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March 5, 2025

Honorable Judge Ricardo A. Samaniego
and Members of Commissioners Court
County of El Paso, Texas
El Paso, Texas 79901

Attn: Barbara A. Parker, County Auditor

We are pleased to confirm our understanding of the terms of our engagement and the nature and limitations of the services we are to provide for El Paso County, Texas (the "County").

We will apply the agreed-upon procedures enumerated in the attached Schedule of Agreed Upon Procedures (the Schedule). By signing this engagement letter, you agree to those procedures and acknowledge that the procedures performed are appropriate for the intended purpose of the engagement, which is to assist the County and Federal Transit Administration (FTA) in determining conformance with Uniform System of Accounts (USOA) requirements, utilizing the National Transit Database (NTD) 2024 Reduced Reporting Policy Manual, with the following assertion by the County's management.

The accounting system from which the National Transit Database reports for the County's fiscal year ended September 30, 2024, were derived, uses the accrual basis of accounting and is directly translated, using a clear audit trail, to the accounting treatment and categories specified by the USOA. The same internal accounting system has been adopted and was used to compile the NTD reports.
(ASSERTION)

We understand the engagement is required in accordance with Title 49 U.S.C. 5335(a). Our engagement to apply agreed-upon procedures will be conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). Those standards require that we obtain your written representation to the procedures to be applied and your acknowledgment that those procedures are appropriate and sufficient for the intended purpose of the engagement, as described in this letter. A refusal to provide such agreement and acknowledge will result in our withdrawal from the engagement. Consequently, we make no representation regarding the sufficiency of the procedures described in the Schedule either for the purpose for which the agreed-upon procedures reports have been requested or for any other purpose.

Because the agreed-upon procedures listed in the Schedule do not constitute an examination or review, we will not express an opinion or conclusion on any of the specific elements, accounts, or items referred to in our reports. In addition, we have no obligation to perform any procedures beyond those listed in the attached Schedule.

We plan to begin our procedures on approximately March 31, 2025, and, unless unforeseeable problems are encountered, the engagement should be completed by May 1, 2025.

We will issue a written report upon completion of our engagement that lists the procedures performed and our findings. Our report will be addressed to El Paso County, Texas Commissioner's Court and the Federal Transit Administration. If, for any reason, we encounter restrictions in performing procedures, we will discuss the matter with you. If we determine the restrictions are appropriate, we will disclose the restrictions in our report. You understand that the report is intended solely for the information and use of those parties specified in the report and should not be used by anyone other than these specified parties. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The attest documentation for this engagement is the property of Gibson Ruddock Patterson, LLC and constitutes confidential information. However, we may be requested to make certain attest documentation available to the FTA pursuant to authority given to it by law or regulation. If requested, access to such attest documentation will be provided under the supervision of Gibson Ruddock Patterson's personnel. Furthermore, upon request, we may provide copies of selected attest documentation to the FTA. The FTA may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

There may exist circumstances that, in our professional judgment, will require we withdraw from the engagement. Such circumstances include the following:

- You refuse to provide written agreement to the procedures and acknowledge that they are appropriate for the intended purpose of the engagement.
- You fail to provide requested written representations, or we conclude that there is sufficient doubt about the competence, integrity, ethical values, or diligence of those providing the written representations, or we conclude that the written representations provided are otherwise not reliable.
- We determine that the description of the procedures performed or the corresponding findings are misleading in the circumstances of the engagement.
- We determine that restrictions on the performance of procedures are not appropriate.

An agreed-upon procedures engagement is not designed to detect instances of fraud or noncompliance with laws or regulations; however, should any such matters come to our attention, we will communicate them in accordance with professional standards and applicable law. In addition, if, in connection with this engagement, matters come to our attention that contradicts the subject matter of this engagement, we will communicate such matters to you.

You agree to the procedures to be performed and acknowledged that they are appropriate for the intended purpose of the engagement.

You are responsible for the subject matter of this engagement; and for selecting the criteria and procedures and determining that such criteria and procedures are appropriate for your purposes. You are also responsible for, the Assertion about the subject matter. In addition, you are responsible for providing us with (1) access to all information of which you are aware that is relevant to the performance of the agreed-upon procedures on the subject matter, (2) additional information that we may request for the purpose of performing agreed-upon procedures, and (3) unrestricted access to persons within the entity from whom we determine it necessary to obtain evidence relating to performing those procedures.

