023 was \$191,013 and \$113,913, respectively.

During the current year, NCTA entered into a short-term rental agreement for an office space with the North Carolina Department of Transportation. Rental expense relating to these agreements during the years ended June 30, 2024 and 2023 was \$4,392 and \$-0-, respectively

Note 7—Long-term debt

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

	<u>2024</u>	<u>2023</u>
Revenue Bonds:		
Revenue bonds payable, Series 2009B, Capital Appreciation Triangle Expressway Revenue Bonds in the amount of \$35,173,000, issued July 29, 2009, with interest ranging from 6.74% to 7.10% compounding semi-annually, and principal payments beginning January 2030, due in full January 2038.	\$ 35,173,109	\$ 35,173,109
Revenue bonds payable, Series 2010A, Monroe Connector System State Appropriation Revenue Bonds in the amount of \$233,920,000, issued October 26, 2010, with coupon rates of 5.318% and 5.418%, and principal payments beginning January 2022. Bond was repaid in full during the year.	-	216,930,000

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

	2024	2023
Revenue Bonds (continued):		
Revenue bonds payable, Series 2016, Monroe Expressway Toll Revenue Bonds in the amount of \$137,051,904, issued January 31, 2017, with a coupon rate of 5.00%, and principal payments beginning July 2023; final maturity July 2054. The amount payable net of unamortized premium of \$5,582,420 as of June 30, 2024.	\$ 141,281,372	\$ 142,869,865
Revenue bonds payable, Series 2017, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of \$171,510,000, issued March 30, 2017, with coupon rates of 3.125% and 5.00%, and principal payments beginning January 2018; final maturity January 2039, net of an unamortized premium of \$10,626,872 as of June 30, 2024.	156,546,872	172,559,468
Revenue bonds payable, Series 2018A, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of \$150,125,000, issued May 10, 2018, with an average coupon rate of 4.00%, and principal payments beginning January 2019; final maturity January 2039. The amount payable is net of an unamortized premium of \$4,614,803 as of June 30, 2024.	154,739,803	155,121,790
Revenue bonds payable, Series 2018B, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of \$161,759,000, issued December 31, 2018, with an average coupon rate of 2.82%, and principal payments beginning January 2020; final maturity January 2032.	121,236,000	134,593,000
Revenue bonds payable, Series 2018T, Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds in the amount of \$396,420,000, issued December 12, 2018, with an average coupon rate of 4.61%, and principal payments beginning January 2020; final maturity January 2041. The amount payable is net of unamortized premium of \$19,582,052 as of June 30, 2024.	410,432,052	415,109,420
Revenue bonds payable, Series 2019, Triangle Expressway System Appropriation Revenue Bonds (Capital Appreciation Bonds) in the amount of \$115,979,250, issued December 17, 2019, interest will accrete and be paid upon maturity, and principal payments beginning January 2040, final maturity January 2049.	115,979,250	115,979,250
Revenue bonds payable, Series 2019, Triangle Expressway System Senior Lien Turnpike Revenue Bonds in the amount of \$370,975,000, issued December 17, 2019, with coupon rates ranging from 3.00% to 5.00%, and principal payments beginning January 2042; final maturity January 2055. The amount payable is net of an unamortized premium of \$48,051,866 as of June 30, 2024.	419,026,866	420,904,368

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

	2024	2023
Revenue Bonds (continued):		
Revenue bonds payable, Series 2020, Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes in the amount of \$499,460,000, issued October 29, 2020, with a coupon rate of 5.00%. These revenue bonds payable were refunded in January 2023.	\$ -	\$ 16,364,851
Revenue bonds payable, Series 2021 Monroe Expressway System State Appropriation Revenue Refunding Bonds in the amount of \$73,985,000, issued April 6, 2021, with a coupon rate of 5.00%, and principal payments beginning July 2022; final maturity July 2041. The amount payable is net of an unamortized premium of \$17,291,248 as of June 30, 2024.	88,921,248	91,933,648
State Appropriation Revenue Refunding Bonds in the amount of \$182,810,000, issued on April 8, 2024, with a coupon rate of 5.00%, and principal payments beginning January 2025; final maturity June 2041. The amount payable is net of an unamortized premium of \$24,010,548 as of June 30, 2024.	206,820,548	-
Revenue bonds payable, Series 2024A, Triangle Expressway System Senior Lien Turnpike Revenue Bond in the amount of \$304,575,00, issued January 30, 2024, with a coupon rate of 5.00%, and principal payments beginning January 2053; final maturity January 2058. The amount payable is net of an unamortized premium of \$19,027,895 as of June 30, 2024.	323,572,895	-
Revenue bonds payable, Series 2024B, Triangle Expressway System Senior Lien Turnpike Revenue Bond in the amount of \$35,785,305, issued January 30, 2024, with a coupon rates ranging from 4.88% to 4.96%, and principal payments beginning January 2050; final maturity January 2053.	35,785,305	-

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NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

Bonds payable maturities are as follows:

<u>Years Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	41,806,000	81,985,469	123,791,469
2026	45,609,000	83,880,763	129,489,763
2027	49,788,359	82,181,826	131,970,185
2028	53,690,064	80,140,641	133,830,704
2029	54,634,936	78,035,758	132,670,694
2030 - 2034	311,043,520	413,149,809	724,193,330
2035 - 2039	401,709,106	402,740,582	804,449,688
2040 - 2044	308,138,028	268,271,603	576,409,631
2045 - 2049	281,101,250	221,834,250	502,935,500
2050 - 2054	220,970,305	200,567,745	421,538,050
2055 - 2059	291,980,000	36,175,225	328,155,225
Issuance Premiums	149,044,752	-	149,044,752
	<u>\$ 2,209,515,320</u>	<u>\$ 1,948,963,671</u>	<u>\$ 4,158,478,991</u>

	<u>2024</u>	<u>2023</u>
Notes Payable:		
Monroe Expressway TIFIA note payable for an amount not to exceed \$166,500,000, opened on January 31, 2017, bearing interest of 3.08% per annum, with interest payments beginning July 2021, principal payments beginning January 2024, and final maturity in July 2053.	\$ 166,282,340	\$ 166,500,000
C540 TIFIA note payable for an amount not to exceed \$499,461,980, opened on January 17, 2023, bearing interest of 1.83% per annum, with interest payments beginning July 2023, principal payments beginning January 2029, and final maturity in January 2058.	<u>499,461,980</u>	<u>499,461,980</u>
Total Notes Payable, Net	<u>\$ 665,744,320</u>	<u>\$ 665,961,980</u>

On January 31, 2017, the NCTA signed an agreement with the United States Department of Transportation for a Monroe Expressway TIFIA note payable of up to \$166,500,000. In January 2019 and September 2019, NCTA

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

On August 5, 2021, the NCTA signed an agreement with the United States Department of Transportation for a 540 Phase 1 Project TIFIA note payable of up to \$499,461,980. In January 2023, NCTA drew down \$499,461,980 on this note to refund the C540 BAN. The note payable requires debt service payments commencing January 1, 2026, with a final maturity of January 1, 2058. No payment of principal or interest on the C540 note payable was required to be made during the period of January 1, 2022 through July 1, 2023. The amounts of principal and interest to be paid are calculated based on the total amount drawn on the note and amount of accrued interest outstanding as of January 1, 2026. Accrued interest on the loan agreement was \$13,389,779 and \$4,131,851 as of June 30, 2024 and 2023, respectively.

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

Years Ending June 30,	Principal	Interest	Total
2025	\$ 709,726	\$ 5,634,085	\$ 6,343,811
2026	1,078,361	8,055,673	9,134,034
2027	1,307,494	10,444,195	11,751,689
2028	1,457,961	12,064,838	13,522,799
2029	1,902,925	14,631,586	16,534,511
2030 - 2034	14,964,839	76,093,472	91,058,311
2035 - 2039	24,775,412	74,078,026	98,853,438
2040 - 2044	142,761,035	75,201,350	217,962,385
2045 - 2049	199,721,734	52,577,379	252,299,113
2050 - 2054	177,619,181	33,796,803	211,415,984
2055 - 2059	99,445,652	12,182,623	111,628,275
	<u>\$ 665,744,320</u>	<u>\$ 374,760,030</u>	<u>\$ 1,040,504,350</u>

Long-term liability activity for the year ended June 30, 2024 is as follows:

	July 1, 2023	Additions	Reductions	June 30, 2024	Due Within One Year
Bonds Payable:					
Bonds	\$ 1,787,362,263	\$ 523,170,305	\$ (250,062,000)	\$ 2,060,470,568	\$ 41,806,000
Deferred Amounts:					
For Issuance Premiums	130,176,506	43,613,979	(24,745,733)	149,044,752	-
	<u>1,917,538,769</u>	<u>566,784,284</u>	<u>(274,807,733)</u>	<u>2,209,515,320</u>	<u>41,806,000</u>
Note Payable	665,961,980	-	(217,660)	665,744,320	-
Accrued Vacation	384,361	302,275	(180,759)	505,877	33,742
Net OPEB Liability	2,450,532	557,989	(111)	3,008,410	-
Net Pension Liability	1,711,885	356,144	-	2,068,029	-
Total Long-Term Debt	<u>\$ 2,588,047,527</u>	<u>\$ 568,000,692</u>	<u>\$ (275,206,263)</u>	<u>\$ 2,880,841,956</u>	<u>\$ 41,839,742</u>

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

Long-term liability activity for the year ended June 30, 2023 is as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Bonds Payable:					
Bonds	\$ 2,323,816,263	\$ -	\$ (536,454,000)	\$ 1,787,362,263	\$ 42,002,000
Deferred Amounts:					
For Issuance Premiums	155,434,421	-	(25,257,915)	130,176,506	-
	2,479,250,684	-	(561,711,915)	1,917,538,769	42,002,000
Note Payable	166,500,000	499,461,980	-	665,961,980	-
Accrued Vacation	326,869	209,179	(151,687)	384,361	36,553
Net OPEB Liability	2,951,039	-	(500,507)	2,450,532	-
Net Pension Liability	511,918	1,199,967	-	1,711,885	-
Total Long-Term Debt	\$ 2,649,540,510	\$ 500,871,126	\$ (562,364,109)	\$ 2,588,047,527	\$ 42,038,553

Total interest cost on indebtedness was \$88,448,485 and \$120,898,514 for the years ended June 30, 2024 and 2023, respectively.

