

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**ANNUAL FINANCIAL AND COMPLIANCE REPORTS  
WITH INDEPENDENT AUDITOR'S REPORT**

**FOR YEARS ENDED AUGUST 31, 2023 AND 2022**

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

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## **FINANCIAL SECTION**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Camino Real Regional Mobility Authority

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities of the Camino Real Regional Mobility Authority (CRRMA), a fiduciary component unit of the City of El Paso, as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the CRRMA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the CRRMA as of August 31, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CRRMA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events considered in the aggregate, that raise substantial doubt about the CRRMA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CRRMA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the CRRMA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 be presented to supplement the basic financial statements. Such information is the responsibility of management and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate, operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about 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 do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 5, 2024 on our consideration of the CRRMA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CRRMA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CRRMA's internal control over financial reporting and compliance.



Gibson Ruddock Patterson, LLC  
El Paso, Texas  
January 5, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management's Discussion and Analysis (MD&A) provides an overview of the Camino Real Regional Mobility Authority's (CRRMA) financial performance for the fiscal year ended August 31, 2023. As you read the MD&A, "2023" refers to the fiscal year ended August 31, 2023 and "2022" refers to the fiscal year ended August 31, 2022. This narrative is intended to supplement the CRRMA's audited financial statements, which are comprised of the basic financial statements and the notes to the financial statements.

### **Financial Highlights**

- Net position increased by \$52,958,870 as compared to an increase of \$3,365,264 in 2022.
- As of August 31, 2023, liabilities and deferred inflows of resources exceeded assets by \$55,072,569.

### **Overview of CRRMA**

The City of El Paso (City) created the CRRMA by Resolution dated March 13, 2007. The first meeting of the CRRMA Board of Directors was held on June 22, 2007. As the sponsoring entity for CRRMA and pursuant to a Management Agreement between the City and CRRMA, the City provides various administrative and in-kind services to CRRMA, including those of Fiscal Agent. The fiscal year for CRRMA begins September 1. CRRMA is accounted for as a proprietary-type enterprise fund using the accrual basis of accounting, similar to a private business entity.

### **Overview of the Financial Statements**

The financial statements included in this report are the statements of net position; statements of revenues, expenses, and changes in net position; and statements of cash flows. These statements have been prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB).

The statements of net position depict CRRMA's financial position as of a point in time and include all assets, liabilities, and deferred inflows of resources of CRRMA. The net position represents the residual interest in CRRMA's assets after liabilities and deferred inflows of resources are deducted, and is displayed in three categories; net investment in capital assets, restricted, and unrestricted net position.

The statements of revenues, expenses and changes in net position report the revenues and expenses of CRRMA, are used to measure the success of CRRMA's operations for a given period of time, and can be used to determine how CRRMA has funded its costs.

The statements of cash flows reconcile the changes in cash and cash equivalents with the activities of CRRMA for the periods presented. The activities are classified as operating, noncapital financing, capital and related financing, and investing.

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the financial statements. The notes to the financial statements can be found on pages 17 to 37 of this report.



## Financial Analysis

**Financial Position.** Table 1 is a summarized version of the statement of net position as of August 31, 2023, 2022, and 2021. The table reflects CRRMA's overall change in financial resources and claims on those resources. The majority of CRRMA's assets consist of cash and cash equivalents, investments, intergovernmental receivables, and capital assets. Most liabilities represent accounts payable, unearned revenue, and bonds and loans.

**Table 1**  
**Assets, Liabilities, Deferred Inflows of Resources and Net Position**

As of August 31,	2023	2022	% Change	2021	% Change
ASSETS					
Current Assets	\$ 63,900,811	\$ 56,603,895	13%	\$ 57,347,743	-1%
Noncurrent Assets	3,111,446	3,576,744	-13%	3,795,717	-6%
Capital Assets, net	3,089,383	141,184	2088%	10,327	1267%
Total Assets	<u>\$ 70,101,640</u>	<u>\$ 60,321,823</u>	16%	<u>\$ 61,153,787</u>	-1%
LIABILITIES					
Current Liabilities	20,872,388	22,247,239	-6%	21,540,505	3%
Non-current Liabilities:					
Long-Term Bonds					
and Notes Payables	100,772,772	142,576,974	-29%	147,480,936	-3%
Total Liabilities	121,645,160	164,824,213	-26%	169,021,441	-2%
TOTAL DEFERRED					
INFLOWS OF RESOURCES	3,529,049	3,529,049	0%	3,529,049	0%
NET POSITION					
Net Investment in					
capital assets	3,089,383	141,184	2088%	10,327	1267%
Restricted for grant	49,815	44,166	13%	63,995	-31%
Restricted for debt service	19,272	-	100%	-	0%
Unrestricted	(58,231,039)	(108,216,789)	46%	(111,471,025)	3%
Total Net Position	<u>\$ (55,072,569)</u>	<u>\$ (108,031,439)</u>	49%	<u>\$ (111,396,703)</u>	3%

**Current Assets.** Current assets increased by \$7.3 million or 13% in 2023 as compared to 2022. The increase is primarily due to additional funds transferred by the City of El Paso to pay off State Infrastructure Bank (SIB) loan debt related to City's Transportation Reinvestment Zone (TRZ) No. 2.

Current assets decreased by \$747 thousand or 1% in 2022 as compared to 2021. The decrease in 2022 occurred primarily due to the use of VRF bond proceeds on 2013 CMP projects.

**Capital Assets.** Capital assets increased \$2.9 million or 2088% in 2023 as compared to 2022. The increase in 2023 is due to acquisition of certain rights-of-way for the John Hayes and Darrington (Town of Horizon) projects.

Capital assets increased by \$131 thousand or 1267% in 2022 as compared to 2021. The increase is due to costs associated with the acquisition of certain rights-of-way related to the John Hayes and Darrington (Town of Horizon) projects.

**Current Liabilities.** Current liabilities decreased \$1.4 million or 6% in 2023 as compared to 2022. The decrease is primarily attributed to the early retirement of two SIB loans and therefore no corresponding debt service payments in 2024.

Current liabilities increased \$707 thousand or 3% in 2022 as compared to 2021. The majority of the net increase is due to an increase in unearned revenue related to the City of Socorro's TRZ funds, which is tempered by a decrease in accounts payable.

**Noncurrent Liabilities.** Noncurrent liabilities decreased \$42 million or 29% in 2023 as compared to 2022. The decrease is primarily due to the payoff of two SIB loans. Details on the referenced bonds and loans payable are included in Note 8 to the financial statements.

Noncurrent liabilities decreased \$4.9 million or 3% in 2022 as compared to 2021. The decrease is primarily due to the continued repayment of bonds and loans.

**Total Net Position.** Net position increased \$53 million in 2023 or 49% as compared to 2022.

Net position increased by \$3.4 million in 2022 or 3% as compared to 2021.

## Outstanding Debt

As of August 31, 2023 and 2022, CRRMA had total bonded debt outstanding of \$93.7 million and \$96.0 million, respectively, including bond premiums. The debt is comprised of revenue bonds backed by vehicle registration fee revenues from the County of El Paso. S&P Global lowered the underlying rating of the subordinate debt from "A-" to "BBB+" while affirming the stable outlook in November 2020.

Table 2 is a summary of outstanding debt.

**Table 2**  
**Outstanding Debt**

As of August 31,	2023	2022	2021
Series 2014 bond, Including Premium of \$3,271,590 at 08/31/23	60,081,590	61,764,439	63,372,282
Series 2017 bond, Including Premium of \$1,319,270 at 08/31/23	33,624,270	34,238,575	34,821,537
TxDot Financial Assistance Agreement #1	756,405	756,405	756,405
State Infrastructure Bank Loans	9,275,680	50,721,517	53,273,460
Total Debt	\$ 103,737,945	\$ 147,480,936	\$ 152,223,684

**Deferred Inflows of Resources.** Deferred inflows remained at \$3.5 million. The amount is attributed to the extinguishment of CRRMA's debt under financial assistance agreement #2 in exchange for TxDOT's increase and the CRRMA's corresponding decrease of project interest in the Border West Expressway. Details of the transaction are included in Note 10 to the financial statements.