March 5, 2025

At the conclusion of our engagement, we will require certain written representations in the form of a representation letter from management that, among other things, will confirm management's responsibility for the Assertion of this engagement in accordance with the NTD procedures enumerated in FTA's NTD policy manual.

Vanessa V. Alarcón is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

Our fees for these services will be at our discounted standard hourly rate, plus out-of-pocket costs. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. We estimate that our fees for these services will range from \$8,000 to \$10,000. The fee estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

We appreciate the opportunity to assist you and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us. If the need for additional procedures arises, or the procedures need to be modified, our agreement with you will need to be revised. It is customary for us to enumerate these revisions in an addendum to this letter. If additional specified parties of the report are added, we will require that they acknowledge in writing their agreement with the procedures performed or to be performed and their responsibility for the sufficiency of procedures.

Very truly yours,

Gibson Ruddock Patterson LLC

RESPONSE:

This letter correctly sets forth the understanding of El Paso County, Texas.

By: _____

Title: _____

Date: _____

Schedule of Agreed Upon Procedures

The agreed-upon procedures to be performed are outlined as follows:

1. Procedure: NTD Crosswalk

- a. Obtain the following NTD Reporting Forms prepared by management for the year ended September 30, 2024, and verify applicable version of USOA.
 - NTD Form RR-20, Reduced Reporting – Small Systems
- b. Obtain the reconciliation documentation management prepares (referred to as “the crosswalk” throughout this report) to reconcile the chart of accounts, general ledger, and/or trial balance and other supporting documents such as Excel spreadsheets (collectively referred to as the accounting system to the respective NTD Reporting Forms identified above
- c. Inquire of management as to whether the crosswalk obtained in procedure 1.b is supported by the accounting system.
- d. For a transit agency that is part of a larger reporting entity, inquire of management as to whether the crosswalk includes the full cost of providing transit service, including costs incurred by the larger reporting entity to specifically support the agency’s transit service.
- e. Inspect the crosswalk to determine that it incorporates NTD reporting using the applicable modes and types of service identified in the bulleted list below:
 - Reduced Reporting – Small Systems, Form RR20 – Modes, service types, object classes for operations and capital

2. Procedure: Accrual Accounting

- a. Obtain the most recent audited financial statements that include the transit agency and inspect the notes to the financial statements to determine whether the accrual basis of accounting was used.
- b. Inquire of management as to whether the accrual basis of accounting has continued to be used since the last audited reporting period and that it is used for NTD reporting in the current period.
- c. If the notes to the financial statements indicate that an accrual basis of accounting is not being used, or the results of the inquiry to management in procedure 2.b indicate the accrual basis of accounting is not being used in the current period, inspect the crosswalk to determine that the transit agency made adjustments to convert to an accrual basis for NTD reporting.

3. Procedure: Reduced Reporting – Small Systems (Form RR-20)

- a. Trace and agree Funds Expended by mode and then by operations or capital appearing on Form RR-20 through the crosswalk to the accounting system.

- b. Inquire of management how funds expended are classified as “funds expended on operations” and “funds expended on capital.”
- c. Trace and agree Sources of Revenues Expended by source, and mode if applicable, and then by operations or capital appearing on Form RR-20 through the crosswalk to the accounting system.
- d. If capital projects support multiple modes/types of services, inquire of management as to whether management reported the use of capital considering the predominant use rules as described in the “Predominant Use” section of the **2024** NTD Reduced Reporting Policy Manual.
- e. If capital projects involve: 1) Rehabilitation/Reconstruction/Replacement/Improvement for Existing Service; and 2) Expansion of Service; inquire of management as to whether project costs were allocated between the two project purposes and whether such allocation was documented in the crosswalk or other supporting documentation.
- f. If management allocated shared operating expenses, inquire of management as to whether (1) the operating expenses are split between direct and shared costs; (2) shared costs were allocated across modes, services types and functions, (3) the allocation was documented in the crosswalk or other supporting documentation; and (4) the driving variables used are updated annually.