In the Event of Default

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

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

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

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

Federal Interest Cash Subsidy

The NCTA has elected to treat the Triangle Expressway System State Annual Appropriation Revenue Bonds, Series 2009B and the Monroe Connector System State Appropriation Revenue Bonds, Series 2010A as "Build America Bonds" for purposes of the *American Recovery and Reinvestment Tax Act of 2009* ("Recovery Act"). In adherence with the Recovery Act, NCTA receives cash subsidy payments from the United States Treasury Department equal to 35% of the interest payable on the Series 2009B and 2010A State Appropriation Bonds. As part of the 2024 Federal Budget, the payments received during the year ended June 30, 2024 were reduced by 5.7%. As part of the 2023 Federal Budget, the payments received during the year ended June 30, 2023 were reduced by 5.7%. Cash subsidy payments totaled \$2,976,846 and \$3,877,885 for the years ended June 30, 2024 and 2023, respectively.

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 7—Long-term debt (continued)

Refundings

On April 8, 2024, the NCTA issued \$182,810,000 of appropriation revenue refunding bonds. These bonds were issued to refund, in advance of their maturity, certain of NCTA's Monroe Connector System State Appropriation Revenue Bonds, Series 2010 A, and to pay costs incurred in connection with the issuance of these bonds. As a result, the refunded bonds were defeased and the liability was removed from the statements of net position as of June 30, 2024. The net carrying amount of the old debt exceeded the reacquisition price by \$5,349,574. This amount is shown as a deferred inflow of resources and amortized over the life of the refunded debt. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by

Bond Covenants

NCTA is subject to certain covenant requirements under the bond indentures related to outstanding debt. Compliance requirements under the covenants maintain that NCTA will provide revenues of at least 130% and 110% of the long-term debt service requirement for senior lien indebtedness and parity debt, respectively, as it relates to the Triangle Expressway and Monroe Expressway. At June 30, 2024 and 2023, management believes the rate covenant was met for both expressways.

Note 8—Deferred inflows and outflows of resources – unamortized bond refunding gain (losses)

Gains and losses from debt refunding must be deferred and amortized over the lesser of the original remaining life of the old debt or the life of the new debt. In addition, gains and losses related to debt refunding are to be used in determining the carrying value of the new debt issued to finance debt refunding. As of June 30, 2024 and 2023, the carrying values of the 2017 Triangle Expressway System senior Lien Turnpike Revenue Refunding Bonds and the 2018 Triangle Expressway System Appropriation Revenue Refunding Bonds have been adjusted for the loss from defeasance (net of amortization) of \$21,171,254 and \$18,170,945, respectively.

As of June 30, 2024 and 2023, the carrying value of the 2023 Monroe Expressway System State Appropriation Revenue Refunding Bonds has been adjusted for the gain from defeasance (net of amortization) of \$34,150,961 and \$19,578,829, respectively.

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

Note 9—Pledged revenues

NCTA issues revenue bonds to provide financing for extension, expansion, and improvement projects within the Turnpike System. NCTA has pledged future toll customer revenues, federal interest subsidy payments, and investment income to repay revenue bonds, of which \$2,209,515,320 is currently outstanding. The bonds are payable solely from net revenues and are payable through fiscal year 2059. The Bond Order contains certain provisions that could result in the acceleration of maturities of revenue bonds if certain events of default occur and are not quickly resolved. The total principal and interest remaining to be paid on the bonds is \$4,158,478,991. For the year ended June 30, 2024, principal and interest paid and available revenues (toll revenues, fees, federal interest subsidy, federal transportation funds, and investment revenues) were \$132,421,853 and \$126,124,476, respectively. For year ended June 30, 2023, principal and interest paid and available revenues (toll revenues, fees, federal interest subsidy, federal transportation funds, and investment revenues) were \$146,867,390 and \$117,694,766, respectively. Current outstanding revenue bond issues are all public sales revenue bonds.

The NCTA has elected to treat the State Annual Appropriation Revenue Bonds as "Build America Bonds" for purposes of the American Recovery and Reinvestment Act of 2009 and to receive a cash subsidy from the United States Treasury equal to 35% of the interest payable on these bonds. As part of the 2024 Federal Budget, the payments received during the years ended June 30, 2024 and 2023 were reduced by 5.7%.

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Retirement plans

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

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

Contributions – Contribution provisions for TSERS are established by North Carolina General Statute 135-8 and may be amended only by the North Carolina General Assembly. Employer and member contribution rates are set each year by the North Carolina General Assembly based on annual actuarial valuations. Required employer contribution rates for the years ended June 30, 2024, and 2023 were 17.64% and 17.38%, respectively, while employee contributions were 6% each year. The NCTA made 100% of its annual required contributions for the years ended June 30, 2024 and 2023. Contributions to the pension plan from the NCTA were \$436,619 and \$355,636 for the years ended June 30, 2024 and 2023, respectively.

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – As of June 30, 2024, the NCTA reported a liability of \$2,068,029 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions.

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Retirement plans (continued)

As of June 30, 2023, the NCTA reported a liability of \$1,711,885 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022, utilizing update procedures incorporating the actuarial assumptions.

The NCTA's proportion of the net pension liability was based on a projection of the NCTA's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating TSERS employers, actuarially determined. As of June 30, 2024 and 2023, the NCTA's proportion was 0.01% and the proportion did not change from the prior measurement date.

For the years ended June 30, 2024 and 2023, NCTA recognized pension expense of \$670,648 and \$486,958, respectively. As of June 30, 2024, NCTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 168,593	\$ 15,264
Changes in assumptions	72,626	
Net difference between projected and actual earnings on pension plan investments	575,946	
Change in proportion and differences between agency's contributions and proportionate share of contributions	73,431	9,153
Change in proportion	117,280	-
Contributions subsequent to the measurement date	436,619	-
	<u>\$ 1,444,495</u>	<u>\$ 24,417</u>

As of June 30, 2023, NCTA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between actual and expected experience	\$ 7,454	\$ 23,333
Changes in assumptions	135,061	-
Net difference between projected and actual earnings on pension plan investments	562,252	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	58,659	17,058
Change in proportion	131,355	-
Contributions subsequent to the measurement date	355,636	-
	<u>\$ 1,250,417</u>	<u>\$ 40,391</u>

NORTH CAROLINA TURNPIKE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Retirement plans (continued)

As of June 30, 2024, the \$436,619 included as a component of deferred outflows of resources related to pensions resulting from NCTA contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30,	
2025	\$ 344,182
2026	208,276
2027	406,399
2028	24,602
	<u>\$ 983,459</u>

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

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

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

The actuarial assumptions used in the December 31, 2022, valuation are based on the experience study prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021. Future ad hoc COLA amounts are not considered to be substantively automatic and, are therefore, not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Retirement plans (continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	33.0%	0.9%
Global Equity	38.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	8.2%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
	100.0%	

The information above is based on 30-year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including TSERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. All rates of return and inflation are annualized.

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

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

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
NCTA's Proportionate Share of the Net Pension Liability	\$ 3,550,321	\$ 2,068,029	\$ 845,186

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 10—Retirement plans (continued)

The Board, a part of the North Carolina Department of Administration, maintains a separate fund for the exclusive benefit of the participating employees and their beneficiaries, the North Carolina Public Employee Deferred Compensation Trust Fund. The Board also contracts with an external third party to perform certain administrative requirements and to manage the trust fund's assets. All costs of administering and funding the Plan are the responsibility of the Plan participants. No costs are incurred by the NCTA. The voluntary contributions by employees amounted to \$24,740 and \$20,452 for the years ended June 30, 2024, and 2023, respectively.

IRC Section 401(k) Plan – All members of TSERS are eligible to enroll in the Supplemental Retirement Income Plan, a defined contribution plan, created under Internal Revenue Code Section 401(k). All costs of administering the Plan are the responsibility of the Plan participants. No costs are incurred by the NCTA. The voluntary contributions by employees amounted to \$62,840 and \$24,757 for the years ended June 30, 2024 and 2023, respectively.

