

CALTRANS

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the State of California, Department of Transportation (Caltrans) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. Caltrans' management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: Per discussion with Caltrans management, *TransNet* revenues and expenditures are not recorded in a separate fund, but are part of the State Transportation Fund set of accounts of Caltrans. Within the Caltrans State

Transportation Fund set of accounts, separate subaccounts are maintained for *TransNet* by expenditure authorization and contributor number. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted Caltrans' alternative approach.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: We identified the following variance between the *TransNet* revenues recorded by Caltrans in comparison to the SANDAG *TransNet* payment schedule.

<i>TransNet</i> payments made by SANDAG	\$15,508,621
<i>TransNet</i> revenue recorded by Caltrans	<u>31,920,973</u>
Variance	<u>\$(16,412,352)</u>

The variance was a result of the following:

Paid by SANDAG in 2012 but received in 2013	344,086
Paid by SANDAG in 2012 but received in 2013	2,858,925
Paid by SANDAG in 2011 but received in 2012	(19,523,700)
Not included on SANDAG list – <i>TransNet</i> BPNS	<u>(91,663)</u>
Variance	<u>\$(16,412,352)</u>

- d. We identified the interest income reported for the year ended June 30, 2012.

Results: In accordance with the Governor’s budget, Caltrans has no authority to disburse funds deposited in the State Highway Account, as that money is defined for a special purpose through the legislative process. An absence of such authority means that Caltrans cannot disburse funds and the Department of Finance has no authority to pay interest on advanced deposits. SANDAG has accepted this practice in the past, thus no exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: Caltrans recorded total expenditures in the amount of \$21,091,071. We selected \$7,397,940 (35.08%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 62.35% of direct labor costs associated with each project. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the fiscal year annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: This procedure is not applicable as the 30% balance threshold applies to *TransNet* recipients that receive an annual apportionment per the Ordinance. Caltrans is not a recipient of an annual apportionment.

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.

Results: This procedure is not applicable as Caltrans is not subject to MOE requirements.

10. For the cities and the County of San Diego only, we reviewed the MOE requirement for Caltrans.

Results: This procedure is not applicable as Caltrans is not subject to MOE requirements.

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable as Caltrans is not a transit operator.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, this procedure is not applicable to Caltrans.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for Caltrans.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for Caltrans.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2011 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for Caltrans.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the Caltrans' receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P.C.

Irvine, California
April 16, 2012

SCHEDULE A

CALTRANS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID/ Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Highways:								
CAL01	Route 5	\$ (67,022)	\$ -	\$ -	\$ (4)	\$ -	\$ (67,026)	(a)
CAL26	Route 52	1,228,506	-	-	-	-	1,228,506	
CAL31	Route 54/125	565,678	-	-	-	-	565,678	
CAL31	SR-125 8 Lane Freeway	2,148,772	-	-	(74)	-	2,148,698	
	Total CAL 31 Projects	2,714,450	-	-	(74)	-	2,714,376	
CAL69	Noise Barrier	4,008	-	-	(3)	-	4,005	
	Total Highways	3,879,942	-	-	(81)	-	3,879,861	
Bikes and Pedestrian:								
CAL92	SR-5 Bike Path	31,230	-	-	(31,230)	-	-	
	Total Bikes and Pedestrian	31,230	-	-	(31,230)	-	-	
	Total <i>TransNet</i>	\$ 3,911,172	\$ -	\$ -	\$ (31,311)	\$ -	\$ 3,879,861	

SCHEDULE A

CALTRANS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID/ Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:								
Major Corridor:								
CAL09	I-5 North Coast	\$ 4,868,800	\$ 2,155,454	\$ -	\$ (2,609,612)	-	\$ 4,414,642	
CAL09 A/B	I-5 HOV Ext & Lomas Santa Fe	1,496,412	280,000	-	(658,872)	-	1,117,540	
CAL09 C	I-805 HOV / Carroll Canyon DAR	264,577	50,000	-	(481,455)	-	(166,878)	(b)
CAL18	I-15 Managed Lanes - Middle Segment	1,256,208	2,577,800	-	(15,952,215)	-	(12,118,207)	(b)
CAL18 A	I-15 Managed Lanes - North Segment	(10,881,034)	(2,922,254)	-	23,615,989	-	9,812,701	(f)
CAL18 B	I-15 Managed Lanes - South Segment	2,009,131	8,184,000	-	(3,448,124)	-	6,745,007	
CAL26	SR 52 Freeway E&F	1,641,117	-	-	6,732,640	-	8,373,757	(f)
CAL26 A	SR 52 HOV / Managed Lanes	149,493	-	-	(905,763)	(149,493)	(905,763)	(b),(d)
CAL26 B	SR 52 Auxiliary Lanes	440,839	385,000	-	(443,357)	(81,847)	300,635	(d)
CAL29	SR 76 Middle	3,985,604	1,500,000	-	(38,978)	-	5,446,626	
CAL29 B	SR 76 East	(576,063)	4,000,000	-	(5,596,519)	-	(2,172,582)	(b)
CAL38	SR-905 New Freeway	132,160	-	-	(298,902)	-	(166,742)	(b)
CAL69	Noise Barrier	(2,157)	-	-	9,667	-	7,510	
CAL 75	I-5 Genesee	-	-	-	(17,605)	-	(17,605)	(b),(c)
CAL78 B	I-805 North	(136,162)	2,140,000	-	(1,012,610)	-	991,228	
CAL78 C	I-805 South	1,137,209	3,469,000	-	(11,415,089)	-	(6,808,880)	(b)
CAL92	SR-5 Bike Path	(1,667)	-	-	1,667	-	-	(e)
CAL120	Aux / Nordahl	815,248	5,500,000	-	(1,587,891)	-	4,727,357	
SAN04	I-15 FasTrak	(168,365)	244,700	-	(122,881)	-	(46,546)	(b)
SAN26	I-15 BRT Stations - North	27,568	72,000	-	(84,013)	-	15,555	
SAN26C	I-15 BRT Stations - South	67,248	48,000	-	(181,725)	-	(66,477)	(b)
SAN47	I-805 BRT	(76)	10,000	-	(138,028)	-	(128,104)	(b)
1200100	Program Office	75,256	-	-	(1,212)	-	74,044	
001952	Property Management	(125,177)	-	-	125,177	-	-	
105319	Evergreen Prprty. Mgmt./Excess Land	-	-	-	-	-	-	
SAN21	I-15 Bike	(46,353)	-	-	46,353	-	-	(e)
Total Major Corridor		6,429,816	27,693,700	-	(14,463,358)	(231,340)	19,428,818	

SCHEDULE A

CALTRANS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID/ Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2012	Notes
	Balance Carried Forward	\$ 6,429,816	\$ 27,693,700	\$ -	\$(14,463,358)	\$(231,340.00)	\$ 19,428,818	
	Major Corridor Environmental Mitigation Program (MC EMP):							
V07	Mitigation Program	\$ (2,216,722)	\$ 4,135,610	\$ -	\$ (3,439,921)	\$ -	\$ (1,521,033)	(b)
	Total MC EMP	(2,216,722)	4,135,610	-	(3,439,921)	-	(1,521,033)	
	Total <i>TransNet</i> Extension	\$ 4,213,094	\$ 31,829,310	\$ -	\$ (17,903,279)	\$(231,340)	\$ 17,907,785	
	TransNet Local Program:							
ESC 13	Aux / Nordahl	\$ -	\$ -	\$ -	\$ (2,923,070)	\$ -	\$ (2,923,070)	(b),(c)
	Total TN-Local	-	-	-	(2,923,070)	-	(2,923,070)	
	TransNet BPNS Program:							
SD191/SAN21	SR-15 Bike Path	\$ 727	\$ 91,663	\$ -	\$ (233,411)	\$ -	\$ (141,021)	(b)
	Total BPNS	727	91,663	-	(233,411)	-	(141,021)	
	Subtotal <i>TransNet</i> Extension, Local, and BPNS	4,213,821	31,920,973	-	(21,059,760)	(231,340)	14,843,694	
	Total <i>TransNet</i> , <i>TransNet</i> Extension, Local, and BPNS	\$ 8,124,993	\$ 31,920,973	\$ -	\$ (21,091,071)	\$(231,340)	\$ 18,723,555	

Notes:

- (a) - An adjustment will be processed in FY 2013 removing the excess expenditures to another fund source resulting in the Project Status as zero.
- (b) - Negative ending balance will be removed with the next invoice to SANDAG in FY 2013
- (c) - Added new projects CAL 75 and ESC 13/SM 47 to RTIP.
- (d) - Receivables were inflated by \$149,493 for CAL 26A and \$81,847 for CAL 26B due to an administrative error in the adjustments column in the 2010 and 2011 FY's.
- (e) - As of 6/30/12, the project has been completed.
- (f) - Expenditure credits due to the availability of Advanced Construction (AC) federal funds in FY 12.

CALTRANS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
TransNet Extension:						
Major Corridor:						
CAL09	I-5 North Coast	14,559,004	\$ -	\$ (12,619,362)	\$ 2,475,000	\$ 4,414,642
CAL09 A/B	I-5 HOV Ext & Lomas Santa Fe	20,826,555	-	(15,267,915)	(4,441,100)	1,117,540
CAL09 C	I-805 HOV / Carroll Canyon DAR	10,386,000	-	(13,129,478)	2,576,600	(166,878)
CAL18	I-15 Managed Lanes - Middle Segment	7,711,800	-	(20,242,007)	412,000	(12,118,207)
CAL18 A	I-15 Managed Lanes - North Segment	25,827,998	-	(16,015,297)	-	9,812,701
CAL18 B	I-15 Managed Lanes - South Segment	36,451,480	-	(27,388,473)	(2,318,000)	6,745,007
CAL26	SR 52 Freeway E&F	72,694,252	-	(52,669,829)	(11,650,666)	8,373,757
CAL26 A	SR 52 HOV / Managed Lanes	3,716,999	-	(3,609,477)	(1,013,285)	(905,763)
CAL26 B	SR 52 Auxiliary Lanes	31,751,832	-	(33,201,940)	1,750,743	300,635
CAL29	SR 76 Middle	23,010,429	-	(34,002,403)	16,438,600	5,446,626
CAL29 B	SR 76 East	6,135,000	-	(8,907,582)	600,000	(2,172,582)
CAL38	SR-905 New Freeway	411,000	-	(577,742)	-	(166,742)
CAL69	Noise Barrier	1,501,833	-	(1,225,289)	(269,034)	7,510
CAL 75	I-5 Genesee	-	-	(17,605)	-	(17,605)
CAL78 B	I-805 North	8,642,000	-	(7,650,772)	-	991,228
CAL78 C	I-805 South	14,868,000	-	(26,876,880)	5,200,000	(6,808,880)
CAL92	SR-5 Bike Path	-	-	-	-	-
CAL120	Aux / Nordahl	7,370,000	-	(2,642,643)	-	4,727,357
SAN04	I-15 FasTrak	569,971	-	(526,546)	(89,971)	(46,546)
SAN26	I-15 BRT Stations - North	227,000	-	(216,445)	5,000	15,555
SAN26B&C	I-15 BRT Stations - South	838,000	-	(904,477)	-	(66,477)
SAN47	I-805 BRT	247,423	-	(375,527)	-	(128,104)
1200100	Program Office	260,000	-	(221,956)	36,000	74,044
001952	Property Management	-	-	-	-	-
105319	Evergreen Prprty. Mgmt./Excess Land	68,200	-	(68,200)	-	-
SAN21	I-15 Bike	-	-	-	-	-
Total Major Corridor		<u>288,074,776</u>	<u>\$ -</u>	<u>(278,357,845)</u>	<u>9,711,887</u>	<u>19,428,818</u>

CALTRANS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
	Balance carried forward	\$ 288,074,776	-	\$ (278,357,845)	\$ 9,711,887	\$ 19,428,818
	Major Corridor Environmental Mitigation Program (MC EMP):					
V07	Mitigation Program	48,652,972	-	(37,632,893)	(12,541,112)	(1,521,033)
	Total MC EMP	48,652,972	-	(37,632,893)	(12,541,112)	(1,521,033)
	TransNet Local Program:					
ESC 13	Aux / Nordahl	-	-	(2,923,070)	-	(2,923,070)
	Total TN-Local	-	-	(2,923,070)	-	(2,923,070)
	TransNet BPNS Program:					
SD191/SAN21	SR-15 Bike Path	93,518	-	(234,539)	-	(141,021)
	Total BPNS	93,518	-	(234,539)	-	(141,021)
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 336,821,266</u>	<u>-</u>	<u>\$ (319,148,347)</u>	<u>\$ (2,829,225)</u>	<u>\$ 14,843,694</u>

CITY OF CARLSBAD, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



Mayer Hoffman McCann P.C.

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Carlsbad, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$2,241,943. We selected \$689,189 (30.74%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance over the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment		\$2,247,521
Less: debt service payment		<u>-</u>
Net estimated apportionment		2,247,521
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		674,256
Less:		
Local streets and roads fund balance	540	
Local Street Improvement		
– Congestion Relief fund balance	2,531,940	
– Maintenance fund balance	<u>-</u>	
Total local streets and roads and local street improvement fund balance		<u>2,532,480</u>
Fund balance over apportionment		<u><u>\$1,858,224</u></u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$112,382,688</u>	<u>112,819,889</u>	<u>1.00</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$5,564,996
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$4,897,196</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 9,484,234
Less MOE base year requirement	<u>(5,564,996)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 3,919,238</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$2,960. We selected \$2,800 (94.59%) for testing. No exceptions were noted as a result of our procedures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: The City had two prior year findings in that City needed to allocate interest to projects with a positive beginning balance and that its *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2012, the finding relating to interest has been resolved; however, the finding relating to the fund balance exceeding 30% of its annual apportionment have not been resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written response to the recommendations identified in the procedures performed is described in the accompanying Findings and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than this specified party.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

CITY OF CARLSBAD, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2012

(1) **Need to Use Remaining Balance Before Requesting Future Funding**

As of June 30, 2012, the ending fund balance of the *TransNet* fund of the City was \$1,858,224 which exceeded 30% of its annual apportionment. This condition was previously reported in the prior two years.

Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.”

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance of the City certifies compliance with this Rule.

Management Response

After discussion with SANDAG, the City’s *TransNet* drawdown policy was revised to comply with SANDAG’s Board Policy No. 31, Rule #17, Section IV (“30% Rule”). The City now only draw’s down funds when the City’s *TransNet* cash balance falls below the 30% threshold. Ending cash balances were the result of the RDA’s dissolution by the State of California. A *TransNet* Fund loan to the RDA Fund was paid back in full upon the RDA’s dissolution.

CITY OF CARLSBAD, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
3400000 Highways:									
01-H-004	38141	College Blvd./Cannon Rd	\$ 1,399,643	\$ -	\$ 21,877	\$ -	\$ -	\$ 1,421,520	(f)
		Total Highways	1,399,643	-	21,877	-	-	1,421,520	
3420000 Local Streets and Roads:									
CB07	60011	Pavement Management/Street Overlay	835,160	-	-	(835,160)	-	-	
CB09	35571	Bridge Replacement - Carlsbad Blvd.	33,968	-	47	(102)	(33,913)	-	(c)
CB17	60143	Carlsbad Blvd Bridge - Powerplant	4,774	-	23	(159)	-	4,638	
CB18	60163	Carlsbad Blvd Bridge - Railroad	4,144	-	24	(8,266)	-	(4,098)	(a)
		Total Local Streets and Roads	878,046	-	94	(843,687)	(33,913)	540	
3410000 Bikes and Pedestrian:									
CB15	39601	Bicycle Master Plan	2,377	-	-	-	-	2,377	(b)
		Total Bikes and Pedestrian	2,377	-	-	-	-	2,377	
		GASB 31 Market Value Adjustment	-	-	(5,388)	-	-	(5,388)	
		Total TransNet	\$ 2,280,066	\$ -	\$ 16,583	\$ (843,687)	\$ (33,913)	\$ 1,419,049	

CITY OF CARLSBAD, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:									
3420000 Local Street Improvements:									
Congestion Relief:									
CB04A	39572	ECR Widening - Tamarack to Chestnut	\$ (26,152)	\$ -	\$ 5,406	\$ (22,936)	\$ -	\$ (43,682)	(g)
CB20	60011	Pavement Management - Overlay	37,954	1,000,000	1,388	(986,816)	33,913	86,439	(c)
CB36	60311	Carlsbad Boulevard Realignment	-	-	2,961	(388,504)	2,874,726	2,489,183	(d)
Total Congestion Relief			11,802	1,000,000	9,755	(1,398,256)	2,908,639	2,531,940	
3410000 Bikes and Pedestrian:									
V02	34554	Coastal Rail Trail	55,523	-	1,158	-	9,385	66,066	(e)
Total Bikes and Pedestrian			55,523	-	1,158	-	9,385	66,066	
GASB 31 Market Value Adjustment			(6,521)	-	(8,459)	-	-	(14,980)	
Total <i>TransNet</i> Extension			\$ 60,804	\$ 1,000,000	\$ 2,454	\$ (1,398,256)	\$ 2,918,024	\$ 2,583,026	
Total <i>TransNet</i> and <i>TransNet</i> Extension			\$ 2,340,870	\$ 1,000,000	\$ 19,037	\$ (2,241,943)	\$ 2,884,111	\$ 4,002,075	

Notes:

- (a) The funding source for this project is being changed in the April 19th, 2013 RTIP Amendment from TransNet - Local Streets and Roads (Cash) to TransNet - LSI. This Amendment will allow the City to draw down funds as applicable and in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV ("30% Rule").
- (b) The project was completed during FY 2011. The City is returning funds to SANDAG during the beginning of FY 2013.
- (c) The project is complete. Funds are being re-programmed to the Pavement Management-Overlay project (CB20) as reflected in the April 19th, 2013 RTIP Amendment.
- (d) The State dissolved the RDA. As such, the amount remaining on the RDA advance plus interest earnings was transferred back to the TransNet Fund for the Carlsbad Boulevard Realignment project (CB36). A prior period adjustment to fund balance was used to account for the expenditures to date.
- (e) Reallocating expenditures between the Federal and Local portions of the project to maintain the 88.53%/11.47% ratio for Federal projects.
- (f) The project is currently on hold in the near term based on Council's approval of updates made to the Traffic Impact Fee program. Funds are being returned to SANDAG during FY 2013.
- (g) Due to the revision of the City's *TransNet* draw down policy to comply with SANDAG Board Policy No. 031, Section IV, Local Agency Balance Limitations (30% Rule), funds will only be drawn down when the City's cash balance falls below the 30% threshold. Once the City is in compliance with the 30% Rule, a reimbursement request will be submitted to SANDAG for payment.

CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
	<u>3420000</u>	Local Street Improvements:					
		Congestion Relief:					
CB04A	39572	ECR Widening - Tamarack to Chestnut	\$ (26,152)	\$ 5,406	\$ (22,936)	\$ -	\$ (43,682)
CB20	60011	Pavement Management - Overlay	1,037,954	1,388	(986,816)	33,913	86,439
CB36	60311	Carlsbad Boulevard Realignment	-	2,961	(388,504)	2,874,726	2,489,183
		Total Congestion Relief	<u>1,011,802</u>	<u>9,755</u>	<u>(1,398,256)</u>	<u>2,908,639</u>	<u>2,531,940</u>
	<u>3410000</u>	Bikes and Pedestrian:					
V02	34554	Coastal Rail Trail	<u>57,725</u>	<u>2,866</u>	<u>(3,910.00)</u>	<u>9,385</u>	<u>66,066</u>
		Total Bikes and Pedestrian	<u>57,725</u>	<u>2,866</u>	<u>(3,910)</u>	<u>9,385</u>	<u>66,066</u>
		GASB 31 Market Value Adjustment	<u>(6,521)</u>	<u>(8,459)</u>	<u>-</u>	<u>-</u>	<u>(14,980)</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 1,063,006</u>	<u>\$ 4,162</u>	<u>\$ (1,402,166)</u>	<u>\$ 2,918,024</u>	<u>\$ 2,583,026</u>

CITY OF CARLSBAD, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 411,986	\$ 28,838	\$ (309,046)	\$ 4,162	\$ 135,940	\$ 132,859
For Fiscal Year ended June 30, 2010	June 30, 2017	514,405	34,737	-	-	549,142	541,552
For Fiscal Year ended June 30, 2011	June 30, 2018	580,843	18,385	-	-	599,228	590,946
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>934,358</u>	<u>13,095</u>	<u>-</u>	<u>-</u>	<u>947,453</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 2,441,592</u>	<u>\$ 95,055</u>	<u>\$ (309,046)</u>	<u>\$ 4,162</u>	<u>\$ 2,231,763</u>	<u>\$ 1,265,357</u>

CITY OF CHULA VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Chula Vista, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$4,302,859. We selected \$2,055,709 (47.78%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: The City allocated indirect costs to projects included in the RTIP. The City allocates costs out of the various departments and into capital projects by using the engineering time directly charged to a project as the cost basis, and multiplying the hours worked by the City's Fully Burden Hourly Rate (FBHR).

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$ 4,487,930
Less: debt service payment		<u> -</u>
Net estimated apportionment		4,487,930
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		1,346,379
Less:		
Local streets and roads fund balance	2,264,066	
Local Street Improvement		
– Congestion Relief fund balance	(755,806)	
– Maintenance fund balance	<u>(347,398)</u>	
Total local street improvement fund balance		<u>1,160,862</u>
Fund balance under apportionment		\$ <u>185,517</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>0.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$112,074,369</u>	<u>\$140,525,374</u>	<u>0.80</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.80 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 3,749,587
Growth rate	<u>0.80</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 2,999,670</u>

10. For the cities and the County of San Diego, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 4,416,013
Less MOE base year requirement	<u>(3,749,587)</u>
Excess MOE for fiscal year ended June 30, 2012	\$ <u>666,426</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$6,703. We selected \$6,703 (100.00%) for testing. No exceptions were noted as a result of our procedures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- 13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