**Results of Operations.** Table 3 is a summarized version of the statement of revenues, expenses, and changes in net position for the years ended 2023, 2022, and 2021.

**Table 3**  
**Revenues, Expenses, and Changes in Net Position**

For the Year Ended August 31,	2023	2022	% Change	2021	% Change
Operating Revenue	\$ 62,758,049	\$ 20,885,352	200%	\$ 25,358,967	-18%
Operating Expenses	780,843	839,651	-7%	845,268	-1%
Net Operating Income	61,977,206	20,045,701	209%	24,513,699	-18%
Non-Operating Revenues,					
Expenses, and Transfers	(9,018,336)	(16,680,437)	-46%	(59,260,040)	-72%
Increase (Decrease) in					
Net Position	52,958,870	3,365,264	1474%	(34,746,341)	110%
Ending Net Position	(55,072,569)	(108,031,439)	49%	(111,396,703)	3%

**Operating Revenues.** Operating revenues increased by \$42 million or 200% as compared to 2022. The increase is primarily due to the additional funds transferred from the City of El Paso to pay off the SIB loans related to the City's TRZ No. 2.

Operating revenues decreased \$4.5 million or 18% as compared to 2021. The decrease is primarily due to fewer active large construction projects.

**Operating Expenses.** Operating expenses decreased by \$58 thousand or 7% as compared to 2022. The decrease is primarily attributed to lower contracted management costs.

Operating expenses decreased by \$5.6 thousand or 1% as compared to 2021. The decrease occurred primarily due to fewer legal expenses.

**Non-operating Revenues, Expenses, and Transfers.** Non-operating revenues, expenses, and transfers decreased \$7.7 million or 46% as compared to 2022. The decrease is primarily due to fewer active large construction projects being transferred to project partners.

Non-operating revenues, expenses, and transfers decreased \$43.6 million or 72% as compared to 2021. The decrease is primarily attributed to the nonrecurring 2021 transfer to TxDOT related to the I-10 Widening Project and the 2021 transfer of the completed Winn Road project.

## **Fiscal Year 2023 Highlights**

### 2008 El Paso Comprehensive Mobility Plan Projects

The CRRMA continued debt payments in 2023 related to three projects identified within the Project Development Agreement with TxDOT referred to as the Planning PDA: (i) Loop 375 at I-10 (Americas Interchange); (ii) Zaragoza Direct Connectors; and (iii) Transmountain Northeast Mainlanes. In order to complete these three projects, the CRRMA secured three State Infrastructure Bank loans (in the amounts of \$30,000,000, \$20,000,000 and \$6,000,000 respectively) using revenues pledged to the CRRMA from the City of El Paso's Transportation Reinvestment Zones 2 and 3. In 2023, the CRRMA continued making SIB loan repayments on the Americas Interchange, and Transmountain Northeast Projects in the respective amounts of \$310,493 and \$378,275. The CRRMA satisfied the repayment requirements for the Zaragoza Direct Connectors by paying off the balance of \$13,422,396.

### SunCycle – El Paso Bike Share Program

The CRRMA's bike share program (SunCycle) ridership and revenue decreased slightly in 2023. Decreased downtown activity impacted ridership starting in 2022 and continued throughout 2023. The El Paso Electric Company continued to support the program as its title sponsor for the third year in a row. Throughout 2023, the program tallied just under 8,600 bike rides, which amounted to over 44,000 miles ridden, 42,000 pounds of carbon offset, and almost 1.8 million calories burned.

### El Paso Streetcar Project

The El Paso Streetcar Project is a jointly developed project between the City of El Paso, TxDOT, and the CRRMA. The City originally developed the design and alignment for the project. TxDOT provided the CRRMA with a \$97,000,000 grant to complete the procurement and construction activities. The CRRMA completed construction of the route, remanufacture of the six streetcars, and transferred the program to the City of El Paso's Mass Transit Department (Sun Metro) in 2019. Remaining grant funds will be used to procure additional system improvements for the project.

### 2013 El Paso County Comprehensive Mobility Plan Projects

The CRRMA partnered with TxDOT and El Paso County (County) for the development of a slate of projects known locally as the 2013 El Paso County Comprehensive Mobility Plan (2013 CMP). The CRRMA's role in the 2013 CMP is varied and includes financing, design, construction, and/or construction management of various projects. To fund this program, the County implemented an optional vehicle registration fee and pledged the associated revenues to the CRRMA. The CRRMA then used that pledge as the repayment source for two debt issuances (Series 2014 (Senior) and Series 2017 (Subordinate)). The CRRMA has been using these bond proceeds to develop various 2013 CMP projects, with expenditures from Series 2014 bonds in 2023 totaling \$445,821.

### Loop 375 Widening and Loop 375 Frontage Roads & Ramps Projects

The CRRMA is tasked with completion of the plans, specifications, and estimates (PS&E) for both of these projects, utilizing funding from TxDOT and the work product from the Americas Managed Lanes Project. The projects improve TxDOT's Loop 375, near the Zaragoza Port of Entry. The Widening Project will add capacity to Loop 375 by adding an inside lane in each direction. The Frontage Road and Ramps Project will extend frontage roads over the railroad tracks and canal while also flipping existing on and off ramps in the area. The Loop 375 Frontage Road Project PS&E is now complete and is under construction by TxDOT. During 2023, project expenditures on the Widening and Frontage projects totaled \$109,608 and \$98,816 respectively.

#### Wyer Aerial Tramway Project

The CRRMA has partnered with the Texas Parks & Wildlife Department (TPWD) to design and construct new base and aerial facilities as well as a new tramway to be located on the eastside of the Franklin Mountains. During 2023, project expenditures on the Wyer Aerial Tramway Project totaled \$691,860.

#### Fabens Airport Projects

The CRRMA and County of El Paso are partnering on several initiatives at the County's Fabens Airport. These include the design and construction of a deceleration lane for vehicles entering the facility, several types of hangars, a fuel farm expansion, a new entrance monument, and an automated weather observing system. Expenditures in 2023 totaled \$373,089.

#### County Sidewalks and Shelters Program

The CRRMA also partnered with the County of El Paso on several projects intended to fill in gaps in the County's sidewalk inventory and adding bus shelters as an improved amenity at bus stops serving the County's Regional Transit system. Expenditures in 2023 totaled \$1,200,288.

#### Pellicano Drive Widening Project

The CRRMA is working with the County of El Paso on the Pellicano Project. In 2023, the CRRMA defaulted the contractor. The contractor later filed for bankruptcy and the project is on hold while the CRRMA works with the contractor's surety company to restart construction. Additional details may be found in Note 11 to the financial statements.

#### CRRMA Revenues

The majority of CRRMA revenues in this fiscal year were limited to: (i) administrative fees from the vehicle registration fee bonds; (ii) SunCycle Program revenues; (iii) TxDOT grant funds for the Loop 375 Projects; (iv) TxDOT grant funds for the Pellicano Road Project; (v) funds from TPWD for the Wyer Project; (vi) contributions from local governments including the City of El Paso, and the County of El Paso; and (vii) interest generated from existing CRRMA funds. Total CRRMA operating expenditures in fiscal year 2023 were \$780,843.

#### **Future of the CRRMA**

The CRRMA will continue to work on regional partnerships with TxDOT and local governmental bodies for the development of major transportation projects in the area. By way of example, the CRRMA's partnership with El Paso County will continue through the ongoing 2013 Comprehensive Mobility Plan as well as additional initiatives with the Fabens Airport and Regional Transit. The CRRMA's partnership with Texas Parks and Wildlife Department will continue as the parties work to reestablish the Wyer Aerial Tramway. SunCycle, the CRRMA's bike share program for El Paso, will seek to grow ridership and sponsorship revenues through the identification of new station locations. Additionally, the CRRMA is working with regional partners on the implementation of the Regional Mobility Strategy 2020, a mobility plan that prioritizes billions in major transportation projects for the region. As a result, the CRRMA's future anticipates the continuation and strengthening of partnerships with regional transportation providers to develop major transportation projects for the improvement of the El Paso region.