Note 11—Other postemployment benefits

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

Retiree Health Benefit Fund

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

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

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

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

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

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

Contributions – By General Statute, accumulated contributions from employers to the RHBF and any earnings on those contributions shall be used to provide health benefits to retired and disabled employees and their applicable beneficiaries. By statute, contributions to the RHBF are irrevocable. Also by law, fund assets are dedicated to providing benefits to retired and disabled employees and their applicable beneficiaries and are not subject to the claims of creditors of the employers making contributions to the RHBF. However, the RHBF assets may be used for reasonable expenses to administer the RHBF, including costs to conduct required actuarial valuations of state – supports retired employees' health benefits. Contribution rates to the RHBF, which are intended to finance benefits and administrative expenses on a pay-as-you-go basis are determined by the General Assembly in the Appropriations Bill. For the years ended June 30, 2024 and 2023, the NCTA contributed 7.14% and 6.89% of covered payroll, which amounted to \$193,473 and \$153,828, respectively.

At June 30, 2024, NCTA reported a liability of \$3,005,570 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023, utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, NCTA reported a liability of \$2,447,581 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2021. The total OPEB liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

The NCTA's proportion of the net OPEB liability was based on a projection of NCTA's present value of future salary, actuarially determined. At June 30, 2024 and 2023, NCTA's proportion was 11.28% and 0.01%, respectively.

NORTH CAROLINA TURNPIKE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

As of June 30, 2024, the \$176,727 of contributions subsequent to the measurement date reported as deferred outflows of resources will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2024. Other amounts reported as outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,			
	2025	\$	207,316
	2026		85,736
	2027		55,231
	2028		117,437
	2029		-
		\$	465,720

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

Inflation	2.50%
Salary increases	3.25% to 8.05%, including inflation and productivity factor of 2.50%
Healthcare cost trend rate – Medical	5.00% to 6.50%
Healthcare cost trend rate – Prescription Drug	5.00% to 10.00%
Healthcare cost trend rate – Administrative	3.00%

Discount Rate – The discount rate used to measure the total OPEB liability for the RHBF was 3.65%. The projection of cash flow used to determine the discount rate assumed that contributions from employers would be made at the current statutorily determined contribution rate. Based on the above assumptions, the plan's fiduciary net position was not projected to be available to make projected future benefit payments of current plan members. As a result, a municipal bond rate of 3.65% was used as the discount rate used to measure the total OPEB liability. The 3.65% rate is based on the Bond Buyer 20-year General Obligation Index as of June 30, 2023.

Sensitivity of the NCTA's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate – The following presents the NCTA's proportionate share of the net RHBF OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current discount rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
NCTA's Proportionate Share of the Net OPEB Liability	\$ 3,681,518	\$ 3,005,570	\$ 2,481,367

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

Sensitivity of the NCTA’s Proportionate Share of the Net OPEB Liability to Changes in Healthcare Trend Rates – The following presents the NCTA’s proportionate share of the net RHBF OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	6.50% Medical, 10.00% Rx, 3.00% Administrative	1% Increase
NCTA’s Proportionate Share of the Net OPEB Liability	\$ 2,565,717	\$ 3,005,570	\$ 3,545,642

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

Disability Income Plan of North Carolina

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

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

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

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

NORTH CAROLINA TURNPIKE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

Contributions – Benefit and contribution provisions are established by Chapter 135, Article 6, of the General Statutes and may be amended only by the North Carolina General Assembly. The plan does not provide for automatic post-retirement benefit increases. Disability income benefits are funded by actuarially determined employer contributions that are established in the Appropriations Bill by the General Assembly and coincide with the State fiscal year. For the fiscal years ended June 30, 2024 and 2023, employers made a statutory contribution of 0.10% and 0.09%, respectively of covered payroll which was equal to the actuarially required contribution. NCTA's contributions to the plan were \$2,723 and \$2,046 for the years ended June 30, 2024 and 2023, respectively.

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

OPEB Liabilities (Asset), OPEB Expense, and Deferred Outflows and Inflows of Resources Related to OPEB – At June 30, 2024, NCTA reported a liability of \$2,840 for its proportionate share of the net DIPNC OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The total OPEB liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, NCTA reported an asset of \$2,951 for its proportionate share of the net DIPNC OPEB asset. The net OPEB asset was measured as of June 30, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The total OPEB asset was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions.

The NCTA's proportion of the net OPEB liability (asset) was based on a projection of NCTA's present value of future salary, actuarially determined. At June 30, 2024 and 2023, NCTA's proportion was 0.01%.

As of June 30, 2024, the \$2,723 of contributions subsequent to the measurement date reported as deferred outflows of resources will be recognized as a decrease of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending June 30,		
2025		\$ 1,098
2026		627
2027		923
2028		101
2029		(120)
Thereafter		490
Total		<u>\$ 3,119</u>

Actuarial Assumptions – The total OPEB asset in the December 31, 2022, actuarial valuation was determined

NORTH CAROLINA TURNPIKE AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

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

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
NCTA’s Proportionate Share of the Net OPEB Liability	\$ 3,414	\$ 2,840	\$ 2,255

Common Actuarial Assumptions for Both OPEB Plans – The total OPEB liability was determined by an actuarial valuation performed as of December 31, 2022, using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified. The total OPEB liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2023. The update procedures incorporated the actuarial assumptions used in the valuation. The entry age normal cost method was utilized.

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

The actuarial assumptions were based on the results of the experience study prepared as of December 31, 2022.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.1%
Global Equity	42.0%	6.5%
Real Estate	8.0%	5.9%
Alternatives	8.0%	7.5%
Opportunistic Fixed Income	7.0%	5.0%
Inflation Sensitive	6.0%	2.7%
	100.0%	

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 11—Other postemployment benefits (continued)

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

The following is information related to the proportionate share and OPEB expense as of June 30, 2024:

	RHBF	DIPNC	Total
OPEB expense	\$ 352,658	\$ 3,666	\$ 356,324
OPEB liability	3,005,570	2,840	3,008,410
Proportionate share of net OPEB liability	0.01%	0.01%	
Deferred Outflows of Resources			
Difference between actual and expected experience	33,097	2,489	35,586
Changes in assumptions	325,595	207	325,802
Net difference between projected and actual earnings on OPEB plan investments	24,010	3,709	27,719
Change in proportion and differences between agency's contributions and proportionate share of contributions	207,477	1,988	209,465
Change in proportion	814,247	-	814,247
Contributions subsequent to the measurement date	176,736	2,723	179,459
	<u>\$ 1,581,162</u>	<u>\$ 11,116</u>	<u>\$ 1,592,278</u>
Deferred Inflows of Resources			
Difference between actual and expected experience	\$ 2,945	\$ 1,573	\$ 4,518
Changes in assumptions	801,862	485	802,347
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	133,899	479	134,378
Change in proportion	-	2,737	2,737

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

	RHBF	DIPNC	Total
OPEB expense	\$ 118,429	\$ 3,846	\$ 122,275
OPEB liability (asset)	2,447,581	2,951	2,450,532
Proportionate share of net OPEB liability (asset)	0.0%	0.0%	
Deferred Outflows of Resources			
Difference between actual and expected experience	23,763	3,308	27,071
Changes in assumptions	195,961	190	196,151
Net difference between projected and actual earnings on OPEB plan investments	21,194	3,121	24,315
Change in proportion and differences between agency's contributions and proportionate share of contributions	188,818	2,077	190,895
Change in proportion	1,015,918	-	1,015,918
Contributions subsequent to the measurement date	140,986	2,046	143,032
	<u>\$ 1,586,640</u>	<u>\$ 10,742</u>	<u>\$ 1,597,382</u>
Deferred Inflows of Resources			
Difference between actual and expected experience	6,773	-	6,773
Changes in assumptions	1,113,952	547	1,114,499
Net difference between projected and actual earnings on OPEB plan investments	-	-	-
Change in proportion and differences between agency's contributions and proportionate share of contributions	211,152	536	211,688
Change in proportion	-	3,205	3,205
Contributions subsequent to the measurement date	-	-	-
	<u>\$ 1,331,877</u>	<u>\$ 4,288</u>	<u>\$ 1,336,165</u>

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 12—Risk management

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

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

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

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

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

Employees and retirees are provided health care coverage by the Medical Plan, a component unit of the state. The Medical Plan is funded by employer and employee contributions and is administered by a third party contractor.

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

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

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

NORTH CAROLINA TURNPIKE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

Note 13—Commitments and contingencies

NCTA has established an encumbrance system to track its outstanding commitments on construction projects and other purchases. Outstanding commitments for engineering and design contracts were \$83,937,641 and \$178,581,036 as of June 30, 2024 and 2023, respectively.

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

Note 14—Subsequent events

In connection with the preparation of the financial statements and in accordance with U.S. GAAP, NCTA considered for disclosure subsequent events that occurred after the statement of net position date of June 30, 2024 through October 25, 2024, which was the date the financial statements were available to be issued.