- 14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

- 15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: The City had two prior year findings in that during the majority of the FY11, the City's *TransNet* fund carried a negative cash balance which resulted in negative interest that is equivalent of interest expense. City has resolved this finding by obtaining City Council approval to remove the interest expense. The second finding related to City Council approval not being obtained for a loan to the RTCIP fund of \$180,000. Approval of the loan has been obtained. As such, this finding has been resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2012</u>	<u>Notes</u>
TransNet:									
Local Streets and Roads:									
CHV01	STM328	Olympic Parkway/ I-805	\$ (17,997)	\$ -	\$ -	\$ -	\$ 17,997	\$ -	(a)
CHV06	STL316	Pavement Rehabilitation	2,396,835	-	-	-	(17,997)	2,378,838	(a)
CHV06	STL340	Pavement Rehabilitation 06/07	(1,674,650)	-	-	-	-	(1,674,650)	(b)
CHV06	STL355	Pavement Minor Rehab 09/10	-	-	-	-	41,785	41,785	(b)
CHV06	OP219	Pavement Management System	(46,601)	-	-	(195,894)	-	(242,495)	(m)
		Total CHV06 Projects	675,584	-	-	(195,894)	23,788	503,478	
CHV18	STL291	Fourth Ave Sidewalk Improvement	(18,913)	-	-	-	18,913	-	(c)
CHV18	STL321	Sidewalk Rehabilitation / Installation	194,965	-	-	-	-	194,965	(d)
		Total CHV18 Projects	176,052	-	-	-	18,913	194,965	
CHV19	STM354	North Broadway Pavement Reconstruction	(600,401)	-	-	-	631,000	30,599	(e)
CHV29	STL328	L Street Imprv from Monserate to Nacio	358,689	-	-	-	-	358,689	
CHV33	TF345	School Zone Traffic Calming	124,835	-	-	(46,875)	-	77,960	
CHV33	TF362	Kids Walk/ Bike to School Phase II	(108,886)	-	-	-	49,909	(58,977)	(c)
		Total CHV33 Projects	15,949	-	-	(46,875)	49,909	18,983	
		Subtotal Local Streets and Roads	607,876	-	-	(242,769)	741,607	1,106,714	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 607,876	\$ -	\$ -	\$ (242,769)	\$ 741,607	\$ 1,106,714	
CHV41	TF358	West Side Transportation DIF	193,689	-	-	-	-	193,689	
CHV42	TF353	Major Intersection Safety Program	6,498	-	-	-	(6,498)	-	(f)
CHV43	TF354	Traffic Congestion Relief Program	57,028	-	-	(6,928)	-	50,100	
CHV44	TF344	I805 Direct Access Ramp E H St & E Palomar	(62,319)	-	-	-	62,319	-	(c)
CHV44	TF356	Otay Mesa Transportation System	44,621	-	-	(8,043)	-	36,578	
		Total CHV44 Projects	(17,698)	-	-	(8,043)	62,319	36,578	
CHV50	DR180	Emerg. Storm Drain Replacement	434,788	-	-	(26,102)	-	408,686	
		Subtotal Local Streets and Roads	1,282,181	-	-	(283,842)	797,428	1,795,767	
		Unallocated	495,842	-	-	-	-	495,842	
		Total Local Streets and Roads	1,778,023	-	-	(283,842)	797,428	2,291,609	
		Total <i>TransNet</i>	\$ 1,778,023	\$ -	\$ -	\$ (283,842)	\$ 797,428	\$ 2,291,609	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:									
Smart Growth									
CHV49	STL362	Third Ave Streetscape Improvement	\$ (264,065)	\$ 264,065	\$ -	\$ (337,825)	\$ -	\$ (337,825)	(g)
CHV52	STL361	Industrial Blvd. Bike Lane & Ped. Imprv.	-	35,382	-	(283,900)	-	(248,518)	(g)
CHV63	OP217	Palomar Gateway Specific Plan	(29,798)	110,325	-	(131,974)	-	(51,447)	(g)
Total Smart Growth			(293,863)	409,772	-	(753,699)	-	(637,790)	
Local Street Improvements:									
Congestion Relief:									
CHV18	STL291	Fourth Ave Sidewalk Improvement	-	65,000	-	(21,707)	(18,913)	24,380	(c)
CHV20	STM370	North Fourth Avenue Widening	(66,279)	185,000	-	(126,596)	-	(7,875)	(h)
CHV30	STM361	15 Multi-Modal Corridor Imprv. Study	(491)	7,500	-	(43,323)	10,417	(25,897)	(h)(i)
CHV30	STM362	I-5/ H Street Interchange Improvement	10,417	-	-	-	(10,417)	-	(i)(m)
Total CHV 30 Projects			9,926	7,500	-	(43,323)	-	(25,897)	
CHV37	STL280	Palomar Gateway	4,736	-	-	-	-	4,736	
CHV39	TF350	Traffic Signal System Optimization	1,451	-	-	(10,973)	-	(9,522)	(h)
CHV40	STL337	Bayshore Bikeway Segment 7 & 8	4	102,000	-	(92,079)	-	9,925	
Subtotal Congestion Relief			(50,162)	359,500	-	(294,678)	(18,913)	(4,253)	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ (50,162)	\$ 359,500	\$ -	\$ (294,678)	\$ (18,913)	\$ (4,253)	
CHV44	TF344	I 805 Direct Access Ramp E H and E Palomar	-	198,185	-	(55,442)	(62,319)	80,424	(c)
CHV44	TF359	SR 54 Corridor Imprv. Arterial Ops.	221	-	-	(173)	-	48	
		Total CHV44 Projects	221	198,185	-	(55,615)	(62,319)	80,472	
CHV48	STL345	Pavement Major Rehabilitation	(4,082)	4,770	-	(688)	-	-	
CHV48	STL354	Pavement Major Rehabilitation 09/10	(51,136)	1,065,081	-	(1,013,940)	(581,759)	(581,754)	(e)(h)(j)
CHV48	STL357	Pavement Major Rehabilitation Prop 1B	-	274,067	-	(532,586)	-	(258,519)	(h)
CHV48	STL366	Pavement Major Fed. Aid Highways	(267,380)	267,380	-	-	-	-	
CHV48	STL371	Major Pavement Rehabilitation	(5,442)	113,702	-	(108,260)	-	-	
CHV48	STL372	Pavement Major Rehabilitation FY11-12	-	-	-	(13,160)	-	(13,160)	(h)
		Total CHV48 Projects	(328,040)	1,725,000	-	(1,668,634)	(581,759)	(853,433)	
CHV51	STL359	Naples St. & Oleander Ave. CG/ADA	(1,196)	7,000	-	(2,646)	-	3,158	
CHV51	STL382	Cross Gutter Rehabilitation	-	-	-	(1,413)	-	(1,413)	
		Total CHV51 Projects	(1,196)	7,000	-	(4,059)	-	1,745	
CHV52	STL361	Industrial Blvd. Bike Ln / Ped Improvement	(45,160)	-	-	(17,491)	-	(62,651)	(h)
CHV54	STM367	So Broadway Imprv. Main to SthrnCity	4,988	-	-	(293)	-	4,695	
		Subtotal Congestion Relief	(419,349)	2,289,685	-	(2,040,770)	(662,991)	(833,425)	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status	Funds	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ (419,349)	\$ 2,289,685	\$ -	\$ (2,040,770)	\$ (662,991)	\$ (833,425)	
CHV55	STL342	Second Ave. Improv. Naples-Palomar	2,934	-	-	(80)	(2,934)	(80)	(h)(k)
CHV55	STL304	Glenhaven Way Any St. Improv.	-	-	-	(2,134)	-	(2,134)	(h)
		Total CHV55 Projects	2,934	-	-	(2,214)	(2,934)	(2,214)	
CHV58	STL366	Moss Street Sidewalk Installation	(14,952)	20,000	-	-	-	5,048	
CHV58	STL368	Oxford Street Sidewalk Installation	(13,284)	20,000	-	(3,628)	-	3,088	
CHV58	STL369	Palomar Street Sidewalk Installation	(8,466)	10,000	-	-	-	1,534	
CHV58	STL371	Sidewalk Installation E H Terra Nova	-	-	-	(13,185)	-	(13,185)	(h)
CHV58	STL378	Sidewalk Installation So & W of Hilltop & F	-	-	-	(2,606)	-	(2,606)	(h)
		Total CHV58 Projects	(36,702)	50,000	-	(19,419)	-	(6,121)	
CHV59	STL364	Sidewalk Installation Along Naples	(32,200)	40,000	-	-	2,934	10,734	(k)
CHV59	STL367	Naples Street Sidewalk Installation	(8,710)	10,000	-	(608)	-	682	
		Total CHV59 Projects	(40,910)	50,000	-	(608)	2,934	11,416	
CHV60	TF316	Signal Installation 2nd & Quintard	(98,562)	216,863	-	(118,301)	-	-	(n)
CHV60	TF373	Traffic Signal Mod Intersection 4th & G St.	(7,190)	34,470	-	(27,280)	-	-	(n)
CHV60	TF378	Traffic Signal Mod at 2nd & E Street	-	108,667	-	(33,793)	-	74,874	
		Total CHV60 Projects	(105,752)	360,000	-	(179,374)	-	74,874	
CHV67	TF377	Roadway Improv at Olympic & Brandywine	-	-	-	(336)	-	(336)	(h)
		Total Congestion Relief	(599,779)	2,749,685	-	(2,242,721)	(662,991)	(755,806)	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Maintenance:									
CHV22	OP202	CIP Advanced Planning	\$ 16,821	\$ 37,000	\$ -	\$ (89,501)	\$ -	\$ (35,680)	(h)
CHV22	OP202	CIP Management & Equipment Purchase	2,172	-	-	-	-	2,172	
		Total CHV22 Projects	18,993	37,000	-	(89,501)	-	(33,508)	
CHV26	STL323	Pedestrian Master Plan	142	-	-	-	-	142	
CHV33	TF361	Safe Routes 2 School Otay/ Rice Elm	32,500	-	-	-	-	32,500	
CHV33	TF362	Kids Walk/Bike to School Phase II	-	65,500	-	(15,591)	(49,909)	-	(c)
CHV33	STL375	Enhanced Traffic Calming Crosswalk	-	-	-	(6,693)	6,498	(195)	(f)
CHV33	STL389	Castle Park Middle School - Quintard Street	-	35,000	-	-	-	35,000	
CHV33	STM368	Lauderbach Elem. Pedestrian Imprv	(25,480)	-	-	-	-	(25,480)	(p)
		Total CHV33 Projects	7,020	100,500	-	(22,284)	(43,411)	41,825	
CHV34	TF327	Neighborhood Safety Program	(7,509)	45,000	-	(50,000)	-	(12,509)	(h)
CHV35	TF325	Transportation Planning Program	(121,497)	150,000	-	(28,503)	-	-	
CHV35	TF330	Traf Mod 4th / Main & 4th / Beyer	20,773	-	-	(328)	-	20,445	
CHV35	TF331	Traffic Signal Mod 3rd / Montgomery	(6,156)	10,000	-	-	-	3,844	
CHV35	TF332	Signing and Stripping Program	(7,082)	50,000	-	(46,473)	-	(3,555)	
CHV35	TF366	Traffic Signal & St. Lighting Upgrade / Maint.	7,417	-	-	(23,068)	-	(15,651)	
CHV35	TF369	Three Park Bicycle Facility Improvement	(10)	-	-	-	-	(10)	
		Total CHV35 Projects	(106,555)	210,000	-	(98,372)	-	5,073	
		Subtotal Maintenance	(87,909)	392,500	-	(260,157)	(43,411)	1,023	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status	Funds	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ (87,909)	\$ 392,500	\$ -	\$ (260,157)	\$ (43,411)	\$ 1,023	
CHV45	STM369	Bikeway Facilities Gap Project	4,059	-	-	(7,379)	-	(3,320)	(h)
CHV45	TF274	Traffic Count	-	15,000	-	(43,248)	-	(28,248)	(h)
CHV45	TF321	Citywide Traffic Count Program	48,073	-	-	(32,781)	-	15,292	
		Total CHV45 Projects	52,132	15,000	-	(83,408)	-	(16,276)	
CHV46	TF368	Harborside Elementary Pedestrian Imprv.	556	65,000	-	(168,069)	-	(102,513)	(h)
CHV47	TF367	Urban Core Srvs Level Threshold Study	18,956	-	-	(3,002)	-	15,954	
CHV50	DR192	Emergency Storm Drain Repairs F St.	-	12,000	-	(165,426)	-	(153,426)	(h)
CHV61	DR187	Box Culvert at Bonita Road/Allen	(625)	1,000	-	(5,508)	-	(5,133)	(h)
CHV66	DR191	Drainage Improvement Claire Ave / I St.	-	250,000	-	(337,027)	-	(87,027)	(h)(q)
		Total Maintenance	(16,890)	735,500	-	(1,022,597)	(43,411)	(347,398)	
		Total Local Street Improvements	(616,669)	3,485,185	-	(3,265,318)	(706,402)	(1,103,204)	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2012</u>	<u>Notes</u>
Bike and Pedestrian:									
CHV56	STL363	Sidewlk Safety Program I	\$ (109,720)	\$ 79,544	\$ -	\$ -	\$ -	\$ (30,176)	(o)
		Total Bike and Pedestrian	(109,720)	79,544	-	-	-	(30,176)	
		Total <i>TransNet</i> Extension	(1,020,252)	3,974,501	-	(4,019,017)	(706,402)	(1,771,170)	
		Interest Income	(27,543)	-	3,462	-	27,543	3,462	(l)
		Total <i>TransNet</i> and <i>TransNet</i> Extension	730,228	3,974,501	3,462	(4,302,859)	118,569	523,901	
		GASB 31 Fair Market Value Adjustment	-	-	84	-	-	84	
		Total after GASB 31 Adjustment	\$ 730,228	\$ 3,974,501	\$ 3,546	\$ (4,302,859)	\$ 118,569	\$ 523,985	
Non-TransNet:									
V08	OP218	Cactus Wren Habitat Rehabilitation	(23,394)	60,980	-	(55,651)	-	(18,065)	(g)
V08	OP221	PMA Otay Tarplant & SD Thornmount	-	65,164	-	(93,939)	-	(28,775)	(g)
		Total V08 Projects	(23,394)	126,144	-	(149,590)	-	(46,840)	
CHV40	STL337	Bayshore Bikeway Segment 7 & 8	-	13,726	-	(13,726)	-	-	
		Total Non- <i>TransNet</i>	\$ (23,394)	\$ 139,870	\$ -	\$ (163,316)	\$ -	\$ (46,840)	
		Total <i>TransNet</i> , <i>TransNet</i> Extension and Non- <i>TransNet</i>	\$ 706,834	\$ 4,114,371	\$ 3,546	\$ (4,466,175)	\$ 118,569	\$ 477,145	

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
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Notes:

- (a) City eliminated the project deficit with a transfer from CHV06 per Reso 2012-032.
- (b) Reimbursement for share of unanticipated project costs per agreement with San Diego Gas and Electric.
- (c) Transfer within the same MPO ID. Transfer needed to allocate project costs while keeping the integrity of the funding source used (i.e. *TransNet-I* vs. *TransNet-II*).
- (d) Project complete. The City will reprogram the Funds in FY13.
- (e) City eliminated the project deficit by reversing a proposed prior year transfer. The City reduced a prior year allocation by \$631,000 in lieu of a transfer per Reso 2010-065.
- (f) Project was completed in FY10 and is closed. City reprogrammed the funds to another eligible project per Reso 2012-052.
- (g) City will cover the deficit with reimbursements by SANDAG (5 Reimbursable Grants).
- (h) City intends to cover project deficit with draw down in FY 13.
- (i) Project complete. Transfer within same MPO.
- (j) Reimbursed for share of project costs totaling \$49,241 per agreement.
- (k) City received a reimbursement from the Sweetwater Authority, CHV55 (STL342) was completed in FY11. Reprogrammed funds to CHV59 (STL364) per Reso 2012-052.
- (l) City eliminated negative interest earned in FY11 with a transfer from the Other Transportation Fund (Fund 736), Reso 2012-032.
- (m) City corrected their internal CIP number listed on Schedule A. Prior Year report listed an incorrect number.
- (n) Projects were erroneously listed under Maintenance in prior year's report.
- (o) STL363 was incorrectly listed under CHV18, beginning balance was restated under CHV56 to correct this error. The remaining deficit will be reimbursed in FY13.
- (p) Project was erroneously listed under Congestion Relief in prior year's report.
- (q) The City intends to program an additional \$100,000 in CHV66 with an RTIP amendment scheduled to go to Council in April 2013.

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Smart Growth							
CHV49	STL362	Third Ave Streetscape Improvement	\$ 406,096	\$ -	\$ (743,921)	\$ -	\$ (337,825)
CHV52	STL361	Industrial Blvd. Bike Lane & Ped. Imprv.	35,382	-	(283,900)	-	(248,518)
CHV63	OP217	Palomar Gateway Specific Plan	200,186	-	(251,633)	-	(51,447)
Total Smart Growth			641,664	-	(1,279,454)	-	(637,790)
Total Smart Growth			641,664	-	(1,279,454)	-	(637,790)
Local Street Improvements:							
Congestion Relief:							
CHV18	STL291	Fourth Ave Sidewalk Improvement	65,000	-	(21,707)	(18,913)	24,380
CHV19	STM354	North Broadway Pavement Reconstruction	-	-	(520,158)	520,158	-
CVH20	STM370	North Fourth Avenue Widening	185,000	-	(192,875)	-	(7,875)
CHV30	STM361	15 Multi-Modal Corridor Improv. Study	264,500	-	(300,814)	10,417	(25,897)
CHV30	STM362	I-5/ H Street Interchange Improvement	25,000	-	(14,583)	(10,417)	-
Total CHV 30 Projects			289,500	-	(315,397)	-	(25,897)
CHV37	STL280	Palomar Gateway	200,000	4,132	(199,396)	-	4,736
CHV39	TF350	Traffic Signal System Optimization	129,000	833	(139,355)	-	(9,522)
Subtotal Congestion Relief			868,500	4,965	(1,388,888)	501,245	(14,178)

SCHEDULE B

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 868,500	\$ 4,965	\$ (1,388,888)	\$ 501,245	\$ (14,178)
CHV40	STL337	Bayshore Bikeway Segment 7 & 8	125,400	-	(115,475)	-	9,925
CHV44	TF359	SR 54 Corridor Improv Arterial Ops.	1,815	-	(1,767)	-	48
CHV44	TF344	I 805 Direct Access Ramp E H and E Palomar	198,185	-	(55,442)	(62,319)	80,424
		Total CHV 44 Projects	200,000	-	(57,209)	(62,319)	80,472
CHV48	STL345	Pavement Major Rehabilitation	1,372,092	-	(1,372,092)	-	-
CHV48	STL354	Pavement Major Rehabilitation 09/10	1,065,081	-	(1,696,076)	49,241	(581,754)
CHV48	STL357	Pavement Major Rehabilitation Prop 1B	274,067	-	(532,586)	-	(258,519)
CHV48	STM366	Pavement Major Fed. Aid Highways	2,056,059	-	(2,056,059)	-	-
CHV48	STL371	Major Pavement Rehabilitation	113,702	-	(113,702)	-	-
CHV48	STL372	Pavement Major Rehabilitation FY11-12	-	-	(13,160)	-	(13,160)
		Total CHV 48 Projects	4,881,001	-	(5,783,675)	49,241	(853,433)
CHV51	STL359	Naples St & Oleander Ave CG/ADA	13,840	-	(10,682)	-	3,158
CHV51	STL382	Cross Gutter Rehabilitation	-	-	(1,413)	-	(1,413)
		Total CHV 51 Projects	13,840	-	(12,095)	-	1,745
CHV52	STL360	Industrial Blvd. Bike Ln L St. - Palomar	575	-	(575)	-	-
CHV52	STL361	Industrial Blvd. Bike Ln / Ped Improvement	69,625	-	(132,276)	-	(62,651)
		Total CHV 52 Projects	70,200	-	(132,851)	-	(62,651)
CHV54	STM367	So Broadway Improv Main to SthrnCity	41,840	-	(37,145)	-	4,695
		Subtotal Congestion Relief	6,200,781	4,965	(7,527,338)	488,167	(833,425)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 6,200,781	\$ 4,965	\$ (7,527,338)	\$ 488,167	\$ (833,425)
CHV55	STL342	Second Ave. Imprv. Naples - Palomar	24,920	-	(25,000)	-	(80)
CHV55	STL303	1st Avenue Palomar & Naples	20,000	-	(20,000)	-	-
CHV55	STL304	Glenhaven Way Any St. Improv.	6,795	-	(8,929)	-	(2,134)
CHV55	STL305	Oxford St. Improv. Third - Alpine	15,000	-	(15,000)	-	-
		Total CHV 55 Projects	66,715	-	(68,929)	-	(2,214)
CHV58	STL366	Moss Street Sidewalk Installation	20,000	-	(14,952)	-	5,048
CHV58	STL368	Oxford Street Sidewalk Installation	20,000	-	(16,912)	-	3,088
CHV58	STL369	Palomar Street Sidewalk Installation	10,000	-	(8,466)	-	1,534
CHV58	STL371	Sidewalk Installation E H Terra Nova	-	-	(13,185)	-	(13,185)
CHV58	STL378	Sidewalk Installation So & W of Hilltop & F	-	-	(2,606)	-	(2,606)
		Total CHV 58 Projects	50,000	-	(56,121)	-	(6,121)
CHV59	STL364	Sidewalk Installation Along Naples	40,000	-	(32,200)	2,934	10,734
CHV59	STL367	Naples Street Sidewalk Installation	10,000	-	(9,318)	-	682
		Total CHV 59 Projects	50,000	-	(41,518)	2,934	11,416
CHV60	TF316	Signal Installation 2nd & Quintard	216,863	-	(216,863)	-	-
CHV60	TF373	Traffic Signal Mod Intersection 4th & G St.	34,470	-	(34,470)	-	-
CHV60	TF378	Traffic Signal Mod at 2nd & E Street	108,667	-	(33,793)	-	74,874
		Total CHV 60 Projects	360,000	-	(285,126)	-	74,874
CHV67	TF377	Roadway Improv at Olympic & Brandywine	-	-	(336)	-	(336)
		Total Congestion Relief	6,727,496	4,965	(7,979,368)	491,101	(755,806)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
Maintenance:							
CHV22	OP202	CIP Advanced Planning	\$ 99,000	\$ -	\$ (189,916)	\$ 55,236	\$ (35,680)
CHV22	OP202	CIP Management & Equipment Purchase	30,000	-	(32,828)	5,000	2,172
Total CHV 22 Projects			129,000	-	(222,744)	60,236	(33,508)
CHV26	STL323	Pedestrian Master Plan	85,000	-	(129,858)	45,000	142
CHV33	TF361	Safe Routes 2 School Otay / Rice Elm	129,500	-	(97,000)	-	32,500
CHV33	TF362	Kids Walk/Bike to School Phase II	65,500	-	(15,591)	(49,909)	-
CHV33	STL375	Enhanced Traffic Calming Crosswalk	-	-	(6,693)	6,498	(195)
CHV33	STL389	Castle Park Middle School - Quintard Street	35,000	-	-	-	35,000
CHV33	STM368	Lauderbach Elem. Pedestrian Imprv	-	-	(24,259)	(1,221)	(25,480)
Total CHV 33 Projects			230,000	-	(143,543)	(44,632)	41,825
CHV34	TF327	Neighborhood Safety Program	236,500	-	(249,009)	-	(12,509)
CHV35	TF325	Transportation Planning Program	150,000	-	(150,000)	-	-
CHV35	TF330	Traf Mod 4th / Main & 4th / Beyer	260,301	-	(239,856)	-	20,445
CHV35	TF331	Traffic Signal Mod 3rd / Montgomery	302,000	-	(298,156)	-	3,844
CHV35	TF332	Signing and Stripping Program	141,413	-	(144,968)	-	(3,555)
CHV35	TF366	Traffic Signal & St. Lighting Upgrade / Maint.	359,976	-	(375,627)	-	(15,651)
CHV35	TF369	Three Park Bicycle Facility Improvement	1,310	-	(1,320)	-	(10)
Total CHV 35 Projects			1,215,000	-	(1,209,927)	-	5,073
Subtotal Maintenance			1,895,500	-	(1,955,081)	60,604	1,023

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 1,895,500	\$ -	\$ (1,955,081)	\$ 60,604	\$ 1,023
CHV45	STM369	Bikeway Facilities Gap Project	40,000	-	(43,320)	-	(3,320)
CHV45	TF274	Traffic Count	24,779	-	(53,027)	-	(28,248)
CHV45	TF321	Citywide Traffic Count Program	113,221	-	(97,929)	-	15,292
		Total CHV 45 Projects	178,000	-	(194,276)	-	(16,276)
CHV46	TF368	Harborside Elementary Pedestrian Improv.	150,000	556	(253,069)	-	(102,513)
CHV47	TF367	Urban Core Srvs Level Threshold Study	20,000	663	(4,709)	-	15,954
CHV50	DR192	Emergency Storm Darin Repairs F St.	12,000	-	(165,426)	-	(153,426)
CHV61	DR187	Box Culvert at Bonita Road/Allen	1,000	-	(6,133)	-	(5,133)
CHV66	DR191	Drainage Improvement Claire Ave / I St.	250,000	-	(337,027)	-	(87,027)
		Total Maintenance	2,506,500	1,219	(2,915,721)	60,604	(347,398)
		Total Local Street Improvements	9,233,996	6,184	(10,895,089)	551,705	(1,103,204)
		Bike and Pedestrian:					
CHV56	STL363	Sidewalk Safety Prg I St Sdwk	79,544	-	(109,720)	-	(30,176)
		Total Bike and Pedestrian	79,544	-	(109,720)	-	(30,176)
		Interest Income	-	3,462	-	-	3,462
		GASB 31 Fair Market Value Adjustment	-	84	-	-	84
		Total Cumulative <i>TransNet</i> Extension	\$ 9,955,204	\$ 9,730	\$ (12,284,263)	\$ 551,705	\$ (1,767,624)

CITY OF CHULA VISTA, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 32,818	\$ -	\$ 1,549	\$ (54,858)	\$ 180,000	\$ 159,509	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	28,343	-	4,313	(1,950)	-	30,706	176,304
For Fiscal Year ended June 30, 2011	June 30, 2018	5,467	-	1,961	(16,488)	-	(9,060)	5,516
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>39,992</u>	<u>-</u>	<u>1,837</u>	<u>(6,703)</u>	<u>(152,894)</u>	<u>(117,768)</u>	<u>-</u>
Total RTCIP Funds		<u>106,620</u>	<u>-</u>	<u>9,660</u>	<u>(79,999)</u>	<u>27,106</u>	<u>63,387</u>	<u>181,820</u>
GASB 31 Fair Market Value Adjustment		<u>-</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>-</u>	<u>56</u>	<u>(665)</u>
Total RTCIP Funds		<u>\$ 106,620</u>	<u>\$ -</u>	<u>\$ 9,716</u>	<u>\$ (79,999)</u>	<u>\$ 27,106</u>	<u>\$ 63,443</u>	<u>\$ 181,155</u>

CITY OF CORONADO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Coronado, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$1,446,636. We selected \$965,355 (66.73%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there were no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column is explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment	\$ 488,531
Less: debt service payment	<u> -</u>
Net estimated apportionment	488,531
30% base	<u> 30%</u>
Fiscal year 2012 30% threshold	146,559
Less:	
Local streets and roads fund balance	-
Local Street Improvement	
– Congestion Relief fund balance	97,173
– Maintenance fund balance	<u> 3,422</u>
Total local streets and roads and local	
Street improvement fund balance	<u>100,595</u>
Fund balance under apportionment	<u>\$ 45,964</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial papers or bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 42,031,507</u>	<u>42,529,049</u>	<u>0.99</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$778,768
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 685,316</u>

10. For the cities and the County of San Diego, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 1,298,946
Less MOE base year requirement	<u>(778,768)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 520,178</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. Inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following additional procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: The City had one prior year finding because the City was allocating negative interest to projects with negative cash balances. The City revised its interest allocation methodology to comply with Rule #6 of Board Policy 031. The negative interest allocated in FY 10-11 to COR07 was offset by a transfer from the General Fund and was recorded as interest income in FY 11-12.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCano P.C.

Irvine, California
March 29, 2013

CITY OF CORONADO, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:								
Congestion Relief:								
COR 07	Street and Road Rehabilitation	\$ 28,171	\$ 1,513,225	\$ 1,455	\$ (1,446,636)	\$ 958	\$ 97,173	(a)
	Total Congestion Relief	28,171	1,513,225	1,455	(1,446,636)	958	97,173	
Maintenance:								
COR 04	Street and Road Maintenance	3,370	-	52	-	-	3,422	(b)
	Total Maintenance	3,370	-	52	-	-	3,422	
	Total <i>TransNet</i> Extension	\$ 31,541	\$ 1,513,225	\$ 1,507	\$ (1,446,636)	\$ 958	\$ 100,595	
	GASB 31 Fair Market Value Adjustment	(4,692)	-	1,015	-	-	(3,677)	
	Total after GASB 31 Adjustment	\$ 26,849	\$ 1,513,225	\$ 2,522	\$ (1,446,636)	\$ 958	\$ 96,918	

Notes:

- (a) The City adjustment is for the reversal of Fiscal Year 2010-11 negative interest allocation. The adjustment was transferred from the General Fund.
- (b) *TransNet* and *TransNet* Extension projects are for ongoing street, curb, and gutter maintenance. The section repairs are done on schedule or by priority of maintenance needed.

CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
COR 07	Street and Road Rehabilitation	\$ 1,988,225	\$ 7,526	\$ (1,719,536)	\$ (179,042)	\$ 97,173	
	Total Congestion Relief	1,988,225	7,526	(1,719,536)	(179,042)	97,173	
Maintenance:							
COR 04	Street and Road Maintenance	70,000	261	(66,839)	-	3,422	
	Total Maintenance	70,000	261	(66,839)	-	3,422	
	Reconciling Item for GASB 31	-	(3,677)	-	-	(3,677)	(a)
	Total Cumulative <i>TransNet</i> Extension	\$ 2,058,225	\$ 4,110	\$ (1,786,375)	\$ (179,042)	\$ 96,918	

Notes:

(a) The GASB 31 adjustment shown is for Fiscal Year 2010-11 & FY2011-12 .

CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 6,000	\$ -	\$ 1,323	\$ -	\$ -	\$ 7,323	\$ 7,230
For Fiscal Year ended June 30, 2010	June 30, 2017	2,040	-	364	-	-	2,404	2,372
For Fiscal Year ended June 30, 2011	June 30, 2018	16,648	-	384	-	-	17,032	16,774
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>6,369</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>-</u>	<u>6,468</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 31,057</u>	<u>\$ -</u>	<u>\$ 2,170</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,227</u>	<u>\$ 26,376</u>
GASB 31 Market Value Adjustment		<u>-</u>	<u>-</u>	<u>1,328</u>	<u>-</u>	<u>-</u>	<u>1,328</u>	<u>1,004</u>
Total RTCIP Funds		<u>\$ 31,057</u>	<u>\$ -</u>	<u>\$ 3,498</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,555</u>	<u>\$ 27,380</u>

CITY OF DEL MAR, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Del Mar, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed the total to the recipient's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$320,401. We selected \$139,362 (43.50%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there were no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$175,154
Less: debt service payment		<u>-</u>
Net estimated apportionment		175,154
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		52,546
Less:		
Local streets and roads fund balance		-
Local Street Improvement		
– Congestion Relief fund balance	18,709	
– Maintenance fund balance	<u>94</u>	
Total local streets and roads and local street improvement fund balance		<u>18,803</u>
Fund balance under apportionment		<u>\$ 33,743</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
- a. Obtain the Construction Cost Index for June 30, from SANDAG.
- i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
- ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	<u>Growth Rate Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$11,536,657</u>	<u>10,186,128</u>	<u>1.13</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

	<u>Streets and Roads</u>	<u>Specialized Transportation Services</u>	<u>Total</u>
Previously approved MOE base	\$ 418,597	\$19,288	\$ 437,885
Growth rate	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 368,365</u>	<u>\$ 16,973</u>	<u>\$ 385,338</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.

- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City had an outstanding unmet MOE requirement for the prior year in the amount of \$25,560. In the City's response to the prior year finding, the City had requested a one-year extension in the time permitted to meet the MOE threshold. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

	Street and Road	Specialized Transportation Services	Total
Current year local discretionary expenditures	\$ 570,439	\$ 21,500	\$ 591,939
Less MOE base year requirement	(418,597)	(19,288)	(437,885)
Excess MOE for the year ended June 30, 2012 ¹	\$ 151,842	\$ 2,212	\$ 154,054

¹ Calculation of remaining MOE Street & Road deficit:

Fiscal Year Ended June 30	Additional MOE	MOE Deficit Balance
2011	\$ -	\$(25,560)
2012	25,560	-

- 11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

- 12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
 - i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as there were no expenditures for the year ended June 30, 2012.
 - v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable to the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable to the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable to the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: The City had one prior year finding in that its *TransNet* fund had not met its maintenance of effort requirement. As of June 30, 2012, this finding has been resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P. C.

