




# **City of El Paso, Texas**

## **Independent Accountant's Report on Applying Agreed-Upon Procedures**

August 31, 2024



**City of El Paso, Texas**  
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**August 31, 2024**

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## Independent Accountant's Report on Applying Agreed-Upon Procedures

Honorable Mayor and Members of City Council  
City of El Paso, Texas

We have performed the procedures enumerated in the attachment to this report on evaluating the City of El Paso, Texas' (City) assertion of its compliance with the financial assurances related to the Local Government Financial Test as required by Texas Administrative Code Title 30, Part 1, Chapter 37, Rule 37.271 (Code) as of and for the year ended August 31, 2024. The management of the City is responsible for its compliance with the financial assurances required by the Code.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of reporting the City's financial assurances related to the Local Government Financial Test for the year ended August 31, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are described in the attachment to this report.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on management's compliance with the financial assurances related to the Local Government Financial Test as required by Texas Administrative Code Title 30, Part 1, Chapter 37, Rule 37.271. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City and the Texas Commission on Environmental Quality and is not intended to be, and should not be, used by anyone other than these specified parties.

**Forvis Mazars, LLP**

**Dallas, Texas  
February 27, 2025**

**City of El Paso, Texas**  
**Engagement Scope, Findings, and Procedures**  
**Year Ended August 31, 2024**

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The procedures and the associated findings are as follows:

1. Recalculate the ratio of cash plus marketable securities to total expenditures and note if the ratio is greater than or equal to 0.05 and compare the total cash plus marketable securities and the total expenditures to those amounts reported in the City's Annual Comprehensive Financial Report (ACFR) as of and for the year ended August 31, 2024.

**Result:** We recalculated the ratio of cash plus marketable securities to total expenditures. We noted the ratio was greater than or equal to 0.05 and the amounts of total cash plus marketable securities and the total expenditures agreed to the amounts reported in the City's ACFR without exception.

Cash and marketable securities	\$ 736,667,060
Total expenditures	\$ 1,033,502,901
Ratio of cash and marketable securities to total expenditures	0.71
Requirement (greater than or equal to)	0.05
Does the ratio meet the requirement?	Yes

2. Recalculate the ratio of annual debt service to total expenditures and verify that the ratio is less than or equal to 0.20 and compare the annual debt service and the total expenditures to those amounts reported in the City's ACFR as of and for the year ended August 31, 2024.

**Result:** We recalculated the ratio of annual debt service to total expenditures. We noted that the ratio was less than 0.20 and that the amounts of annual debt service and total expenditures agreed to the amounts reported in the City's ACFR without exception.

Annual debt service	\$ 166,317,956
Total expenditures	\$ 1,033,502,901
Ratio of annual debt service to total expenditures	0.16
Requirement (less than or equal to)	0.20
Does the ratio meet the requirement?	Yes

3. Obtain a copy of the City's Independent Auditor's Report included in the City's ACFR as of and for the year ended August 31, 2024 and note whether the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and if the City received an adverse opinion, disclaimer of opinion, or other modified opinion.

**Result:** We obtained a copy of the City's Independent Auditor's Report included in the City's ACFR as of and for the year ended August 31, 2024. We noted the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America and that unmodified opinions were issued.

4. Recalculate the computation of excess revenue over expenditures to note if the City has not operated at a deficit equal to 5.0% or more of the total annual revenue for the periods presented and compare the total amount of annual revenue and expenditures used in the recalculation to those amounts reported in the City's ACFRs as of and for the years ended August 31, 2024 and 2023.

**Result:** We recalculated the computation of excess revenue over expenditures for the years ended August 31, 2024 and 2023. We noted that the City had not operated at a deficit equal to 5.0% or more of the total annual revenue for periods presented and the total amount of annual revenue and expenditures agreed to the amounts reported in the City's ACFRs without exception.

**City of El Paso, Texas**  
**Engagement Scope, Findings, and Procedures**  
**Year Ended August 31, 2024**

	Years Ended August 31,	
	2024	2023
Total annual revenues	\$ 1,186,190,140	\$ 1,095,610,228
Total annual expenditures	<u>1,033,502,901</u>	<u>977,168,155</u>
Excess of revenue over expenditures	<u>\$ 152,687,239</u>	<u>\$ 118,442,073</u>
Percent excess divided by annual revenue	12.87%	10.81%
<i>Requirement</i> : Cannot operate at a deficit of greater than 5% for current or previous year. Has the requirement been met?		Yes

- Obtain a copy of the City's audited financial statements as of and for the year ended August 31, 2024 to note whether there are disclosures that the City is in default on any outstanding general obligation bonds as of the date of the financial statements.

**Result:** We obtained a copy of the City's audited financial statements as of and for the year ended August 31, 2024 and noted the City did not include disclosures regarding default on any outstanding general obligation bonds as of the date of the financial statements.

- Obtain a copy of the City's audited financial statements as of and for the year ended August 31, 2024 and note if any outstanding general obligation bonds are rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poor's.

**Result:** We obtained a copy of the City's audited financial statements as of and for the year ended August 31, 2024 and noted the City's outstanding general obligation bonds were not rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poor's.