Required Supplementary Information

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

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

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

JUNE 30, 2024

Schedule of Proportionate Share of Net Pension Liability Teachers' and State Employees' Retirement System June 30, *										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
NCTA's proportion of the net pension liability (%)	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net pension liability (\$)	2,068,029	\$ 1,711,885	\$ 511,918	\$ 1,270,095	\$ 879,694	\$ 729,749	\$ 483,101	\$ 557,948	\$ 225,156	\$ 69,460
NCTA's covered payroll	2,232,626	\$ 2,275,139	\$ 2,078,055	\$ 1,657,530	\$ 1,558,727	\$ 1,250,977	\$ 1,020,099	\$ 899,061	\$ 882,095	\$ 988,337
NCTA's proportionate share of the net pension liability										
as a percentage of its covered payroll	92.6%	75.2%	24.6%	76.6%	56.4%	58.3%	47.4%	62.1%	25.5%	7.0%
Plan fiduciary net position as a percentage of the total pension liability	82.97%	84.14%	94.86%	85.98%	87.56%	87.61%	89.51%	87.32%	94.64%	98.24%
Schedule of Contributions Teachers' and State Employees' Retirement System June 30, *										
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 477,992	\$ 355,636	\$ 374,320	\$ 307,137	\$ 214,982	\$ 191,568	\$ 132,103	\$ 101,322	\$ 74,249	\$ 86,087
Contributions in relation to the contractually required contribution	(477,992)	(355,636)	(374,320)	(307,137)	(214,982)	(191,568)	(132,103)	(101,322)	(74,249)	(86,087)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NCTA's covered payroll	2,709,707	2,232,626	2,275,139	2,078,055	1,657,530	1,558,727	1,250,977	1,020,099	899,061	882,095
Contributions as a percentage of covered payroll	17.64%	15.93%	16.45%	14.78%	12.97%	12.29%	10.56%	9.93%	8.26%	9.76%

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

Notes to Schedule

Valuation Date.

The total pension liability was determined by actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

JUNE 30, 2024

Methods and assumptions used to determine contribution rates.

- The Entry Age Normal actuarial cost method was used to determine liabilities and funding requirements.
- Change in discount rate from 7.00% to 6.50% as of December 31, 2020.
- Salary increases are assumed to be 3.25%-8.05% which includes 3.25% inflation and productivity factor.
- Investment expected rate of return is 6.50% net of pension plan investment expense, including inflation.
- No cost-of-living adjustments granted.
- Mortality tables vary by age, gender, employee group, and health status. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

NORTH CAROLINA TURNPIKE AUTHORITY
REQUIRED SUPPLEMENTARY INFORMATION
RETIREE HEALTH BENEFIT FUND

JUNE 30, 2024

Schedule of Proportionate Share of Net OPEB Liability
Retiree Health Benefit Fund
June 30, *

	2024	2023	2022	2021	2020
NCTA's proportion of the net OPEB liability (%)	11.28%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net OPEB liability (\$)	\$ 3,005,570	\$ 2,447,581	\$ 2,951,039	\$ 2,521,627	\$ 2,354,514
NCTA's covered payroll	\$ 2,232,626	\$ 2,275,139	\$ 1,657,530	\$ 1,657,530	\$ 1,558,727
NCTA's proportionate share of the net OPEB liability as a percentage of its covered payroll	110.92%	109.76%	129.71%	121.35%	151.05%
Plan fiduciary net position as a percentage of the total OPEB liability	10.73%	10.58%	7.72%	6.92%	4.45%

Schedule of Contributions
Retiree Health Benefit Fund
June 30, *

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 176,727	\$ 140,986	\$ 143,741	\$ 138,814	\$ 107,242
Contributions in relation to the contractually required contribution	(176,727)	(140,986)	(143,741)	(138,814)	(107,242)
Contribution deficiency (excess)	-	-	-	-	-
NCTA's covered payroll	\$ 2,709,707	\$ 2,232,626	\$ 2,275,139	\$ 1,657,530	\$ 1,657,530
Contributions as a percentage of covered payroll	7.14%	6.89%	6.68%	8.37%	6.47%

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

Notes to Schedule

Valuation date.

The total pension liability was determined by actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

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

JUNE 30, 2024

Methods and assumptions used to determine contribution rates.

- The discount rate used to measure total OPEB liability for RHBF was 3.65%, mirroring the municipal bond rate. The rate is used on the Bond-Buyer 20-year General Obligation index as of June 30, 2023.
- Salary increases are assumed to be 3.25%-8.05%, which includes 2.5% inflation and productivity factor.
- Investment expected rate of return is 6.50% net of pension plan investment expense, including inflation.
- General inflation is assumed to be 2.5%.
- Mortality tables vary by age, gender, employee group, and health status. The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements.

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

JUNE 30, 2024

Schedule of Proportionate Share of Net OPEB Liability (Asset)
Disability Income Plan of North Carolina
June 30, *

	2024	2023	2022	2021	2020
NCTA's proportion of the net OPEB liability (asset) (%)	0.01%	0.01%	0.01%	0.01%	0.01%
NCTA's proportion of the net OPEB liability (asset) (\$)	\$ 2,840	\$ 2,951	\$ (1,530)	\$ (4,406)	\$ (3,044)
NCTA's covered payroll	\$ 2,232,626	\$ 2,275,139	\$ 2,078,055	\$ 1,558,727	\$ 1,558,727
NCTA's proportionate share of the net OPEB asset as a percentage of its covered payroll	0.10%	0.00%	0.07%	0.21%	0.20%
Plan fiduciary net position as a percentage of the total OPEB asset	90.61%	90.34%	105.18%	115.57%	113.00%

Schedule of Contributions
Disability Income Plan of North Carolina
June 30, *

	2024	2023	2022	2021	2020
Contractually required contribution	\$ 2,723	\$ 2,046	\$ 2,057	\$ 1,870	\$ 1,658
Contributions in relation to the contractually required contribution	(2,723)	(2,046)	(2,057)	(1,870)	(1,658)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
NCTA's covered payroll	\$ 2,709,707	\$ 2,232,626	\$ 2,275,139	\$ 2,078,055	\$ 1,558,727
Contributions as a percentage of covered payroll	0.10%	0.09%	0.09%	0.09%	0.11%

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

Notes to Schedule

Valuation date.

The total pension liability was determined by actuarial valuations as of December 31, 2022. The total pension liability was then rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The actuarial assumptions used in the December 31, 2022 valuations were based on an investigation of demographic and economic experience over the five-year period from January 1, 2015 to December 31, 2019.

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

Methods and assumptions used to determine contribution rates

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

SUPPLEMENTARY INFORMATION

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

YEAR ENDED JUNE 30, 2024

	Triangle Expressway	Monroe Expressway
Revenues:		
Operating Revenue:		
Charges for Services		
Toll Receipts	\$ 65,219,938	\$ 30,725,360
Toll Bad Debt	(7,604,070)	(2,490,660)
Late Payment Fee	8,835,149	6,060,431
Electronic Transaction Fees	249,096	83,067
Total Revenues	<u>66,700,113</u>	<u>34,378,198</u>
Expenditures:		
Operating Expenditures:		
Shared Operating Expenses	14,207,265	7,649,236
Personnel Services	522,168	239,932
Contracted Personnel Services	508,770	565,415
Supplies and Materials	340,954	244,954
Travel	9	417
Utilities	193,811	54,064
Other Services	2,576,287	543,823
Capital Outlay	7,572,322	5,172,016
Rental Expenditures	4,625	113,094
Renewal and Replacement Expenditures:	-	-
Shared Renewal and Replacement Expenditures	45,592	34,487
Personnel Services	3,845	-
Contracted Personnel Services	-	2,517
Supplies and Materials	104,424	74
Capital Outlay	3,584,655	-
Rental Expenditures	57,392	-
Construction Expenditures:	-	-
Shared Renewal and Replacement Expenditures	604,126	1,540,643
Personnel Services	1,899,482	103,704
Contracted Personnel Services	133,372	3,700
Supplies and Materials	11,572,696	-
Travel	804	-
Advertising	193,040	-
Other Services	1,153,339	-
Capital Outlay	246,975,199	2,705,324
Right of Way	48,243,805	3,008
Rental Expenditures	65,800	20,293
Total Operating Expenditures	<u>340,563,782</u>	<u>18,996,701</u>
Operating Loss	<u>(273,863,669)</u>	<u>15,381,497</u>

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

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

YEAR ENDED JUNE 30, 2024

	Triangle Expressway	Monroe Expressway
Nonoperating Revenues (Expenditures):		
Bond Issue Costs	\$ -	\$ -
Insurance Recoveries	47,613	79,725
Damage Claims Writeoffs	(1,315)	(2,356)
Liquidated Damages Collections	-	-
Sale of Land	-	-
Rental Income	-	-
Investment Earnings	9,063,663	4,558,983
Federal Interest Subsidy on Debt	-	2,976,846
Interest and Fees:		
Triangle Expressway System State Annual Appropriation		
Revenue Bonds, Series 2009B (Federally Taxable-Issuer		
Subsidy-Build America Bonds)	-	-
Triangle Expressway System Senior Lien Revenue		
Refunding Bonds, Series 2017	(7,868,344)	-
Triangle Expressway System Appropriation Revenue		
Refunding Bonds, Series 2018A	(6,005,000)	-
Triangle Expressway System Appropriation Revenue		
Refunding Bonds, Series 2018B	(3,795,523)	-
Triangle Expressway System TIFIA Loan, 2021		
Refunding Bonds, Series 2018B	(13,389,779)	-
Triangle Expressway System Senior Lien Turnpike		
Revenue Bonds, Series 2019	(17,069,100)	-
Triangle Expressway System Senior Lien Turnpike		
Revenue Bond Anticipation Notes, Series 2020	-	-
Triangle Expressway System Senior Lien Revenue		
Refunding Bonds, Series 2018	(18,397,400)	-
Monroe Connector System State Annual Appropriation		
Revenue Bonds, Series 2010A, (Federally Taxable-Issuer		
Subsidy-Build America Bonds)	-	(11,557,702)
Monroe Connector System State Appropriation		
Revenue Bonds, Series 2011		
Monroe Expressway System TIFIA Loan, 2017	-	(2,803,118)
Monroe Connector System Senior Lien Revenue		
Bonds, Series 2016	-	(5,940,763)
Monroe Bond Interest Expense-2021 Rev Bonds	-	(3,593,125)