Irvine, California
March 29, 2013

CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

<u>MPO ID</u>	<u>Project Name</u>	<u>Project Status July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2012</u>
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
DM02	Local Match to Bridge Retrofit Projects	\$ 5,494	\$ 21,246	\$ 19	\$ (8,758)	\$ -	\$ 18,001
DM04	Camino del Mar Major Rehabilitation	123	210,000	193	(209,608)	-	708
	Total Congestion Relief	<u>5,617</u>	<u>231,246</u>	<u>212</u>	<u>(218,366)</u>	<u>-</u>	<u>18,709</u>
Maintenance:							
DM01	Resurfacing and Drainage Project	35	102,000	94	(102,035)	-	94
	Total Maintenance	<u>35</u>	<u>102,000</u>	<u>94</u>	<u>(102,035)</u>	<u>-</u>	<u>94</u>
	Total Local Street Improvements	<u>5,652</u>	<u>333,246</u>	<u>306</u>	<u>(320,401)</u>	<u>-</u>	<u>18,803</u>
	Total <i>TransNet</i> Extension	<u>\$ 5,652</u>	<u>\$ 333,246</u>	<u>\$ 306</u>	<u>\$ (320,401)</u>	<u>\$ -</u>	<u>\$ 18,803</u>
	GASB 31 Fair Market Value Adjustment	\$ -	\$ -	\$ (9)	\$ -	\$ -	\$ (9)
	Total after GASB 31 Adjustment	<u>\$ 5,652</u>	<u>\$ 333,246</u>	<u>\$ 297</u>	<u>\$ (320,401)</u>	<u>\$ -</u>	<u>\$ 18,794</u>

CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
DM02	Local Match to Bridge Retrofit Projects	\$ 207,060	\$ 433	\$ (189,818)	\$ 326	\$ 18,001
DM04	Camino del Mar Major Rehabilitation	<u>423,000</u>	<u>1,042</u>	<u>(423,334)</u>	<u>-</u>	<u>708</u>
	Total Congestion Relief	<u>630,060</u>	<u>1,475</u>	<u>(613,152)</u>	<u>326</u>	<u>18,709</u>
Maintenance:						
DM01	Resurfacing and Drainage Project	<u>200,000</u>	<u>485</u>	<u>(200,391)</u>	<u>-</u>	<u>94</u>
	Total Maintenance	<u>200,000</u>	<u>485</u>	<u>(200,391)</u>	<u>-</u>	<u>94</u>
	Total Local Street Improvements	<u>830,060</u>	<u>1,960</u>	<u>(813,543)</u>	<u>326</u>	<u>18,803</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 830,060</u>	<u>\$ 1,960</u>	<u>\$ (813,543)</u>	<u>\$ 326</u>	<u>\$ 18,803</u>

CITY OF DEL MAR, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 14,000	\$ 332	\$ (7,447)	\$ -	\$ 6,885	\$ 6,864
For Fiscal Year ended June 30, 2010	June 30, 2017	-	-	-	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	-	-	-	-	-	-
Total RTCIP Funds		<u>\$ 14,000</u>	<u>\$ 332</u>	<u>\$ (7,447)</u>	<u>\$ -</u>	<u>\$ 6,885</u>	<u>\$ 6,864</u>

CITY OF EL CAJON, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of El Cajon, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$1,234,415. We selected \$553,623 (44.85%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent

year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$1,918,903
Less: debt service payment		<u> -</u>
Net estimated apportionment		1,918,903
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		575,671
Less:		
Local streets and roads fund balance	31,853	
Local Street Improvement		
– Congestion Relief fund balance	127,915	
– Maintenance fund balance	<u>145,409</u>	
Total local streets and roads and local street improvement fund balance		<u>305,177</u>
Fund balance under apportionment		\$ <u>270,494</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>0.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$56,933,411</u>	<u>51,535,630</u>	<u>1.10</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 1,595,336
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 1,403,896</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement for the City.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 1,710,408
Less MOE base year requirement	<u>(1,595,336)</u>
Excess MOE for fiscal year ended June 30, 2012	\$ <u>115,072</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: This procedure is not applicable as the City did not have any extraction fees.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: The City had one prior year finding in that the City did not use the approved Exaction fee. As of June 30, 2012, this finding has been resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 29, 2013

CITY OF EL CAJON, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Local Streets and Roads:								
EL11	Sidewalk	\$ 96,077	\$ -	\$ -	\$ (96,077)	\$ -	\$ -	
EL18	Street Lights	31,853	-	-	-	-	31,853	
Total Local Streets and Roads		127,930	-	-	(96,077)	-	31,853	
Total <i>TransNet</i>		\$ 127,930	\$ -	\$ -	\$ (96,077)	\$ -	\$ 31,853	
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
EL03	Various Overlay Projects	\$ 19,542	\$ 270,000	\$ -	\$ (273,355)	\$ -	\$ 16,187	
EL06	Traffic Signal Projects	(2,297)	150,000	-	(144,441)	8,466	11,728	(a) (b)
EL18	Street Lights	102,024	-	-	-	(2,024)	100,000	(d)
EL24	Jamacha Road Traffic Signals	12,824	-	-	(4,358)	(8,466)	-	(b)
Total Congestion Relief		\$ 132,093	\$ 420,000	\$ -	\$ (422,154)	\$ (2,024)	\$ 127,915	

CITY OF EL CAJON, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
	Balance carried forward	\$ 132,093	\$ 420,000	\$ -	\$ (422,154)	\$ (2,024)	\$ 127,915	
	Maintenance:							
EL11	Sidewalk	-	200,000	-	(91,410)	956	109,546	(c)
EL20	Signals - LED Replacement	-	132,000	-	(131,044)	(956)	-	(c)
EL21	Street Resurfacing	26,659	435,000	-	(445,875)	-	15,784	
EL23	Traffic Signal Maintenance	4,094	30,000	-	(23,275)	-	10,819	
EL25	Slope Repair Fletcher Pkwy. & Murray Dr.	3,840	30,000	-	(24,580)	-	9,260	
	Total Maintenance	<u>34,593</u>	<u>827,000</u>	<u>-</u>	<u>(716,184)</u>	<u>-</u>	<u>145,409</u>	
	Total Local Street Improvements	<u>166,686</u>	<u>1,247,000</u>	<u>-</u>	<u>(1,138,338)</u>	<u>(2,024)</u>	<u>273,324</u>	
	Total <i>TransNet</i> Extension	<u>\$ 166,686</u>	<u>\$ 1,247,000</u>	<u>\$ -</u>	<u>\$ (1,138,338)</u>	<u>\$ (2,024)</u>	<u>\$ 273,324</u>	
	Interest income	<u>-</u>	<u>-</u>	<u>1,036</u>	<u>-</u>	<u>2,024</u>	<u>3,060</u>	(d)
	Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ 294,616</u>	<u>\$ 1,247,000</u>	<u>\$ 1,036</u>	<u>\$ (1,234,415)</u>	<u>\$ -</u>	<u>\$ 308,237</u>	
	GASB 31 Fair Market Value Adjustment	<u>2,546</u>	<u>-</u>	<u>(3,425)</u>	<u>-</u>	<u>-</u>	<u>(879)</u>	
	Total after GASB 31 Adjustment	<u>\$ 297,162</u>	<u>\$ 1,247,000</u>	<u>\$ (2,389)</u>	<u>\$ (1,234,415)</u>	<u>\$ -</u>	<u>\$ 307,358</u>	

Notes:

- (a) EL06 Traffic Signal Projects was incorrectly classified as Maintenance for the fiscal year ending June 30, 2011. For FY 12, it has been corrected to Congestion Relief.
- (b) EL24 Jamacha Road Traffic Signals is complete, and the balance was moved to EL06 Traffic Signal Projects. The RTIP was amended and was approved by City Council on November 13, 2012.
- (c) EL20 Signals LED Replacement is complete, and the balance is moved to EL11 Sidewalk. The RTIP was amended and was approved by City Council on November 13, 2012.
- (d) Move FY 11 allocated interest from EL18 to pooled interest.

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
EL03	Various Overlay Projects	\$ 2,900,000	\$ -	\$ (3,280,431)	\$ 396,618	\$ 16,187
EL06	Traffic Signal Projects	210,000	-	(206,738)	8,466	11,728
EL18	Street Lights	100,000	-	-	-	100,000
EL24	Jamacha Road Traffic Signals	80,000	-	(71,534)	(8,466)	-
	Total Congestion Relief	<u>3,290,000</u>	<u>-</u>	<u>(3,558,703)</u>	<u>396,618</u>	<u>127,915</u>
Maintenance:						
EL11	Sidewalk	200,000	-	(91,410)	956	109,546
EL20	Signals - LED Replacement	132,000	-	(227,855)	95,855	-
EL21	Street Resurfacing	1,215,000	-	(1,203,166)	3,950	15,784
EL23	Traffic Signal Maintenance	60,000	-	(49,181)	-	10,819
EL25	Slope Repair Fletcher Pkwy & Murry Dr.	35,000	-	(25,740)	-	9,260
	Total Maintenance	<u>1,642,000</u>	<u>-</u>	<u>(1,597,352)</u>	<u>100,761</u>	<u>145,409</u>
Completed Projects:						
	Local Street Improvements:					
	Congestion Relief	<u>1,300,000</u>	<u>-</u>	<u>(903,382)</u>	<u>(396,618)</u>	<u>-</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 6,232,000</u>	<u>\$ -</u>	<u>\$ (6,059,437)</u>	<u>\$ 100,761</u>	<u>\$ 273,324</u>

CITY OF EL CAJON, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status		Notes
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011	
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 2,000	\$ -	\$ 124	\$ -	\$ -	\$ 2,124	\$ 2,072	
For Fiscal Year ended June 30, 2010	June 30, 2017	89,760	-	3,302	-	-	93,062	91,549	
For Fiscal Year ended June 30, 2011	June 30, 2018	22,440	-	431	-	-	22,871	22,646	
For Fiscal Year ended June 30, 2012	June 30, 2019	451	-	4	-	-	455	-	(a)
		<u>114,651</u>	<u>-</u>	<u>3,861</u>	<u>-</u>	<u>-</u>	<u>118,512</u>	<u>116,267</u>	
GASB 31 fair market value adjustment		<u>-</u>	<u>-</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>320</u>	<u>664</u>	
Total RTCIP Funds		<u>\$ 114,651</u>	<u>\$ -</u>	<u>\$ 4,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,832</u>	<u>\$ 116,931</u>	

Notes:

- (a) RTCIP shortfall in FY 2011 was invoiced during the FY 2011 audit period and collected in FY 2012 as allowed per SANDAG Board Policy No.031, Rule #23, Section B(5).

CITY OF ENCINITAS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$1,456,385. We selected \$771,831 (53.00%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment	\$1,375,854
Less: debt service payment	_____
Net estimated apportionment	1,375,854
30% base	_____ 30%
Fiscal year 2012 30% threshold	412,756
Less:	
Local Street Improvement	
– Congestion Relief fund balance	357,006
– Maintenance fund balance	<u>(347,021)</u>
Total local streets and roads and local street improvement fund balance	_____ 9,985
Fund balance under apportionment	\$ <u>402,771</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there was no commercial paper or bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$53,974,860</u>	<u>55,773,570</u>	<u>.97</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

	Streets and <u>Roads</u>	Specialized Transportation <u>Services</u>	<u>Total</u>
Previously approved MOE base	\$1,892,771	52	\$1,892,823
Growth rate	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 1,665,638</u>	<u>\$ 46</u>	<u>\$ 1,665,684</u>

10. For the cities and the County of San Diego, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

	<u>Street and Road</u>	<u>Specialized Transportation Services</u>	<u>Total</u>
Current year local discretionary expenditures	\$6,504,348	\$9,608	\$6,513,956
Less MOE base year requirement	<u>(1,892,771)</u>	<u>(52)</u>	<u>(1,892,823)</u>
Excess MOE for the year ended June 30, 2012	<u>\$4,611,577</u>	<u>\$9,556</u>	<u>\$4,621,133</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. Inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following additional procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
April 16, 2013

CITY OF ENCINITAS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status July 1, 2012	Notes
TransNet:									
Local Streets and Roads:									
ENC 23	CMS00T	Olivenhain Road Widening	\$ 126,215	\$ -	\$ 79	\$ -	\$ (126,294)	\$ -	(a)
		Total Local Streets and Roads	126,215	-	79	-	(126,294)	-	
		Total <i>TransNet</i>	\$ 126,215	\$ -	\$ 79	\$ -	\$ (126,294)	\$ -	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
ENC 14A	CMS11A	FY 10/11 Annual Street Overlay	\$ 34,693	\$ -	\$ -	\$ -	\$ (34,693)	\$ -	(a)
ENC 14A	CMS12A	FY 11/12 Annual Street Overlay	-	350,000	22	(145,044)	287,294	492,272	(a)
		Total ENC 14A Projects	34,693	350,000	22	(145,044)	252,601	492,272	
ENC 19	CMS02F	Traffic safety and calming	45,531	300,000	29	(26,043)	(319,517)	-	(d)
ENC 19	CMS07C	ENTMP-1 Rubenstein/Summit/West	-	-	-	(453,513)	290,066	(163,447)	(b)(d)
ENC 19	CMS12F	Gardendale Traffic Calming & SR2S Project	-	-	-	(29,451)	29,451	-	(d)
		Subtotal ENC 19 Projects	45,531	300,000	29	(509,007)	-	(163,447)	
ENC 20	CMS04D	No. Coast Hwy 101 streetscape	(33,276)	340,000	-	(284,394)	-	22,330	
ENC 44	CMS09E	Encinitas/NCTD transit parking lot	17,647	115,000	11	(500)	(126,307)	5,851	(a)(e)
		Total Congestion Relief	64,595	1,105,000	62	(938,945)	126,294	357,006	

CITY OF ENCINITAS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

Project		Project Status	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status	Notes
MPO ID	Number	Project Name	July 1, 2011				July 1, 2012	
		Balance carried forward <i>TransNet</i> Extension	\$ 64,595	\$ 1,105,000	\$ 62	\$ (938,945)	\$ 126,294	\$ 357,006
Maintenance:								
ENC 17	CMS01E	Safe Route to Schools-Phase II	(4,872)	200,000	-	(540)	(194,588)	- (d)
ENC 17	CMS08G	Paul Ecke Central Elementary School	(40,977)	-	-	-	40,977	- (d)
ENC 17	CMS09F	Cardiff Elementary School Ped Impvmt	-	-	-	35,551	(35,551)	- (d)
ENC 17	CMS10B	Melba Road (North Side)	-	-	-	(1,279)	1,279	- (d)
ENC 17	CMS10E	Melba Road (South Side)	-	-	-	(475)	475	- (d)
ENC 17	CMS10H	Balour Drive Sidewalks	(24,117)	-	-	(103,219)	127,336	- (d)
ENC 17	CMS11B	Downtown Sidewalk Improvements	(69,825)	-	-	(394,575)	60,072	(404,328) (c)(d)
Total ENC 17 Projects			(139,791)	200,000	-	(464,537)	-	(404,328)
ENC 28	CMS02G	Traffic Signal Modification	10,204	100,000	6	(52,903)	-	57,307
Total Maintenance			(129,587)	300,000	6	(517,440)	-	(347,021)
Total Local Street Improvements			(64,992)	1,405,000	68	(1,456,385)	126,294	9,985
Total <i>TransNet</i> Extension			\$ (64,992)	\$ 1,405,000	\$ 68	\$ (1,456,385)	\$ 126,294	\$ 9,985
Total <i>TransNet</i> and <i>TransNet</i> Extension			\$ 61,223	\$ 1,405,000	\$ 147	\$ (1,456,385)	\$ -	\$ 9,985

Notes:

- (a) Transfer approved by City Council in Staff Report, November 16, 2011 and adoption of Resolution 2011-50.
- (b) Funding will be requested in Fiscal Year 2013 to remove deficit.
- (c) Funding will be requested in Fiscal Year 2013 to remove deficit. It as originally requested in Fiscal Year 2012, however, the amount was incorrectly programmed in the RTIP as *TransNet Cash* instead of *TransNet Carryover*. An RTIP amendment will be submitted by the City and the funding will be requested to cover the deficit.
- (d) Adjustments made as an interproject (MPOID) transfer.
- (e) Project is completed. Funding will be drawn down in Fiscal Year 2013 to remove the project from the RTIP.

CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
ENC 14A	CMS11A	FY 10/11 Annual Street Overlay	\$ 300,000	\$ -	\$ (308,691)	\$ 8,691	\$ -
ENC 14A	CMS13A	FY 11/12 Annual Street Overlay	350,000	22	(145,044)	287,294	492,272
Subtotal ENC 14A Projects			650,000	22	(453,735)	295,985	492,272
ENC 19	CMS02F	Traffic safety and calming	450,000	129	(50,668)	(399,461)	-
ENC 19	CMS07C	ENTMP-1 Rubenstein/Summit/West	-	-	(533,457)	370,010	(163,447)
ENC 19	CMS12F	Gardendale Traffic Calming & SR2S Project	-	-	(29,451)	29,451	-
Subtotal ENC 19 Projects			450,000	129	(613,576)	-	(163,447)
ENC 20	CMS04D	No. Coast Hwy 101 streetscape	660,000	467	(638,137)	-	22,330
ENC 44	CMS09E	Encinitas/NCTD transit parking lot	1,280,000	351	(1,193,693)	(80,807)	5,851
Total Congestion Relief			3,040,000	969	(2,899,141)	215,178	357,006
Maintenance:							
ENC 17	CMS01E	Safe Route to Schools - Phase II	200,000	-	(27,317)	(172,683)	-
ENC 17	CMS08G	Paul Ecke Central Elementary School	19,499	-	(60,476)	40,977	-
ENC 17	CMS09F	Cardiff Elementary School Ped Improvements	130,163	-	(94,612)	(35,551)	-
ENC 17	CMS10B	Melba Road (North Side)	568	-	(1,847)	1,279	-
ENC 17	CMS10E	Melba Road (South Side)	1,159	-	(1,634)	475	-
ENC 17	CMS10H	Balour Drive Sidewalks	-	-	(127,336)	127,336	-
ENC 17	CMS11B	Downtown Sidewalk Improvements	-	-	(464,400)	60,072	(404,328)
Subtotal ENC 17 Projects			\$ 351,389	\$ -	\$ (777,622)	\$ 21,905	\$ (404,328)

CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward <i>TransNet</i> Extension	\$ 351,389	\$ -	\$ (777,622)	\$ 21,905	\$ (404,328)
ENC 28	CMS02G	Traffic signal modification	<u>200,000</u>	<u>91</u>	<u>(133,822)</u>	<u>(8,962)</u>	<u>57,307</u>
		Total Maintenance	<u>551,389</u>	<u>91</u>	<u>(911,444)</u>	<u>12,943</u>	<u>(347,021)</u>
Completed Projects:							
		Local Street Improvements:					
		Congestion Relief	444,000	4	(400,620)	(43,384)	-
		Maintenance	<u>48,611</u>	<u>-</u>	<u>(48,611)</u>	<u>-</u>	<u>-</u>
		Total Completed Projects	<u>492,611</u>	<u>4</u>	<u>(449,231)</u>	<u>(43,384)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 4,084,000</u>	<u>\$ 1,064</u>	<u>\$ (4,259,816)</u>	<u>\$ 184,737</u>	<u>\$ 9,985</u>

CITY OF ENCINITAS, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	34,680	-	224	-	-	34,904	34,862
For Fiscal Year ended June 30, 2011	June 30, 2018	206,214	-	881	-	-	207,095	206,845
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>138,651</u>	<u>-</u>	<u>168</u>	<u>-</u>	<u>-</u>	<u>138,819</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 379,545</u>	<u>\$ -</u>	<u>\$ 1,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 380,818</u>	<u>\$ 241,707</u>

CITY OF ESCONDIDO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Escondido was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology for reasonableness.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$1,286,065. We selected \$750,354 (58.34%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determine if the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: The City allocated indirect costs to projects included in the RTIP. The City allocates costs out of the various departments and into capital projects by using the engineering time directly charged to a project as the cost basis, and multiplying it by a set percentage associated with each department.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is included with the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance over the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment		\$2,853,245
Less: debt service payment		<u> -</u>
Net estimated apportionment		2,853,245
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		<u> 855,974</u>
Less:		
Local streets and roads fund balance	3,164,518	
Local Street Improvement		
– Congestion Relief fund balance	772,170	
– Maintenance fund balance	<u>(2,002,019)</u>	
Total local streets and roads and local street improvement fund balance		<u> 1,934,669</u>
Fund balance over apportionment		<u><u> \$ 1,078,696</u></u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 74,339,251</u>	<u>75,410,437</u>	<u>.99</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$2,880,601
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 2,534,929</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 4,903,832
Less MOE base year requirement	<u>(2,880,601)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 2,023,231</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City of Escondido.

12. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.
 - b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.
 - c. We obtained the RTCIP schedule, which included the beginning balance, exactions collected, interest earned, expenditures incurred and the ending balance, from SANDAG. We agreed the ending balance per the prior year schedule to the beginning balance for the fiscal year ended June 30, 2012, or footnoted any restatements.
 - i. We determined that the recipient agency is using the most current approved fee amount.

Results: The City is not in compliance with the RTCIP exaction fee requirement. See Finding Number 2 in the Findings and Recommendations section of this report.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not record any RTCIP expenditures for the year ended June 30, 2012.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: The City did not provide its full monetary contribution. See Finding Number 2 in the Findings and Recommendations section of this report.

- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: No exceptions were noted as a result of our procedures.

- 13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City of Escondido.

14. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

Results: This procedure is not applicable for the City of Escondido.
 - b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City of Escondido.

15. For SANDAG only, we performed the following additional procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

Results: This procedure is not applicable for the City of Escondido.
 - b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: This procedure is not applicable for the City of Escondido.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: The City had one prior year finding related to the wrong exaction fee being collected. As of June 30, 2012 the City has collected the under charged amount. During fiscal year ended June 30 2012 the City in two instances collected the wrong extraction fee. As such, this finding has been not been entirely resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written response to the recommendations identified in the procedures performed is described in the accompanying Findings and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P.C.

Irvine, California
June 13, 2013

CITY OF ESCONDIDO, CALIFORNIA

Report on Agreed-Upon Procedures Applied to the *TransNet* Fund

Findings and Recommendations

(Continued)

(1) **Need to Use Remaining Balance Before Requesting Future Funding**

As of June 30, 2012, the ending local streets and road and the local street improvement fund balance of the *TransNet* fund of the City was \$1,934,669, which exceeded 30% of its annual apportionment by \$1,078,696.

Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.”

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance of the City certifies compliance with this Rule.

Management Response

The City over anticipated expected uses for the year. In order to correct this, the City will exhaust the remaining cash on hand and make sure that funding is well below the 30% threshold before additional funding is requested.

CITY OF ESCONDIDO, CALIFORNIA

Report on Agreed-Upon Procedures Applied to the *TransNet* Fund

Findings and Recommendations

(Continued)

(2) **Need to Use Approved Exaction Fee**

Per review of the City's exaction fee collections as of June 30, 2012, the City is not in compliance with the required exaction amount of \$2,123. In two of the ten instances, the City collected the prior year's approved amount of \$2,081 instead of the current year approved amount of \$2,123. This resulted in an under-collection of the extraction fee in the amount of \$84.

SANDAG Board recommendations as of February 25, 2011 and subsequent approval states, in part:

"...The Board of Directors is asked to approve a 2 percent adjustment to the Regional Transportation Congestion Improvement Program (RTCIP), raising the minimum fee from \$2,081 to \$2,123 beginning July 2011..."

Additionally, Board Policy 031, Rule #23 B.5. states, in part:

"...If, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year following the year that was the subject of the audit will be retroactively owed to the Commission..."

Recommendation

We recommend that the City recover the under-collection of exaction fees in the amount of \$84. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

Management Response

The City has noticed a flaw in their software that is used to collect the RTCIP fee. The developer requested a fee estimate from staff, but did not actually pull the permits on these properties until the following year at which point the fee had increased. The permits were issued based on the estimate and staff forgot to verify the charges. A notice will be posted at the counter and the technicians will be notified to verify that the current RTCIP fee adopted by the SANDAG board is collected prior to future permit issuance. Once the error was brought to staff's attention the City notified the developer and the \$84 was quickly recovered.

SCHEDULE A

CITY OF ESCONDIDO, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Local Streets and Roads:									
ESC05	690319	El Norte Pkwy/La Honda to Washington Ave	\$ 49,362	\$ -	\$ -	\$ -	\$ (8,976)	\$ 40,386	(b), (g), (j)
ESC05	696701	El Norte Pkwy/Costs of Sale of Property	(1,107)	-	-	-	1,107	-	(g), (j)
ESC05	690129	El Norte Pkwy/Conway to Midway	16,116	-	-	-	(16,116)	-	(g), (j)
Total ESC05 Project			64,371	-	-	-	(23,985)	40,386	
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	1,716,561	-	11,361	(174,232)	-	1,553,690	
ESC08	690309	Felecita & Juniper/Escondido to Chestnut	289,531	-	1,916	-	-	291,447	
ESC13	690329	SR78 Bridge Widening at Nordahl	340,726	-	2,255	(38,390)	-	304,591	
ESC17	697401	Neighborhood Projects	18,107	-	120	-	-	18,227	(f)
ESC23	691703	Valley/Maple & 2nd/Maple Traffic	231,970	-	1,535	-	(233,505)	-	(d)
ESC24	690029	Centre City/Highway 78 to Mission Ave	329,649	-	2,182	(817)	-	331,014	
ESC25	690039	Citracado & Nordahl at Mission	285,386	-	-	-	(285,386)	-	(g), (j)
ESC29	691704	Citracado/Interstate 15 to West Valley	622,440	-	4,120	(1,397)	-	625,163	
Total Local Streets and Roads			\$ 3,898,741	\$ -	\$ 23,489	\$ (214,836)	\$ (542,876)	\$ 3,164,518	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
ESC02A	690219	Bear Valley/East Valley/Valley Center	\$ (1,549,763)	\$ -	\$ -	\$ (18,873)	\$ -	\$ (1,568,636)	(a), (c)
ESC03	690239	Citracado Pkwy/Don Lee to Quail Hill	(1,070,018)	1,600,000	-	-	44,755	574,737	(c), (k)
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	-	-	-	(50)	-	(50)	(a), (b), (c)
ESC05	690319	El Norte Pkwy Ph IV	-	700,000	-	-	-	700,000	(b)
ESC27	694101	Maple Street Pedestrian Plaza	-	-	-	(307,278)	565,313	258,035	(d), (g), (i)
ESC30	697903	El Norte Parkway-Street Rehabilitation	(29,681)	837,765	-	-	-	808,084	
Total Congestion Relief			(2,649,462)	3,137,765	-	(326,201)	610,068	772,170	
Congestion Relief - Pass Through:									
ESC13	690329	SR78 Bridge Widening at Nordahl	-	344,086	-	-	(344,086)	-	(e)
Total Congestion Relief - Pass Through			-	344,086	-	-	(344,086)	-	

CITY OF ESCONDIDO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Maintenance:									
ESC11	697402	Street Maintenance	(1,479,636)	876,700	-	(248,653)	-	(851,589)	(a)
ESC11	697001	Street Maintenance - ARRA	(1,746,678)	600,000	-	(3,752)	-	(1,150,430)	(a)
Total ESC11 Project			(3,226,314)	1,476,700	-	(252,405)	-	(2,002,019)	
Total Maintenance			(3,226,314)	1,476,700	-	(252,405)	-	(2,002,019)	
Total Local Street Improvements			\$ (5,875,776)	\$ 4,958,551	\$ -	\$ (578,606)	\$ 265,982	\$ (1,229,849)	
Bikes and Pedestrian:									
ESC20	690339	Ash Street Undercrossing Study	(70,284)	547,657	-	(492,334)	-	(14,961)	(h)
ESC21	698501	Master Plan-Bicycle Facilities	8,541	-	56	(289)	-	8,308	
ESC27	694101	Maple Street Pedestrian Plaza	22,289	-	148	-	(22,437)	-	(i)
Total Bikes and Pedestrian			(39,454)	547,657	204	(492,623)	(22,437)	(6,653)	
Total <i>TransNet</i> Extension			\$ (5,915,230)	\$ 5,506,208	\$ 204	\$ (1,071,229)	\$ 243,545	\$ (1,236,502)	
Total <i>TransNet</i> and <i>TransNet</i> Extension			\$ (2,016,489)	\$ 5,506,208	\$ 23,693	\$ (1,286,065)	\$ (299,331)	\$ 1,928,016	
Non-TransNet:									
US Department of Transportation Grant			\$ 717,669	\$ 42,573	\$ -	\$ -	\$ -	\$ 760,242	
Total Non- <i>TransNet</i>			\$ 717,669	\$ 42,573	\$ -	\$ -	\$ -	\$ 760,242	
Total <i>TransNet</i> , <i>TransNet</i> Extension and Non- <i>TransNet</i>			\$ (1,298,820)	\$ 5,548,781	\$ 23,693	\$ (1,286,065)	\$ (299,331)	\$ 2,688,258	

CITY OF ESCONDIDO, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
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Notes:

- (a) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), additional funding was not requested during FY12.
- (b) In accordance with SANDAG Board Policy No. 31, Rule #17, Section III, ESC05 is complete and the City plans to transfer remaining funds received to ESC04 with council action in February 2013 and RTIP amendment 12-02.
- (c) In accordance with SANDAG Board Policy No. 31, Rule #17, Section III, ESC03 is complete and the City plans to transfer remaining funds received to ESC04 and ESC02A with council action in February 2013 and RTIP amendment 12-02.
- (d) As approved by City Council on December 15, 2011 and by SANDAG with RTIP amendment 10-14, the City transferred *TransNet* funding from ESC 23, Valley/Maple & 2nd/Maple Traffic, to ESC27, Maple Street Pedestrian Plaza.
- (e) This portion of ESC13 is related to the City's portion of *TransNet* funding that was passed through to Caltrans to complete the work on the project.
- (f) ESC 17 is one of the City's annual capital improvement programs, where specific projects are to be determined. Future funding for this project will include only local funds and these remaining funds will be reprogrammed to ESC04 with council action in February 2013 and RTIP amendment 12-02.
- (g) As approved by City Council on December 15, 2011 and by SANDAG with RTIP amendment 10-14, the City transferred \$309,371 of *TransNet* funding from closed projects in FY 2010, ESC 05 and ESC 25, to the Maple Street Pedestrian Plaza project.
- (h) This project was nearing completion during the end of the fiscal year 2012 and was not billed for reimbursement prior to year end. The final reimbursement will be requested in fiscal year 2013 and project completed.
- (i) In FY 2010, funding for ESC27 was Local Street Improvements congestion relief and was miscategorized to Bikes and Pedestrians, adjustment made to move remaining amount to the correct category.
- (j) ESC 05 and ESC 25 Local Streets and Roads project status' were restated for July 1, 2011. In FY 2010 this funding was shown as an adjustment to be reprogrammed in 2011. The funds were not reprogrammed until FY 2012 (see note g).
- (k) The adjustment to ESC 03 is a reimbursement related to project expenditures that were paid by *TransNet* funding from closed projects in FY 2010, ESC 05 and ESC 25, to the Maple Street Pedestrian Plaza project.

CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
ESC02A	690219	Bear Valley/East Valley/Valley Center	\$ -	\$ -	\$ (1,528,036)	\$ (40,600)	\$ (1,568,636)	
ESC03	690239	Citracado Pkwy/Don Lee to Quail Hill	1,600,000	-	(1,070,018)	44,755	574,737	
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	-	-	(50)	-	(50)	
ESC05	690319	El Norte Pkwy Ph IV	700,000	-	-	-	700,000	
ESC27	694101	Maple Street Pedestrian Plaza	-	-	(307,278)	565,313	258,035	
ESC30	697903	El Norte Parkway-Street Rehabilitation	837,765	-	(16,782)	(12,899)	808,084	
Total Congestion Relief			3,137,765	-	(2,922,164)	556,569	772,170	
Congestion Relief Pass Through:								
ESC13	690329	SR78 Bridge Widening at Nordahl	344,086	-	-	(344,086)	-	
Total Congestion Relief Pass Through			344,086	-	-	(344,086)	-	
Maintenance:								
ESC11	697402	Street Maintenance	876,700	-	(1,636,110)	(92,179)	(851,589)	
ESC11	697001	Street Maintenance - ARRA	600,000	-	(1,750,430)	-	(1,150,430)	
ESC11	697903	Street Maintenance	-	-	(105,078)	105,078	-	
Total ESC11 Project			1,476,700	-	(3,491,618)	12,899	(2,002,019)	
Total Maintenance			1,476,700	-	(3,491,618)	12,899	(2,002,019)	
Total Local Street Improvements			4,958,551	-	(6,413,782)	225,382	(1,229,849)	
Bikes and Pedestrian:								
ESC20	690339	Ash Street Undercrossing Study	747,657	3,878	(796,496)	30,000	(14,961)	
ESC21	698501	Master Plan-Bicycle Facilities	56,274	337	(48,303)	-	8,308	
ESC27	694101	Maple Street Pedestrian Plaza	-	413	(177,976)	177,563	-	
Total Bikes and Pedestrian			803,931	4,628	(1,022,775)	207,563	(6,653)	
Total Cumulative <i>TransNet</i> Extension			\$ 5,762,482	\$ 4,628	\$ (7,436,557)	\$ 432,945	\$ (1,236,502)	

CITY OF ESCONDIDO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 18,000	\$ 2,384	\$ -	\$ -	\$ 20,384	\$ 19,245
For Fiscal Year ended June 30, 2010	June 30, 2017	63,120	3,996	-	-	67,116	66,237
For Fiscal Year ended June 30, 2011	June 30, 2018	24,767	813	-	-	25,580	25,246
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>21,351</u>	<u>280</u>	<u>-</u>	<u>-</u>	<u>21,631</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 127,238</u>	<u>\$ 7,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 134,711</u>	<u>\$ 110,728</u>

CITY OF IMPERIAL BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Imperial Beach, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved Regional Transportation Improvement Program (RTIP).

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$289,000. We selected \$272,590 (94.32%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance over the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment	\$ 591,901
Less: debt service payment	<u>-</u>
Net estimated apportionment	591,901
30% base	<u>30%</u>
Fiscal year 2012 30% threshold	177,570
Less:	
Local streets and roads fund balance	-
Local Street Improvement	
– Congestion Relief fund balance	888,040
– Maintenance fund balance	<u>(101,582)</u>
Total local street improvement fund balance	<u>786,458</u>
Fund balance over apportionment	<u>\$ 608,888</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$17,640,373</u>	<u>15,503,370</u>	<u>1.14</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 247,546
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 217,840</u>

10. For the cities and County of San Diego only, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. Reported the excess (deficit) of discretionary expenditures over the MOE base which is equal to the amount of discretionary funds expended for the Local Street Improvement program less the MOE base amount.
 - d. Reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$249,164
Less MOE base year requirement	<u>(247,546)</u>
Excess MOE for fiscal year ended June 30, 2012	\$ <u>1,618</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedure.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented any prior year findings and recommendations and determined whether they were adequately addressed.

Results: The City had one prior year finding in that its *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2012, this finding has not yet been resolved. See Finding Number 1 in the Findings and Recommendations section of this report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written response to the recommendation identified in the procedures performed is described in the accompanying Findings and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 29, 2013

CITY OF IMPERIAL BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2012

(1) **Need to Use Remaining Balance Before Requesting Future Funding**

As of June 30, 2012, the ending fund balance of the *TransNet* funds of the City of Imperial Beach (City), which includes total Local Streets and Roads and Local Street Improvements, was \$786,458, which exceeded 30% of its annual apportionment.

Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance of the City certifies compliance with this Rule.

Management Response

The City of Imperial Beach plans to exhaust the existing cash balance in Fiscal Year 2012-13, in order to come into compliance with Board Policy 031, Rule #17.

CITY OF IMPERIAL BEACH, CALIFORNIA

TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2010	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
IB12	Major Street Improvements	\$ 758,050	\$ 239,685	\$ 7,005	\$ (116,700)	\$ -	\$ 888,040	
	Total Congestion Relief	758,050	239,685	7,005	(116,700)	-	888,040	
Maintenance:								
IB02	Street Maintenance - Operations	(218,282)	289,000	-	(172,300)	-	(101,582)	(a)
	Total Maintenance	(218,282)	289,000	-	(172,300)	-	(101,582)	
	Total <i>TransNet</i> Extension	\$ 539,768	\$ 528,685	\$ 7,005	\$ (289,000)	\$ -	\$ 786,458	
	GASB 31 Fair Market Value Adjustment	292	-	-	-	-	292	
	Total after GASB 31 Adjustment	\$ 540,060	\$ 528,685	\$ 7,005	\$ (289,000)	\$ -	\$ 786,750	

Notes:

(a) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), no additional funding will be requested until the City is in compliance.

CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

<u>MPO ID</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2012</u>
<i>TransNet</i> Extension:						
Local Street Improvements:						
Congestion Relief:						
IB12	Major Street Improvements	\$ 1,671,979	\$ 17,755	\$ (1,355,930)	\$ 554,236	\$ 888,040
	Total Congestion Relief	<u>1,671,979</u>	<u>17,755</u>	<u>(1,355,930)</u>	<u>554,236</u>	<u>888,040</u>
Maintenance:						
IB02	Street Maintenance - Operations	<u>715,945</u>	<u>-</u>	<u>(817,527)</u>	<u>-</u>	<u>(101,582)</u>
	Total Maintenance	<u>715,945</u>	<u>-</u>	<u>(817,527)</u>	<u>-</u>	<u>(101,582)</u>
	GASB 31 market value adjustment	<u>-</u>	<u>-</u>	<u>292</u>	<u>-</u>	<u>292</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 2,387,924</u>	<u>\$ 17,755</u>	<u>\$ (2,173,165)</u>	<u>\$ 554,236</u>	<u>\$ 786,750</u>

CITY OF IMPERIAL BEACH, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 4,000	\$ 163	\$ -	\$ -	\$ 4,163	\$ 4,142
For Fiscal Year ended June 30, 2010	June 30, 2017	8,160	112	-	-	8,272	8,231
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>10,615</u>	<u>52</u>	<u>-</u>	<u>-</u>	<u>10,667</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 22,775</u>	<u>\$ 327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,102</u>	<u>\$ 12,373</u>

CITY OF LA MESA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of La Mesa, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved Regional Transportation Improvement Program (RTIP).

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$3,925,852. We selected \$2,159,854 (55.02%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: No exceptions were noted as a result of our procedures.

Fiscal year 2012 apportionment		\$ 1,252,394
Less: debt service payment		<u>(36,325)</u>
Net estimated apportionment		1,216,069
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		364,821
Less:		
Local streets and roads fund balance	49,231	
Local Street Improvement		
– Congestion Relief fund balance	(1,805,117)	
– Maintenance fund balance	<u>(317,843)</u>	
Total local street improvement fund balance		<u>(2,073,729)</u>
Fund balance over apportionment		<u>\$ 2,438,550</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	Balance July 1, 2011	Additions	Principal Payments	Balance June 30, 2012	Interest Payments
Commercial Paper	\$ -	\$921,000	\$(30,700)	\$890,300	\$5,625

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$35,103,512</u>	<u>34,012,424</u>	<u>1.03</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 1,738,723
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 1,530,076</u>

10. For the cities and County of San Diego only, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. Reported the excess (deficit) of discretionary expenditures over the MOE base which is equal to the amount of discretionary funds expended for the Local Street Improvement program less the MOE base amount.
- d. Reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$3,140,439
Less MOE base year requirement	<u>(1,738,723)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$1,401,716</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented any prior year findings and recommendations and determined whether they were adequately addressed.

Results: The City had one prior year finding in that the City's schedule A included projects that had been completed in FY 2010. The City has taken action to transfer the remaining balances to the *TransNet*-eligible projects within the same program or related programs.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P.C.

Irvine, California
March 29, 2013

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Local Streets and Roads:									
LAM05	302052TR	Traffic Signal Improvement 05	\$ 22,615	\$ -	\$ -	\$ -	\$ (22,615)	\$ -	(a)
LAM09	302041TR	Curb, Gutter, Sidewalk Replacement 04	3,811	-	-	-	(3,811)	-	(a)
LAM10	302046TR	Street Surfacing 04	48,280	-	-	-	(48,280)	-	(a)
LAM10	302054TR	Street Surfacing 05	2,635	-	-	-	(2,635)	-	(a)
Total LAM10 Projects			50,915	-	-	-	(50,915)	-	
LAM11	302036TR	Jackson and La Mesa Blvd St Light Utility	2,935	-	-	-	(2,935)	-	(b)
LAM11	302057TR	Street Lights - Overhead Undergrounding	16,511	-	-	(6,750)	2,935	12,696	(b)
Total LAM11 Projects			19,446	-	-	(6,750)	-	12,696	
LAM12	302035TR	Pavement Management System - Update	328	-	-	-	(328)	-	(a)
LAM12	302056TR	Pavement Management Program 05	16,758	-	-	-	(16,758)	-	(a)
Total LAM12 Projects			17,086	-	-	-	(17,086)	-	
LAM13	302042TR	S/W Pedestrian Ramp Inventory	54,205	-	-	-	(54,205)	-	(a)
LAM14	302045TR	Traffic Calming Program	201	-	-	-	(201)	-	(a)
LAM14	302053TR	Traffic Calming Program 05	644	-	-	-	(644)	-	(a)
Total LAM14 Projects			845	-	-	-	(845)	-	
Subtotal Local Streets and Roads			168,923	-	-	(6,750)	(149,477)	12,696	

SCHEDULE A

CITY OF LA MESA, CALIFORNIA
 TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 168,923	\$ -	\$ -	\$ (6,750)	\$ (149,477)	\$ 12,696	
LAM17	302061TR	Street Surfacing 06	84,969	-	-	-	(84,969)	-	(a)
LAM19	302062TR	Pavement Management Program 06	1,115	-	-	-	(1,115)	-	(a)
LAM20	302074TR	Curb, Gutter, S/W RPL 07	4,218	-	-	(600)	-	3,618	
LAM21	302064TR	Street Lights - Overhead Undergrounding 06	69,305	-	-	(36,388)	-	32,917	
		Total Local Streets and Roads	328,530	-	-	(43,738)	(235,561)	49,231	
		Total TransNet	\$ 328,530	\$ -	\$ -	\$ (43,738)	\$ (235,561)	\$ 49,231	
		TransNet Extension:							
		Local Street Improvements:							
		Congestion Relief:							
LAM17	302072TR	Street Surfacing 07	\$ -	\$ 4,328	\$ -	\$ (4,328)	\$ -	\$ -	
LAM17	302081TR	Street Surfacing 08	-	231,771	-	(231,771)	-	-	
LAM17	302100TR	Street Reconstruction 10	-	87,262	-	(87,262)	-	-	
LAM17	302110TR	Street Reconstruction 11	35,222	168,306	-	(497,724)	-	(294,196)	(c)
LAM17	302120TR	Street Reconstruction 12	-	-	-	(20,275)	-	(20,275)	(c)
LAM17	302091TR	Commercial - Paper St Resurfacing	67,062	921,000	-	(2,375,624)	-	(1,387,562)	(c)
		Total LAM17 Projects	102,284	1,412,667	-	(3,216,984)	-	(1,702,033)	
LAM21	302094TR	St Lights - Overhead Util Underground 09	18,337	20,000	-	(154)	-	38,183	
LAM22	302065TR	Traffic Signal Improvement 06	(4,985)	7,555	-	(2,570)	-	-	
LAM22	302076TR	Traffic Signal Improvement 07	(29,896)	59,112	-	(111,020)	81,804	-	(f)
LAM22	302085TR	Traffic Signal Improvement 08	(5,214)	-	-	(87,373)	92,587	-	(f)
LAM22	302114TR	Traffic Signal Upgrades 11	-	-	-	(3,708)	3,708	-	(f)
		Total LAM22 Projects	(40,095)	66,667	-	(204,671)	178,099	-	
		Subtotal Local Streets and Roads	80,526	1,499,334	-	(3,421,809)	178,099	(1,663,850)	

SCHEDULE A

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status	Funds	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
		Balance Carried Forward	\$ 80,526	\$ 1,499,334	\$ -	\$ (3,421,809)	\$ 178,099	\$ (1,663,850)	
LAM24	304090TR	Roadway Drainage Improvements 09	172,202	-	-	(2,353)	(169,849)	-	(f)
LAM24	304100TR	Roadway Drainage Improvements 10	(299,216)	299,996	-	(780)	-	-	
LAM24	304110TR	Roadway Drainage Improvements 11	(42,800)	100,004	-	(246,890)	189,686	-	(f)
LAM24	304120TR	Roadway Drainage Improvements 12	-	-	-	(49,422)	49,422	-	(f)
LAM24	304080TR	Storm Drain Assessment & Replacement 08	(53,253)	-	-	-	53,253	-	(f)
		Total LAM24 Projects	(223,067)	400,000	-	(299,445)	122,512	-	
LAM37	302133TR	Traffic Signal Upgrades 13	-	-	-	-	22,615	22,615	(d)
LAM37	302076TR	Traffic Signal Improvement 07	-	-	-	-	(81,804)	(81,804)	(f)
LAM37	302085TR	Traffic Signal Improvement 08	-	-	-	-	(92,587)	(92,587)	(f)
LAM37	302114TR	Traffic Signal Upgrades 11	-	-	-	-	(3,708)	(3,708)	(f)
		Total LAM37 Projects	-	-	-	-	(155,484)	(155,484)	(c)
LAM39	302135TR	Traffic Calming 13	-	-	-	-	845	845	(d)
LAM40	302130TR	Street Construction 13	-	-	-	-	135,884	135,884	(d)
LAM44	304090TR	Roadway Drainage Improvements 09	-	-	-	-	169,849	169,849	(f)
LAM44	304110TR	Roadway Drainage Improvements 11	-	-	-	-	(189,686)	(189,686)	(f)
LAM44	304120TR	Roadway Drainage Improvements 12	-	-	-	-	(49,422)	(49,422)	(f)
LAM44	304080TR	Storm Drain Assessment & Replacement 08	-	-	-	-	(53,253)	(53,253)	(f)
		Total LAM44 Projects	-	-	-	-	(122,512)	(122,512)	(c)
		Commercial Paper Debt Service	-	36,325	-	(36,325)	-	-	
		Total Congestion Relief	(142,541)	1,935,659	-	(3,757,579)	159,344	(1,805,117)	

SCHEDULE A

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Maintenance:									
LAM18	General Fund	Street Maintenance	\$ (458,281)	\$ 300,000	\$ -	\$ -	\$ 158,281	\$ -	(f)
		Subtotal Maintenance	<u>(458,281)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>158,281</u>	<u>-</u>	
LAM19	302073TR	Pavement Management Program 07	(13,717)	10,000	-	-	3,717	-	(f)
LAM19	302082TR	Pavement Management Program 08	(25,000)	-	-	-	25,000	-	(f)
LAM19	302092TR	Update Pavement Management Prgm 09	(1,664)	-	-	-	1,664	-	(f)
LAM19	302101TR	Pavement Management Program 10	-	-	-	(2,958)	2,958	-	(f)
		Total LAM 19 Projects	<u>(40,381)</u>	<u>10,000</u>	<u>-</u>	<u>(2,958)</u>	<u>33,339</u>	<u>-</u>	
LAM20	302083TR	Curb, Gutter, S/W RPL 08	(100,000)	100,000	-	-	-	-	
LAM20	302093TR	Curb, Gutter, S/W RPL 09	(1,379)	2,652	-	(1,273)	-	-	
LAM20	302102TR	Curb, Gutter, S/W RPL 10	(74,338)	64,015	-	-	10,323	-	(f)
LAM20	302112TR	Curb, Gutter, S/W RPL 11	(85,923)	-	-	(8,914)	94,837	-	(f)
LAM20	302122TR	Curb, Gutter, Sidewalk 12	-	-	-	(55,273)	55,273	-	(f)
LAM20	302132TR	Curb, Gutter, Sidewalk 13	-	-	-	(287)	287	-	(f)
		Total LAM 20 Projects	<u>(261,640)</u>	<u>166,667</u>	<u>-</u>	<u>(65,747)</u>	<u>160,720</u>	<u>-</u>	
LAM23	302104TR	Install Pedestrian Ramps 10	(25,689)	29,159	-	(3,470)	-	-	
LAM23	302115TR	Install Pedestrian Ramps 11	(50,000)	50,000	-	-	-	-	
LAM23	302080TR	Install Pedestrian Ramps 08	(44,943)	4,174	-	-	40,769	-	(f)
LAM23	302124TR	Install Pedestrian Ramps 12	-	-	-	(50,000)	50,000	-	(f)
		Total LAM 23 Projects	<u>(120,632)</u>	<u>83,333</u>	<u>-</u>	<u>(53,470)</u>	<u>90,769</u>	<u>-</u>	
		Subtotal Maintenance	<u>(880,934)</u>	<u>560,000</u>	<u>-</u>	<u>(122,175)</u>	<u>443,109</u>	<u>-</u>	

SCHEDULE A

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status	Funds	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ (880,934)	\$ 560,000	\$ -	\$ (122,175)	\$ 443,109	\$ -	
LAM25	302077TR	Traffic Calming Program 07	(9,890)	9,890	-	(2,360)	2,360	-	(f)
LAM25	302086TR	Traffic Calming Program 08	(11,621)	11,621	-	-	-	-	
LAM25	302096TR	Traffic Calming Program 09	22,920	28,489	-	-	(51,409)	-	(f)
		Total LAM 25 Projects	1,409	50,000	-	(2,360)	(49,049)	-	
LAM31	General Fund	Street Maintenance	-	-	-	-	(158,281)	(158,281)	(f)
LAM32	302131TR	Pavement Management 13	-	-	-	-	18,201	18,201	(d)
LAM32	302073TR	Pavement Management Program 07	-	-	-	-	(3,717)	(3,717)	(f)
LAM32	302082TR	Pavement Management Program 08	-	-	-	-	(25,000)	(25,000)	(f)
LAM32	302092TR	Update Pavement Management Prgm 09	-	-	-	-	(1,664)	(1,664)	(f)
LAM32	302101TR	Pavement Management Program 10	-	-	-	-	(2,958)	(2,958)	(f)
		Total LAM 32 Projects	-	-	-	-	(15,138)	(15,138)	(c)
LAM33	302132TR	Curb and Gutter, Sidewalk and Ped Ramps 13	-	-	-	-	57,729	57,729	(d),(f)
LAM33	302102TR	Curb, Gutter, S/W RPL 10	-	-	-	-	(10,323)	(10,323)	(f)
LAM33	302112TR	Curb, Gutter, S/W RPL 11	-	-	-	-	(94,837)	(94,837)	(f)
LAM33	302122TR	Curb, Gutter, Sidewalk 12	-	-	-	-	(55,273)	(55,273)	(f)
LAM33	302080TR	Install Pedestrian Ramps 08	-	-	-	-	(40,769)	(40,769)	(f)
LAM33	302124TR	Install Pedestrian Ramps 12	-	-	-	-	(50,000)	(50,000)	(f)
		Total LAM 31 Projects	-	-	-	-	(193,473)	(193,473)	(c)
LAM39	302077TR	Traffic Calming Program 07	-	-	-	-	(2,360)	(2,360)	(f)
LAM39	302096TR	Traffic Calming Program 09	-	-	-	-	51,409	51,409	(f)
		Total LAM 39 Projects	-	-	-	-	49,049	49,049	
		Total Maintenance	(879,525)	610,000	-	(124,535)	76,217	(317,843)	
		Total Local Street Improvements	(1,022,066)	2,545,659	-	(3,882,114)	235,561	(2,122,960)	

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Bikes and Pedestrians:									
LAM 29	1223012	Spring St. Trolley Ped Acc Imp	-	88,000	-	-	-	88,000	
LAM 29	1223013	La Mesa/El Cajon Blvd Ped Imp	-	361,000	-	-	-	361,000	
Total Bikes and Pedestrians			-	449,000	-	-	-	449,000	
Senior Mini-Grants:									
LAM 27	1270400	La Mesa Rides4Neighbors	-	75,910	-	-	-	75,910	
Total Senior Mini-Grants			-	75,910	-	-	-	75,910	
Total <i>TransNet</i> Extension			\$ (1,022,066)	\$ 3,070,569	\$ -	\$ (3,882,114)	\$ 235,561	\$ (1,598,050)	
Total <i>TransNet</i> and <i>TransNet</i> Extension			\$ (693,536)	\$ 3,070,569	\$ -	\$ (3,925,852)	\$ -	\$ (1,548,819)	

Notes:

- (a) Projects have been completed and will be closed. Ending balances have been moved to other projects per City Council Resolution 2012-044, resolution adopting the FY12-13 amended budget.
- (b) Moving ending balance to other CIP number with MPO, LAM11.
- (c) Funding will be requested in FY12-13.
- (d) Transfer from closed projects (see footnote "a").
- (e) Positive interest was not earned in FY 11-12. This was due to carryover funds not being programmed in the RTIP. The problem has since been corrected and the City expects to have a positive cash flow for FY 12-13.
- (f) Project numbers within the City's record keeping system have been moved from old MPO ID's (LAM numbers) to new ones. The LAM numbers are different but the scope of the projects are the same.
 LAM22 TO LAM37
 LAM24 TO LAM44
 LAM19 TO LAM32
 LAM20 TO LAM33
 LAM23 TO LAM33
 LAM25 TO LAM39
 LAM18 TO LAM31

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
LAM17	302072TR	Street Surfacing 07	\$ 143,967	\$ -	\$ (143,967)	\$ -	\$ -
LAM17	302081TR	Street Surfacing 08	250,230	-	(250,230)	-	-
LAM17	302100TR	Street Reconstruction 10	99,999	-	(99,999)	-	-
LAM17	302110TR	Street Reconstruction 11	205,804	-	(500,000)	-	(294,196)
LAM17	302120TR	Street Reconstruction 12	-	-	(20,275)	-	(20,275)
LAM17	302091TR	Commercial - Paper St Resurfacing	987,664	-	(2,375,226)	-	(1,387,562)
		Total LAM17 Projects	1,687,664	-	(3,389,697)	-	(1,702,033)
LAM21	302094TR	St Lights - Overhead Util Underground 09	38,337	-	(154)	-	38,183
LAM22	302065TR	Traffic Signal Improvement 06	7,555	-	(7,555)	-	-
LAM22	302076TR	Traffic Signal Improvement 07	92,445	-	(174,249)	81,804	-
LAM22	302085TR	Traffic Signal Improvement 08	-	-	(92,587)	92,587	-
LAM22	302114TR	Traffic Signal Upgrades 11	-	-	(3,708)	3,708	-
		Total LAM22 Projects	100,000	-	(278,099)	178,099	-
LAM24	304040TR	Roadway Drainage Improvements 09	503,332	-	(333,483)	(169,849)	-
LAM24	304080TR	Roadway Drainage Improvements 10	299,996	-	(299,996)	-	-
LAM24	304110TR	Roadway Drainage Improvements 11	100,004	-	(289,690)	189,686	-
LAM24	304120TR	Roadway Drainage Improvements 12	-	-	(49,422)	49,422	-
LAM24	304080TR	Storm Drain Assessment & Replacement 08	-	-	(51,123)	51,123	-
		Total LAM24 Projects	903,332	-	(1,023,714)	120,382	-
		Subtotal Congestion Relief	2,729,333	-	(4,691,664)	298,481	(1,663,850)

