NORTH TEXAS TOLLWAY AUTHORITY
Finance & Audit Committee Meeting Minutes
May 2, 2013

A public notice of this meeting containing all items was filed in the Office of the Secretary of State as required by Chapter 551 of the Texas Government Code, referred to as "The Open Meetings Act."

Minutes of the Finance & Audit Committee meeting held at the North Texas Tollway Authority, 5900 West Plano Parkway, Plano, Texas, on May 2, 2013 at 10:00 a.m.

CALL TO ORDER

Committee Chairman Elliott called the meeting to order at 10:28 a.m.

1. ESTABLISHMENT OF QUORUM

Committee Chairman Elliott established a quorum by calling the roll. The following committee members were in attendance:

Bill Elliott	Committee Chairman
Michael Nowels	Member
Mojy Haddad	Member
Tex Quesada	Member

Chairman Barr and Director Willard were also in attendance.

NTTA employees attending the Committee meeting were: Gerry Carrigan, CEO/Executive Director; Tom Bamonte, General Counsel; Ruby Franklin, Secretary; Lorelei Griffith, Assistant Secretary; Janice Davis, Assistant Executive Director of Strategic & Innovative Solutions/Treasurer; Dana Gibson-Boone, Director of Cash and Debt Management/Assistant Treasurer; Kim Tolbert, Chief Strategic Officer; Ray Zies, Controller; Magdalena Kovats, Director of Internal Audit; Eric Hemphill, Director of Maintenance; John Bannerman, Interim Director of Customer Service Center; Marty Legè, Director of System Incident Management; Anthony Coleman, Director of Business Diversity; Kim Jackson, Director of Public Affairs; Carrie Rogers, Director of Government Affairs; Dave Pounds, Director of Information Technology; Felix Alvarez, Director of Procurement Services; and Nina Arias, Director of Human Resources.

Also present at the meeting representing the Authority were Frank Stevenson, Locke Lord LLC, Board Counsel; Greg Schaecher, McCall Parkhurst & Horton, Bond Counsel to the Authority; Bill Mahomes, Mahomes Bolden, PC, Bond Counsel to the Authority; Stephanie Halliday, HNTB, Project Management Consultant to the Authority; Keith Jackson, Atkins North America, Inc., General Engineering Consultant to the Authority; Phani Jammalamadaka, CDM Smith Associates, Traffic & Revenue Consultant to the Authority.

2. General public comments not related to specific agenda items

No comments were made under this item.

3. Approval of the minutes from the April 4, 2013 Finance and Audit Committee meeting

Director Nowels made a motion to approve the minutes of the April 4, 2013 Finance and Audit Committee meeting, and Director Haddad seconded the motion. The minutes were approved unanimously. (Resolution No. 13-58)

4. Updated Internal Audit Charter and Policy Statement

Magdalena Kovats, Director of Internal Audit, presented the highlights of the changes made to the updated Internal Audit Charter and Policy Statement. She noted the revisions that were made reduced redundancy and enhanced the flow of the document. Both documents follow the International Standards for the Professional Practice of Internal Auditing. Ms. Kovats responded to questions from the Committee. The Internal Audit Charter and Policy Statement will be presented to the Committee and full Board next month for approval.

5. Internal Audit FY2013 proposed updated work plan

Magdalena Kovats, Director of Internal Audit, presented the proposed FY2013 Internal Audit work plan and highlighted the rescheduled and added projects. She noted that due to the fact that some items are dependent on the RITE upgrade, management updated the management plans (to include items not dependent on the upgrade). Additionally, some items will be included in the 2014 work plan. Ms. Kovats responded to questions from the Committee.

6. Draft 2014 Special Projects System Budget

Armando Garza, Budget & Compliance Manager, provided an overview of the special projects system, including the budget preparation guidelines per the TIFIA, TELA and trust agreements, summary of funds, and flow of funds. Janice Davis, Assistant Executive Director of Strategic and Innovative Solutions, discussed the impact of the TELA on the budget and flow of funds. Staff highlighted the estimated revenue, major maintenance reserve, capital expenditures reserve, construction fund, estimated fund balances, debt service coverage, and the TIFIA debt service requirement.

Staff responded to questions from the Committee. As part of the next steps, this item will be presented to the Committee for review and Board approval next month.

7. Monthly Financial Report and Quarterly Investment March 2013

Ray Zies, Controller, presented the Monthly Financial Report for March 2013. Mr. Zies highlighted the transactions of the System and Special Project System (SPS), AVI transactions and ZipCash transactions. Mr. Zies noted that the NTTA is ahead of revised projected transactions, there was a slowdown in the ramp up of traffic, three-

mile island impacted the system, receivable turnover is down, and unmatched transactions continue to increase.

Dana Gibson-Boone, Director of Cash & Debt Management, presented the SPS Quarterly Investment Report for March 2013. Ms. Gibson-Boone highlighted the change in market value, portfolio value, performance and composition. Staff responded to questions from the Committee.

8. EXECUTIVE SESSION

An Executive Session was not held.

ADJOURNMENT

The meeting adjourned at 11:35 a.m.

William D. Elliott, Committee Chairman
NTTA Finance & Audit Committee

Lorelei Griffith, Secretary