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

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

YEAR ENDED JUNE 30, 2024

	<u>Triangle Expressway</u>	<u>Monroe Expressway</u>
Principal:		
Triangle Expressway System Senior Lien Turnpike Revenue Bond Anticipation Notes, Series 2020	\$ -	\$ -
Triangle Expressway System Senior Lien Turnpike Revenue Refunding Bonds, Series 2017	(14,100,000)	-
Triangle Expressway System Appropriation Revenue Refunding Bonds, Series 2018B	(13,357,000)	-
Triangle Expressway System Senior Lien Revenue Refunding Bonds, Series 2018	(3,070,000)	-
Monroe Connector System State Appropriation Revenue Bonds, Series 2010A (Federally Taxable-Issuer Subsidy-Build America Bonds)	-	(216,930,000)
Monroe Revenue Bonds Payable 2016	-	(1,140,000)
Monroe TIFIA Note Payable	-	(226,501)
Monroe Connector System Refunding Bonds Payable 2021	-	(1,465,000)
Total Nonoperating Expenditures	<u>(87,942,185)</u>	<u>(236,043,011)</u>
Loss before Transfers and Capital Grants	(361,805,854)	(220,661,514)
Capital Grants	166,283,488	2,084,461
Transfers In	<u>35,480,964</u>	<u>24,000,000</u>
Revenues over Expenditures (Expenditures over Revenues)	<u>\$ (160,041,402)</u>	<u>\$ (194,577,053)</u>

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

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

YEAR ENDED JUNE 30, 2024

Note 1–Basis of presentation

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the North Carolina Turnpike Authority ("NCTA"), a major enterprise fund of the State of North Carolina, and a business unit of the North Carolina Department of Transportation ("NCDOT"), as of and for the years ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the NCTA's basic financial statements, and have issued our report thereon dated October 25, 2024.

Report on Internal Control over Financial Reporting

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

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

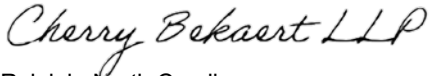
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "Cherry Bekaert LLP". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
October 25, 2024

This audit required 489 audit hours at a cost of \$86,250.



Statistical Section

This section of the NCTA ACFR provides detailed information to assist users in understanding and assessing NCTA's overall economic condition in conjunction with the financial statements, notes to the financial statements, and required supplementary information.

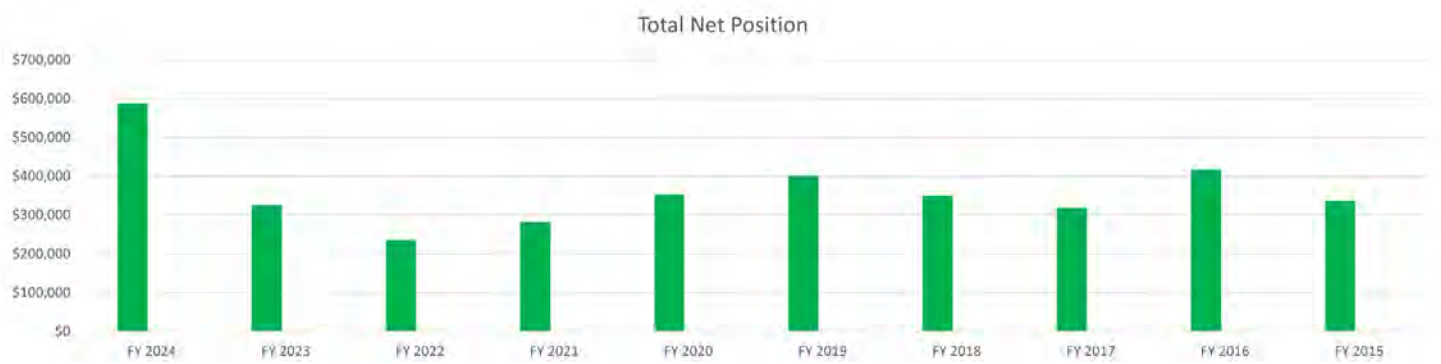
Financial Trends

These schedules contain trend information to help the reader understand how NCTA's financial position has changed over time.

Net Position

(in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Net Investment in Capital Assets	\$746,190	\$531,139	\$422,924	\$432,495	\$433,327	\$484,797	\$529,512	\$459,895	\$584,359	\$465,144
Restricted	177,050	162,088	215,432	250,865	175,209	108,567	7,476	5,477	4,267	3,487
Unrestricted	(334,940)	(367,790)	(402,726)	(400,828)	(256,137)	(192,568)	(186,924)	(146,334)	(170,889)	(132,672)
Total Net Position	\$588,300	\$325,437	\$235,631	\$282,532	\$352,399	\$400,796	\$350,063	\$319,038	\$417,737	\$335,960



Statements of Revenues, Expenses, and Changes in Net Position

Turnpike Authority Fund (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Operating Revenues										
Charges for Services	\$111,481	\$94,173	\$89,667	\$49,792	\$77,198	\$63,987	\$48,999	\$44,708	\$38,473	\$30,218
Other Operating Revenues	17,684	17,599	17,605	7,393	5,414	1,168	648	812	675	491
Total Operating Revenues	129,165	111,772	107,272	57,185	82,613	65,155	49,648	45,520	39,148	30,709
Operating Expenses										
Personnel Services	4,713	3,190	3,024	3,387	2,738	1,643	1,327	1,213	1,413	1,351
Supplies & Materials	195	1,643	614	241	277	70	73	281	73	86
Contracted Personnel Services	12,968	12,733	8,596	8,476	11,918	7,434	776	888	981	592
Travel	82	84	73	4	44	67	50	35	27	7
Advertising	584	719	159	96	419	574	124	49	104	-
Utilities	358	554	330	270	269	276	282	272	295	280
Dues & Subscription Fees	51	10	44	39	37	12	24	23	21	17
Other Services	20,203	17,837	29,013	18,836	15,467	5,317	3,814	4,965	3,121	4,746
Costs of Goods Sold	1,239	608	933	701	1,046	810	727	788	856	449
Capital Outlay	34,082	42,287	35,795	40,357	39,174	27,543	15,153	15,262	11,877	9,721
Rental Expense	195	114	200	169	205	176	108	66	88	191
Depreciation	29,687	29,684	29,684	29,684	29,684	24,035	16,130	16,130	16,130	16,130
Total Operating Expenses	104,357	109,463	108,465	102,258	101,279	67,957	38,588	39,972	34,986	33,569
Operating Income (Loss)	24,808	2,309	(1,193)	(45,073)	(18,666)	(2,802)	11,060	5,548	4,162	(2,859)
Nonoperating Revenue (Expenses) & Capital Grants/Gifts	102,954	(25,486)	(102,731)	(60,825)	(68,871)	(24,803)	(33,563)	103,562	(23,441)	(31,112)
Transfers In	135,101	112,983	57,023	49,922	185,396	78,337	55,544	49,000	101,056	93,680
Transfers Out	-	-	-	(13,891)	(146,255)	-	-	(97,604)	-	(239)
Transfer of GARVEE Bonds to NC Highway Fund	-	-	-	-	-	-	-	(159,205)	-	-
Change in Net Position	262,863	89,806	(46,901)	(69,868)	(48,396)	50,732	33,041	(98,699)	81,777	59,470
Net Position Beginning, July 1	325,437	235,631	282,531	352,399	400,796	350,063	319,038	417,737	335,960	276,770
Net position, Restatement (GASB 75)	-	-	-	-	-	-	(2,016)	-	-	-
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	-	-	(280)
Net Position Ending, June 30	\$588,300	\$325,437	\$235,631	\$282,531	\$352,399	\$400,795	\$350,063	\$319,038	\$417,737	\$335,960

