

**CAMINO REAL REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION**

WHEREAS, on August 30, 2013, the County of El Paso adopted an Optional Vehicle Registration Fee (VRF) for vehicles registered in the County and those revenues were subsequently assigned to the CRRMA for use in the development of a program of projects known as the 2013 El Paso County Comprehensive Mobility Plan (2013 CMP); and

WHEREAS, the CRRMA has issued two bond issuances to date and those bond proceeds are used by the CRRMA in the development of the various 2013 CMP projects, while the assigned VRF revenues are used to repay such bond issuances; and

WHEREAS, the County requested the CRRMA to provide certain additional accounting and reporting services related to the ongoing maintenance of the referenced bond issuances and the CRRMA therefore desires to engage an audit firm to do provide such services in FY21.

NOW, THEREFORE, BE IT RESOLVED BY THE CAMINO REAL REGIONAL MOBILITY AUTHORITY:

THAT the Executive Director of the CRRMA is authorized to execute an engagement letter with Peña Briones McDaniel & Co. for the provision of certain accounting and reporting services in Fiscal Year 2021 related to the vehicle registration fee bonds, as requested by El Paso County.

PASSED AND APPROVED THIS 26TH DAY OF AUGUST 2020.

**CAMINO REAL REGIONAL
MOBILITY AUTHORITY**

Joyce A. Wilson, Chair

ATTEST:

Board Secretary

APPROVED AS TO CONTENT:

Raymond L. Telles
Executive Director

RENE D. PEÑA, CPA
CRISTINA A. SALAZAR, CPA
MELISA COTA GUEVARA, CPA

MEMBERS OF AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

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June 15, 2020

**Board of Directors
Camino Real Regional Mobility Authority
801 Texas Avenue
El Paso, TX 79901**

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for the Camino Real Regional Mobility Authority for the four quarters ending February 28, 2021.

We will apply the agreed-upon procedures listed in the attached schedule that were specified and agreed to. Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures performed or to be performed is solely the responsibility of management and we will require an acknowledgement in writing of that responsibility. Consequently, we make no representation regarding the sufficiency of the procedures described in the attached schedule either for the purpose for which the agreed-upon procedures report has been requested or for any other purpose. If, for any reason, we are unable to complete the procedures, we will describe any restrictions on the performance of the procedures in our report, or we will not issue a report as a result of this engagement.

Because the agreed-upon procedures listed in the attached schedule do not constitute an examination or review, we will not express an opinion or conclusion on any of the items specified in the supplement. In addition, we have no obligation to perform any procedures beyond those listed in the attached schedule.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to the Board of Directors of the Camino Real Regional Mobility Authority. You understand that the report is intended solely for the information and use of Camino Real Regional Mobility Authority and the El Paso County and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, we will communicate to you any known and suspected fraud and noncompliance with laws or regulations affecting the Camino Real Reginal Mobility Authority that come to our attention. In addition, if in, connection with this engagement, matters come to our attention that contradict we will disclose those matters in our report.

You are responsible for the proper recording of transactions in the accounting records; for establishing and maintaining internal controls, including monitoring ongoing activities; for the presentation of Agreements, on which we will apply agreed upon procedures, see Exhibit 1 in accordance with generally accepted accounting principles; and for selecting the criteria and determining that such criteria are appropriate for your purposes. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing the agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

At the conclusion of our engagement, we will require certain written representations in the form or a representation letter from management that, among other things, will confirm management's responsibility for the VRF funds activity in accordance with the bond and County agreements.

Rene D. Peña, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We estimate that our fees for these services will not exceed \$12,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and will not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket expenditures through the date of termination.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement

with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Very truly yours,



Rene D. Peña, CPA
Peña Briones McDaniel & Co. PC

RESPONSE:

This letter correctly sets forth the understanding of the Camino Real Regional Mobility Authority.

By: _____

Title: _____

Date: _____

Agreed Upon Procedures

- A. Activities to be completed and provided monthly except I.C., which will be quarterly:
 - a. Monthly Mellon Bank New York ("MBNY") account statements summarized will be compared to CRRMA spreadsheet of payments made for projects related to VRF funds (determines all activity listed on the bank statement is also on CRRMA spreadsheet)
 - b. Review trial balance and general ledger provided by City to verify activity from bank statement and CRRMA activity spreadsheet is reflected on the Trial Balance.
- B. Verify CRRMA monthly fees are remitted from MBNY.
- C. Assurance of financial compliance with agreements between CRRMA and County along with results of each quarterly test.
- D. At the time of sale of any future VRF bonds:
 - a. Preferably prior to closing, provide documentation (broken down to show details) of all bond issuance related expenditures that will be paid from bond funds at the time of sale.
 - b. Verify transfer of funds from Surplus Revenues into the Subordinate Lien Debt Service Reserve Fund upon the issuance of the bonds, if applicable.
 - c. Assurance of initial compliance with bond orders.
- E. Activities to be completed on a quarterly basis:
 - a. Review requisitions, on a 25% to 30% sample basis, to MBNY Trustee for:
 - i. Appropriateness;
 - ii. Payment authorizations
 - iii. Payment from correct account
 - iv. Remittance to appropriate vendor, financial institution/account and mailing address as listed on the individual invoices included in the requisitions; and
 - v. Verification of secondary approval (payments in excess of \$250,000).
- F. Validation of collateralization of funds, investments, and interest earned and that such funds are applied to the correct MBNY accounts.
- G. Confirm that actual investments by trustee are appropriate under the CRRMA's investment policies.
- H. Review of any escrow statements to confirm that debt payments correspond to invoices for the debt payments.
- I. Review, on a 25% to 30% sample basis, the financial activity for the period, including:
 - a. Activity in the MBNY accounts, including transfers, is supported by backup documentation held within project files.
- J. Town of Horizon City contracts and note:
 - a. In accordance with guidance from CRRMA bond counsel, review payments made from the Surplus Revenue Fund on behalf of Town of Horizon City to pay the Town's share of the Eastlake II Project meet the following contractual requirements:
 - b. used to pay invoices from the Eastlake II Project;

- c. paid in proportion to the Town's share (22.7%) of the project; and
- d. brought into compliance if not already in compliance by making extra payments on the project or by other mechanism.
- e. Noting that Transportation Reinvestment Zone ("TRZ") funds received may only be used to pay for projects located within the TRZ: a. Confirm that all Town of Horizon City TRZ 2 funds paid to the CRRMA are correctly applied to the note;
- f. Identify any Town of Horizon City TRZ 2 payments on the Town's note that are not submitted in a timely manner;
- g. Confirm that future TRZ payments from the Town of Horizon City are paid back into the Surplus Revenue Fund, or as directed by CRRMA bond counsel; and
- h. Confirm accurate payment allocation of interest and principal to the Town of Horizon City note.

K. Noting that \$2.7 million of Surplus Revenue Funds were transferred into the 2017 Series Subordinated Debt Service Reserve Account:

- a. Confirm account is set up and that the \$2.7 million remains in the account. Funds equal to interest earned on the account can spill over into Surplus Funds as long as stated balance remains constant.
- b. Confirm the Contingency Fund is set up, funds are invested as the agreements/policies dictate, and the insurance policy is purchased and remains in effect.