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 2,729,333	\$ -	\$ (4,691,664)	\$ 298,481	\$ (1,663,850)
LAM37	302133TR	Traffic Signal Upgrades 13	-	-	-	22,615	22,615
LAM37	302076TR	Traffic Signal Improvement 07	-	-	-	(81,804)	(81,804)
LAM37	302085TR	Traffic Signal Improvement 08	-	-	-	(92,587)	(92,587)
LAM37	302114TR	Traffic Signal Upgrades 11	-	-	-	(3,708)	(3,708)
		Total LAM 37 Projects	-	-	-	(155,484)	(155,484)
LAM39	302135TR	Traffic Calming 13	-	-	-	845	845
LAM40	302130TR	Street Construction 13	-	-	-	135,884	135,884
LAM44	304090TR	Roadway Drainage Improvements 09	-	-	-	169,849	169,849
LAM44	304110TR	Roadway Drainage Improvements 11	-	-	-	(189,686)	(189,686)
LAM44	304120TR	Roadway Drainage Improvements 12	-	-	-	(49,422)	(49,422)
LAM44	304080TR	Storm Drain Assessment & Replacement 08	-	-	-	(53,253)	(53,253)
		Total LAM 44 Projects	-	-	-	(122,512)	(122,512)
		Commercial Paper Debt Service	36,325	-	(36,325)	-	-
		Total Congestion Relief	2,765,658	-	(4,727,989)	157,214	(1,805,117)
		Maintenance:					
LAM18	General Fund	Street Maintenance (LSI)	113,328	-	(170,000)	56,672	-
LAM18	General Fund	Street Maintenance	300,000	-	(401,609)	101,609	-
		Total LAM 19 Projects	413,328	-	(571,609)	158,281	-
		Subtotal Maintenance	413,328	-	(571,609)	158,281	-

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 413,328	\$ -	\$ (571,609)	\$ 158,281	\$ -
LAM19	302073TR	Pavement Management Program 07	10,000	-	(13,717)	3,717	-
LAM19	302082TR	Pavement Management Program 08	-	-	(25,000)	25,000	-
LAM19	302092TR	Update Pavement Management Prgm 09	3,336	-	(5,000)	1,664	-
LAM19	302101TR	Pavement Management Program 10	-	-	(2,958)	2,958	-
		Total LAM 19 Projects	13,336	-	(46,675)	33,339	-
LAM20	302083TR	Curb, Gutter, S/W RPL 08	100,000	-	(100,000)	-	-
LAM20	302093TR	Curb, Gutter, S/W RPL 09	99,999	-	(99,999)	-	-
LAM20	302102TR	Curb, Gutter, S/W RPL 10	114,588	-	(124,911)	10,323	-
LAM20	302112TR	Curb, Gutter, S/W RPL 11	-	-	(94,837)	94,837	-
LAM20	302122TR	Curb, Gutter, Sidewalks 12	-	-	(55,273)	55,273	-
LAM20	302132TR	Curb, Gutter, Sidewalks 13	-	-	(287)	287	-
		Total LAM 20 Projects	314,587	-	(475,307)	160,720	-
LAM23	302080TR	Install Pedestrian Ramps 08	4,174	-	(44,943)	40,769	-
LAM23	302090TR	Install Pedestrian Ramps 09	50,000	-	(50,000)	-	-
LAM23	302104TR	Install Pedestrian Ramps 10	49,998	-	(49,998)	-	-
LAM23	302115TR	Install Pedestrian Ramps 11	50,000	-	(50,000)	-	-
LAM23	302124TR	Install Pedestrian Ramps 12	-	-	(50,000)	50,000	-
		Total LAM 23 Projects	154,172	-	(244,941)	90,769	-
LAM25	302077TR	Traffic Calming Program 07	9,890	-	(9,890)	-	-
LAM25	302086TR	Traffic Calming Program 08	11,621	-	(13,981)	2,360	-
LAM25	302096TR	Traffic Calming Program 09	51,409	-	-	(51,409)	-
		Total LAM 25 Projects	72,920	-	(23,871)	(49,049)	-
		Subtotal Maintenance	968,343	-	(1,362,403)	394,060	-

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 968,343	\$ -	\$ (1,362,403)	\$ 394,060	\$ -
LAM31	General Fund	Street Maintenance	-	-	-	(158,281)	(158,281)
LAM32	302131TR	Pavement Management 13	-	-	-	18,201	18,201
LAM32	302073TR	Pavement Management Program 07	-	-	-	(3,717)	(3,717)
LAM32	302082TR	Pavement Management Program 08	-	-	-	(25,000)	(25,000)
LAM32	302092TR	Update Pavement Management Prgm 09	-	-	-	(1,664)	(1,664)
LAM32	302101TR	Pavement Management Program 10	-	-	-	(2,958)	(2,958)
		Total LAM 32 Projects	-	-	-	(15,138)	(15,138)
LAM33	302132TR	Curb and Gutter, SW and Ped Ramps 13	-	-	-	57,729	57,729
LAM33	302102TR	Curb, Gutter, S/W RPL 10	-	-	-	(10,323)	(10,323)
LAM33	302112TR	Curb, Gutter, S/W RPL 11	-	-	-	(94,837)	(94,837)
LAM33	302122TR	Curb, Gutter, Sidewalks 12	-	-	-	(55,273)	(55,273)
LAM33	302080TR	Install Pedestrian Ramps 08	-	-	-	(40,769)	(40,769)
LAM33	302124TR	Install Pedestrian Ramps 12	-	-	-	(50,000)	(50,000)
		Total LAM 33 Projects	-	-	-	(193,473)	(193,473)
LAM39	302086TR	Traffic Calming Program 07	-	-	-	(2,360)	(2,360)
LAM39	302096TR	Traffic Calming Program 09	-	-	-	51,409	51,409
		Total LAM 39 Projects	-	-	-	49,049	49,049
		Total Maintenance	968,343	-	(1,362,403)	76,217	(317,843)
		Total Local Street Improvements	3,734,001	-	(6,090,392)	233,431	(2,122,960)

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
Bikes and Pedestrians:							
LAM 29	1223012	Spring St. Trolley Ped Acc Imp	88,000	-	-	-	88,000
LAM 29	1223013	La Mesa/El Cajon Blvd Ped Imp	361,000	-	-	-	361,000
Total Bikes and Pedestrians			<u>449,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,000</u>
Senior Mini-Grants:							
LAM 27	1270400	La Mesa Rides4Neighbors	75,910	-	-	-	75,910
Total Senior Mini-Grants			<u>75,910</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,910</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 4,258,911</u>	<u>\$ -</u>	<u>\$ (6,090,392)</u>	<u>\$ 233,431</u>	<u>\$ (1,598,050)</u>

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 2,020	\$ -	\$ -	\$ -	\$ 2,020	\$ 2,020
For Fiscal Year ended June 30, 2010	June 30, 2017	-	-	-	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	35,774	-	-	-	35,774	-
Total RTCIP Funds		<u>\$ 37,794</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,794</u>	<u>\$ 2,020</u>

CITY OF LEMON GROVE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Lemon Grove, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved Regional Transportation Improvement Program (RTIP).

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger

and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$289,874. We selected \$210,573 (72.64%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: This procedure is not applicable as there were no completed projects as of June 30, 2012.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: This procedure is not applicable as there were no completed projects as of June 30, 2012.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent

year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance was under the apportionment is as follows:

Fiscal year 2012 apportionment	\$ 579,402
Less: debt service payment	<u>-</u>
Net estimated apportionment	579,402
30% base	<u>30%</u>
Fiscal year 2012 30% threshold	173,821
Less:	
Local Street Improvement	
– Congestion Relief fund balance	(88,392)
– Maintenance fund balance	<u>(183,492)</u>
Total local street improvement fund balance	<u>(271,884)</u>
Fund balance under apportionment	<u>\$ 445,705</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$9,825,078</u>	<u>10,458,850</u>	<u>0.94</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 167,474
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 147,377</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 386,339
Less MOE base year requirement	<u>(167,474)</u>
Excess MOE for the year ended June 30, 2012	<u>\$ 218,865</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- 13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

- 14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P.C.

Irvine, California
March 29, 2013

CITY OF LEMON GROVE, CALIFORNIA

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
LG16	8403	Storm Drain Rehabilitation - Congestion Relief	\$ 35,195	\$ 19,461	\$ -	\$ (14,923)	\$ (36,667)	\$ 3,066	(a)
LG18	8500	Traffic Improvements - Congestion Relief	15,865	-	-	-	(15,865)	-	(a)
LG20	8200/8308	Street Improvements - Congestion Relief	(232,202)	221,007	-	(91,458)	11,195	(91,458)	(a)(b)
Total Congestion Relief			(181,142)	240,468	-	(106,381)	(41,337)	(88,392)	
Maintenance:									
LG14	8510	Traffic Improvements - Preventive Maintenance	(7,997)	7,997	-	(87,682)	-	(87,682)	(b)
LG15	8400	Storm Drain Rehabilitation - Preventive Maintenance	(10,609)	7,823	-	(71,514)	2,787	(71,513)	(a)(b)
LG17	8034	Street Improvements - Preventive Maintenance	(45,210)	6,660	-	(24,297)	38,550	(24,297)	(a)(b)
Total Maintenance			(63,816)	22,480	-	(183,493)	41,337	(183,492)	
Total Local Street Improvements			(244,958)	262,948	-	(289,874)	-	(271,884)	
Interest Income			-	-	11	-	-	11	
Total <i>TransNet</i> Extension			\$ (244,958)	\$ 262,948	\$ 11	\$ (289,874)	\$ -	\$ (271,873)	

Notes:

- (a) In reviewing the prior year balances, staff determined internal adjustments should be made, due to expenditures being applied to the wrong projects. The result is that the ending negative balances reflect outstanding reimbursement requests at 6/30/12, except for LG 16. The positive balance in LG 16, Storm Drain Rehabilitation - Congestion Relief will be expended in FY 12-13.
- (b) The City expects to receive reimbursement from SANDAG in FY 12-13 for funds expended in FY 11-12

CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
LG16	Storm Drain Rehabilitation - Congestion Relief	\$ 161,857	\$ 2,858	\$ (124,982)	\$ (36,667)	\$ 3,066
LG18	Traffic Improvements - Congestion Relief	43,616	308	(28,059)	(15,865)	-
LG20	Street Improvements - Congestion Relief	221,007	-	(318,134)	5,669	(91,458)
	Total Congestion Relief	<u>426,480</u>	<u>3,166</u>	<u>(471,175)</u>	<u>(46,863)</u>	<u>(88,392)</u>
Maintenance:						
LG14	Traffic Improvements - Preventative Maintenance	29,081	-	(205,096)	88,333	(87,682)
LG15	Storm Drain Rehabilitation - Preventative Maintenance	17,823	60	(92,183)	2,787	(71,513)
LG17	Street Improvements - Preventative Maintenance	21,660	49	(94,499)	48,493	(24,297)
	Total Maintenance	<u>68,564</u>	<u>109</u>	<u>(391,778)</u>	<u>139,613</u>	<u>(183,492)</u>
Completed Projects						
Local Street Improvements:						
Congestion Relief:						
		<u>\$ 64,000</u>	<u>\$ 12,196</u>	<u>\$ (169,774)</u>	<u>\$ 93,578</u>	<u>\$ -</u>
Interest Income		<u>-</u>	<u>11</u>	<u>-</u>	<u>-</u>	<u>11</u>
	Total Cumulative TransNet Extension	<u>\$ 559,044</u>	<u>\$ 15,482</u>	<u>\$ (1,032,727)</u>	<u>\$ 186,328</u>	<u>\$ (271,873)</u>

CITY OF LEMON GROVE CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 8,000	\$ 220	\$ -	\$ 50	\$ 8,270	\$ 8,190
For Fiscal Year ended June 30, 2010	June 30, 2017	4,080	41	-	25	4,146	4,106
For Fiscal Year ended June 30, 2011	June 30, 2018	8,324	82	-	51	8,457	8,375
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>6,369</u>	<u>23</u>	<u>-</u>	<u>-</u>	<u>6,392</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 26,773</u>	<u>\$ 366</u>	<u>\$ -</u>	<u>\$ 126</u>	<u>\$ 27,265</u>	<u>\$ 20,671</u>

CITY OF NATIONAL CITY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet Fund*

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of National City, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of or procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

iii.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded expenditures in the amount of \$246,333, excluding debt service. The City reported total expenditures on Schedule A of \$629,871 which included \$383,838 Debt Service payments relating to the 2010 Series A Bonds. We selected \$383,538 (100%) of the expenditures relating to the 2010 Series A Bonds for testing. Of the remaining 39% of expenditures reported on Schedule A, we selected \$112,233 (45.56%) for testing. The amount of expenditures reported on Schedule A that were tested was \$495,771 (78.71%).

Results: No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 26.3% of salaries and benefits. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance over the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment		\$1,104,129
Less: debt service payment		<u>(383,538)</u>
Net estimated apportionment		720,591
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		216,177
Less:		
Local streets and roads fund balance	962,695	
Local street improvement		
– Congestion relief fund balance	<u>1,227,542</u>	
Total local streets and roads and local street improvement fund balance		<u>2,190,237</u>
Fund balance over apportionment		\$ <u>1,974,060</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	<u>Balance July 1, 2011</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2012</u>	<u>Interest Payments</u>
2010 Series A	\$2,787,337	0	(277,111)	2,510,226	(106,427)

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
- a. Obtain the Construction Cost Index for June 30, from SANDAG.

- i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
- ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 38,237,212</u>	<u>36,188,860</u>	<u>1.06</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$1,658,957
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 1,459,882</u>

10. For the cities and the County of San Diego, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$2,920,968
Less MOE base year requirement	<u>(1,658,957)</u>
Excess MOE for the year ended June 30, 2012	<u>\$1,262,011</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
 - i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.
 - v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

15. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable, as National City did not have any prior year findings.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City’s response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written responses to the recommendations identified in the procedures performed is described in the accompanying Finding and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Maya Hoffman McLann P.C.

Irvine, California
April 30, 2013

CITY OF NATIONAL CITY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2012

(1) **Need to Use Remaining Balance Before Requesting Future Funding**

As of June 30, 2012, the ending fund balance of the *TransNet* fund of the City was \$2,190,237, which exceeded 30% of its annual apportionment. Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.”

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance of the City certifies compliance with this Rule.

Management Response

The City is planning to initiate work on the various projects funded by *TransNet* during Fiscal Year 2013.

CITY OF NATIONAL CITY, CALIFORNIA

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Local Streets and Roads:									
NC 01	6569	Plaza Blvd. Widening	\$ 693,540	\$ -	\$ 2,425	\$ (172,104)	\$ -	\$ 523,861	
NC 04	6558	Traffic Signal Install/Upgrade	443,810	-	1,552	(6,528)	-	438,834	
Total Local Streets and Roads			1,137,350	-	3,977	(178,632)	-	962,695	
Total TransNet			\$ 1,137,350	\$ -	\$ 3,977	\$ (178,632)	\$ -	\$ 962,695	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
NC 01	6569	Plaza Blvd. Widening	\$ -	\$ 539,364	\$ 1,886	\$ -	\$ -	\$ 541,250	
NC 03	6035	Street Resurfacing Project	(1,228,147)	351,954	-	(61,876)	-	(938,069)	(a)
NC 04	6558	Traffic Signal Install/Upgrade	202,195	719,682	3,224	(5,075)	-	920,026	
NC 14	6181	4th Street Community Corridor Tax	-	202,627	709	-	-	203,336	
NC 15	6166	Citywide Safe Routes to School Tax	-	500,000	1,749	(750)	-	500,999	
		Commercial Paper Debt Service	-	-	-	-	-	-	
		2010 Series A Bonds Debt Service	-	383,538	-	(383,538)	-	-	
Total Congestion Relief			(1,025,952)	2,697,165	7,568	(451,239)	-	1,227,542	
Bike and Pedestrian:									
NC 11	1013	Sweetwater River Bike Path	(686)	-	-	-	-	(686)	(b)
Total Bikes & Pedestrians			(686)	-	-	-	-	(686)	
Total TransNet Extension			\$ (1,026,638)	\$ 2,697,165	\$ 7,568	\$ (451,239)	\$ -	\$ 1,226,856	
Total TransNet and TransNet Extension			\$ 110,712	\$ 2,697,165	\$ 11,545	\$ (629,871)	\$ -	\$ 2,189,551	

Notes:

(a) As of the Fiscal Year ended June 30, 2012, the City was not in compliance with the SANDAG 30% Rule. Currently, activities related to projects NC03-6035 and NC04-6558 are underway. The City will ensure compliance with the SANDAG 30% Rule for the 2012-2013 fiscal year and will request funds once in compliance.

(b) This balance represents retention withheld by SANDAG. Funds were requested in FY 2012. Funds have not been received from SANDAG.

CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
NC 01	6569	Plaza Blvd Widening	\$ 539,364	\$ 1,886	\$ -	\$ -	541,250
NC 03	6035	Street Resurfacing Project	4,851,954	432	(5,790,455)	-	(938,069)
NC 04	6558	Traffic Signal Install/Upgrade	919,682	5,419	(5,075)	-	920,026
NC 14	6181	4th Street Community Corridor Tax	202,627	709	-	-	203,336
NC 15	6166	Citywide Safe Routes to School Tax	500,000	1,749	(750)	-	500,999
		Commercial Paper Debt Service	27,890	-	(27,890)	-	-
		2010 Series A Bonds Debt Service	746,094	-	(746,094)	-	-
		Total Congestion Relief	<u>7,248,247</u>	<u>8,309</u>	<u>(6,570,264)</u>	<u>-</u>	<u>1,227,542</u>
Bikes & Pedestrian							
NC 11	1013	Sweetwater River Bike Path	6,174	-	(6,860)	-	(686)
		Total Local Street Improvements	<u>7,254,421</u>	<u>8,309</u>	<u>(6,577,124)</u>	<u>-</u>	<u>1,226,856</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 7,254,421</u>	<u>\$ 8,309</u>	<u>\$ (6,577,124)</u>	<u>\$ -</u>	<u>\$ 1,226,856</u>

CITY OF NATIONAL CITY, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative				Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 16,000	\$ 207	\$ -	\$ -	\$ 16,207	\$ 16,126
For Fiscal Year ended June 30, 2010	June 30, 2017	359,560	4,653	-	-	364,213	362,390
For Fiscal Year ended June 30, 2011	June 30, 2018	39,699	514	-	-	40,213	40,012
For Fiscal Year ended June 30, 2012	June 30, 2019	152,903	769	-	-	153,672	-
Total RTCIP Funds		\$ 568,162	\$ 6,143	\$ -	\$ -	\$ 574,305	\$ 418,528

CITY OF OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Oceanside, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$4,713,084. We selected \$1,295,107 (27.48%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent

year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$3,826,862
Less: debt service payment		<u> -</u>
Net estimated apportionment		3,826,862
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		1,148,058
Less:		
Local streets and roads fund balance	1,548,657	
Local Street Improvement		
– Congestion Relief fund balance	1,461,063	
– Maintenance fund balance	<u>(2,039,129)</u>	
Total local streets and roads and local street improvement fund balance		<u> 970,591</u>
Fund balance under apportionment		\$ <u> 177,467</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$104,550,258</u>	<u>\$116,024,411</u>	<u>0.90</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 2,638,484
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 2,321,866</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement for the City.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City had an outstanding unmet MOE requirement for the year ending June 30, 2010 in the amount of \$1,310,184. In the City's response to the finding, the City had indicated that it would satisfy the unmet MOE over a three-year period. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 3,064,757
Less MOE base year requirement	<u>(2,638,484)</u>
Excess MOE for fiscal year ended June 30, 2012 ¹	<u>\$ 426,273</u>

¹ Calculation of remaining MOE deficit:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Additional MOE</u>	<u>MOE</u> <u>Deficit Balance</u>
2010	\$ -	\$(1,310,184)
2011	581,317	(728,867)
2012	426,273	(302,594)

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
 - i. We determined that the recipient agency is using the most current approved fee amount.

Results: This procedure is not applicable as the City did not have any exaction fees.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$279,559. We selected \$279,559 (100.00%) for testing. No exceptions were noted as a result of our procedures.
 - v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment

to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City’s response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City’s receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

CITY OF OCEANSIDE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

<u>MPO ID</u>	<u>Project Name</u>	<u>Project Status July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2012</u>	<u>Notes</u>
TransNet:								
Local Streets and Roads:								
O06	Melrose Dr. Extension	\$ 297,143	\$ -	\$ -	\$ -	\$ -	\$ 297,143	(a)
O14	No Coast Hwy Bridge Seismic Retro	729,025	-	-	(34,598)	-	694,427	
O14	Douglas Dr. Bridge Seismic Retro	592,651	-	-	(35,564)	-	557,087	
	Total O14 Projects	1,321,676	-	-	(70,162)	-	1,251,514	
	Total Local Streets and Roads	1,618,819	-	-	(70,162)	-	1,548,657	
	Total <i>TransNet</i>	<u>\$ 1,618,819</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (70,162)</u>	<u>\$ -</u>	<u>\$ 1,548,657</u>	
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
O17	Loma Alta Creek Detention Basins	\$ (46,498)	\$ 1,300,000	\$ -	\$ (405,633)	\$ -	\$ 847,869	
O23	College Bridge Widen @ SLR	17,723	-	-	-	-	17,723	(b)
	Subtotal Congestion Relief	(28,775)	1,300,000	-	(405,633)	-	865,592	

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
	Balance carried forward	\$ (28,775)	\$ 1,300,000	\$ -	\$ (405,633)	\$ -	\$ 865,592	
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
O24	Industry Street	(40,764)	40,764	-	-	-	-	(c)
O24	Street Restoration	(1,642,025)	2,459,236	-	-	-	817,211	
	Total O24 Projects	(1,682,789)	2,500,000	-	-	-	817,211	
O25	Adp Signal TMC Traffic Mgmt Ctr	(10,581)	400,000	-	(603,661)	-	(214,242)	(d)(f)
O26	SR76 Thru Lanes	8,557	-	-	(35,548)	-	(26,991)	(d)
O27	Coast Hwy Roundabout	19,493	-	-	-	-	19,493	(b)
	Total Congestion Relief	(1,694,095)	4,200,000	-	(1,044,842)	-	1,461,063	
Maintenance:								
O18	So Coast Hwy Tree Well	-	6,689	-	-	(6,689)	-	(e)
O18	So Coast & Vst Wy Imprv	-	11,340	-	-	(11,340)	-	(e)
	Subtotal Maintenance	-	18,029	-	-	(18,029)	-	
	Subtotal <i>TransNet</i>	(1,694,095)	4,218,029	-	(1,044,842)	(18,029)	1,461,063	

CITY OF OCEANSIDE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project	Funds	Interest	Project	City	Project	Notes
		Status	Received	Income	Expenditures	Adjustments	Status	
		July 1, 2011					June 30, 2012	
	Balance carried forward	\$ (1,694,095)	\$ 4,218,029	\$ -	\$ (1,044,842)	\$ (18,029)	\$ 1,461,063	
	Maintenance:							
O18	Cribwall @ Oblvd & ECR	(39,191)	43,356	-	-	4,165	8,330	(g)
O18	Gateway Corridor Improve/O'side	(13,556)	13,556	-	-	-	-	(c)
O18	Str Cavalier MHP Access	(202,700)	202,700	-	-	-	-	(c)
O18	RR Quiet Zone Assment Proj	(45,586)	72,279	-	-	(26,693)	-	(c)(g)
O18	Lucky St/McNeill	(129,608)	129,608	-	-	-	-	(c)
O18	Misc Sidewalks/ADA	514,767	-	-	(457,817)	-	56,950	
O18	Misc Traffic Markings	(59,365)	83,356	-	(49,135)	-	(25,144)	(f)
O18	Misc Street Projects	(1,269,152)	1,300,000	-	(1,133,286)	-	(1,102,438)	(f)
O18	Neighborhood Traffic Improvement	(277,089)	300,000	-	(64,608)	-	(41,697)	(f)
O18	Street Restoration	(56,512)	383,749	-	(1,555,532)	-	(1,228,295)	(f)
O18	Downtown Intersection	(134,628)	528,000	-	(82,284)	-	311,088	
O18	Sunburst/Maple/Kelton	(74,098)	74,098	-	-	-	-	(c)
O18	Surf Rider Storm Drain	(34,746)	34,746	-	-	-	-	(c)
O18	Senior Center Road Study	(30,357)	30,357	-	-	-	-	(c)
O18	Jeffries Ranch Rd Access Study	(75,667)	86,166	-	(10,499)	-	-	(c)
	Total O18 Projects	(1,927,488)	3,300,000	-	(3,353,161)	(40,557)	(2,021,206)	
O20	Oceanside Blvd Bus Stop ADA Upgd	20,418	-	-	(38,341)	-	(17,923)	(d)
	Total Maintenance	(1,907,070)	3,300,000	-	(3,391,502)	(40,557)	(2,039,129)	
	Total Local Street Improvements	(3,601,165)	7,500,000	-	(4,436,344)	(40,557)	(578,066)	

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
	Balance carried forward	<u>(3,601,165)</u>	<u>7,500,000</u>	-	<u>(4,436,344)</u>	<u>(40,557)</u>	<u>(578,066)</u>	
Senior Mini-Grant:								
O21	Senior Shuttle	(70,667)	58,914	-	(136,549)	-	(148,302)	(i)
O21	Senior Taxi	(7,785)	20,368	-	(36,384)	-	(23,801)	(i)
O21	Solutions for Seniors Volunteer Dr	<u>(26,939)</u>	<u>14,412</u>	-	<u>(33,645)</u>	-	<u>(46,172)</u>	(i)
	Total Senior Mini-Grant	<u>(105,391)</u>	<u>93,694</u>	-	<u>(206,578)</u>	-	<u>(218,275)</u>	
	Total <i>TransNet</i> Extension	<u>\$ (3,706,556)</u>	<u>\$ 7,593,694</u>	<u>\$ -</u>	<u>\$ (4,642,922)</u>	<u>\$ (40,557)</u>	<u>\$ (796,341)</u>	
	Interest Income	-	-	<u>39,299</u>	-	-	<u>39,299</u>	
	Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ (2,087,737)</u>	<u>\$ 7,593,694</u>	<u>\$ 39,299</u>	<u>\$ (4,713,084)</u>	<u>\$ (40,557)</u>	<u>\$ 791,615</u>	
	GASB 31 Market Value Adjustment	-	-	<u>6,490</u>	-	-	<u>6,490</u>	
	Total after GASB 31 Adjustment	<u>\$ (2,087,737)</u>	<u>\$ 7,593,694</u>	<u>\$ 45,789</u>	<u>\$ (4,713,084)</u>	<u>\$ (40,557)</u>	<u>\$ 798,105</u>	
Non-TransNet:								
O14	RR Quiet Zone Assmnt Pr	\$ (26,693)	\$ -	\$ -	\$ -	\$ 26,693	\$ -	(c)(g)
O18	So Coast Hwy Tree Well	(6,689)	-	-	-	6,689	-	(e)
O18	So Coast & Vst Wy Imprv	(11,340)	-	-	-	11,340	-	(e)
O18	Cribwall @ Oblvd & ECR	(39,191)	-	-	-	39,191	-	(e)
O18	College Vista Way	(17,394)	-	-	-	17,394	-	(e)
O22	College VW to Olive	<u>(263,986)</u>	-	-	-	<u>263,986</u>	-	(h)
	Total Non- <i>TransNet</i>	<u>\$ (365,293)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,293</u>	<u>\$ -</u>	
	Total <i>TransNet</i> , <i>TransNet</i> Extension and Non- <i>TransNet</i>	<u>\$ (2,453,030)</u>	<u>\$ 7,593,694</u>	<u>\$ 45,789</u>	<u>\$ (4,713,084)</u>	<u>\$ 324,736</u>	<u>\$ 798,105</u>	

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Name</u>	<u>Project Status</u> <u>July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status</u> <u>June 30, 2012</u>	<u>Notes</u>
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Notes:

- (a) The City is actively working on this project but has not charged expenditures in FY12.
- (b) The project is complete. The remaining balance was amended as "cash" to another project in RTIP Amendment and approved by Council on February 27, 2013.
- (c) The project is complete.
- (d) The City submitted a request in RTIP Amendment 5 on February 27, 2013, to allow a sufficient draw in FY14 to remove the deficit through SANDAG in FY13. Amendment was approved by Council on February 27, 2013.
- (e) The City had indicated in the prior (FY11) audit report that it would "remove the deficit with a transfer from local (non-*TransNet*) funds in FY12. That did not happen because those anticipated funds were not available, causing the deficit balances to be carried forward another year. However, the City drew sufficient funds in FY12 for MPO#18 to remove the deficit. The City will make the indicated transfer of \$61,385 from Fund 561, Thoroughfare Fees, to eliminate the deficit in FY13.
- (f) The City will request a drawdown in FY13 to remove the deficit.
- (g) Project was identified as "complete" in the audit report for FY11. However, unanticipated FY12 expenditures were incurred. The projects were moved from the non-*TransNet* schedule in the FY11 audit report because non-*TransNet* funds were not available in FY12 to remove the deficit. However, the City drew sufficient funds in FY12 for MPO#18 to eliminate the deficit with a fund transfer in FY13.
- (h) The project is complete. Deficit was removed with an administratively-approved transfer from a non-*TransNet* account.