Schedules of Revenues and Expenditures

Triangle Expressway (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Operating Revenues					
Charges for Services	\$66,700	\$66,276	\$56,078	\$36,320	\$51,951
Other Operating Revenues			-	-	-
Total Operating Revenues	66,700	66,276	56,078	36,320	51,951
Operating Expenses					
Shared Operating Expenditures	14,857	12,623	8,812	8,463	12,320
Personnel Services	2,425	1,403	1,907	2,613	2,942
Supplies & Materials	12,018	8,985	13,545	7,008	110
Contracted Personnel Services	642	1,388	561	1,516	701
Travel	1	1	1	1	19
Advertising	193	123	25	38	13
Utilities	194	217	215	170	172
Dues & Subscription Fees	0	-	-	-	-
Other Services	3,729	4,696	8,160	7,293	9,909
Other Expenditures	0	-	-	-	370
Right of Way	48,244	19,421	18,943	77,661	162,486
Capital Outlay	258,132	193,756	264,678	150,755	170,510
Rental Expense	128	73	147	348	92
Total Operating Expenses	340,563	242,686	316,995	255,866	359,644
Operating Income (Loss)	(273,863)	(176,410)	(260,917)	(219,546)	(307,693)
Nonoperating Revenue (Expenses)	(87,942)	(604,766)	(102,744)	(77,392)	(51,321)
Capital Grants	166,283	66,478	98	22,444	-
Transfers In	35,481	25,000	25,000	25,000	25,000
Excess of Revenue Over (Under) Expenditures	(\$160,041)	(\$689,698)	(\$338,563)	(\$249,494)	(\$334,014)

Monroe Expressway (in thousands)

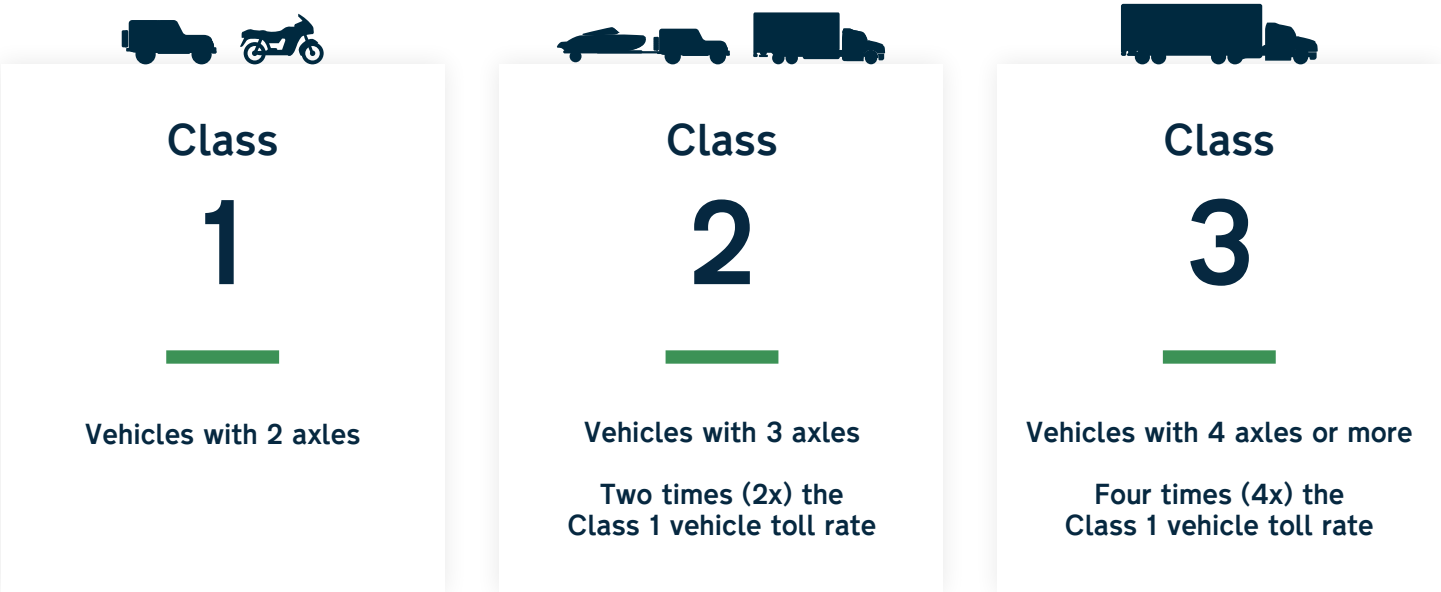
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020
Operating Revenues					
Charges for Services	\$34,378	\$31,183	\$30,014	\$22,364	\$22,866
Other Operating Revenues	-	-	-	-	-
Total Operating Revenues	34,378	31,183	30,014	22,364	22,866
Operating Expenses					
Shared Operating Expenditures	9,224	9,593	7,308	6,120	5,850
Personnel Services	344	184	383	760	736
Supplies & Materials	245	870	632	664	126
Contracted Personnel Services	572	467	520	388	452
Travel	-	1	1	-	42
Advertising	-	-	-	-	-
Utilities	54	49	48	47	47
Dues & Subscription Fees	-	-	-	-	-
Other Services	544	770	582	125	650
Other Expenditures	-	-	-	-	95
Right of Way	3	212	455	3,721	5,431
Capital Outlay	7,877	22,593	6,799	16,459	23,943
Rental Expense	133	45	122	105	126
Total Operating Expenses	18,996	34,784	16,851	28,389	37,495
Operating Income (Loss)	15,382	(3,601)	13,163	(6,025)	(14,629)
Nonoperating Revenue (Expenses)	(237,094)	(31,822)	(30,553)	(29,338)	(28,166)
Capital Grants	2,084		-	-	76
Transfers In	24,000	24,000	24,000	24,000	24,000
Excess of Revenue Over (Under) Expenditures	(\$195,628)	(\$11,423)	\$6,610	(\$11,363)	(\$18,719)

Revenue Capacity

These schedules contain information to help the reader assess NCTA's ability to generate toll revenues.

Historical Toll Rates

Historical toll rates for Electronic Toll Collection (ETC) and Toll Invoice (TI) transactions on the Triangle Expressway and Monroe Expressway are shown below. ETC tolls are paid electronically with a transponder. These tolls are automatically deducted from a prepaid account. TI tolls are an alternative payment option for customers without a transponder. Cameras at toll zones capture an image of the vehicle's license plate, and an invoice is mailed to the registered owner of the vehicle.



Triangle Expressway

		Class 1	Class 2	Class 3
CY 2024 ¹	ETC	\$8.01	\$16.02	\$32.04
	TI	\$12.31	\$24.62	\$49.24
CY 2023	ETC	\$3.80	\$7.60	\$15.20
	TI	\$5.83	\$11.66	\$23.32
CY 2022	ETC	\$3.71	\$7.42	\$14.84
	TI	\$5.68	\$11.36	\$22.72
CY 2021	ETC	\$3.60	\$7.20	\$14.40
	TI	\$5.52	\$11.04	\$22.08
CY 2020	ETC	\$3.48	\$6.96	\$13.92
	TI	\$5.33	\$10.66	\$21.32
CY 2019	ETC	\$3.37	\$6.74	\$13.48
	TI	\$5.17	\$10.34	\$20.68
CY 2018	ETC	\$3.25	\$6.50	\$13.00
	TI	\$4.97	\$9.94	\$19.88
CY 2017	ETC	\$3.13	\$6.26	\$12.52
	TI	\$4.81	\$9.62	\$19.24
CY 2016	ETC	\$3.04	\$6.08	\$12.16
	TI	\$4.65	\$9.30	\$18.60
CY 2015	ETC	\$2.91	\$5.82	\$11.64
	TI	\$4.45	\$8.90	\$17.80
CY 2014	ETC	\$2.77	\$5.54	\$11.08
	TI	\$4.23	\$8.46	\$16.92

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

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

Monroe Expressway

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

The Monroe Expressway was not fully open to traffic until FY 2019.

Full trip in one direction.

Toll Transactions by Vehicle Classification

Triangle Expressway (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Class 1	73,533	66,049	58,120	46,262	47,377	53,601	49,311	45,687	40,995	33,227	25,634
Class 2	910	858	857	809	633	665	609	612	494	390	320
Class 3	2,427	2,264	2,160	1,998	1,520	1,445	1,316	1,215	985	728	582
Total Transactions	76,870	69,171	61,138	49,069	49,529	55,711	51,237	47,514	42,475	34,346	26,535
ETC%	59.9%	55.1%	54.7%	53.8%	59.0%	59.4%	59.0%	58.6%	57.8%	58.0%	58.4%



Monroe Expressway (in thousands)

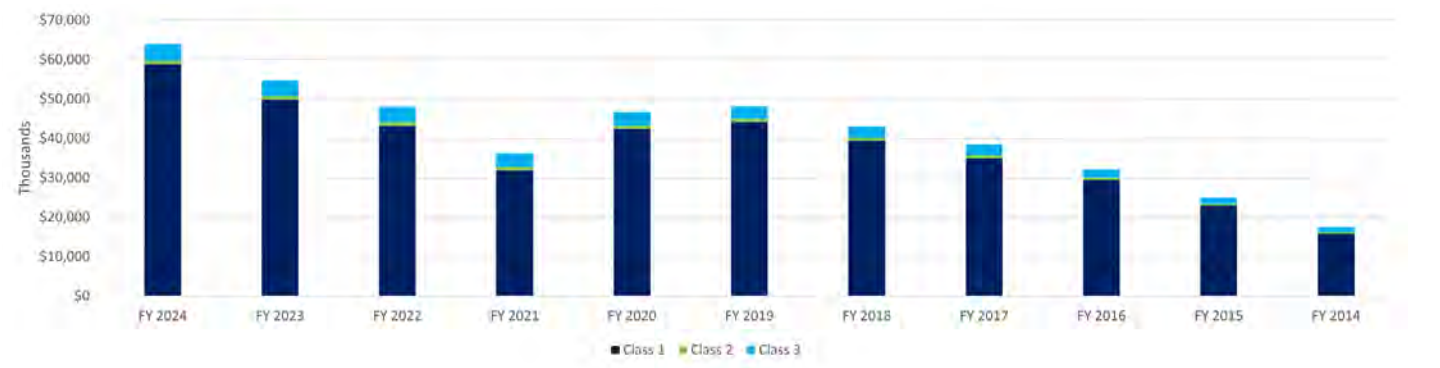
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Class 1	43,692	40,541	36,631	32,642	30,853	13,751	-	-	-	-	-
Class 2	655	635	589	527	491	243	-	-	-	-	-
Class 3	5,473	5,259	4,884	4,493	3,896	1,472	-	-	-	-	-
Total Transactions	49,820	46,435	42,104	37,662	35,241	15,466	-	-	-	-	-
ETC%	44.3%	41.1%	40.7%	39.9%	41.6%	35.4%	-	-	-	-	-



