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October 17, 2013

Gerald Carrigan
Executive Director
North Texas Tollway Authority
5900 W. Plano Parkway
Plano, Texas 75093

**Re: North Texas Tollway Authority
2014 Preliminary Annual Operating Budget for the System**

Dear Mr. Carrigan:

Atkins North America, Inc. (Atkins), as the Authority's General Engineering Consultant (GEC), hereby acknowledges it has received a copy of the 2014 System Preliminary Annual Operating Budget provided by the North Texas Tollway Authority (Authority). Projects included in the Authority's System are the Dallas North Tollway (DNT), President George Bush Turnpike (PGBT) including the Eastern Extension, Sam Rayburn Tollway (SRT), Mountain Creek Lake Bridge (MCLB), Lake Lewisville Toll Bridge (LLTB) and Addison Airport Toll Tunnel (AATT).

The 2014 System Preliminary Annual Operating Budget was presented to the Authority's Finance and Audit committee for information at the September 5, 2013 meeting and was reviewed at the October 3, 2013 Finance and Audit committee. The Preliminary Annual Operating Budget was adopted at the October 16, 2013 Board of Director's meeting. The 2014 Preliminary Annual Operating Budget is \$122,700,000 which is approximately 5.5% more than the 2013 Annual Budget (see attached).

As GEC, Atkins has reviewed the budget and has concluded it has been developed in accordance with previously established general practices. In our opinion, it will adequately provide for toll collection, operations and maintenance, major maintenance and capital improvements for the NTTA's System for next fiscal year.

In addition, a deposit to the Reserve Maintenance Fund (RMF) is calculated each year in accordance with Section 504 of the Amended and Restated Trust Agreement to assure that adequate funds are available to defray maintenance and replacement costs and other expenses that occur due to normal aging of the System. From our review, it is our understanding that the RMF account will end 2013 with a surplus of almost \$46 million. It is our opinion that the carry-over balance from 2013 in the RMF is sufficient to meet the expected expenses for projects planned in 2014 and exceed the recommended balance of \$5,000,000 stipulated by the Trust Agreement. The RMF balance at the end of 2014 is estimated at over \$16 million, therefore, no additional funds are recommended for deposit into the RMF account for 2014.

Respectfully submitted,



R. Keith Jackson, PE

General Engineering Consultant Project Director

Enclosure

Cc: Horatio Porter (w/ enc.)
Elizabeth Mow, PE (w/ enc.)
Ray Zies (w/ enc.)
Armando Garza (w/ enc.)

North Texas Tollway Authority
Operation and Maintenance Fund - (1001) Budget Comparisons
FY 2014 to 2013

Department	2013 Budget	2014 Budget	2014 Budget to 2013 Budget	
			Amount	Percent
Administrative Services:				
Administration	\$922,225	\$556,956	\$(365,269)	(39.6%)
Board	235,003	152,873	(82,130)	(34.9%)
Finance	4,246,847	4,229,089	(17,758)	(0.4%)
Human Resources	1,470,626	1,388,401	(82,225)	(5.6%)
Internal Audit	875,746	828,471	(47,275)	(5.4%)
Legal Services	2,504,759	2,437,130	(67,629)	(2.7%)
Public Affairs	2,773,697	2,846,945	73,248	2.6%
Shared Services	8,474,022	11,032,880	2,558,858	30.2%
Strategic & Innovative Solutions	1,267,881	956,096	(311,785)	(24.6%)
Total Administrative Services	22,770,805	24,428,841	1,658,036	7.3%
Operational Services:				
Customer Service Center - (20011)	44,387,815	48,363,838	3,976,023	9.0%
Information Technology	12,949,116	13,995,184	1,046,068	8.1%
Maintenance	26,046,348	24,283,669	(1,762,680)	(6.8%)
Operations	356,845	594,621	237,776	66.6%
Project Delivery - (20511)	285,051	164,528	(120,523)	(42.3%)
System & Incident Mgmt.	9,472,926	10,869,319	1,396,393	14.7%
Total Operational Services	93,498,102	98,271,159	4,773,056	5.1%
Grand Totals	116,268,908	122,700,000	6,431,092	5.5%

North Texas Tollway Authority
Calculation of Deposit to Reserve Maintenance Fund
FY 2014

Reserve Maintenance Fund Balance as of 07/31/2013		\$ 53,155,355
Outstanding Reserve Maintenance Fund Deposit for FY 2013		0
Estimated Expenditures (Aug. through December 2013)		<u>(7,200,003)</u>
Estimated Balance as of 12/31/13		45,955,352
Estimated 2013 Expenditures (2013 Projects completed in 2014)	(1)	(2,638,000)
Estimated Expenditures for 2014		
Software / Licensing	(425,632)	
Computer / Equipment	(3,833,900)	
Roadway Maintenance	<u>(20,327,880)</u>	
Total RMF Projects		(24,587,412)
Allocated Cost: Professional Fees, Audit Fees, Legal Fees		(168,700)
Transfer for Allocated Salaries and Benefits		<u>(1,858,179)</u>
Total Estimated 2014 RMF Cost		(26,614,291)
Estimated 2014 Balance before Deposit		16,703,061
Estimated 2014 Deposit to Reserve Maintenance Fund		0
Reserve Maintenance Fund Balance as of 12/31/2014		<u>\$ 16,703,061</u>

2014 Required Deposit to Reserve Maintenance Fund Calculation

Estimated Fund Balance at 12/31/14		16,703,061
Required Trust Agreement Balance		<u>5,000,000</u>
Over Funded no Deposit Required for 2014		<u><u>11,703,061</u></u>

(1) 2013 Projects fully funded in 2012.