### **Contacting CRRMA's Financial Management**

For additional information concerning the CRRMA, please see the CRRMA's website: [www.crrma.org](http://www.crrma.org). The CRRMA's executive offices are located at 801 Texas Avenue, El Paso, Texas 79901. The main telephone number is (915) 212-1072. Questions may be directed to Robert Studer, Director of Finance.

## **BASIC FINANCIAL STATEMENTS**

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

STATEMENTS OF NET POSITION

AUGUST 31, 2023 AND 2022

ASSETS	2023	2022
Current Assets		
Cash and cash equivalents	\$ 3,308,215	\$ 19,113,544
Restricted cash and cash equivalents	31,446,657	35,751,306
Investments	14,984,979	-
Restricted investments	12,986,982	-
Accrued interest	20,636	-
Intergovernmental receivables	1,153,342	1,733,760
Restricted receivable for SIB loan payments	-	5,285
Total current assets	<u>63,900,811</u>	<u>56,603,895</u>
Noncurrent Assets		
Intergovernmental receivables	<u>3,111,446</u>	<u>3,576,744</u>
Capital assets:		
Construction in progress	<u>3,089,383</u>	<u>141,184</u>
Total noncurrent assets	<u>6,200,829</u>	<u>3,717,928</u>
Total assets	<u><u>\$ 70,101,640</u></u>	<u><u>\$ 60,321,823</u></u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 2,263,459	\$ 2,549,209
Accrued interest	1,335,900	1,508,207
Bonds payable, due within one year	2,413,760	2,297,153
State infrastructure bank loans, due within one year	551,413	2,606,809
Unearned revenue	<u>14,307,856</u>	<u>13,285,861</u>
Total current liabilities	<u>20,872,388</u>	<u>22,247,239</u>
Noncurrent Liabilities		
Bonds payable (including unamortized premiums)	91,292,100	93,705,861
State infrastructure bank loans	8,724,267	48,114,708
Note payable	<u>756,405</u>	<u>756,405</u>
Total noncurrent liabilities	<u>100,772,772</u>	<u>142,576,974</u>
Total liabilities	<u>121,645,160</u>	<u>164,824,213</u>
Deferred Inflows of Resources		
Sale of future revenue	<u>3,529,049</u>	<u>3,529,049</u>
Total deferred inflows of resources	<u>3,529,049</u>	<u>3,529,049</u>
Net Position		
Net investment in capital assets	3,089,383	141,184
Restricted for grant requirements	49,815	44,166
Restricted for debt service	19,272	-
Unrestricted	<u>(58,231,039)</u>	<u>(108,216,789)</u>
Total net position	<u>(55,072,569)</u>	<u>(108,031,439)</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$ 70,101,640</u></u>	<u><u>\$ 60,321,823</u></u>

The notes to the financial statements are an integral part of this statement.



**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR YEARS ENDED AUGUST 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>OPERATING REVENUES</b>		
TxDOT - Pellicano Drive - Federal and State	\$ 754,849	\$ 2,889,356
TxDOT - LP375 Frontage Roads and Widening	208,424	386,946
TxDOT - Streetcar project	66,610	40,191
TPWD - Wyler Aerial Tramway	691,860	1,309,824
Bike share revenue	123,500	135,450
Local governments	60,887,806	16,046,952
Project cost shares from developers and other third parties	-	49,633
In-kind	25,000	27,000
	<u>62,758,049</u>	<u>20,885,352</u>
Total operating revenues		
<b>OPERATING EXPENSES</b>		
Contracted management	357,997	382,799
Depreciation	-	10,327
In-kind rent and other	25,000	27,000
Legal	49,269	35,789
Engineering	24,891	32,021
Other contracts	260,489	267,838
Other professional services	40,730	48,990
Travel and conferences	3,903	
Supplies and other	18,564	34,887
	<u>780,843</u>	<u>839,651</u>
Total operating expenses		
<b>Income from operations</b>	<u>61,977,206</u>	<u>20,045,701</u>
<b>NON-OPERATING REVENUES AND EXPENSES</b>		
Interest income	2,062,113	288,376
Interest subsidies	77,073	156,563
Intergovernmental transfers of capital assets	(6,331,941)	(11,997,138)
Interest expense	(4,712,846)	(5,128,238)
Loan refinancing costs	(112,735)	-
	<u>(9,018,336)</u>	<u>(16,680,437)</u>
Total non-operating expenses, net		
<b>Change in net position</b>	52,958,870	3,365,264
Net position - beginning of year	<u>(108,031,439)</u>	<u>(111,396,703)</u>
<b>Net position - end of year</b>	<u>\$ (55,072,569)</u>	<u>\$ (108,031,439)</u>

The notes to the financial statements are an integral part of this statement.

**CAMINO REAL REGIONAL MOBILITY AUTHORITY**  
**A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**  
**STATEMENTS OF CASH FLOWS**  
**FOR YEARS ENDED AUGUST 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>Cash Flows from Operating Activities</b>		
Receipts from other agencies	\$ 64,759,618	\$ 25,914,912
Receipts from developers and other third parties	-	100,362
Receipts from users	123,500	135,450
Payments for contracted management	(473,447)	(469,561)
Payments to professionals	(6,918,199)	(13,211,199)
	<u>57,491,472</u>	<u>12,469,964</u>
Net cash provided by operating activities		
<b>Cash Flows from Noncapital Financing Activities</b>		
Repayment of debt	(43,580,837)	(4,586,943)
Interest paid	(5,047,307)	(5,327,051)
Loan refinancing payments	(112,735)	-
Cash received for interest subsidy	-	154,146
	<u>(48,740,879)</u>	<u>(9,759,848)</u>
Net cash used by noncapital financing activities		
<b>Cash Flows from Capital and Related Financing Activities</b>		
Acquisition/construction of capital assets	(2,930,087)	(89,918)
	<u>(2,930,087)</u>	<u>(89,918)</u>
Net cash used by capital and related financing activities		
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(27,971,961)	-
Interest received	2,041,477	288,376
	<u>(25,930,484)</u>	<u>288,376</u>
Net cash (used) provided by investing activities		
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(20,109,978)</u>	<u>2,908,574</u>
Cash and cash equivalents - beginning of year	54,864,850	51,956,276
<b>Cash and cash equivalents - end of year</b>	<u>\$ 34,754,872</u>	<u>\$ 54,864,850</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</b>		
Cash and cash equivalents	3,308,215	\$ 19,113,544
Restricted cash and cash equivalents	31,446,657	35,751,306
	<u>\$ 34,754,872</u>	<u>\$ 54,864,850</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>		
Operating income	\$ 61,977,206	\$ 20,045,701
Adjustments to reconcile operating income to net cash:		
Depreciation expense	-	10,327
Decrease (increase) in receivables	1,051,001	3,871,395
Increase (decrease) in accounts and other payables	(303,862)	(881,298)
Increase (decrease) in unearned revenue	1,099,068	1,420,977
Capital expenditures transferred out to other governments	(6,331,941)	(11,997,138)
	<u>\$ 57,491,472</u>	<u>\$ 12,469,964</u>
Net cash provided by operating activities		

The notes to the financial statements are an integral part of this statement.

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**1. NATURE OF ORGANIZATION**

The Texas Transportation Commission of the Texas Department of Transportation authorized the creation of the Camino Real Regional Mobility Authority (CRRMA) on June 29, 2006 as a political subdivision under the Texas Transportation Code, Chapter 370. The City of El Paso formally created the CRRMA pursuant to the conditions of the Texas Department of Transportation (TxDOT) on March 13, 2007. The CRRMA was created to provide the El Paso region with a local entity to make mobility decisions for the community and to accelerate needed transportation projects.

CRRMA's powers and duties are enumerated under Texas Transportation Code Chapter 370 and Title 43 Texas Administrative Code Chapter 26 and include authority to borrow monies and issue bonds to finance transportation projects. The CRRMA is governed by a seven member Board of Directors; six are appointed by the City of El Paso and the Chairman of the Board is appointed by the Governor of the State of Texas. The CRRMA is a fiduciary component unit of the City of El Paso and is reported as a "Custodial" fund in the City of El Paso's financial statements, as the City of El Paso acts as the fiscal agent for the CRRMA.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

The financial statements for the CRRMA have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. For financial reporting purposes, the CRRMA is considered a special purpose government engaged only in business-type activities.

