

January 5, 2024

Board of Directors and Management of
Camino Real Regional Mobility Authority
801 Texas Avenue
El Paso, Texas 79901

We have audited the financial statements of the business-type activities of the Camino Real Regional Mobility Authority, a fiduciary component unit of the City of El Paso, for the year ended August 31, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 28, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Camino Real Regional Mobility Authority are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2023. We noted no transactions entered into by the Camino Real Regional Mobility Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Management's estimate of the amortization of bond premiums is based on the life of the debt.
2. Management's zero (\$0) estimate of the allowance for uncollectible receivables is based on management's opinion that an allowance for doubtful accounts is not necessary for fair presentation.
3. Management's estimate of the arbitrage payable is based on the calculation provided by the arbitrage compliance specialist.

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

During fiscal year 2023, the Camino Real Regional Mobility Authority recorded the following significant unusual transaction:

On August 1, 2023, the City of El Paso made a one-time transfer of nearly \$41 million to the Camino Real Regional Mobility Authority for purposes of paying in full the debt obligations of the SIB loans related to Transportation Zone No. 2. The transaction is disclosed in paragraph “TRZ Contract Payments on SIB loans”, in Note 8 to the financial statements and has a significant impact on fiscal year 2023 revenue and net position at August 31, 2023.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule, *Passed Adjustments*, summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. During the audit process, year-end adjustments were recorded as deemed necessary by management and are available for review. The following material misstatements detected as a result of audit procedures were corrected by management: No. 3 to adjust unearned revenue for amounts not received prior to the fiscal year end, and No. 5 to adjust revenue for TRZ funds from the City for which there are no related debt obligations. The other adjustments, Nos. 1, 2, and 4 were year-end adjustments related to timing.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor’s report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 5, 2024.

January 5, 2024

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Camino Real Regional Mobility Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Camino Real Regional Mobility Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management’s Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Camino Real Regional Mobility Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

A handwritten signature in black ink that reads "Gibson Ruddock Patterson, LLC". The signature is written in a cursive, flowing style.

Gibson Ruddock Patterson, LLC

Camino Real Regional Mobility Authority

Passed Adjustments
August 31, 2023

Account DescriptionAcct		Statement of Net Position		Statement of Revenues, Expenses, and Changes in Net Position	
		Dr	Cr	Dr	Cr
1	Interest Revenue7006-450000				39,311
	Notes Receivable7006-136000	39,311			
	Interest Revenue7006-450000			44,471	
	Net Position7006-320000		44,471		
To pass on recording accrued interest on the Notes Receivable from the Town of Horizon and reverse the prior year passed adjustment based on WP 50C-3.					
2	Interest Receivable7006-130000	133,184			
	Investment Interest Revenue VRF-17006-450000				74,681
	Investment Interest Revenue VRF-27006-450000				58,503
	Investment Interest Revenue VRF-17006-450000			27,693	
	Investment Interest Revenue VRF-27006-450000			22,617	
	Net Position7006-320000		50,310		
To pass on recording accrued investment earnings on VRF accounts at BNY Mellon and reverse the prior year passed adjustment. See WPs 50A-1 and 50A-2.					
3	Cash7001-101000	22,177			
	Other Receivables7001-139000		22,177		
To pass on reclassifying an accounts receivable balance to cash for a check received on 8/31/2023. See WP 50A-4.					
		194,672	116,958	94,781	172,495
Net effect		77,714		(77,714)	