Toll Revenue by Vehicle Classification

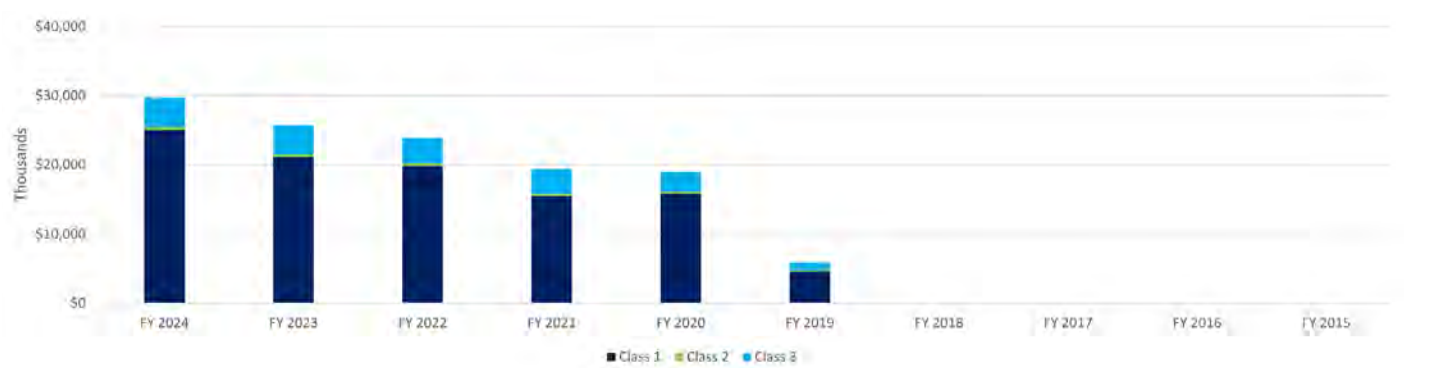
Triangle Expressway (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Class 1	\$58,868	\$49,791	\$43,233	\$31,869	\$42,473	\$44,169	\$39,393	\$35,036	\$29,391	\$22,966	\$15,890
Class 2	977	949	963	850	833	858	765	750	597	451	356
Class 3	4,152	4,013	3,861	3,500	3,409	3,131	2,896	2,667	2,219	1,590	1,176
Total Toll Revenue	\$63,997	\$54,753	\$48,057	\$36,218	\$46,715	\$48,158	\$43,055	\$38,453	\$32,207	\$25,007	\$17,423



Monroe Expressway (in thousands)

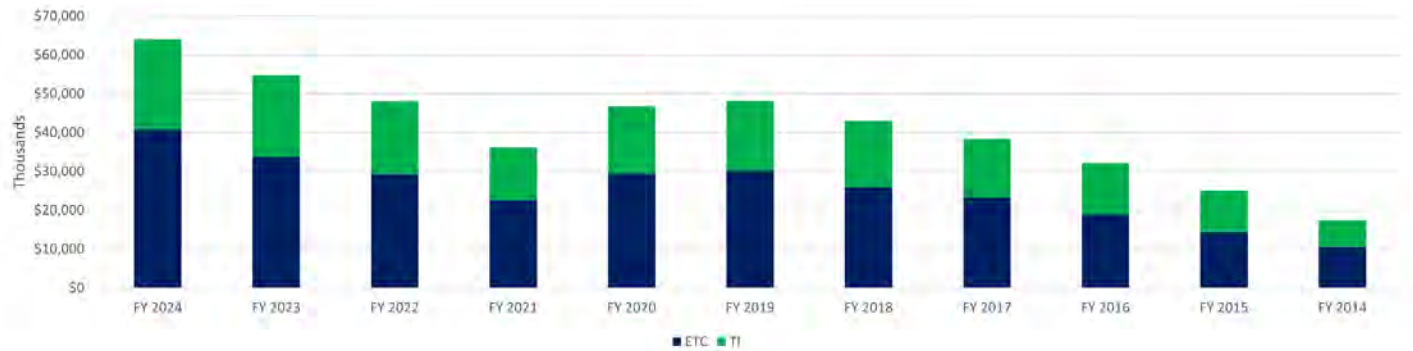
	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Class 1	\$25,032	\$21,109	\$19,841	\$15,476	\$15,799	\$4,603	-	-	-	-	-
Class 2	445	425	377	343	314	165	-	-	-	-	-
Class 3	4,221	4,193	3,666	3,529	2,804	1,105	-	-	-	-	-
Total Toll Revenue	\$29,698	\$25,727	\$23,885	\$19,349	\$18,918	\$5,874	-	-	-	-	-



Toll Revenue by Payment Method

Triangle Expressway (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
ETC	\$40,838	\$33,816	\$29,263	\$22,477	\$29,411	\$30,212	\$25,963	\$23,281	\$18,943	\$14,381	\$10,528
TI	23,160	20,937	18,794	13,741	17,304	17,945	17,092	15,172	13,263	10,627	6,895
Total Toll Revenue	\$63,997	\$54,753	\$48,057	\$36,218	\$46,715	\$48,158	\$43,055	\$38,453	\$32,207	\$25,007	\$17,423



Monroe Expressway (in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
ETC	\$15,188	\$13,289	\$12,103	\$9,992	\$9,676	\$3,413	-	-	-	-	-
TI	14,510	12,438	11,781	9,357	9,242	2,461	-	-	-	-	-
Total Toll Revenue	\$29,698	\$25,727	\$23,885	\$19,349	\$18,918	\$5,874	-	-	-	-	-



Debt

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

Triangle Expressway

(in thousands)

Series	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Revenue Bonds											
Senior Lien Revenue Bonds, Series 2009A	\$-	\$-	\$-	\$-	\$-	\$-	\$600	\$600	\$234,031	\$233,965	\$233,899
Senior Lien Revenue Bonds, Series 2009B	35,173	35,173	35,173	35,173	35,173	35,173	35,173	35,150	35,042	35,032	35,022
Appropriation Revenue Bonds, Series 2009B	-	-	-	-	10,275	20,210	190,930	348,808	352,137	352,097	352,057
Senior Lien Revenue Refunding Bonds, Series 2017	156,547	172,559	186,096	197,470	207,324	215,317	220,974	226,527	-	-	-
Appropriation Revenue Refunding Bonds, Series 2018A	154,740	155,122	155,504	155,887	156,270	156,654	157,038	-	-	-	-
Senior Lien Revenue Refunding Bonds, Series 2018	410,432	415,109	419,221	422,864	426,292	428,793	-	-	-	-	-
Appropriation Revenue Refunding Bonds, Series 2018B	121,236	134,593	147,592	160,244	161,019	161,759	-	-	-	-	-
Senior Lien Revenue Bonds, Series 2019	419,027	420,904	422,771	424,627	426,472	-	-	-	-	-	-
Appropriation Revenue Bonds, Series 2019	115,979	115,979	115,979	115,979	115,979	-	-	-	-	-	-
Senior Lien Revenue Bond Anticipation Notes, Series 2020	-	16,365	533,384	549,472	-	-	-	-	-	-	-
Senior Lien Revenue Bonds, Series 2024A	323,573										
Senior Lien Revenue Bonds, Series 2024B	35,785										
Note Payable											
TIFIA Loan	499,462	499,462	-	-	-	-	372,877	372,877	372,877	372,877	372,877
Total Long-Term Debt as of June 30	\$2,271,954	\$1,965,266	\$2,015,721	\$2,061,715	\$1,538,805	\$1,017,906	\$977,592	\$983,961	\$994,087	\$993,971	\$993,855

Debt Per	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Center Lane Mile	\$120,849	\$104,535	\$107,219	\$109,666	\$81,851	\$54,144	\$52,000	\$52,338	\$52,877	\$52,871	\$52,865
Lane Mile	20,141	17,423	17,870	18,278	13,642	9,024	8,667	8,723	8,813	8,812	8,811
\$ Operating Revenue ²	66.70	66.28	35.94	56.76	29.62	19.03	19.72	21.62	25.39	32.37	40.20

Debt Coverage Ratios	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Senior Lien	1.37x	1.69x	1.50x	1.49x	1.60x	2.35x	4.05x	4.34x	3.85x	3.22x	2.72x
Junior Lien	1.37x	1.69x	1.50x	1.49x	1.60x	1.75x	1.62x	1.65x	1.54x	1.41x	2.71x