The CRRMA does not directly employ any persons. Instead, the CRRMA contracts with the City of El Paso for management services.

**Basis of Accounting**

The CRRMA is accounted for as a proprietary fund engaged in business-type activities. In accordance with Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting, which requires recognition of revenue when earned and expenses when incurred.

All of the CRRMA's activities are accounted for within a single proprietary (enterprise) fund. The accounting and financial reporting treatment applied is determined by measurement focus. The transactions of the CRRMA are accounted for on a flow of economic resources measurement focus. With this measurement focus, assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operations are included on the statement of net position.

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Repurchase agreements and flexible repurchase agreements shall be limited to a maximum maturity of one (1) year, qualifying as cash equivalents, although any underlying U.S. government obligations pledged as collateral may have maturities extending beyond the term of such repurchase agreements.

Investments with an original maturity greater than one year from date of purchase are stated at fair value based on quoted market prices as of year-end. Investments with an original maturity of less than one year are reported at amortized cost.

The **Public Funds Investment Act** (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the CRRMA to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the CRRMA to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers' acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires the CRRMA to have independent auditors perform test procedures related to investment practices as provided by the Act. Management asserts that the CRRMA is in substantial compliance with the requirements of the Act and with local policies.

Additional policies and contractual provisions governing deposits and investments for the CRRMA are specified below:

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the CRRMA. To help mitigate credit risk, credit quality guidelines are incorporated into the investment policy, as follows:

(Continued)

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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

- Limiting investments to certain types of securities;
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries and advisors with which the CRRMA, or the City of El Paso in behalf of the CRRMA, will do business.

***Interest Rate Risk***

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates. To help mitigate interest rate risk, the structure of the investment portfolio should be in securities maturing in a manner that cash requirements for ongoing operations will be met, thereby avoiding the need to sell securities on the open market prior to maturity. Operation funds can be invested primarily in short-term securities, money market mutual funds, or similar investment pools and the maximum maturity of a single investment shall not exceed three years and the maximum dollar-weighted average maturity for the investment portfolio shall not exceed two years.

***Custodial Credit Risk***

For deposits or investments, custodial risk is the risk that, in the event of the failure of the counterparty, the CRRMA will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The CRRMA's requires all deposits to be fully insured or collateralized. The CRRMA's funds held with Wells Fargo Bank N.A. and Bank of New York Mellon were fully insured, collateralized, or invested in securities backed by the U.S. government held in CRRMA's name as of August 31, 2023 and August 31, 2022.

***Concentration of Credit Risk***

Concentration of credit risk is limited to the loss attributed to the magnitude of a government's investment in a single issuer by diversifying the investments of the funds. CRRMA's policy states that the portfolio must be diversified. The CRRMA diversified its portfolio by investing in money market funds. U.S. Government obligations are not considered to have credit risk.

***Foreign Currency Risk***

Foreign risk is the risk that changes in exchange rates will adversely affect the fair value investment of a deposit. The CRRMA had no foreign currency transactions during fiscal years 2023 and 2022.

**Restricted Assets**

Proceeds from CRRMA's bonds, funds from the City of El Paso for SIB loans, TRZ funds from the City of Socorro, and grant funding received in advance are classified as restricted assets in the statement of net position. They are maintained in separate accounts, and their use is limited to applicable bond, loan, and specified project and grant purposes.

(Continued)

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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Rebatable Arbitrage**

Current federal income tax law and the bond indentures require that certain arbitrage profits earned outside of the purpose of the investments attributable to outstanding tax-exempt bonds must be rebatable arbitrage.

**Income Taxes**

The CRRMA is a political subdivision of the State of Texas and income earned in the exercise of its essential government functions is exempt from state and federal income taxes.

**Capital Assets**

The CRRMA follows the capitalization policy of the City of El Paso. Capital assets, which include property, plant and equipment, and infrastructure assets, are those assets with a value of \$5,000 or more and with useful lives of more than one year. Also, the value of existing capital assets is increased for any additions regardless of the amount, when the useful life is extended or the functionality of the asset is improved. Assets are recorded at historical cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the assets or substantially extend the life of the assets are not capitalized.

Capital assets of the CRRMA are depreciated using the straight-line method over the following estimated useful lives below. Capital assets under construction are not depreciated until construction is completed.

<u>Assets</u>	<u>Years</u>
Bike Share Equipment	3

**Deferred Outflows and Inflows of Resources**

The CRRMA classifies as deferred inflows of resources items that represent acquisition of net position that applies to future periods and will not be recognized as revenue until then. The CRRMA classifies as deferred outflows of resources certain items that represent a consumption of resources that applies to future periods and therefore, will not be recognized as an expense until then.

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**NOTES TO THE FINANCIAL STATEMENTS**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Operating and Nonoperating Revenues and Expenses**

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating revenues for the CRRMA are derived from TxDOT Project Agreements, grants, bike share revenue, TRZ contract funding from the City of El Paso for loan payments, vehicle registration fees from the County of El Paso, Texas, revenue from interlocal agreements, and project cost shares from developers and other third parties. Grant funds received in advance of expenditures are recorded as unearned revenue. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses.

**Net Position Categories**

*Net investment in capital assets* - this component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds or other borrowings that are attributable to the acquisition, construction or improvement of those assets. CRRMA's debt will remain upon transfers to outside entities and is therefore not considered debt attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

*Restricted for grant requirements* - this component of net position consists of restricted assets reduced by liabilities which arose from a grant for the Streetcar project.

*Restricted for debt service* - this component of net position consists of restricted assets reduced by liabilities which arose from TRZ funds transferred by the City of El Paso for SIB loan payments.

*Unrestricted net position* - this component of net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investments in capital assets or the restricted components of net position. At fiscal year end 2023, the CRRMA had a deficit unrestricted net position of \$58,231,039. This was primarily due to the capitalization of assets that were transferred to the County of El Paso in fiscal years 2018 to 2023, which had corresponding debt. Management intends to eliminate the deficit and reduce the bonds payable balances through future vehicle registration fees from the County of El Paso.

When both restricted and unrestricted resources are available for use, it is CRRMA's policy to use restricted resources first, then unrestricted resources as needed.

**Bond Premiums and Discounts**

The CRRMA amortizes bond premiums and discounts over the estimated life of the bonds and records the amount as an adjustment to interest expense.

(Continued)

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**3. CASH AND CASH EQUIVALENTS**

The carrying amounts of CRRMA's cash and cash equivalents at August 31 are as follows:

	<u>2023</u>	<u>2022</u>
Unrestricted (held by the City of El Paso):		
Cash in bank	\$ 7,480	\$ 19,113,544
Money Market Fund - Morgan Stanley Institutional Liquidity Funds - Government Portfolio	<u>3,300,735</u>	-
Total unrestricted cash and cash equivalents	<u>3,308,215</u>	\$ 19,113,544
Restricted		
Cash in bank:		
TRZ funds from City of Socorro (held by the City of El Paso)	4,335	2,005,343
Streetcar Project (held by the City of El Paso)	3,829	286,456
TRZ funds from City of El Paso (held by the City of El Paso)	3,807	5,145,593
Other restricted (held by the City of El Paso)	1,000	1,000
Wells Fargo SIB Subsidy Account	-	77,073
Money Market funds:		
Dreyfus Government Cash Management Institutional Shares	30,148,356	28,235,841
Morgan Stanley Institutional Liquidity Funds - Government Portfolio (held by the City of El Paso):		
TRZ funds from City of El Paso	806,309	-
TRZ funds from City of Socorro	268,382	-
Streetcar Project	<u>210,639</u>	-
Total restricted cash and cash equivalents	<u>31,446,657</u>	35,751,306
Total cash and cash equivalents	<u><u>\$ 34,754,872</u></u>	<u><u>\$ 54,864,850</u></u>

Cash and cash equivalents of \$4,606,516 and \$26,551,936 at August 31, 2023 and 2022, respectively, were held by the City of El Paso as the CRRMA's fiscal agent. As such, the City of El Paso retains responsibility to safeguard these funds.

