

Camino Real Regional Mobility Authority

Fiscal Year 2013 Audit Results

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AGENDA

- Opinions
- Federal Programs Tested
- Required Communications
 - Significant Accounting Policies
 - Significant Accounting Estimates
 - Significant Audit Adjustments
 - Other Required Communications
- New Accounting Standards
- Review of Recommendations

Opinions

- Independent Auditors' Report - **Unmodified**
- Report on compliance with requirements that could have a direct and material effect on each major program and on internal control over compliance in accordance with OMB Circular A-133 - **Unmodified**

Major Federal Programs Tested

- CFDA # 20.205 – ARRA and Non-ARRA Highway Planning and Construction - \$16,219,877

Required Communications

- Auditors' responsibility
- Significant accounting policies
- No new accounting policies were adopted
- New pronouncements implemented
 - GASB 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Upcoming pronouncements
 - GASB 65 – Items Previously Reported as Assets and Liabilities

Required Communications

- Significant accounting estimates
 - Allowance for Doubtful Accounts – N/A – Fully Collectible
 - Life – Amortization of Bond Issuance Costs
 - Life – Amortization of Intangible Asset

Required Communications

- Significant Audit Adjustments (affecting Net Position)
 - GASB 60 Adjustments
 - ◇ Net Increase to Net Position/Intangible Asset - \$173,992,520
 - Current year GASB 60 Adjustments
 - ◇ Reclassify construction in process expenditures to transfers out (to TxDOT) - \$20,122,746
 - ◇ Record current year amortization related to Intangible Asset - \$10,757,543
 - Federal grant proceeds received in advance
 - ◇ Decrease federal revenue/increase unearned revenue - \$2,528,946

Required Communications

- Disagreements with management
 - None
- Consultation with other independent auditors
 - None
- Issues discussed prior to retention
 - None

Required Communications

- Difficulties encountered in performing the audit
 - Incomplete trial balance initially received from City of El Paso; various subsequent adjustments made to the trial balance
 - Significant reclassification of accounts for CRRMA financial statement presentation

Recommendations

- CLA is recommending the following changes to CRRMA's reconciliation process:
 - We recommend that CRRMA work with the City to develop an account structure that allows CRRMA to track the various significant revenue streams separately (Federal, State Grants, Pass-Through Toll Agreement, Interest Subsidies, TXDOT Project Agreements).
 - We recommend that the CRRMA perform formal monthly reconciliations between subsidiary schedules to the general ledger to ensure that the general ledger has a complete account of all CRRMA transactions that have occurred each month. We recommend that this monthly reconciliation be documented.

Completion Procedures

- Internal quality review process over test work and financial statements
- Obtain management representations and approval of financial statements



QUESTIONS

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