Monroe Expressway

(in thousands)

Series	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Revenue Bonds											
Appropriation Revenue Bonds, Series 2010A	-	\$216,930	\$225,545	\$233,920	\$233,920	\$233,920	\$233,920	\$233,920	\$233,920	\$233,920	\$233,920
Appropriation Revenue Bonds, Series 2011	-	-	-	9,845	123,618	133,392	142,799	151,860	160,638	169,098	189,149
Senior Lien Revenue Bonds, Series 2011	-	-	-	-	-	-	-	-	7,100	7,890	8,660
GARVEE Bonds, Series 2011	-	-	-	-	-	-	-	-	153,259	154,782	156,288
Senior Lien Revenue Bonds, Series 2016	141,281	142,870	143,107	143,344	143,580	143,816	144,051	144,287	-	-	-
Appropriation Revenue Refunding Bonds, Series 2021	88,921	91,934	94,878	96,403	-	-	-	-	-	-	-
State Appropriation Revenue Refunding Bonds, Series 2024	206,821										
Note Payable											
TIFIA Loan	166,282	166,500	166,500	166,500	166,500	120,000	-	-	-	-	-
Total Long-Term Debt as of June 30	603,305	618,234	630,030	650,012	667,618	631,128	520,770	530,067	554,917	565,691	588,017

Debt Per	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Center Lane Mile	\$30,470	\$31,224	\$31,820	\$32,829	\$33,718	\$31,875	\$-	\$-	\$-	\$-	\$-
Lane Mile	7,617	7,806	7,955	8,207	8,430	7,696	-	-	-	-	-
\$ Operating Revenue ³	34.38	31.18	30.01	29.06	29.20	-	-	-	-	-	-

Debt Coverage Ratios	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
Senior Lien	6.53x	4.94x	5.03x	3.91x	5.38x	-	-	-	-	-	-
Subordinate Lien	3.22x	3.20x	3.70x	2.81x	5.38x	-	-	-	-	-	-

² Operating Revenue used in the debt ratio calculation is obtained from the debt coverage ratios in the table below.

³ Operating Revenue used in the debt ratio calculation is obtained from the debt coverage ratios in the table below.

Demographic & Economic Information

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

State of North Carolina⁴⁵⁶

	Population ⁷	Personal income (dollars, seasonally adjusted) ⁸	Per capita personal income (dollars) ⁹	Unemployment Rate
FY 2024 ¹⁰	10,909,419	\$693,869,425	\$63,599	3.50%
FY 2023	10,830,837	\$653,282,900	\$60,317	3.70%
FY 2022	10,621,574	\$591,135,600	\$55,654	3.40%
FY 2021	10,514,572	\$607,372,100	\$57,765	4.60%
FY 2020	10,429,508	\$514,526,800	\$49,334	7.50%
FY 2019	10,335,946	\$494,553,000	\$47,848	4.00%
FY 2018	10,238,941	\$466,264,400	\$45,538	3.90%
FY 2017	10,139,637	\$445,910,500	\$43,977	4.40%
FY 2016	10,035,814	\$428,373,200	\$42,684	5.00%
FY 2015	9,935,614	\$413,672,900	\$41,635	5.90%

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

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

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

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

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

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

10 Results calculated by taking average of 4 quarters within Fiscal Year.

North Carolina's Ten Largest Employers¹¹

Rank	CY 2024 Q1 ¹²	CY 2015 ¹³
1	Wal-Mart Associates Inc	Wal-Mart Associates Inc
2	Duke University	Charlotte Mecklenburg Hospital
3	Atrium Health	Food Lion
4	Food Lion	Duke University
5	Wells Fargo Bank Na (A Corp)	Wells Fargo Bank Na (A Corp)
6	Amazon.com Services Inc	Nc Dept Of Public Safety
7	Wcpss	Department Of Defense
8	Defense Ex Army Navy & Air Force	Wake County Public Schools
9	Bank Of America Na	Charlotte-Mecklenburg Bd Education
10	Lowes Home Centers Inc	Bank Of America Na

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

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

13 Top Employers on annual basis is used.

North Carolina Employment by Industry Sector¹⁴

Industry Sector (2 Digit)	CY 2024 Q1 ¹⁵			CY 2015 Q1 ¹⁶		
	Average Employment	Total Wages	Average Weekly Wage	Average Employment	Total Wages	Average Weekly Wage
Agriculture, Forestry, Fishing, and Hunting	23,673	\$276,900,304	\$900	25,848	\$207,171,459	\$617
Mining Quarrying and Oil and Gas Extraction	3,623	\$85,489,232	\$1,815	2,723	\$37,427,188	\$1,057
Utilities	17,250	\$545,232,075	\$2,431	15,201	\$373,833,392	\$1,892
Construction	266,171	\$4,828,004,122	\$1,395	180,456	\$1,978,160,311	\$843
Manufacturing	467,185	\$9,198,930,179	\$1,515	456,838	\$6,753,562,661	\$1,137
Wholesale Trade	206,529	\$5,570,740,018	\$2,075	176,103	\$3,142,779,501	\$1,373
Retail Trade	527,451	\$5,266,633,396	\$768	477,035	\$3,102,758,612	\$500
Transportation and Warehousing	203,915	\$3,142,927,199	\$1,186	135,724	\$1,593,167,320	\$903
Information	86,627	\$2,997,679,900	\$2,662	75,826	\$1,636,319,642	\$1,660
Finance and Insurance	230,290	\$10,403,541,099	\$3,475	156,274	\$4,721,879,664	\$2,324
Real Estate and Rental and Leasing	70,525	\$1,293,146,894	\$1,410	51,705	\$604,739,813	\$900
Professional Scientific and Technical Services	332,975	\$9,447,969,983	\$2,183	220,356	\$4,010,851,541	\$1,400
Management of Companies and Enterprises	84,209	\$3,747,790,343	\$3,424	80,914	\$2,913,230,724	\$2,770
Administrative and Support and Waste Management and Remediation Services	320,027	\$4,502,243,849	\$1,082	275,570	\$2,230,677,849	\$623
Educational Services	407,763	\$6,096,475,917	\$1,150	384,909	\$3,912,194,978	\$782
Health Care and Social Assistance	683,969	\$11,634,655,840	\$1,309	587,204	\$6,714,678,357	\$880
Arts, Entertainment, and Recreation	78,289	\$827,004,142	\$813	59,455	\$458,223,983	\$593
Accommodation and Food Services	447,992	\$2,709,525,096	\$465	378,330	\$1,453,450,088	\$296
Other Services (except Public Administration)	129,656	\$1,568,524,490	\$931	102,855	\$787,744,327	\$589
Public Administration	261,199	\$4,217,282,199	\$1,242	236,135	\$2,702,496,667	\$880
Total, All Industries	4,849,317	\$88,360,696,277	\$1,402	4,079,461	\$49,335,348,077	\$930

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

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

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

Operating Information

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

Capital Assets

(in thousands)

	FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015
Land & Permanent Easements	\$636,973	\$590,424	\$555,710	\$536,639	\$462,164	\$294,274	\$272,479	\$258,835	\$225,501	\$174,891
Construction in Progress	1,148,139	910,823	698,545	449,709	302,513	137,809	777,310	672,436	444,350	262,926
Total Capital Assets, Nondepreciable	1,785,112	1,501,247	1,254,255	986,348	764,677	432,083	1,049,788	931,271	669,851	437,818
Highway Network	1,534,469	1,534,469	1,534,469	1,534,469	1,534,469	1,534,469	806,486	806,486	806,486	806,486
Machinery & Equipment	33	33	33	25	25	33	60	60	60	60
Total Capital Assets, Depreciable	1,534,502	1,534,502	1,534,501	1,534,494	1,534,494	1,534,501	806,546	806,546	806,546	806,546
Highway Network	264,878	235,200	205,516	175,833	146,149	116,464	92,429	76,300	60,170	44,040
Machinery & Equipment	33	33	33	25	25	34	60	60	60	60
Total Accumulated Depreciation	264,911	235,233	205,549	175,858	146,174	116,498	92,489	76,360	60,230	44,100
Total Capital Assets, Depreciable, Net of Depreciation	1,269,591	1,299,269	1,328,953	1,358,636	1,388,320	1,418,003	714,057	730,186	746,316	762,446
Total Capital Assets, Net of Depreciation	\$3,054,703	\$2,800,516	\$2,583,208	\$2,344,985	\$2,152,997	\$1,850,086	\$1,763,845	\$1,661,457	\$1,416,167	\$1,200,264

NC Quick Pass Transponders Distributed

FY 2024	FY 2023	FY 2022	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017	FY 2016	FY 2015	FY 2014
289,589	244,579	207,353	163,862	243,077	213,058	101,450	67,439	62,950	44,300	39,708

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.

Triangle Expressway

CY 2023	CY 2022	CY 2021	CY 2020	CY 2019	CY 2018	CY 2017	CY 2016	CY 2015	CY 2014
95.8	94.6	92.7	91.5	93.0	94.7	91.8	94.2	93.2	89.3

Monroe Expressway

CY 2023	CY 2022	CY 2021	CY 2020
97.1	96.7	94.8	94.6*

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

Keep North Carolina Moving

**North Carolina
Turnpike Authority**

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