Due to the immediate availability of the funds, the CRRMA's temporary investments in money market funds are reported in cash and cash equivalents in the table above, and are shown at amortized cost, which approximates the value of the money market shares. These investments at August 31, 2023 and August 31, 2022 are summarized in the tables below:

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**NOTES TO THE FINANCIAL STATEMENTS**

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**3. CASH AND CASH EQUIVALENTS (Continued)**

<b>2023</b>			
Name	Amortized Cost	WAM (in days)	Rating
Dreyfus Government Cash Management Institutional Shares	\$ 30,148,356	27	AAAm (S&P)
Morgan Stanley Institutional Liquidity Funds - Government Portfolio	<u>4,586,065</u>	23	AAAm (S&P)
Total money market funds	<u><u>\$ 34,734,421</u></u>		
<b>2022</b>			
Name	Amortized Cost	WAM (in days)	Rating
Dreyfus Government Cash Management Institutional Shares	<u>\$ 30,148,356</u>	10	AAAm (S&P)

**4. INVESTMENTS**

The CRRMA's unrestricted and restricted investments at August 31, 2023, are short-term investments with original maturities of less than one year and are reported at amortized cost. The CRRMA had no investments at August 31, 2022.

Name	<u>Less than one year</u>		Maturity date	Days to Maturity
	Unrestricted	Restricted		
Wells Fargo - United States Treasury Bills*	<u>\$ 14,984,979</u>	<u>\$ 12,986,982</u>	9/5/2023	5

\* U.S. Government obligations are not considered to have credit risk and do not require disclosure of credit quality ratings.

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**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**5. INTERGOVERNMENTAL RECEIVABLES**

Intergovernmental receivables are comprised of the following amounts due from governmental agencies as of August 31:

	<u>2023</u>	<u>2022</u>
TxDOT		
Pellicano Drive agreement	\$ 146,005	\$ 701,147
LP375 Widening	32,700	35,716
LP375 Frontage Roads	11,127	88,935
County of El Paso - Transportation projects	789,721	826,570
Town of Horizon - Eastlake Phase 2 share	50,307	-
Various agencies	<u>123,482</u>	<u>81,392</u>
Total intergovernmental receivables - current	<u>\$ 1,153,342</u>	<u>\$ 1,733,760</u>
Town of Horizon - Eastlake Phase 2 share	<u>\$ 3,111,446</u>	<u>\$ 3,576,744</u>
Total intergovernmental receivables - noncurrent	<u>\$ 3,111,446</u>	<u>\$ 3,576,744</u>

As of August 31, 2023 and 2022, an allowance for doubtful accounts was not recorded as management believes all receivables are collectible based on historical experience.

The Town of Horizon City, Texas (the Town) has committed to repay the CRRMA for a proportionate share of the cost of the Eastlake Blvd., Phase 2 Roadway Improvement Project in annual installments in accordance with a minimum payment schedule, including interest at the rate of 3.73%. The Town assigned revenues associated with the incremental increase in property values within its Transportation Reinvestment Zone Number 2 to secure its repayment obligation with respect to the project. The assignment is irrevocable for the period during which any portion of the obligation remains outstanding. Upon completion of the project, which occurred during fiscal year 2019, and the determination of total construction costs, the Town's share was calculated to be \$3,792,480. Annual payments commenced May 1, 2020 and are due on May 1 of each year thereafter until the final payment date in 2038 when any remaining outstanding balance shall be due and payable. In accordance with the agreement, any unpaid interest is added to the receivable balance annually. The May 1, 2024 minimum scheduled payment covers the interest charges for the year as well as a principal portion in the amount of \$50,307. Therefore, this amount is reported within the current receivable category at August 31, 2023 and the remaining balance of \$3,111,446 is reported within the noncurrent category. The May 1, 2023 minimum scheduled payment covered only a portion of the interest charges for the year, and therefore, the total receivable balance of \$3,576,744 at August 31, 2022 was reported within the noncurrent category.

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**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**6. CAPITAL ASSETS**

Capital assets activity for the years ended August 31 was as follows:

	<b>2023</b>			
	Beginning Balance 9/1/2022	Additions	Deletions	Ending Balance 8/31/2023
Capital assets not being depreciated:				
Construction in progress:				
Darrington Road - Right of Way	\$ 2,091	\$ 588,946	\$ -	\$ 591,037
John Hayes Street - Right of Way	139,093	2,359,253		2,498,346
Total capital assets not being depreciated	141,184	2,948,199	-	3,089,383
Capital assets being depreciated:				
Bike Share Equipment	737,230	-	-	737,230
Total capital assets being depreciated	737,230	-	-	737,230
Less accumulated depreciation for:				
Bike Share Equipment	(737,230)	-	-	(737,230)
Total accumulated depreciation	(737,230)	-	-	(737,230)
Total capital assets being depreciated, net	-	-	-	-
Total capital assets, net	\$ 141,184	\$ 2,948,199	\$ -	\$ 3,089,383

The Construction in progress - Darrington Road-Right of Way reported above will be transferred to the Town of Horizon when the CRRMA completes the acquisition of all the parcels it was contracted to acquire, which is expected to occur in fiscal year 2024.

The Construction in progress - John Hayes Street-Right of Way reported above will be transferred to the County of El Paso upon completion of the construction project.

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**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

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**6. CAPITAL ASSETS (Continued)**

	2022			
	Beginning Balance 9/1/2021	Additions	Deletions	Ending Balance 8/31/2022
Capital assets not being depreciated:				
Construction in progress:				
Darrington Road - Right of Way	\$ -	\$ 2,091	\$ -	\$ 2,091
John Hayes Street - Right of Way	-	139,093	-	139,093
Total capital assets not being depreciated	-	141,184	-	141,184
Capital assets being depreciated:				
Bike Share Equipment	737,230	-	-	737,230
Total capital assets being depreciated	737,230	-	-	737,230
Less accumulated depreciation for:				
Bike Share Equipment	(726,903)	(10,327)	-	(737,230)
Total accumulated depreciation	(726,903)	(10,327)	-	(737,230)
Total capital assets being depreciated, net	10,327	(10,327)	-	-
Total capital assets, net	\$ 10,327	\$ 130,857	\$ -	\$ 141,184

Depreciation expense for the year ended August 31, 2022 was \$10,327.

**7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities are comprised of the following amounts as of August 31:

	2023	2022
Invoices related to:		
El Paso County projects	1,001,457	\$ 1,230,510
Pellicano Drive project	474,671	520,927
Other projects	282,442	209,349
Vehicle Registration Fee projects	59,845	62,838
LP375 Widening project	28,342	31,557
LP375 Frontage Roads project	6,768	80,617
Streetcar project	1,831	11,921
Other accounts payable	311,474	315,543
Accrued contracted management liabilities	96,629	85,947
Total accounts payable and accrued liabilities	\$ 2,263,459	\$ 2,549,209

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY**  
**A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

**8. LONG-TERM DEBT**

The following is a summary of changes in long-term debt as of August 31:

		2023				
Description	Interest Rates	Beginning Balance 9/1/2022	Additions	Reductions	Ending Balance 8/31/2023	Due Within One Year
<u>Bonds Payable:</u>						
Series 2014	3.00-5.00%	\$ 58,365,000	\$ -	\$ 1,555,000	\$ 56,810,000	\$ 1,635,000
Series 2017	2.00-5.00%	32,885,000	-	580,000	32,305,000	610,000
Unamortized Premiums:						
Series 2014		3,399,439	-	127,849	3,271,590	133,057
Series 2017		1,353,575	-	34,305	1,319,270	35,703
Total Bonds Payable		96,003,014	-	2,297,154	93,705,860	2,413,760
<u>Direct Borrowings:</u>						
<u>State Infrastructure Bank Loans:</u>						
State Infrastructure Bank Loan #1	3.75%	9,435,141	-	310,493	9,124,648	400,381
State Infrastructure Bank Loan #2	4.05%	529,307	-	378,275	151,032	151,032
State Infrastructure Bank Loan #3	3.75%	13,422,396	-	13,422,396	-	-
State Infrastructure Bank Loan #4	2.68%	27,334,673	-	27,334,673	-	-
Total State Infrastructure Bank Loans		50,721,517	-	41,445,837	9,275,680	551,413
<u>Note Payable:</u>						
TxDOT Financial Assist. Agreement #1	N/A	756,405	-	-	756,405	-
Total long-term debt		\$ 147,480,936	\$ -	\$43,742,991	\$ 103,737,945	\$ 2,965,173

Interest expense incurred on long-term debt amounted to \$4,712,846 for the year ended August 31, 2023.