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
O17	Loma Alta Creek Detention Basins	\$ 2,000,000	\$ -	\$ (1,152,131)	\$ -	\$ 847,869
O23	College Bridge Widen @ SLR	125,000	-	(107,277)	-	17,723
O24	Industry Street	40,764	-	(40,764)	-	-
O24	Street Restoration	5,459,236	-	(4,642,025)	-	817,211
	Total O24 Projects	5,500,000	-	(4,682,789)	-	817,211
O25	Adp Signal TMC Traffic Mgmt Ctr	850,000	-	(1,064,242)	-	(214,242)
O26	SR76 Thru Lanes	50,000	-	(76,991)	-	(26,991)
O27	Coast Hwy Roundabout	50,000	-	(30,507)	-	19,493
	Total Congestion Relief	8,575,000	-	(7,113,937)	-	1,461,063

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
	Balance carried forward	\$ 8,575,000	\$ -	\$ (7,113,937)	\$ -	\$ 1,461,063
	Maintenance:					
O18	So Coast Hwy Tree Well	6,689	-	-	(6,689)	-
O18	So Coast & Vst Wy Imprv	11,340	-	-	(11,340)	-
O18	Gateway Corridor Improve/O'side	13,556	-	(13,556)	-	-
O18	Str Cavalier MHP Access	202,700	-	(202,700)	-	-
O18	RR Quiet Zone Assment Proj	72,279	-	(45,586)	(26,693)	-
O18	Lucky St/McNeill	129,608	-	(129,608)	-	-
O18	Cribwall @ Oblvd & ECR	228,356	-	(224,191)	4,165	8,330
O18	Misc Sidewalks/ADA	612,791	220	(556,061)	-	56,950
O18	Misc Traffic Markings	83,356	-	(108,500)	-	(25,144)
O18	Misc Street Projects	2,202,209	-	(3,304,647)	-	(1,102,438)
O18	Neighborhood Traffic Improvement	300,000	-	(341,697)	-	(41,697)
O18	Street Restoration	383,749	-	(1,612,044)	-	(1,228,295)
O18	Downtown Intersection	528,000	-	(216,912)	-	311,088
O18	Sunburst/Maple/Kelton	74,098	-	(74,098)	-	-
O18	Surf Rider Storm Drain	34,746	-	(34,746)	-	-
O18	Senior Center Road Study	30,357	-	(30,357)	-	-
O18	Jeffries Ranch Rd Access Study	86,166	-	(86,166)	-	-
	Total O18 Projects	5,000,000	220	(6,980,869)	(40,557)	(2,021,206)
O20	Oblvd Bus Stop ADA Upgd	180,000	-	(197,923)	-	(17,923)
	Total Maintenance	5,180,000	220	(7,178,792)	(40,557)	(2,039,129)
	Total Local Street Improvements	13,755,000	220	(14,292,729)	(40,557)	(578,066)
	Subtotal <i>TransNet</i> Extension	\$ 13,755,000	\$ 220	\$ (14,292,729)	\$ (40,557)	\$ (578,066)

(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
	Balance carried forward	\$ 13,755,000	\$ 220	\$ (14,292,729)	\$ (40,557)	\$ (578,066)
	Senior Mini-Grant:					
O21	Senior Shuttle	99,226	9	(247,532)	-	(148,297)
O21	Senior Taxi	69,556	4	(93,366)	-	(23,806)
O21	Solutions for Seniors Volunteer Dr	<u>19,829</u>	<u>-</u>	<u>(66,001)</u>	<u>-</u>	<u>(46,172)</u>
	Total Senior Mini-Grant	<u>188,611</u>	<u>13</u>	<u>(406,899)</u>	<u>-</u>	<u>(218,275)</u>
	Completed Projects:					
	Local Street Improvements:					
	Congestion Relief:	<u>225,000</u>	<u>-</u>	<u>(1,342,499)</u>	<u>1,117,499</u>	<u>-</u>
	Interest Income	<u>-</u>	<u>39,299</u>	<u>-</u>	<u>-</u>	<u>39,299</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 14,168,611</u>	<u>\$ 39,532</u>	<u>\$ (16,042,127)</u>	<u>\$ 1,076,942</u>	<u>\$ (757,042)</u>

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 8,120	\$ -	\$ -	\$ (8,120)	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	199,920	-	6,999	(206,919)	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	118,617	-	1,199	(119,816)	-	-	109,871
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>169,688</u>	<u>-</u>	<u>-</u>	<u>(169,688)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 496,345</u>	<u>\$ -</u>	<u>\$ 8,198</u>	<u>\$ (504,543)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,871</u>

CITY OF POWAY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Poway, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$705,710. We selected \$324,735 (46.02%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column is explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$1,252,445
Less: debt service payment		<u> -</u>
Net estimated apportionment		1,252,445
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		375,734
Less:		
Local Street Improvement		
– Congestion Relief fund balance	11,861	
– Maintenance fund balance	<u> 3,411</u>	
Total local streets and roads and local street improvement fund balance		<u> 15,272</u>
Fund balance under apportionment		\$ <u>360,462</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 33,853,492</u>	<u>34,013,422</u>	<u>1.00</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$1,005,319
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	\$ <u>884,681</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$1,308,238
Less MOE base year requirement	<u>(1,005,319)</u>
Excess MOE for the year ended June 30, 2012	<u>\$ 302,919</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

ii.

Results: No exceptions were noted as a result of our procedures.

- iii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iv. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed.

- v. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures of \$5,479. We selected \$4,061 (74.12%) for testing. No exceptions were noted as a result of our procedures.

- vi. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vii. We identified interest income for the year ended June 30, 2012 and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- 13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

- 14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
POW 01A	Citywide major reconstruction	\$ 4,457	\$ -	\$ 234	\$ -	\$ -	\$ 4,691
POW 10	Road construction and overlay projects	<u>6,797</u>	<u>482,270</u>	<u>373</u>	<u>(482,270)</u>	<u>-</u>	<u>7,170</u>
	Total Congestion Relief	<u>11,254</u>	<u>482,270</u>	<u>607</u>	<u>(482,270)</u>	<u>-</u>	<u>11,861</u>
Maintenance:							
POW 14	Citywide street maintenance	<u>19,913</u>	<u>206,680</u>	<u>258</u>	<u>(223,440)</u>	<u>-</u>	<u>3,411</u>
	Total Maintenance	<u>19,913</u>	<u>206,680</u>	<u>258</u>	<u>(223,440)</u>	<u>-</u>	<u>3,411</u>
	Total Local Street Improvement	<u>31,167</u>	<u>688,950</u>	<u>865</u>	<u>(705,710)</u>	<u>-</u>	<u>15,272</u>
	Total <i>TransNet</i> Extension	<u>31,167</u>	<u>688,950</u>	<u>865</u>	<u>(705,710)</u>	<u>-</u>	<u>15,272</u>
	GASB 31 market value adjustment	<u>82</u>	<u>-</u>	<u>(64)</u>	<u>-</u>	<u>-</u>	<u>18</u>
	Total <i>TransNet</i> Extension	<u>\$ 31,249</u>	<u>\$ 688,950</u>	<u>\$ 801</u>	<u>\$ (705,710)</u>	<u>\$ -</u>	<u>\$ 15,290</u>

CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
POW 01A	Citywide major reconstruction	\$ 946,000	\$ 4,723	\$ (946,032)	\$ -	\$ 4,691
POW 10	Road construction and overlay projects	1,813,170	562	(1,806,562)	-	7,170
	Total Congestion Relief	2,759,170	5,285	(2,752,594)	-	11,861
Maintenance:						
POW 14	Citywide street maintenance	478,680	691	(475,960)	-	3,411
	Total Maintenance	478,680	691	(475,960)	-	3,411
	GASB 31 market value adjustment	82	(64)	-	-	18
Completed Projects:						
Local Street Improvements:						
	Congestion Relief	987,000	-	(987,000)	-	-
	Maintenance	750,000	3,953	(753,953)	-	-
	Total <i>TransNet</i> Extension	\$ 4,974,932	\$ 9,865	\$ (4,969,507)	\$ -	\$ 15,290

SCHEDULE C

CITY OF POWAY, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 78,000	\$ -	\$ 4,578	\$ (5,479)	\$ -	77,099	\$ 81,973
For Fiscal Year ended June 30, 2010	June 30, 2017	10,295	-	474	-	-	10,769	10,577
For Fiscal Year ended June 30, 2011	June 30, 2018	158,156	-	2,568	-	-	160,724	159,542
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>6,369</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>-</u>	<u>6,419</u>	<u>-</u>
Total RTCIP Funds		<u>252,820</u>	<u>-</u>	<u>7,670</u>	<u>(5,479)</u>	<u>-</u>	<u>255,011</u>	<u>252,092</u>
GASB 31 market value adjustment		<u>-</u>	<u>-</u>	<u>299</u>	<u>-</u>	<u>-</u>	<u>299</u>	<u>743</u>
Total RTCIP Funds		<u>\$ 252,820</u>	<u>\$ -</u>	<u>\$ 7,969</u>	<u>\$ (5,479)</u>	<u>\$ -</u>	<u>\$ 255,310</u>	<u>\$ 252,835</u>

CITY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Diego, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$38,225,945. We selected \$22,059,216 (57.71%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, eight city departments charge labor and applied indirect costs to projects in the RTIP. The indirect cost rates charged are the 5-year average, which varied between 16.4% and 127.0% of total direct salaries and wages. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule

showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows.

Fiscal year 2012 apportionment		\$26,113,055
Less: debt service payment		<u>-</u>
Net estimated apportionment		26,113,055
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		7,833,917
Less:		
Local streets and roads Fund Balance	12,398,600	
Local streets improvement Fund Balance		
- Congestion Relief Fund Deficit	(12,071,474)	
- Maintenance Fund Deficit	<u>(6,581,108)</u>	
Total local streets and roads and local streets improvement fund deficit		<u>(6,253,982)</u>
Fund balance under apportionment		<u>\$14,087,899</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the

Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	<u>Growth Rate Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	<u>Growth Rate Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 1,125,782,000</u>	<u>1,014,631,000</u>	<u>1.11</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	Total
Previously approved MOE base	\$ 22,027,565	\$ 162,992	\$ 877,451	\$ 23,068,008
Growth rate	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>	<u>0.88</u>

Adjusted MOE base as of June 30, 2012	\$ <u>19,384,257</u>	\$ <u>143,433</u>	\$ <u>772,157</u>	\$ <u>20,299,847</u>
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10. For the cities and the County of San Diego only, we reviewed the MOE requirement for the City.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2012, is summarized as follows:

	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	Total
Current year local discretionary expenditures	\$22,392,995	\$181,102	\$936,544	\$23,510,641
Less MOE base year Requirement	<u>(22,027,565)</u>	<u>(162,992)</u>	<u>(877,451)</u>	<u>(23,068,008)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 365,430</u>	<u>\$ 18,110</u>	<u>\$ 59,093</u>	<u>\$ 442,633</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$61,356. We selected \$49,854 (81.25%) for testing. No exceptions were noted as a result of our procedures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to ensure they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: The City had one prior year finding in that it did not obtain City Council approval to transfer funds between projects. For the year ended June 30, 2012, the City did provide a staff report in support of the transfers made for the year ended June 30, 2012. As such, this finding has been resolved.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
May 21, 2013

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:										
Highways:										
CAL 28	524632	SR 56/Black Mountain Road	\$ 2,480,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,480,665	(l)
		Subtotal Highways	<u>2,480,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,480,665</u>	
Local Streets and Roads:										
SD01	527130	Alvarado Canyon Rd Realignment	<u>121,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,732</u>	
SD05	526990	Euclid Avenue	<u>93,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,867</u>	(a)
SD06	525920	Aldine Drive and Fairmount Ave. Slope Restoration	<u>4,065</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(112,389)</u>	<u>-</u>	<u>(108,324)</u>	(p)
SD09	527150	New Walkways	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,967)</u>	<u>31,967</u>	<u>-</u>	(o)
SD09	590020	Sidewalk Replacement and Repair - AA	<u>361,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,967)</u>	<u>329,932</u>	(o)
		Total SD09 Projects	<u>361,899</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(31,967)</u>	<u>-</u>	<u>329,932</u>	
SD15	612031	Imperial Ave Streetlight btwn 61st and 69th	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,481)</u>	<u>38,481</u>	<u>-</u>	(o)
SD15	522930	Street Light Installation	<u>286,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22,898)</u>	<u>(38,481)</u>	<u>225,169</u>	(o)
SD15	680120	Install Street Lights in High Crime Areas - AA	<u>465,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>465,429</u>	(a)(p)
		Total SD15 Projects	<u>751,977</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(61,379)</u>	<u>-</u>	<u>690,598</u>	
SD16A	620020	Minor Signal Improvements - AA	<u>1,631,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(263)</u>	<u>-</u>	<u>1,631,127</u>	
SD16A	630020	Traffic Signal Controllers - AA	<u>1,200,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(14,364)</u>	<u>(326,423)</u>	<u>859,956</u>	(o)
SD16A	680010	Cooperative Projects - AA	<u>1,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,950</u>	(l)
SD16A	680100	Construct top 10-15 Prioritized Traffic Signals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(146,838)</u>	<u>146,838</u>	<u>-</u>	(o)
SD16A	680110	Modernize top 5-10 Prioritized Traffic Signals	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(179,585)</u>	<u>179,585</u>	<u>-</u>	(o)
		Total SD16A Projects	<u>2,834,083</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(341,050)</u>	<u>-</u>	<u>2,493,033</u>	
		Subtotal Local Streets and Roads	<u>4,167,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(546,785)</u>	<u>-</u>	<u>3,620,838</u>	