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**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
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**NOTES TO THE FINANCIAL STATEMENTS**

AUGUST 31, 2023 AND 2022

**8. LONG-TERM DEBT (Continued)**

		2022				
Description	Interest Rates	Beginning Balance 9/1/2021	Additions	Reductions	Ending Balance 8/31/2022	Due Within One Year
<u>Bonds Payable:</u>						
Series 2014	3.00-5.00%	\$ 59,850,000	\$ -	\$ 1,485,000	\$ 58,365,000	\$ 1,555,000
Series 2017	2.00-5.00%	33,435,000	-	550,000	32,885,000	580,000
Unamortized Premiums:						
Series 2014		3,522,282	-	122,843	3,399,439	127,848
Series 2017		1,386,537	-	32,962	1,353,575	34,305
Total Bonds Payable		98,193,819	-	2,190,805	96,003,014	2,297,153
<u>Direct Borrowings:</u>						
<u>State Infrastructure Bank Loans:</u>						
State Infrastructure Bank Loan #1	4.95%	9,730,990	-	295,849	9,435,141	310,493
State Infrastructure Bank Loan #2	4.05%	893,856	-	364,549	529,307	378,275
State Infrastructure Bank Loan #3	4.95%	13,981,278	-	558,882	13,422,396	585,377
State Infrastructure Bank Loan #4	2.68%	28,667,336	-	1,332,663	27,334,673	1,332,664
Total State Infrastructure Bank Loans		53,273,460	-	2,551,943	50,721,517	2,606,809
<u>Note Payable:</u>						
TxDOT Financial Assist. Agreement #1	N/A	756,405	-	-	756,405	-
Total long-term debt		\$ 152,223,684	\$ -	\$ 4,742,748	\$ 147,480,936	\$ 4,903,962

Interest expense incurred on long-term debt amounted to \$5,128,238 for the year ended August 31, 2022.

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**NOTES TO THE FINANCIAL STATEMENTS**

AUGUST 31, 2023 AND 2022

**8. LONG-TERM DEBT (Continued)**

**Bonds Payable**

In May 2014, the CRRMA issued \$68,485,000 Senior Lien Vehicle Registration Fee Revenue Bonds, Series 2014. Proceeds from the bonds are used for long-term transportation projects. Principal and interest payments commenced in June 2015 with final payment due in 2044. The terms of the bonds are thirty annual principal payments totaling \$68,485,000 and semi-annual interest payments totaling \$55,715,949.

Additionally, in April 2017, the CRRMA issued \$34,700,000 Subordinate Lien Vehicle Registration Fee Revenue Bonds, Series 2017. Proceeds from the bonds are used for long-term transportation projects. Interest and principal payments commenced in December 2017 and June 2018, respectively, with final payment due in 2046. The terms of the bonds are twenty-nine annual principal payments totaling \$34,700,000 and semi-annual interest payments totaling \$30,988,243.

The combined debt service requirements for both Vehicle Registration Fee Revenue Bonds, Series 2014 and Series 2017, are as follows:

Bonds Payable			
Year Ending August 31,	Principal	Interest	Total
2024	\$ 2,245,000	\$ 3,895,813	\$ 6,140,813
2025	2,355,000	3,783,562	6,138,562
2026	2,475,000	3,665,813	6,140,813
2027	2,595,000	3,542,062	6,137,062
2028	2,725,000	3,412,313	6,137,313
2029-2033	15,800,000	14,889,812	30,689,812
2034-2038	19,715,000	10,974,225	30,689,225
2039-2043	24,175,000	6,516,550	30,691,550
2044-2046	17,030,000	1,380,200	18,410,200
Total	\$ 89,115,000	\$ 52,060,350	\$ 141,175,350

CRRMA has pledged the funds collected by El Paso County and the State of Texas from the levy and collection of the Special Vehicle Registration Fee (pledged revenues) to repay \$68,485,000 in special limited obligation bonds issued in May 2014 and \$34,700,000 issued in April 2017. Proceeds from the bonds provide financing for CRRMA activities related to long-term transportation projects. The bonds are payable solely from the pledged revenues and are payable through 2046. On August 30, 2013, the County authorized the imposition of this Special Vehicle Registration Fee in the amount of \$10 per vehicle registered in the County, effective January 1, 2014. The funds collected from the levy of the Special Vehicle Registration Fee constitute Pledged Vehicle Fee Revenues, and the County has covenanted and agreed in the Pledge Agreement to continue to impose and collect the Special Vehicle Registration Fee as long as any bonds remain outstanding. This registration fee revenue will not be available for other purposes.

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2023 AND 2022**

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**8. LONG-TERM DEBT (Continued)**

Amounts collected and related debt service payments during fiscal years ended August 31, 2023 and 2022 were as follows:

Fiscal Year Ended August 31,	Special Vehicle Registration Fees Received	Debt Service Payments
<b>2023</b>	<b>\$ 6,895,290</b>	<b>\$ 6,137,562</b>
2022	\$ 6,531,480	\$ 6,139,313

**State Infrastructure Bank Loans - Direct Borrowings**

On June 29, 2010, the CRRMA entered into a State Infrastructure Bank Loan with the State of Texas, acting by and through TxDOT, in the amount of \$30,000,000, to augment funding for the I-10 at Loop 375 construction project, along with other Interchange improvements. The funds were received in December 2010. Principal and interest payments began in September 2011 and are due annually thereafter until the maturity date of September 15, 2040. The original term of the loan was thirty years with interest payments totaling \$27,958,846 over that term. In April 2020, the CRRMA returned unused funds to TxDOT, which reduced future annual principal and interest payments over the remaining 21 years. Effective January 10, 2023, the loan was refinanced at a cost of \$45,623 to lower the interest rate from 4.95% to 3.75% for the remaining term, which resulted in a revised final maturity date of September 15, 2038. The City of El Paso provides funding for payments on this loan. See TRZ Contract Payments on SIB Loans paragraph below.

In addition, a portion of the interest is subsidized. The interest is refunded to the CRRMA at a rate of 35% through a direct payment from a Build America Bond. Per the agreement with the City of El Paso, of the amount refunded, 50% is utilized to pay interest on the loan. The remaining 50% can be used for operational costs of the CRRMA. As of the issue date of these financial statements, no amount has been received for fiscal year 2023. The total amount refunded during fiscal year 2022 was \$154,146, of which \$77,073 was reported in unearned revenue at August 31, 2022 to subsidize the payment due on September 15, 2022.

(Continued)



**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

**8. LONG-TERM DEBT (Continued)**

The remaining debt service requirements for this loan are as follows:

State Infrastructure Bank Loan #1			
Year Ending August 31,	Principal	Interest	Total
2024	\$ 400,381	\$ 377,152	\$ 777,533
2025	450,373	327,160	777,533
2026	467,262	310,271	777,533
2027	484,784	292,749	777,533
2028	502,964	274,569	777,533
2029-2033	2,812,284	1,075,380	3,887,664
2034-2038	3,380,647	507,018	3,887,665
2039	625,953	23,473	649,426
Total	\$ 9,124,648	\$ 3,187,772	\$ 12,312,420

On January 24, 2012, the CRRMA entered into a State Infrastructure Bank Loan with the State of Texas, acting by and through TxDOT, in the amount of \$6,000,000, to augment funding for the Loop 375 (Transmountain NE) construction project. A portion of the funds, \$2,895,113, was drawn down in March 2012 and transferred into an account held by TxDOT. The remaining funds of \$3,104,887 were drawn down on January 4, 2013 and held in restricted cash by the CRRMA. Principal payments began February 2014 and interest payments in February 2013 and are due annually thereafter until the final maturity date. The original term of the loan was twenty years with a final maturity date of February 1, 2032 and interest payments totaling \$2,885,618 over that term. The return of unused funds and prepayments in subsequent years revised the final maturity date to February 1, 2024. The City of El Paso provides funding for payments on this loan. See TRZ Contract Payments on SIB Loans paragraph below.

The remaining debt service requirements for this loan are as follows:

State Infrastructure Bank Loan #2			
Year Ending August 31,	Principal	Interest	Total
2024	\$ 151,032	\$ 3,058	\$ 154,090
Total	\$ 151,032	\$ 3,058	\$ 154,090

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2023 AND 2022**

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**8. LONG-TERM DEBT (Continued)**

On January 24, 2012, the CRRMA entered into a State Infrastructure Bank Loan with the State of Texas, acting by and through TxDOT, in the amount of \$20,000,000, to augment funding for Loop 375 (Zaragoza) construction project. A portion of the funds, \$16,086,237, was drawn down in March 2012 and transferred into an account held by TxDOT. The remaining funds of \$3,913,763 were drawn down on January 4, 2013 and held in restricted cash by the CRRMA. Principal payments began in February 2014 and interest payments in February 2013 and are due annually thereafter until the final maturity date. The original term of the loan was thirty years with a final maturity date of February 1, 2042 and interest payments totaling \$19,537,633 over that term. The return of unused funds and prepayments in subsequent years revised the final maturity date to February 1, 2038. Effective January 10, 2023, the loan was refinanced at a cost of \$67,112 to lower the interest rate from 4.95% to 3.75% for the remaining term, which resulted in a revised final maturity date of February 1, 2037. The City of El Paso provides funding for payments on this loan and on August 1, 2023, based on City Council action, transferred funds to the CRRMA, who in accordance with City directives paid the SIB loan in full on August 1, 2023. See TRZ Contract Payments on SIB Loans paragraph below.

On June 24, 2021, CRRMA entered into a State Infrastructure Bank Loan with the State of Texas, acting by and through TxDOT, in the amount of \$30,000,000, to finance the local portion of TxDOT's I-10 Widening project. The total amount was drawn down in July 2021, and in August 2021 in accordance with the agreement, the amount of \$29,956,250 was transferred to TxDOT for the I-10 Widening project. The remaining amount was used for costs related to the issuance of the debt. Principal payments on the loan began in August 2021 and interest payments will commence in August 2024 and are due annually thereafter until the final maturity date. The original term of the loan is thirty years with a final maturity date of August 1, 2050 and interest payments totaling \$9,979,904 over that term, which reflects an annual interest rate of 2.68%, and a three year interest free period from inception to July 2, 2024. The City of El Paso provides funding for payments on this loan and on August 1, 2023, based on City Council action, transferred funds to the CRRMA, who in accordance with City directives paid the SIB loan in full on August 1, 2023. See TRZ Contract Payments on SIB Loans paragraph below.

**TRZ Contract Payments on SIB Loans:** Additionally, the City of El Paso provides funding (referred to as TRZ contract payments) to CRRMA for the debt service payments of the SIB loans based upon certain agreements. The City of El Paso is obligated to make these payments unconditionally. The City of El Paso has placed limitations on the cumulative amounts to be paid on CRRMA's SIB obligations but the CRRMA has not reached these limitations under any of these agreements. On August 1, 2023, based on City Council Action to utilize current year surplus combined with a portion of unassigned reserves to pay off the entire remaining principal for Transportation Reinvestment Zone No. 2, the City of El Paso transferred \$40,959,603 to the CRRMA with directives to pay SIB Loans Nos. 1, 3, and 4 in full on their next scheduled payment date. The CRRMA paid SIB loans Nos. 3 and 4 in full on August 1, 2023, their scheduled payment date. For SIB loan No. 1, because the next scheduled payment date is September 15, 2023, the funds are held in an investment account and are reported as restricted by the CRRMA at August 31, 2023. Revenue recorded for TRZ contract payments, including the one time transfer on August 1, 2023, from the City of El Paso, and related debt service payments, net of interest subsidy applied from the Build America Bond, during fiscal year ended August 31, 2023 and 2022 were as follows:

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

AUGUST 31, 2023 AND 2022

**8. LONG-TERM DEBT (Continued)**

Fiscal Year Ended August 31,	Revenue from TRZ Contract Payments City of El Paso	Debt Service Payments, net of subsidy
<b>2023</b>	<b>\$ 46,800,542</b>	<b>\$ 42,413,508</b>
2022	\$ 5,154,633	\$ 3,695,193

Debt service requirements for all direct borrowings in the form of state infrastructure bank loans are as follows:

Direct Borrowings			
Year Ending August 31,	Principal	Interest	Total
2024	\$ 551,413	\$ 380,210	\$ 931,623
2025	450,373	327,160	777,533
2026	467,262	310,271	777,533
2027	484,784	292,749	777,533
2028	502,964	274,569	777,533
2029-2033	2,812,284	1,075,380	3,887,664
2034-2038	3,380,647	507,018	3,887,665
2039	625,953	23,473	649,426
Total	<u>\$ 9,275,680</u>	<u>\$ 3,190,830</u>	<u>\$ 12,466,510</u>

**Note Payable - Direct Borrowing**

**TxDOT Financial Assistance Agreement:** During the year ended August 31, 2009, the CRRMA entered into a Regional Toll Plan Agreement (financial assistance agreement) with the Texas Department of Transportation for \$1,100,000. The funds were to be used for project management, data collection, and evaluation and preparation of a regional toll plan for development of the Toll Projects, to include engineering, environmental, legal, financial and public outreach services, including the costs of necessary or incidental administrative, legal and other related expenses. Debt created in pursuit of toll projects from the Regional Toll Plan Agreement require repayment to TxDOT when the underlying toll project is developed. In the event that a toll project is not developed, work product for that project may be provided to TxDOT as repayment of that portion of the loan. Work product on the toll projects other than César Chávez has not been provided to TxDOT; therefore, the balance remains outstanding but a repayment schedule has not been established. During 2014, \$343,595 of the balance, which was associated with the Loop 375 César Chávez Express Toll Lanes, was rolled into a new agreement. The balance remaining at August 31, 2023 on this financial assistance agreement #1 is \$756,405.

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY**  
**A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

NOTES TO THE FINANCIAL STATEMENTS

AUGUST 31, 2023 AND 2022

**9. UNEARNED REVENUE**

Unearned revenue represents funds received but not earned as of August 31, 2023 and 2022.

Description	2023			
	Beginning Balance 9/1/2022	Amount Received	Amount Spent	Ending Balance 8/31/2023
Streetcar project	\$ 230,369	\$ -	\$ 66,610	\$ 163,759
Mission Ridge 2 project	99,041	-	-	99,041
Pellicano Drive project	4,803,223	-	713,763	4,089,460
Bob Hope project	847,049	-	503,778	343,271
Tom Mays project	2,639,328	-	291,348	2,347,980
Ascencion project	65,352	-	58,842	6,510
Rojas project	2,333,922	-	58,568	2,275,354
Wyler Tramway project	184,557	1,147,044	691,860	639,741
City of Socorro TRZ project	2,003,106	1,194,147	-	3,197,253
City of El Paso TRZ funding	-	1,142,646	-	1,142,646
Interest subsidy	77,073	-	77,073	-
Toll overpayments	2,841	-	-	2,841
Total unearned revenue	<u>\$ 13,285,861</u>	<u>\$ 3,483,837</u>	<u>\$ 2,461,842</u>	<u>\$ 14,307,856</u>

  

Description	2022			
	Beginning Balance 9/1/2021	Amount Received	Amount Spent	Ending Balance 8/31/2022
Streetcar project	\$ 270,560	\$ -	\$ 40,191	\$ 230,369
Mission Ridge 1 project	94,402	-	94,402	-
Mission Ridge 2 project	104,715	-	5,674	99,041
Pellicano Drive project	5,365,842	100,905	663,524	4,803,223
Eastlake Phase 1 project	543	-	543	-
Bob Hope project	1,454,527	-	607,478	847,049
Tom Mays project	3,000,000	-	360,672	2,639,328
Ascencion project	-	180,148	114,796	65,352
Rojas project	-	2,500,000	166,078	2,333,922
Wyler Tramway project	1,494,381	-	1,309,824	184,557
City of Socorro TRZ project	-	2,003,106	-	2,003,106
Interest subsidy	79,490	77,073	79,490	77,073
Toll overpayments	2,841	-	-	2,841
Total unearned revenue	<u>\$ 11,867,301</u>	<u>\$ 4,861,232</u>	<u>\$ 3,442,672</u>	<u>\$ 13,285,861</u>

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

AUGUST 31, 2023 AND 2022

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**9. UNEARNED REVENUE (Continued)**

Grant funds and funds from other governments and developers are considered to be earned to the extent of expenditures made or services rendered under the provisions of the grant or agreement, and accordingly, when such funds are received before expenditures are made or services are rendered, they are recorded as unearned revenue until earned.