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 4,167,623	\$ -	\$ -	\$ -	\$ (546,785)	\$ -	\$ 3,620,838	
SD17	680060	Guard Rails - AA	551,304	-	-	-	(476,947)	-	74,357	
SD18	610010	Signal Installation - AA	431,051	-	-	-	(127,575)	-	303,476	
SD19	525880	Steamview Drive	285,705	-	-	-	(23,145)	-	262,560	
SD21	530550	Seismic Retro Bridge W Mission Bay	37,005	-	-	-	(199)	-	36,806	
SD23	130050	Emergency Drainage Projects - AA	-	-	-	-	(647,690)	-	(647,690)	(n)
SD24	525450	Coastal Erosion - AA	8,410	-	-	-	-	-	8,410	(a)
SD29	524090	43rd Street Widening - Logan Avenue to I-805	399,899	-	-	-	(8,671)	-	391,228	
SD38	525550	Georgia Street Bridge/University Ave Separation Replacement	1,373,293	-	-	-	-	-	1,373,293	
SD49	524060	Thorn Street Median Improvements	2,888,220	-	-	-	-	-	2,888,220	(p)
SD56	525530	Saturn Boulevard-Palm Ave to Coronado	(291)	-	-	-	-	291	-	(b)(f)
SD59	525030	Sports Arena Blvd-Rosecrans to Midway	(531)	-	-	-	-	531	-	(b)
SD65	526740	Torrey Pines Road Slope Reconstruction	374,975	-	-	-	-	-	374,975	(l)
SD70	526430	West Mission Bay Drive Bridge Over San Diego	337,987	-	-	-	(155,608)	-	182,379	
		Subtotal Local Streets and Roads	10,854,650	-	-	-	(1,986,620)	822	8,868,852	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 10,854,650	\$ -	\$ -	\$ -	\$ (1,986,620)	\$ 822	\$ 8,868,852	
SD83	524550	SR 163 @ Friars Road	192,931	-	-	-	(65,173)	-	127,758	
SD92	392163	Washington St and India	5,148	-	-	-	-	-	5,148	(l)
SD97	623370	Florence Griffith Joyner Elem Safe Route to School	-	-	-	-	(6,218)	6,218	-	(o)
SD97	680170	Annual Allocation - Install City St Lights in High Crime Areas	385,660	-	-	-	-	(6,218)	379,442	(o)(l)
		Total SD97 Projects	385,660	-	-	-	(6,218)	-	379,442	
SD99	525190	Bridge rails - AA	124,521	-	-	-	(1,123)	-	123,398	
SD101	525540	First Avenue Bridge Over Maple Canyon Rehabilitation	354,362	-	-	-	(21,785)	-	332,577	
SD102	526821	Otay Mesa Truck Route Phase 3	-	-	-	-	-	(339,895)	(339,895)	(p)(q)(t)
SD104	392330	Paradise Hill Revitalization	(7,201)	-	-	-	27,456	12,347	32,602	(b)(e)(a)
SD106	527190	Mission Beach Boardwalk	193,827	-	-	-	(93,352)	-	100,475	
SD111	525330	Via De la Valle Bike Lane	106,665	-	-	-	-	-	106,665	(a)
SD112	524790	Via de La Valle, San Andreas Rd to El Camino Real	(1,219)	-	-	-	(12,762)	45,801	31,820	(b)
SD114	581470	Rose Creek Bikeway	217,784	-	-	-	-	-	217,784	
SD120	581910	San Diego River Multi-use Bicycle and Pe	-	-	-	-	(96,576)	-	(96,576)	(p)
SD124	229640	Fiesta Island Drive	48,187	-	-	-	-	(48,187)	-	(b)(d)
		Subtotal Local Streets and Roads	12,475,315	-	-	-	(2,256,153)	(329,112)	9,890,050	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status	Funds	Other	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Revenue	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ 12,475,315	\$ -	\$ -	\$ -	\$ (2,256,153)	\$ (329,112)	\$ 9,890,050	
SD127	540120	Shoal Creek Pedestrian Bridge - Phase I	23,542	-	-	-	(3,451)	-	20,091	
SD129	527660	University Ave Mobility Study	-	-	-	-	(17,479)	-	(17,479)	(p)
SD130	527630	Skyline Drive - Street Enhancement	222,651	-	-	-	-	-	222,651	(l)
SD132	527170	Bird Rock Coastal Traffic Flow Improvement	(16,267)	-	-	-	-	-	(16,267)	(p)
SD133	526760	Vista Sorrento Pkwy @I-805 Modification	449,406	-	-	-	(34,161)	-	415,245	
SD134	527430	Euclid Avenue Corridor	200,691	-	-	-	-	-	200,691	(a)
SD135	530381	North Harbor Drive Bridge over Navy Estuary	75,394	-	-	-	-	-	75,394	(l)
SD136	581560	Ocean Beach / Hotel Circle	(51,522)	-	-	-	-	51,522	-	(b)
SD137	527640	Palm Avenue/SR 75 Concept Study	177,272	-	-	-	-	-	177,272	(l)
SD139	530610	Laurel Street Bridge Over	249,017	-	-	-	(57,504)	-	191,513	
SD154	527800	La Jolla Mesa Drive Sidewalk	55,782	-	-	-	(8,149)	-	47,633	
SD155	527750	Old Otay Mesa Road Sidewalk	213,330	-	-	-	-	-	213,330	(a)
SD156	527740	35th & 34th @Madison	2,940	-	-	-	-	-	2,940	(l)
SD157	527730	Cherokee Street Improvements	1,253	-	-	-	-	-	1,253	(l)
SD160	527780	62nd to 65th Street Channel	4,621	-	-	-	-	-	4,621	(a)
SD161	590230	Preliminary Engineering for Congestion Relief Projects	639,989	-	-	-	-	-	639,989	(l)
		Subtotal Local Streets and Roads	14,723,414	-	-	-	(2,376,897)	(277,590)	12,068,927	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	
		Balance carried forward	\$ 14,723,414	\$ -	\$ -	\$ -	\$ (2,376,897)	\$ (277,590)	\$ 12,068,927	
SD162	298650	Home Avenue Improvements	266,662	-	-	-	-	-	266,662	(l)
SD163	527760	La Jolla Museum Traffic	62,305	-	-	-	-	(62,305)	-	(b)(d)
SD164	526790	Miramar Road	912,060	-	-	-	(53,463)	-	858,597	
SD165	580010	New Developments	159,998	-	-	-	-	-	159,998	(a)
SD166	582040	Minor Bicycle Facilities	536	-	-	-	-	-	536	(l)
SD167	527770	Potomac Street Improvement	85,149	-	-	-	(250)	-	84,899	(a)
SD168	296920	Public Roads Supporting Park Access	266,204	-	-	-	-	(67,023)	199,181	(c)(a)
SD169	527810	San Diego River Path Study	2,505	-	-	-	-	-	2,505	(a)
SD170	527790	Skyline @ Cardiff Improvement	17,115	-	-	-	(16,559)	-	556	
SD171	582030	Taylor St Bikeway	247,126	-	-	-	-	-	247,126	
SD172	590210	Transportation Grant Matches	446,025	-	-	-	-	-	446,025	
SD173	527820	38th Improvements	37,562	-	-	-	(31,567)	-	5,995	
SD174	296800	Windan Sea Erosion control	8,471	-	-	-	-	-	8,471	(a)
SD175	135010	Talbot Street Slope restoration	101,970	-	-	-	83,639	-	185,609	
		Subtotal Local Streets and Roads	17,337,102	-	-	-	(2,395,097)	(406,918)	14,535,087	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 17,337,102	\$ -	\$ -	\$ -	\$ (2,395,097)	\$ (406,918)	\$ 14,535,087	
SD178	526960	Pershing Drive/Redwood	46,051	-	-	-	-	-	46,051	(a)
SD181	528050	Soldedad Mtn Road Emergency	-	-	-	-	-	(504,456)	(504,456)	(m)(t)
SD215	S12030	FY12 Asphalt Overlay Group 1	-	-	-	-	(1,791,871)	-	(1,791,871)	(p)
SD216	S12031	FY12 Asphalt Overlay Group 2	-	-	-	-	(33,542)	-	(33,542)	(p)
		Interest Earnings	-	-	-	147,331	-	-	147,331	
		Total Local Streets and Roads	17,383,153	-	-	147,331	(4,220,510)	(911,374)	12,398,600	
		GASB 31 Market Value Adjustment	(21,209)	-	-	(54,148)	-	-	(75,357)	
		Total Local Streets and Roads with GASB 31 Market Value Adjustment	17,361,944	-	-	93,183	(4,220,510)	(911,374)	12,323,243	
		Bikes and Pedestrian:								
CAL92	581680	Bicycle Parking at the Border	7,172	-	-	-	-	(7,172)	-	(d)(h)
SAN21	581420	San Diego Bike Path Design	35,957	-	-	-	-	-	35,957	
SAN21	581600	Mission Trails Bike Path Study	4,541	-	-	-	-	(4,541)	-	(d)(h)
		Total SAN21 Projects	40,498	-	-	-	-	(4,541)	35,957	
SD14	581270	State Route 15 Bikeway Study	65,096	-	-	-	(9,067)	-	56,029	
SD108	285036/ 581400	Bayshore Bikeway Feasibility Study (Non CIP)	30,797	-	-	-	-	-	30,797	(l)
SD112	580770	Via de La Valle, Bike Lane	14,452	-	-	-	-	(14,452)	-	(d)(h)
SD114	581470	Rose Creek / Pedestrian Bridge	118,814	-	-	-	-	-	118,814	(l)
SD116	524210	Caroll Canyon Rd Bike Path Lane Design	35,454	-	-	-	-	(35,454)	-	(d)(h)
SD117	581930	Adams Ave Bikeway	3,528	-	-	-	-	(3,528)	-	(d)(h)
SD119	581920	Mira Mesa Blvd Bikeway	25,566	-	-	-	-	(25,566)	-	(d)(h)
SD120	581910	San Diego River Multi-Use	4,317	-	-	-	-	-	4,317	(l)
		Subtotal Bikes and Pedestrian	345,694	-	-	-	(9,067)	(90,713)	245,914	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 345,694	\$ -	\$ -	\$ -	\$ (9,067)	\$ (90,713)	\$ 245,914	
SD121	581880	Balboa Avenue / Tierrasanta Blvd Bikeway	211,048	-	-	-	(71,334)	-	139,714	
SD122	524631/ 581710	State Route 56 Bike Path	195,347	-	-	-	(10,395)	-	184,952	
SD122	581760	Darkwood Canyon Connector Study	26,573	-	-	-	-	-	26,573	(l)
		Total SD122 Projects	221,920	-	-	-	(10,395)	-	211,525	
SD141	580890	Poway Road Bike Path	505,857	-	-	-	(41,056)	-	464,801	
SD143	581990	Rancho Bernardo Bikeway	240,296	-	-	-	(42,579)	-	197,717	
SD144	582010	Traffic Safety in Education Program	63,665	-	-	-	-	(63,665)	-	(k)(s)
SD145	582020	Safety in Traffic Education Program	1,621	-	-	-	-	-	1,621	(l)
SD145	127004	Prop A Bicycle Safety Education	36,402	-	-	-	-	-	36,402	(l)
		Total SD145 Projects	38,023	-	-	-	-	-	38,023	
V02	581620	Coastal Rail Trail	123,467	-	-	-	-	-	123,467	(l)
		Interest Earnings Bicycle and Pedestrians	-	-	-	15,386	-	-	15,386	
		Total Bikes and Pedestrian	1,749,970	-	-	15,386	(174,431)	(154,378)	1,436,547	
		GASB 31 Market Value Adjustment	(1,668)	-	-	(5,852)	-	-	(7,520)	
		Total Bikes and Pedestrian with GASB 31 Market Value Adjustment	1,748,302	-	-	9,534	(174,431)	(154,378)	1,429,027	
		Total <i>TransNet</i>	21,613,788	-	-	162,717	(4,394,941)	(1,065,752)	16,315,812	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Non-TransNet (Funds Deficits Covered by 'Other Revenues')										
Additional TransNet activity - Non Project Specific:										
OTHER	Other	Other Revenues	121,647	-	-	-	-	-	121,647	
Total Non Project Specific Activity			121,647	-	-	-	-	-	121,647	
Other (Non-TransNet) Streets and Roads:										
SD10	526710	Ocean Front Walk - San Fernando to Ventura	(628)	-	-	-	-	628	-	(g)
SD87	523960	State Route 905 and 125	2,656	-	-	-	-	(2,656)	-	(k)(b)
SD102	526821	Otay Mesa Truck Route	(339,895)	-	-	-	-	339,895	-	(p)(q)(t)
SD107	524710	North Torrey Pines Road at Genesee	5,407	-	-	-	(500)	-	4,907	
SD136	581560	Ocean Beach / Hotel Circle	-	-	-	-	-	2,656	2,656	(b)
SD181	528050	Soledad Mtn Road Emergency	(492,178)	-	-	-	(12,278)	504,456	-	(t)
Total Other (Non-TransNet) Streets and Roads			(824,638)	-	-	-	(12,778)	844,979	7,563	
Total Non-TransNet (Fund Deficits Covered By "Other Revenue")			(702,991)	-	-	-	(12,778)	844,979	129,210	
TransNet Extension:										
Major Corridor:										
SD108	581400	Bayshore Bikeway	\$ 368,583	\$ -	\$ -	\$ 3,360	\$ (25,316)	\$ -	\$ 346,627	
Total Major Corridor			368,583	-	-	3,360	(25,316)	-	346,627	
Local Street Improvements:										
Congestion Relief:										
SD01	527130	Alvarado Road Realignment	61,618	-	-	-	-	-	61,618	
SD06	525920	Aldine Drive Slope Reconstruction	1,482,419	298,201	-	-	(919,683)	-	860,937	
Subtotal Congestion Relief			1,544,037	298,201	-	-	(919,683)	-	922,555	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status	Funds	Other	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Revenue	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ 1,544,037	\$ 298,201	\$ -	\$ -	\$ (919,683)	\$ -	\$ 922,555	
SD09	370640	Americans with Disabilities Improvements (ARRA)	(188,857)	309,384	-	-	(196,261)	75,734	-	(o)
SD09	A-IK.00001	New Walkways (ARRA)	(636,527)	1,096,064	-	-	(516,321)	56,784	-	(o)
SD09	527150	No. & So. Side Ridgehaven Ct Sidewalk	168,537	232,767	-	-	(221,224)	(132,518)	47,562	(o)
SD09	527150	New Walkways	-	82,077	-	-	(300,742)	-	(218,665)	(m)
		Total SD09 Projects	(656,847)	1,720,292	-	-	(1,234,548)	-	(171,103)	
SD14	581270	SR 15 Bikeway	(43,622)	68,663	-	-	(1,899)	-	23,142	
SD14	581271	40th St. Promenade - Mid City Urban Trail	(48,337)	51,337	-	-	(3,000)	-	-	
		Total SD14 Projects	(91,959)	120,000	-	-	(4,899)	-	23,142	
SD15	522930	Street Lights - Smart Growth Areas	193,578	-	-	-	(99,296)	-	94,282	
SD16A	623310	Traffic Signal Interconnect Projects	31,583	132,548	-	-	(40,569)	(123,562)	-	(o)
SD16A	630020	Traffic Signals - Replace Obsolete Controllers	73,807	-	-	-	(9,051)	-	64,756	
SD16A	680010	Cooperative Signal Projects	189,215	-	-	-	(1,214)	(150,740)	37,261	(o)
SD16A	680100	Traffic Signals - Citywide	(52,472)	-	-	-	(212,581)	265,053	-	(o)
SD16A	680110	Traffic Signals - Modifications/Modernization	184,827	-	-	-	(194,076)	9,249	-	(o)
SD16A	680110	Traffic Signals - Modifications/Modernization (ARRA)	(26,095)	26,095	-	-	-	-	-	(l)
		Total SD16A Projects	400,865	158,643	-	-	(457,491)	-	102,017	
SD18	610010	Traffic Control/Calming Measures - Smart Growth Areas	18,974	108,291	-	-	(100,867)	-	26,398	
SD19	525880	Streamview Drive	177,138	-	-	-	(76,462)	-	100,676	
SD23	130050	Z St Natural Storm Drain	(1,203,415)	1,351,493	-	-	(164,199)	140,492	124,371	(o)
SD23	130050	Rowena St Pipeline	(265,862)	406,354	-	-	-	(140,492)	-	(o)
		Total SD23 Projects	(1,469,277)	1,757,847	-	-	(164,199)	-	124,371	
		Subtotal Congestion Relief	116,509	4,163,274	-	-	(3,057,445)	-	1,222,338	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ 116,509	\$ 4,163,274	\$ -	\$ -	\$ (3,057,445)	\$ -	\$ 1,222,338	
SD29	524090	43rd Street Widening	(354,735)	-	-	-	(1,855,685)	-	(2,210,420)	(r)
SD31	525170	Carmel Valley Road	(136,217)	50,000	-	-	(25,440)	-	(111,657)	(j)
SD32	523920	Carroll Cnyn Rd Sorrento Valley Rd to I-805	(10,057,693)	4,378,772	-	-	(79,436)	-	(5,758,357)	(j)
SD34	524790	El Camino Real Road and Bridge Widening	(92,456)	190,595	-	-	(81,840)	-	16,299	
SD38	525550	Georgia St Bridge & University Ave	-	-	-	-	(28,153)	-	(28,153)	(m)
SD49	528081	Balboa Ave and Hathaway St Left Turn	-	-	-	-	533	-	533	(e)
SD49	528080	Median Installation	203,031	-	-	-	(188,387)	-	14,644	
SD49	524060	Thorn Street Median Improvements (ARRA)	(158,787)	203,999	-	-	(37,230)	-	7,982	
		Total SD49 Projects	44,244	203,999	-	-	(225,084)	-	23,159	
SD51	530500	North Torrey Pines Road Bridge over Los Penasquitos Creek	(55,019)	377,318	-	-	(41,484)	-	280,815	
SD70	526430	West Mission Bay Drive Bridge over San Diego River	60,591	-	-	-	(132,606)	-	(72,015)	(m)
SD83	524550	State Route 163 and Friars Road, Phase I	1,139,968	-	-	-	(774,450)	-	365,518	
SD86	121520	Famosa Slough Salt Marsh Restoration	(15,003)	25,000	-	-	(12,971)	-	(2,974)	(m)
SD90	527450	Clairemont Mesa/SR163	(232,284)	495,823	-	-	(6,244,551)	-	(5,981,012)	(j)
		Subtotal Congestion Relief	(9,582,095)	9,884,781	-	-	(12,559,145)	-	(12,256,459)	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ (9,582,095)	\$ 9,884,781	\$ -	\$ -	\$ (12,559,145)	\$ -	\$ (12,256,459)	
SD92	392070	El Cajon Blvd Revitalization Texas to Illinois	(29,663)	-	-	-	-	29,663	-	(o)
SD92	392320	Mid-City Transit Gateway	(38,518)	-	-	-	-	38,518	-	(o)
SD92	390861	Azalea Park Artistic Enhancement	(51,540)	-	-	-	-	-	(51,540)	(i)
SD92	390860	Azalea Park Rdway Improvements and Neighborhood ID	115,802	-	-	-	-	(68,181)	47,621	(l)(o)
		Total SD92 Projects	(3,919)	-	-	-	-	-	(3,919)	
SD97	S-11058	Bicycle Loop Detectors	-	-	-	-	(8,945)	8,945	-	(o)
SD97	680170	School Traffic Safety Improvements	214,070	-	-	-	(17,129)	(8,945)	187,996	(o)
SD97	622670	Central Elementary School-Safe Route to School	-	30,485	-	-	-	-	30,485	
		Total SD97 Projects	214,070	30,485	-	-	(26,074)	-	218,481	
SD99	525190	Bridge Rehabilitation	64,629	-	-	-	(1,308)	2	63,323	(o)
SD99	525190	Bridge Rehabilitation - Morena Blvd Bridge	2	-	-	-	-	(2)	-	(o) (l)
		Total SD99 Projects	64,631	-	-	-	(1,308)	-	63,323	
SD102	526821	Otay Mesa Truck Route Phase 3	(283,093)	283,093	-	-	(22,674)	-	(22,674)	(q)
SD102A	S11060	Otay Mesa Truck Route Phase 4	-	733,093	-	-	(19,335)	-	713,758	
SD114	581470	Rose Creek Bikeway (ARRA)	(434,674)	3,764,328	-	-	(3,324,332)	-	5,322	
SD120	581910	San Diego River Multi-Use Bicycle & Pedestrian Path	(154,668)	244,414	-	-	-	-	89,746	
SD127	540120	Shoal Creek Pedestrian Bridge	539	-	-	-	-	-	539	
SD127	540120	Shoal Creek Pedestrian Bridge	(177,423)	244,923	-	-	(79,780)	-	(12,280)	(m)
		Total SD127 Projects	(176,884)	244,923	-	-	(79,780)	-	(11,741)	
		Subtotal Congestion Relief	(10,356,632)	15,185,117	-	-	(16,032,648)	-	(11,204,163)	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	<u>\$ (10,356,632)</u>	<u>\$ 15,185,117</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,032,648)</u>	<u>\$ -</u>	<u>\$ (11,204,163)</u>	
SD129	527660	University Avenue Mobility Project	(190,010)	393,619	-	-	(104,084)	-	99,525	
SD129	527660	University Avenue Mobility Project (ARRA)	-	41,706	-	-	(22,252)	-	19,454	
		Total SD129 Projects	<u>(190,010)</u>	<u>435,325</u>	<u>-</u>	<u>-</u>	<u>(126,336)</u>	<u>-</u>	<u>118,979</u>	
SD130	527630	Skyline Drive Imp from Sears Ave to 58th St.	(646,815)	400,000	-	-	(102,823)	-	(349,638)	(j)
SD130	527630	Skyline Drive Imp from Sears Ave to 58th St. (ARRA)	(106,559)	-	-	-	-	-	(106,559)	(j)(l)
		Total SD130 Projects	<u>(753,374)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>(102,823)</u>	<u>-</u>	<u>(456,197)</u>	
SD132	527170	Bird Rock Coastal Traffic Flow Improvements	16,088	-	-	-	-	-	16,088	
SD133	526760	Mira Sorrento Place (Biological Monitoring)	50,917	-	-	-	(7,429)	-	43,488	
SD136	581560	Ocean Beach / Hotel Circle	(405,529)	408,884	-	-	(25,569)	-	(22,214)	(p)(j)
SD137	527640	Palm Avenue Roadway Improvements	(44,213)	247,775	-	-	(232,110)	-	(28,548)	(m)
SD139	530610	Laurel Street (Cabrillo) Bridge over Highway 163	49,204	-	-	-	-	-	49,204	(l)
SD150	392160	Washington / Goldfinch Intersection Improv.	(120,791)	-	-	-	-	-	(120,791)	(m)
SD153	623320	25th Street Renaissance Project	62,551	83,679	-	-	(144,056)	-	2,174	
SD156	527740	34th & 35th at Madison Improvements	(4,323)	45,519	-	-	(34,196)	-	7,000	
SD157	527730	Cherokee Street Improvements	(57,747)	164,721	-	-	(282,893)	-	(175,919)	(m)
SD161	590230	Five Year CIP Programming	566,801	-	-	-	-	-	566,801	(l)
SD166	582040	Minor Bicycle Facilities	12,831	-	-	-	-	-	12,831	(l)
SD168	296920	Public Roads Supporting Park Access	(73,642)	-	-	-	6,619	67,023	-	(c)(e)(f)
SD172	590210	Transportation Grant Match	(39,851)	56,657	-	-	(12,710)	-	4,096	
		Subtotal Congestion Relief	<u>(11,287,720)</u>	<u>17,027,677</u>	<u>-</u>	<u>-</u>	<u>(16,994,151)</u>	<u>67,023</u>	<u>(11,187,171)</u>	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
		Balance carried forward	\$ (11,287,720)	\$ 17,027,677	\$ -	\$ -	\$ (16,994,151)	\$ 67,023	\$ (11,187,171)	
SD173	527820	38th Street Improvements	35,710	-	-	-	-	-	35,710	(l)
SD173	527820	38th Street Improvements (ARRA)	(205,455)	-	-	-	(52,910)	-	(258,365)	(m)
		Total SD173 Projects	(169,745)	-	-	-	(52,910)	-	(222,655)	
SD175	135010	Talbot Street Slope Reconstruction	(45,743)	63,881	-	-	(15,051)	-	3,087	
SD178	526960	Pershing/Redwood Drive Improvements	(135,331)	160,915	-	-	(21,320)	-	4,264	(a)
SD179	527540	Linda Vista Road and Genesee Avenue	(20,896)	20,896	-	-	-	-	-	(l)
SD180	528100	Hollister St Widening	(2,240)	-	-	-	-	-	(2,240)	(p)(q)
SD186	002000	Administrative Expenses - Comptrollers	(251,791)	188,000	-	-	(64,305)	-	(128,096)	(m)
SD186	002150	Administrative Expenses - Engineering	(388,571)	451,108	-	-	(196,826)	-	(134,289)	(m)
		Total SD186 Projects	(640,362)	639,108	-	-	(261,131)	-	(262,385)	
SD188	003710	Congestion Relief /Traffic Signal Operations	(2,995,355)	4,197,796	-	-	(1,200,000)	-	2,441	
SD196	S-00613	Torrey Pines Improvements Phase I (ARRA)	(213,971)	267,398	-	-	(42,005)	-	11,422	
SD198	581272	Cherokee Traffic Calming	(101,077)	260,000	-	-	(155,804)	-	3,119	
SD205	S11054	Park Blvd and Essex Street	-	-	-	-	(31,020)	-	(31,020)	(j)
SD206	S11055	Fourth Ave and Quince Street	-	-	-	-	(8,545)	-	(8,545)	(j)
SD209	526740	Torrey Pines Road Slope Reconstruction	-	-	-	-	(34,428)	-	(34,428)	(m)
SD210	392160	Washington St @ India St Median Improvement	(33,488)	-	-	-	(13,776)	-	(47,264)	(m)
SD213	581950	Ruffin Rd/ Murphy Cyn Rd Bikeway (ARRA)	-	-	-	-	(9,054)	-	(9,054)	(m)
SD215	S-12030	FY12 Asphalt Group 1	-	-	-	-	(92,809)	-	(92,809)	(m)
SD216	S-12031	FY12 Asphalt Group 2	-	-	-	-	(46,509)	-	(46,509)	(m)
SD216	S-12031	FY12 Asphalt Group 2 (ARRA)	-	-	-	-	(151,727)	-	(151,727)	(m)
		Total SD216 Projects	-	-	-	-	(198,236)	-	(198,236)	
		Total Congestion Relief	(15,645,928)	22,637,671	-	-	(19,130,240)	67,023	(12,071,474)	

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
Maintenance:										
SD176	002500	Maintenance	(15,380,045)	20,314,144	-	-	(7,825,619)	-	(2,891,520)	(m)
SD176	002500	Maintenance (ARRA)	-	2,360,812	-	-	(6,050,400)	-	(3,689,588)	(m)
Total Maintenance			<u>(15,380,045)</u>	<u>22,674,956</u>	<u>-</u>	<u>-</u>	<u>(13,876,019)</u>	<u>-</u>	<u>(6,581,108)</u>	
Interest Earnings 70% Congestion Relief			-	-	-	(83,816)	-	-	(83,816)	
Interest Earnings 30% Maintenance			-	-	-	(26,469)	-	-	(26,469)	
Total Local Street Improvements			<u>(31,025,973)</u>	<u>45,312,627</u>	<u>-</u>	<u>(110,285)</u>	<u>(33,006,259)</u>	<u>67,023</u>	<u>(18,762,867)</u>	
Smart Growth:										
SD201	1000275-2010	Smart Growth - BRT	(137,667)	148,093	-	-	(63,004)	-	(52,578)	(u)
SD202	1000274-2010	Smart Growth - Chollas	(43,414)	65,277	-	-	(50,338)	-	(28,475)	(u)
SD203	1000293-2010	SGIP Euclid & Market	(26,038)	233,552	-	-	(252,168)	-	(44,654)	(u)
SD204	1000294-2010	SGIP Comm & Imperial	(27,798)	287,599	-	-	(306,836)	-	(47,035)	(u)
SD205	1000310-2010	Park Blvd and Essex Street	-	-	-	-	(44,997)	-	(44,997)	(u)
SD206	1000310-2010	Fourth Ave and Quince Street	-	-	-	-	(42,350)	-	(42,350)	(u)
SD207	1000310-2010	Fourth Ave/Fifth Ave & Nutmeg Street	-	-	-	-	(39,736)	-	(39,736)	(u)
Total Smart Growth			<u>(234,917)</u>	<u>734,521</u>	<u>-</u>	<u>-</u>	<u>(799,429)</u>	<u>-</u>	<u>(299,825)</u>	
Total <i>TransNet</i> Extension			<u>(30,892,307)</u>	<u>46,047,148</u>	<u>-</u>	<u>(106,925)</u>	<u>(33,831,004)</u>	<u>67,023</u>	<u>(18,716,065)</u>	
Total <i>TransNet</i> and <i>TransNet</i> Extension			<u>(9,278,519)</u>	<u>46,047,148</u>	<u>-</u>	<u>55,792</u>	<u>(38,225,945)</u>	<u>(998,729)</u>	<u>(2,400,253)</u>	
GASB 31 Market Value Adjustment			<u>(81,827)</u>	<u>-</u>	<u>-</u>	<u>44,688</u>	<u>-</u>	<u>-</u>	<u>(37,139)</u>	
Total <i>TransNet</i> and <i>TransNet</i> Extension with GASB 31 Market Value Adjustment			<u>\$ (9,360,346)</u>	<u>\$ 46,047,148</u>	<u>\$ -</u>	<u>\$ 100,480</u>	<u>\$ (38,225,945)</u>	<u>\$ (998,729)</u>	<u>\$ (2,437,392)</u>	

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
Schedule of Status of Funds by Project
(Continued)

Notes:

- (a) City Project Completed in Fiscal Year 2012. Remaining Funds to be transferred to other RTIP projects in Fiscal Year 2013.
- (b) City Council approved R-307478 authorizing transfer between projects. \$291 from SD124 to SD56; \$531 from SD 124 to SD59; \$12,347 from SD 124 to SD104; \$35,018 from SD124 to SD112; \$10,783 from SD163 to SD112; \$51,522 from SD163 to SD136; \$2,656 from SD87 to SD136.
- (c) Transfer expenditures between *TransNet* and *TransNet* Ext LSI within same project.
- (d) City Project completed in Fiscal Year 2010.
- (e) Prior Year *TransNet* expenditures transferred to other project funding source in FY12.
- (f) City project completed in Fiscal Year 2012.
- (g) The city transferred expenditures to Transit Occupancy Tax Coastal CIP in FY12.
- (h) Funds returned to SANDAG in December 2011.
- (i) The city will carry forward previous year's funds in a 2013 RTIP amendment.
- (j) The city will obtain council approval for RTIP amendment to program funds by June 30, 2013.
- (k) City project completed in Fiscal Year 2011.
- (l) Estimated completion dates for projects: SD16A - funds expended as needed in Annual projects; CAL28 6/30/13; SD65 6/30/2015; SD90 - 6/30/2015; SD92 - 6/30/2014; SD97(622670) - 6/30/2013; SD97(680170), SD99 - funds expended as needed in Annual projects; SD130 - 6/30/2013; SD135 - 6/30/2015; SD137 - 6/30/2015; SD139 - 6/30/2014; SD156 - 6/30/2016; SD157 - 6/30/2015; SD161 - 6/30/2014; SD162 - 6/30/2015; SD166 - funds expended as needed in Annual Project; SD173 - 6/30/2014; SD174 - 6/30/2013; SD179 - 6/30/2015; SD 108 - 6/30/2017; SD114 - 6/30/2014; SD120 - 6/30/2014; SD122 - 6/30/2013; SD136 - 6/30/2013; SD145 - 6/30/2013; V02 - 6/30/2017
- (m) Draw-down of funds in Fiscal Year 13 will be requested in compliance with the 30% Rule.
- (n) The city will draw down *TransNet* Ext. LSI funds in SD23 during Fiscal Year 13 and transfer expenditures between *Transnet* and *Transnet* Ext LSI.
- (o) Transfer expenditures between projects within the same MPOID.
- (p) The city will obtain council approval for RTIP amendment and/or council report to transfer *TransNet* funds in Fiscal Year 2013 for the following.
\$465,429 from SD15 to SD102 \$339,895 and to SD06 \$108,324 and to SD132 \$16,267 and to SD120 \$943; \$93,867 from SD05 to SD120, \$2,505 from SD169 to SD120 \$1,766 and to SD129 \$739; \$32602 from SD104 to SD129 \$16740 and to SD132 \$15,862; \$4,621 from SD160 to SD132 \$405 and to SD215 \$4,216; \$8,410 from SD24 to SD215; \$106,111 from SD 111 to SD215; \$200,691 from SD 134 to SD215; \$213,330 from SD155 to SD215; \$159,998 from SD165 to SD215; \$84,899 from SD167 to SD215; \$199,181 from SD168 to SD215; \$8,471 from SD174 to SD215; \$2,888,220 from SD49 to SD215 \$2,850,458 and to SD216 \$37,762; \$46051 from SD178 to SD180; \$4264 from SD178 to SD180 \$2240 and SD136 \$2,024.
- (q) City Project Completed in Fiscal Year 2012. Negative balance to be removed by transfer from other RTIP projects in Fiscal Year 2013.
- (r) The city to draw down in Fiscal Year 13 funds re-allocated and amended in 2012 RTIP authorized by Resolution R-307478; \$2,675,000 from SD83 to SD29; \$325,000 from SD83 to SD130.
- (s) The city returned funds to SANDAG on June 27, 2012.
- (t) Transfer funds between *TransNet* and *Other (Non-Transnet)* within the same project MPOID
- (u) Smart Growth projects to be reimbursed per Grant agreements.

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Major Corridor:							
SD108	581400	Bayshore Bikeway	\$ 3,774,000	\$ 250,912	\$ (3,678,285)	\$ -	\$ 346,627
		Total Major Corridor	<u>3,774,000</u>	<u>250,912</u>	<u>(3,678,285)</u>	<u>-</u>	<u>346,627</u>
Local Street Improvements:							
Congestion Relief:							
SD01	527130	Alvarado Road Realignment	<u>100,000</u>	<u>(425)</u>	<u>(37,957)</u>	<u>-</u>	<u>61,618</u>
SD06	525920	Aldine Drive Slope Reconstruction	<u>2,123,201</u>	<u>(27,850)</u>	<u>(1,234,414)</u>	<u>-</u>	<u>860,937</u>
SD09	370640	Americans with Disabilities Improvements (ARRA)	309,384	(5,108)	(380,010)	75,734	-
SD09	A-1K.00001	New Walkways (ARRA)	1,096,064	(8,383)	(1,144,465)	56,784	-
SD09	527150	No. & So. Side Ridgehaven Ct Sidewalk	232,767	(2,757)	(298,609)	116,161	47,562
SD09	527150	New Walkways	<u>82,077</u>	<u>-</u>	<u>(372,776)</u>	<u>72,034</u>	<u>(218,665)</u>
		Total SD09 Projects	<u>1,720,292</u>	<u>(16,248)</u>	<u>(2,195,860)</u>	<u>320,713</u>	<u>(171,103)</u>
SD14	581270	SR 15 Bikeway	108,663	(178)	(85,343)	-	23,142
SD14	581271	40th St. Promenade - Mid City Urban Trail	<u>51,337</u>	<u>-</u>	<u>(51,337)</u>	<u>-</u>	<u>-</u>
		Total SD14 Projects	<u>160,000</u>	<u>(178)</u>	<u>(136,680)</u>	<u>-</u>	<u>23,142</u>
SD15	522930	Street Lights - Smart Growth Areas	<u>311,000</u>	<u>(4,702)</u>	<u>(212,016)</u>	<u>-</u>	<u>94,282</u>
		Subtotal Congestion Relief	<u>4,414,493</u>	<u>(49,403)</u>	<u>(3,816,927)</u>	<u>320,713</u>	<u>868,876</u>

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 4,414,493	\$ (49,403)	\$ (3,816,927)	\$ 320,713	\$ 868,876
SD16A	623310	Traffic Signal Interconnect Projects	232,548	(1,572)	(107,414)	(123,562)	-
SD16A	630020	Traffic Signals - Replace Obsolete Controllers	75,000	(1,193)	(9,051)	-	64,756
SD16A	680010	Cooperative Signal Projects	200,000	(3,179)	(8,820)	(150,740)	37,261
SD16A	680100	Traffic Signals - Citywide	415,000	(4,826)	(675,227)	265,053	-
SD16A	680110	Traffic Signals - Modifications/Modernization	700,000	(3,471)	(646,969)	(49,560)	-
SD16A	680110	Traffic Signals - Modifications/Modernization (ARRA)	26,095	-	(26,095)	-	-
		Total SD16A Projects	<u>1,648,643</u>	<u>(14,241)</u>	<u>(1,473,576)</u>	<u>(58,809)</u>	<u>102,017</u>
SD18	610010	Traffic Control/Calmng Measures - Smart Growth Areas	<u>308,291</u>	<u>(2,224)</u>	<u>(279,669)</u>	<u>-</u>	<u>26,398</u>
SD19	525880	Streamview Drive	<u>180,000</u>	<u>(2,862)</u>	<u>(76,462)</u>	<u>-</u>	<u>100,676</u>
SD23	130050	Z St Natural Storm Drain	1,828,493	(1,690)	(165,949)	(1,536,483)	124,371
SD23	130050	Rowena St Pipeline	<u>406,354</u>	<u>-</u>	<u>(380,838)</u>	<u>(25,516)</u>	<u>-</u>
		Total SD23 Projects	<u>2,234,847</u>	<u>(1,690)</u>	<u>(546,787)</u>	<u>(1,561,999)</u>	<u>124,371</u>
SD29	524090	43rd Street Widening	<u>-</u>	<u>-</u>	<u>(2,210,420)</u>	<u>-</u>	<u>(2,210,420)</u>
SD31	525170	Carmel Valley Road	<u>170,000</u>	<u>3,761</u>	<u>(153,310)</u>	<u>(132,108)</u>	<u>(111,657)</u>
SD32	523920	Carroll Cnyn Rd Sorrento Valley Rd to I-805	<u>4,378,772</u>	<u>20,855</u>	<u>(10,307,892)</u>	<u>149,908</u>	<u>(5,758,357)</u>
SD34	524790	El Camino Real Road and Bridge Widening	<u>490,595</u>	<u>2,965</u>	<u>(477,451)</u>	<u>190</u>	<u>16,299</u>
SD38	525550	Georgia St Bridge & University Ave	<u>-</u>	<u>916</u>	<u>(152,358)</u>	<u>123,289</u>	<u>(28,153)</u>
		Subtotal Congestion Relief	<u>13,825,641</u>	<u>(41,923)</u>	<u>(19,494,852)</u>	<u>(1,158,816)</u>	<u>(6,869,950)</u>

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 13,825,641	\$ (41,923)	\$ (19,494,852)	\$ (1,158,816)	\$ (6,869,950)
SD49	258081	Balboa Ave and Hathaway St Left Turn	-	-	533	-	533
SD49	528080	Median Installation	300,000	(4,375)	(280,981)	-	14,644
SD49	528080	Thorn Street Median Improvements (ARRA)	203,999	-	(196,017)	-	7,982
		Total SD49 Projects	503,999	(4,375)	(476,465)	-	23,159
SD51	530500	North Torrey Pines Road Bridge over Los Penasquitos Creek	427,318	1,817	(91,835)	(56,485)	280,815
SD70	526430	West Mission Bay Drive Bridge over San Diego River	100,000	(1,394)	(170,621)	-	(72,015)
SD83	524550	State Route 163 and Friars Road, Phase I	2,000,000	(27,402)	(1,547,237)	(59,843)	365,518
SD86	121520	Famosa Slough Salt Marsh Restoration	49,000	483	(68,665)	16,208	(2,974)
SD90	527450	Clairemont Mesa/SR163	1,495,823	(10,234)	(6,964,365)	(502,236)	(5,981,012)
SD92	392070	El Cajon Blvd Revitalization Texas to Illinois	-	690	-	(30,353)	(29,663)
SD92	392320	Mid-City Transit Gateway	-	897	-	(39,415)	(38,518)
SD92	390861	Azalea Park Artistic Enhancement	-	-	(51,540)	-	(51,540)
SD92	390860	Azalea Park Rdway Improvements and Neighborhood ID	150,000	(1,270)	(15,766)	(17,162)	115,802
		Total SD92 Projects	150,000	317	(67,306)	(86,930)	(3,919)
SD97	S-11058	Bicycle Loop Detectors	-	-	(8,945)	8,945	-
SD97	680170	School Traffic Safety Improvements	329,900	(4,126)	(98,348)	(39,430)	187,996
SD97	680170	Central Elementary School-Safe Route to School	30,485	-	(30,485)	30,485	30,485
		Total SD97 Projects	360,385	(4,126)	(137,778)	-	218,481
		Subtotal Congestion Relief	18,912,166	(86,837)	(29,019,124)	(1,848,102)	(12,041,897)