**10. DEFERRED INFLOWS OF RESOURCES**

The extinguishment of CRRMA's debt in fiscal year 2019 in the amount of \$3,529,049 under financial assistance agreement #2 in exchange for TxDOT's increase and the CRRMA's corresponding decrease of project interest in the Border West Expressway is treated as the sale of future toll revenue and is reported in deferred inflows of resources. As of August 31, 2023, the tolls continued to be in a deferral period. Subsequent to fiscal year-end, on October 26, 2023, the Texas Transportation Commission authorized the department to take all actions necessary to convert the Border Highway West project to a non-tolled state highway. However, at the time of issuance of these financial statements, the CRRMA has not received communication from TxDOT.

**11. CONSTRUCTION COMMITMENTS AND OTHER CONTINGENCIES**

The CRRMA is committed on several contracts for construction and other matters which could have a material impact on future operations.

In the ordinary course of conducting its business, the CRRMA may be subject to loss contingencies arising from lawsuits or from contentions with contractors. Among these matters is the following:

The CRRMA contracted with a construction contractor on a road widening project. The construction contract was for the original lump sum amount of \$21,655,646 and required completion by July 21, 2022. To date, the construction contractor completed approximately one-half of its contractual scope of work. In accordance with the terms of the construction contract and applicable government procedures, the CRRMA issued a Notice of Default and Claim against the Performance Bond on December 22, 2022.

On March 14, 2023, the construction contractor filed for Chapter 11 bankruptcy, which was eventually converted to a Chapter 7 bankruptcy. The bankruptcy is ongoing as of the date of this note. During the course of the bankruptcy, the construction contractor threatened to pursue claims against the CRRMA for alleged: (1) unpaid amounts that the construction contractor contends it earned under the construction contract; (2) damages caused by alleged acts of owner interference, unexpected or changed conditions; and (3) delays for which the construction contractor claims it is not responsible. Subsequent to the end of the CRRMA's 2023 fiscal year, the construction contractor's Chapter 7 trustee submitted a \$24,979,129 claim to the CRRMA, which the CRRMA is currently reviewing and intends to contest this matter vigorously.

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

**AUGUST 31, 2023 AND 2022**

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**11. CONSTRUCTION COMMITMENTS AND OTHER CONTINGENCIES (Continued)**

As of the date of issuance of these financial statements, an estimate of a possible loss or range of loss cannot be made and a contingency is not recorded in these financial statements.

The CRRMA has received federal and state financial assistance for specific purposes that are subject to review and audit by the grantor agencies. Although management believes compliance with grant guidelines is adhered to, grantor audits could result in requests for reimbursement of expenditures determined to be disallowed. Management believes such disallowances, if any, will be immaterial.

Rebatable arbitrage is evaluated and estimated on an annual basis by a third party arbitrage rebate service company. The company has estimated no liability for the CRRMA as of August 31, 2023 and 2022.

**12. CONCENTRATIONS**

As of August 31, 2023, the CRRMA has entered into several funding and grant agreements with the Texas Department of Transportation (TxDOT) for local transportation projects. During the years ended August 31, 2023 and 2022, the CRRMA recorded revenue of \$1,029,883 and \$3,316,493 or 2% and 16% of total operating revenues, respectively, relating to the agreements. While year-to-year revenue fluctuates, a significant long-term reduction in the level of this funding, if this were to occur, may have a significant effect on the CRRMA's financial statements. Management believes TxDOT, other agencies, and CRRMA funds will continue funding the subsequent year's operations and ongoing capital projects.

**13. RELATED PARTIES**

The City of El Paso is the sponsoring entity and fiscal agent of the CRRMA.

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**NOTES TO THE FINANCIAL STATEMENTS**

AUGUST 31, 2023 AND 2022

**14. LOCAL GOVERNMENTS**

Revenue from local governments for the years ended August 31, 2023 and 2022, was comprised of the following:

	<u>2023</u>	<u>2022</u>
City of El Paso		
TRZ Contract Funding for SIB loan payments	\$ 46,800,542	\$ 5,154,633
County of El Paso		
Special Vehicle Registration Fees for bond payments	6,895,290	6,531,480
Transportation projects	6,347,699	4,086,029
Agreed upon procedures	15,000	12,000
Town of Horizon		
Darrington Road Right of Way acquisitions	588,946	-
Village of Vinton		
Valley Chile Road project	240,329	213,362
El Paso Water		
Facility improvements in areas within the Pellicano Drive project	-	41,683
Facility improvements in areas within the Mission Ridge projects	-	5,674
Other Local Governments	-	2,091
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 60,887,806</u>	<u>\$ 16,046,952</u>

For 2023, the amount reported above from the City of El Paso TRZ Contract Funding for SIB loan payments includes a one-time transfer of \$40,959,603 to pay off the entire remaining SIB loan balances related to TRZ No. 2. See Note 8, TRZ Contract Payments on SIB Loans paragraph above.

**15. INTERGOVERNMENTAL TRANSFERS**

Transfers out consisted of the following as of August 31:

	<u>2023</u>	<u>2022</u>
Construction in progress		
(owned and capitalized by the County of El Paso)	\$ 5,191,328	\$ 10,039,649
Construction in progress		
(owned and capitalized by the Texas Parks and Wildlife Department)	691,860	1,309,824
Construction in progress		
(owned and capitalized by TxDOT)	208,424	386,946
Construction in progress		
(owned and capitalized by the Village of Vinton)	240,329	213,362
Construction in progress		
(owned and capitalized by El Paso Water)	-	47,357
	<u>                    </u>	<u>                    </u>
Total intergovernmental transfers of capital assets	<u>\$ 6,331,941</u>	<u>\$ 11,997,138</u>

## **COMPLIANCE SECTION**



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors  
Camino Real Regional Mobility Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Camino Real Regional Mobility Authority (CRRMA), a fiduciary component unit of the City of El Paso, as of and for the years ended August 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the CRRMA's basic financial statements, and have issued our report thereon dated January 5, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the CRRMA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the CRRMA's internal control. Accordingly, we do not express an opinion on the effectiveness of the CRRMA's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the CRRMA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Gibson Ruddock Patterson, LLC".

Gibson Ruddock Patterson, LLC  
El Paso, Texas  
January 5, 2024

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**SCHEDULE OF FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED AUGUST 31, 2023**

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**SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

**Type of Auditor's Report issued on whether the financial statements audited were prepared in accordance with GAAP:** Unmodified

**Internal control over financial reporting:**

**Were significant deficiencies in internal control disclosed?** None reported

**Were material weaknesses in internal control disclosed?** No

**Was any noncompliance disclosed that is material to the financial statements of the auditee, which would be required to be reported in accordance with Government Auditing Standards?** No

(Continued)

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**SCHEDULE OF FINDINGS AND RESPONSES**

**FOR THE YEAR ENDED AUGUST 31, 2023**

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**FINANCIAL STATEMENT FINDINGS**

There are no current year findings.

**CAMINO REAL REGIONAL MOBILITY AUTHORITY  
A FIDUCIARY COMPONENT UNIT OF THE CITY OF EL PASO**

**AUDITOR SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

**FOR THE YEAR ENDED AUGUST 31, 2023**

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**FINANCIAL STATEMENT FINDINGS**

There were no prior year findings.

**FEDERAL AND STATE AWARD FINDINGS AND QUESTIONED COSTS**

There were no prior year findings or questioned costs.