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 18,912,166	\$ (86,837)	\$ (29,019,124)	\$ (1,848,102)	\$ (12,041,897)
SD99	525190	Bridge Rehabilitation	100,000	(492)	(35,406)	(779)	63,323
SD99	525190	Bridge Rehabilitation - Morena Blvd Bridge	-	18	(797)	779	-
		Total SD99 Projects	100,000	(474)	(36,203)	-	63,323
SD102	526821	Otay Mesa Truck Route Phase 3	283,093	-	(305,767)	-	(22,674)
SD102A	S11060	Otay Mesa Truck Route Phase 4	733,093	-	(19,335)	-	713,758
SD114	581470	Rose Creek Bikeway (ARRA)	3,764,328	(2,321)	(3,826,725)	70,040	5,322
SD120	581910	San Diego River Multi-Use Bicycle & Pedestrian Path	564,414	3,187	(477,266)	(589)	89,746
SD127	540120	Shoal Creek Pedestrian Bridge	30,000	539	(30,000)	-	539
SD127	540120	Shoal Creek Pedestrian Bridge (ARRA)	244,923	(2,543)	(254,660)	-	(12,280)
		Total SD127 Projects	274,923	(2,004)	(284,660)	-	(11,741)
SD129	527660	University Avenue Mobility Project	593,619	(1,380)	(339,431)	(153,283)	99,525
SD129	527660	University Avenue Mobility Project (ARRA)	41,706	-	(22,252)	-	19,454
		Total SD129 Projects	635,325	(1,380)	(361,683)	(153,283)	118,979
SD130	527630	Skyline Drive Imp from Sears Ave to 58th St.	400,000	2,675	(752,313)	-	(349,638)
SD130	527630	Skyline Drive Imp from Sears Ave to 58th St. (ARRA)	-	-	(106,559)	-	(106,559)
		Total SD130 Projects	400,000	2,675	(858,872)	-	(456,197)
SD132	527170	Bird Rock Coastal Traffic Flow Improvements	-	15,522	(769,434)	770,000	16,088
SD133	526760	Mira Sorrento Place (Biological Monitoring)	60,000	(926)	(15,586)	-	43,488
SD136	581560	Ocean Beach / Hotel Circle	408,884	-	(456,400)	25,302	(22,214)
SD137	527640	Palm Avenue Roadway Improvements	516,775	(1,627)	(543,696)	-	(28,548)
		Subtotal Congestion Relief	26,653,001	(74,185)	(36,974,751)	(1,136,632)	(11,532,567)

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 26,653,001	\$ (74,185)	\$ (36,974,751)	\$ (1,136,632)	\$ (11,532,567)
SD139	530610	Laurel Street (Cabrillo) Bridge over Highway 163	50,000	(796)	-	-	49,204
SD150	392160	Washington / Goldfinch Intersection Improv.	-	2,047	(50,000)	(72,838)	(120,791)
SD153	623320	25th Street Renaissance Project	283,679	(1,201)	(280,304)	-	2,174
SD156	527740	34th & 35th at Madison Improvements	165,519	(1,241)	(157,278)	-	7,000
SD157	527730	Cherokee Street Improvements	234,721	(321)	(410,319)	-	(175,919)
SD161	590230	Five Year CIP Programming	575,956	(9,155)	-	-	566,801
SD166	582040	Minor Bicycle Facilities	15,000	(171)	(1,998)	-	12,831
SD168	296920	Public Roads Supporting Park Access	-	-	(67,023)	67,023	-
SD172	290210	Transportation Grant Match	56,657	-	(52,561)	-	4,096
SD173	527820	38th Street Improvements	-	-	-	35,710	35,710
SD173	527820	38th Street Improvements (ARRA)	-	(1,183)	(257,182)	-	(258,365)
		Total SD173 Projects	-	(1,183)	(257,182)	35,710	(222,655)
SD175	135010	Talbot Street Slope Reconstruction	63,881	579	(61,373)	-	3,087
SD178	526960	Pershing/Redwood Drive Improvements	160,915	2,438	(159,089)	-	4,264
SD179	527540	Linda Vista Road and Genesee Avenue	90,896	(483)	(90,413)	-	-
SD180	528100	Hollister St Widening	200,000	(3,109)	(2,068)	(197,063)	(2,240)
		Subtotal Congestion Relief	28,550,225	(86,781)	(38,564,359)	(1,303,800)	(11,404,715)

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	\$ 28,550,225	\$ (86,781)	\$ (38,564,359)	\$ (1,303,800)	\$ (11,404,715)
SD186	002150	Administrative Expenses - Engineering	537,616	431	(672,336)	-	(134,289)
SD186	002000	Administrative Expenses - Comptrollers	188,000	2,320	(318,416)	-	(128,096)
		Total SD186 Projects	725,616	2,751	(990,752)	-	(262,385)
SD188	003710	Congestion Relief /Traffic Signal Operations	5,566,496	39,944	(5,603,999)	-	2,441
SD196	S-00613	Torrey Pines Improvements Phase I (ARRA)	267,398	(1,997)	(253,979)	-	11,422
SD198	581272	Cherokee Traffic Calming	260,000	-	(256,881)	-	3,119
SD205	S11054	Park Blvd and Essex Street	-	-	(31,020)	-	(31,020)
SD206	S11055	Fourth Ave and Quice Street	-	-	(8,545)	-	(8,545)
SD209	526740	Torrey Pines Road Slope Reconstruction	-	-	(34,428)	-	(34,428)
SD210	392160	Washington St @ India St Median Improvement	-	-	(47,264)	-	(47,264)
SD213	581950	Ruffin Rd/ Murphy Cyn Rd Bikeway (ARRA)	-	-	(9,054)	-	(9,054)
SD215	S-12030	FY12 Asphalt Group 1	-	-	(92,809)	-	(92,809)
SD216	S-12031	FY12 Asphalt Group 2	-	-	(46,509)	-	(46,509)
SD216	S-12031	FY12 Asphalt Group 2 (ARRA)	-	-	(151,727)	-	(151,727)
		Total SD186 Projects	-	-	(198,236)	-	(198,236)
		Total Congestion Relief	35,369,735	(46,083)	(46,091,326)	(1,303,800)	(12,071,474)

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
Maintenance:							
SD176	002500	Maintenance	26,531,583	(61,556)	(29,361,547)	-	(2,891,520)
SD176	002500	Maintenance (ARRA)	<u>2,360,812</u>	-	<u>(6,050,400)</u>	-	<u>(3,689,588)</u>
Total Maintenance			<u>28,892,395</u>	<u>(61,556)</u>	<u>(35,411,947)</u>	-	<u>(6,581,108)</u>
Interest Earnings 70% Congestion Relief			-	<u>(83,816)</u>	-	-	<u>(83,816)</u>
Interest Earnings 30% Maintenance			-	<u>(26,469)</u>	-	-	<u>(26,469)</u>
Total Local Street Improvements			<u>64,262,130</u>	<u>(107,639)</u>	<u>(81,503,273)</u>	<u>(1,303,800)</u>	<u>(18,652,582)</u>
Smart Growth Improvement							
SD201	1000275-2010	Smart Growth - BRT	148,093	-	(200,671)	-	(52,578)
SD202	1000274-2010	Smart Growth - Chollas	65,277	-	(93,752)	-	(28,475)
SD203	1000293-2010	SGIP Euclid & Market	233,552	-	(278,206)	-	(44,654)
SD204	1000294-2010	SGIP Comm & Imperial	287,599	-	(334,634)	-	(47,035)
SD205	1000310-2010	Park Blvd and Essex Street	-	-	(44,997)	-	(44,997)
SD206	1000310-2010	Fourth Ave and Quince Street	-	-	(42,350)	-	(42,350)
SD207	1000310-2010	Fourth Ave/Fifth Ave & Nutmeg Street	-	-	<u>(39,736)</u>	-	<u>(39,736)</u>
Total Smart Growth Improvement			<u>734,521</u>	-	<u>(1,034,346)</u>	-	<u>(299,825)</u>
Completed Projects:							
Local Street Improvements:							
Congestion Relief:			<u>1,204,269</u>	<u>13,355</u>	<u>(93,428)</u>	<u>(1,124,196)</u>	-
Total Cumulative <i>TransNet</i> Extension			<u>\$ 69,974,920</u>	<u>\$ 46,343</u>	<u>\$ (86,309,332)</u>	<u>\$ (2,427,996)</u>	<u>\$ (18,716,065)</u>

CITY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 562,279	\$ -	\$ 27,599	\$ (113,911)	\$ -	\$ 475,967	\$ 534,205
For Fiscal Year ended June 30, 2010	June 30, 2017	862,805	-	28,408	-	-	891,213	885,424
For Fiscal Year ended June 30, 2011	June 30, 2018	1,189,183	-	20,462	-	-	1,209,645	1,201,787
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>2,403,483</u>	<u>-</u>	<u>15,617</u>	<u>-</u>	<u>-</u>	<u>2,419,100</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 5,017,750</u>	<u>\$ -</u>	<u>\$ 92,086</u>	<u>\$ (113,911)</u>	<u>\$ -</u>	<u>\$ 4,995,925</u>	<u>\$ 2,621,416</u>

CITY OF SAN MARCOS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



Mayer Hoffman McCann P.C.

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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Marcos, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on the Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$5,964,915. We selected \$3,862,663 (64.76%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures were charged and determined whether the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance over the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment		\$1,660,973
Less: debt service payment		<u>(1,180,521)</u>
Net estimated apportionment		480,452
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		144,136
Less:		
Local streets and roads fund balance	583,851	
Local Street Improvement		
– Congestion Relief fund balance	(457,543)	
– Maintenance fund balance	<u>1,598,673</u>	
Total local streets and roads and local street improvement fund balance		<u>1,724,981</u>
Fund balance over apportionment		<u><u>\$(1,580,845)</u></u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2012</u>	Interest <u>Payments</u>
2010 Series A	\$30,000,000	\$ -	\$ -	\$30,000,000	\$1,180,521

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the

Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	<u>Growth Rate Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	<u>Growth Rate Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$ 54,892,541</u>	<u>52,025,886</u>	<u>1.06</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$4,323,369
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 3,804,565</u>

10. For the cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$5,594,791
Less MOE base year requirement	<u>(4,323,369)</u>
Excess MOE for the year ended June 30, 2012	<u>\$ 1,271,422</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to ensure they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations reported in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written responses to the recommendations identified in the procedures performed is described in the accompanying Finding and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
May 15, 2013

CITY OF SAN MARCOS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2012

Need to Use Remaining Balance Before Requesting Future Funding

As of June 30, 2012, the ending fund balance of the *TransNet* funds of the City of San Marcos (City) was \$1,724,981 which exceeded 30% of its annual apportionment.

Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.”

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance, or equivalent, certifies compliance with this Rule.

Management Response

Of the \$1,794,570 fund balance at June 30, 2012, \$1,598,673 is for the Local Streets and Road Maintenance Program (SM38). The *TransNet* funds were drawn in FY 11/12 based on the anticipated construction schedule. Due to weather delays the project was not begun until summer of 2012. As of February 2013, all of the *TransNet* funds for this project have been expended.

SCHEDULE A

CITY OF SAN MARCOS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Local Streets and Roads:									
SM28	88198	Twin Oaks Valley Road Street Widening and Improvements	\$ 622,777	\$ -	\$ -	\$ -	\$ -	\$ 622,777	(a)
SM30	88205	San Marcos Blvd. Street Improvement Project	38,662	-	-	(77,588)	-	(38,926)	(b)
Total Local Streets and Roads			661,439	-	-	(77,588)	-	583,851	
Total <i>TransNet</i>			\$ 661,439	\$ -	\$ -	\$ (77,588)	\$ -	\$ 583,851	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
SM23	88163	Barham Drive Widening	\$ 16,318	\$ -	\$ -	\$ -	\$ -	\$ 16,318	(d)
SM25	88165	Borden Road Street Improvement and Bridge Construction	(1,224,883)	2,945,825	-	(1,736,050)	-	(15,108)	(b)
SM28	88198	Twin Oaks Valley Rd. Street Widening and Improvements	21,192	-	-	-	-	21,192	(a)
SM31	88265	Discovery Street Improvements	-	788,872	-	(1,228,334)	-	(439,462)	(b)
SM36	88213	Rock Springs-Richland/Woodland	(997,786)	1,389,000	-	(79,922)	-	311,292	(d)
SM47	88150	Nordahl Bridge at SR 78	(246,454)	544,143	-	(207,790)	-	89,899	(c)
SM48	88505	SM Creek Specific Plan	-	375,407	-	(817,081)	-	(441,674)	(b)
		2010 Series A Bonds Debt Service	-	1,180,521	-	(1,180,521)	-	-	
Total Congestion Relief			(2,431,613)	7,223,768	-	(5,249,698)	-	(457,543)	
Maintenance:									
SM38	545000	Local Streets and Roads Maintenance	\$ -	\$ 1,598,673	\$ -	\$ -	\$ -	\$ 1,598,673	(c)
Total Maintenance			-	1,598,673	-	-	-	1,598,673	
Bikes and Pedestrian:									
SM37	88244	Barham Dr.-Twin Oaks Valley Rd to La Moree	\$ (50,585)	\$ 688,214	\$ -	\$ (637,629)	\$ -	\$ -	(b)
V01	88162	Bike Path/Rail Trail Phase II	60,688	-	-	-	-	60,688	(e)
Total Bikes and Pedestrian			10,103	688,214	-	(637,629)	-	60,688	
Interest Income			-	-	8,901	-	-	8,901	
Total <i>TransNet</i> Extension			\$ (2,421,510)	\$ 9,510,655	\$ 8,901	\$ (5,887,327)	\$ -	\$ 1,210,719	
Total <i>TransNet</i> and <i>TransNet</i> Extension			\$ (1,760,071)	\$ 9,510,655	\$ 8,901	\$ (5,964,915)	\$ -	\$ 1,794,570	

Notes

- (a) Project is temporarily on hold due to other funding constraints.
- (b) Funding will be requested in FY 13 to remove deficit.
- (c) The City plans to spend this balance in FY 13.
- (d) This project is complete, excess *Transnet* funds will be reprogrammed to other eligible project in FY 13.
- (e) This project is complete, funds will be returned during FY 13.

SCHEDULE B

CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
SM23	88163	Barham Drive Widening	\$ 1,000,000	\$ 148	\$ (983,830)	\$ -	\$ 16,318
SM25	88165	Borden Road Street Improvement and Bridge Construction	2,945,825	-	(2,960,933)	-	(15,108)
SM28	88198	Twin Oaks Valley Rd. Street Widening and Improvements	21,000	192	-	-	21,192
SM31	88265	Discovery Street Improvements	788,872	-	(1,228,334)	-	(439,462)
SM36	88213	Rock Springs-Richland/Woodland	1,389,000	-	(1,077,708)	-	311,292
SM47	88150	Nordahl Bridge at SR 78	544,143	-	(454,244)	-	89,899
SM48	88505	SM Creek Specific Plan	375,407	-	(817,081)	-	(441,674)
		2010 Series A Bonds Debt Service	<u>2,070,731</u>	<u>-</u>	<u>(2,070,731)</u>	<u>-</u>	<u>-</u>
		Total Congestion Relief	<u>9,134,978</u>	<u>340</u>	<u>(9,592,861)</u>	<u>-</u>	<u>(457,543)</u>
Maintenance:							
SM38	545000	Local Streets and Roads Maintenance	\$ 1,598,673	\$ -	\$ -	\$ -	\$ 1,598,673
		Total Maintenance	<u>1,598,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,598,673</u>
Bikes and Pedestrian:							
SM37	88244	Barham Dr.-Twin Oaks Valley Rd to La Moree	\$ 700,000	\$ -	\$ (700,000)	\$ -	\$ -
V01	88162	Bike Path/Rail Trail Phase II	<u>132,414</u>	<u>1,668</u>	<u>(73,394)</u>	<u>-</u>	<u>60,688</u>
		Total Bikes and Pedestrian	<u>832,414</u>	<u>1,668</u>	<u>(773,394)</u>	<u>-</u>	<u>60,688</u>
		Interest Income	<u>-</u>	<u>8,901</u>	<u>-</u>	<u>-</u>	<u>8,901</u>
		Total <i>TransNet</i> Extension	<u>\$ 11,566,065</u>	<u>\$ 10,909</u>	<u>\$ (10,366,255)</u>	<u>\$ -</u>	<u>\$ 1,210,719</u>

CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 14,000	\$ -	\$ 619	\$ -	\$ -	\$ 14,619	\$ 14,512
For Fiscal Year ended June 30, 2010	June 30, 2017	2,040	-	33	-	-	2,073	2,058
For Fiscal Year ended June 30, 2011	June 30, 2018	93,760	-	1,534	-	-	95,294	94,589
For Fiscal Year ended June 30, 2012	June 30, 2019	82,797	-	623	-	-	83,420	-
Total RTCIP Funds		\$ 192,597	\$ -	\$ 2,809	\$ -	\$ -	\$ 195,406	\$ 111,159

CITY OF SANTEE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



Mayer Hoffman McCann P.C.

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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Santee, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$2,946,375. We selected \$1,295,692 (43.98%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 26.8% of direct salary and benefits costs associated with each project. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A that includes the subsequent year’s intended

action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement.

The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment	\$1,203,456
Less: debt service payment	<u>(586,975)</u>
Net estimated apportionment	616,481
30% base	<u>30%</u>
Fiscal year 2012 30% threshold	184,944
Less:	
Local Street Improvement	
– Congestion Relief fund deficit	(140,375)
– Maintenance fund deficit	<u>(26,599)</u>
Total local streets and roads and local street improvement fund	<u>(166,974)</u>
Fund balance under apportionment	<u>\$ 351,918</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2012</u>	<u>Interest</u> <u>Payments</u>
2010 Series B	7,652,664	-	(287,890)	7,364,774	(299,085)

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
- a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>0.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$31,392,321</u>	<u>30,667,925</u>	<u>1.02</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$551,186
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 485,044</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.

- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 788,451
Less MOE base year requirement	<u>(551,186)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 237,265</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure did not apply to the City.

12. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the fiscal year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$23,308. We selected \$12,965 (55.62%) for testing. No exceptions were noted as a result of our procedures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to ensure they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following additional procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
April 16, 2013

SCHEDULE A

CITY OF SANTEE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
SNT04	Santee Rehabilitation/Major Repair Work	\$ 130,717	\$ 1,605,840	\$ -	\$ (1,878,049)	\$ -	\$ (141,492)	(a)
SNT09	Prospect Ave./Fanita Dr. Signal Impr.	108	-	-	(108)	-	-	
SNT12	Pavement Repair/Rehabilitation	1,065	-	52	-	-	1,117	(b)
	2010 Series B Bonds Debt Service	-	586,975	-	(586,975)	-	-	
	Total Congestion Relief	<u>131,890</u>	<u>2,192,815</u>	<u>52</u>	<u>(2,465,132)</u>	<u>-</u>	<u>(140,375)</u>	
Maintenance:								
SNT07	Santee Slurry Seal/Minor Repair Work	(157,461)	200,000	54	(69,335)	-	(26,742)	(c)
SNT15	Traffic Signal LED Light Replacement	(754)	110,000	143	(109,246)	-	143	(b)
	Total Maintenance	<u>(158,215)</u>	<u>310,000</u>	<u>197</u>	<u>(178,581)</u>	<u>-</u>	<u>(26,599)</u>	
	Total Local Street Improvements	<u>(26,325)</u>	<u>2,502,815</u>	<u>249</u>	<u>(2,643,713)</u>	<u>-</u>	<u>(166,974)</u>	
	Total TransNet Extension:	<u>\$ (26,325)</u>	<u>\$ 2,502,815</u>	<u>\$ 249</u>	<u>\$ (2,643,713)</u>	<u>\$ -</u>	<u>\$ (166,974)</u>	
Non-TransNet:								
SNT04	Santee Rehabilitation/Major Repair Work	\$ -	\$ 302,662	\$ -	\$ (302,662)	\$ -	\$ -	
	Total Non-TransNet:	<u>\$ -</u>	<u>\$ 302,662</u>	<u>\$ -</u>	<u>\$ (302,662)</u>	<u>\$ -</u>	<u>\$ -</u>	
	GASB 31 Fair Market Value Adjustment	-	-	(225)	-	-	(225)	
	Total TransNet Extension and Non-TransNet:	<u>\$ (26,325)</u>	<u>\$ 2,805,477</u>	<u>\$ 24</u>	<u>\$ (2,946,375)</u>	<u>\$ -</u>	<u>\$ (167,199)</u>	

Notes:

- (a) The City will draw down funds during FY 13
- (b) The Project is Complete. Funding will be transferred to another project in the next RTIP Amendment
- (c) Funding will be requested in the next RTIP Amendment

CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
SNT04	Santee Rehabilitation/Major Repair Work	1,605,840	-	(1,939,635)	192,303	(141,492)
SNT09	Prospect Ave./Fanita Dr. Signal Improvements	194,000	-	(194,000)	-	-
SNT12	Pavement Repair/Rehabilitation	918,000	97	(916,980)	-	1,117
	2010 Series B Bonds Debt Service	<u>1,160,878</u>	<u>-</u>	<u>(1,160,878)</u>	<u>-</u>	<u>-</u>
	Total Congestion Relief	<u>3,878,718</u>	<u>97</u>	<u>(4,211,493)</u>	<u>192,303</u>	<u>(140,375)</u>
Maintenance:						
SNT07	Santee Slurry Seal/Minor Repair Work	300,000	416	(327,159)	1	(26,742)
SNT15	Traffic Signal LED Light Replacement	<u>110,000</u>	<u>143</u>	<u>(110,000)</u>	<u>-</u>	<u>143</u>
	Total Maintenance	<u>410,000</u>	<u>559</u>	<u>(437,159)</u>	<u>1</u>	<u>(26,599)</u>
	Total Local Street Improvements	<u>4,288,718</u>	<u>656</u>	<u>(4,648,652)</u>	<u>192,304</u>	<u>(166,974)</u>
Bikes and Pedestrian:						
SNT13	Carlton Oaks Striping	<u>30,200</u>	<u>-</u>	<u>-</u>	<u>(30,200)</u>	<u>-</u>
	Total Bikes and Pedestrian	<u>30,200</u>	<u>-</u>	<u>-</u>	<u>(30,200)</u>	<u>-</u>
Completed Projects						
Local Street Improvements:						
	Congestion Relief	4,067,293	-	(117,292)	(3,950,001)	-
	Commercial Paper Debt Service	<u>3,979,674</u>	<u>-</u>	<u>(29,674)</u>	<u>(3,950,000)</u>	<u>-</u>
	Total Completed Projects	<u>8,046,967</u>	<u>-</u>	<u>(146,966)</u>	<u>(7,900,001)</u>	<u>-</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 12,365,885</u>	<u>\$ 656</u>	<u>\$ (4,795,618)</u>	<u>\$ (7,737,897)</u>	<u>\$ (166,974)</u>

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 270,000	\$ -	\$ 3,823	\$ (117,111)	\$ -	\$ 156,712	\$ 195,215
For Fiscal Year ended June 30, 2010	June 30, 2017	316,200	-	3,072	-	-	319,272	304,077
For Fiscal Year ended June 30, 2011	June 30, 2018	124,860	-	584	-	-	125,444	125,444
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>173,607</u>	<u>-</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>173,798</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 884,667</u>	<u>\$ -</u>	<u>\$ 7,670</u>	<u>\$ (117,111)</u>	<u>\$ -</u>	<u>\$ 775,226</u>	<u>\$ 624,736</u>

CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Solana Beach, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$926,361. We selected \$288,014 (31.09%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent

year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance under the apportionment is as follows. See Finding Number 1 in the Findings and Recommendations section of this report.

Fiscal year 2012 apportionment		\$368,541
Less: debt service payment		<u>(208,721)</u>
Net estimated apportionment		159,820
30% base		<u>30%</u>
Fiscal year 2012 30% threshold		47,946
Less:		
Local streets and roads fund balance	284,236	
Local Street Improvement		
– Congestion Relief fund balance	(73,577)	
– Maintenance fund balance	<u> -</u>	
Total local streets and roads and local street improvement fund balance		<u>210,659</u>
Fund balance over apportionment		<u>\$ 162,713</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	Balance July 1, 2011	Additions	Principal Payments	Balance June 30, 2012	Interest Payments
2010 Series A Bonds	\$ 5,499,999	\$ -	\$ -	\$5,499,999	\$(208,721)

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$14,323,879</u>	<u>13,892,874</u>	<u>1.03</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ 472,898
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 416,150</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City is in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 934,373
Less MOE base year requirement	<u>(472,898)</u>
Excess MOE for fiscal year ended June 30, 2012	<u>\$ 461,475</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the City.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as the City did not have interest related to RTCIP.

- 13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

- 14. We reviewed SANDAG's administrative expenditures to ensure they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: In 2011, the City had two prior year findings in that an MPO ID for one of the expenditures tested was not included in the RTIP and its *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2012, the first finding has been resolved. However, the second finding has not yet been resolved. See Finding Number 1 in the Findings and Recommendations section of this report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the recipient agency's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written responses to the recommendations identified in the procedures performed is described in the accompanying Finding and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2012

(1) **Need to Use Remaining Balance Before Requesting Future Funding**

As of June 30, 2012, the ending fund balance of the *TransNet* funds of the City of Solana Beach (City) was \$210,659, which exceeded 30% of its annual apportionment by \$162,713. This condition was previously reported in the prior year.

Board Policy 031, Rule #17, paragraph IV states, in part:

“...an agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency’s Director of Finance, or equivalent, submits to SANDAG a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.”

Recommendation

We recommend that the City exhaust the excess cash balance as expediently as possible. SANDAG is unable to advance additional funds until such time that the Director of Finance, or equivalent, certifies compliance with this Rule.

Management Response

The City’s largest *TransNet* project is the Highway 101 Streetscaping Project (SB07). The construction contract for this project was awarded in FY2013 and is expected to cost a total of \$7.5 - 8.0 million dollars, which will utilize sufficient funding to lower the City’s *TransNet* cash balance below the 30% reserve requirement.

CITY OF SOLANA BEACH, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Local Streets and Roads:								
SB07	Highway 101 Streetscaping	\$ 889,765	\$ -	\$ -	\$ (236,277)	\$ (376,000)	\$ 277,488	(a)
SB08	Marine View Street Improvements	-	-	-	(363,211)	369,959	6,748	(a)
	Total Local Streets and Roads	<u>889,765</u>	<u>-</u>	<u>-</u>	<u>(599,488)</u>	<u>(6,041)</u>	<u>284,236</u>	
	Total <i>TransNet</i>	<u>\$ 889,765</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (599,488)</u>	<u>\$ (6,041)</u>	<u>\$ 284,236</u>	
TransNet Extension:								
Local Street Improvements:								
Congestion Relief:								
SB01	Lomas Santa Fe / I5 Interchange	\$ 33,237	\$ -	\$ -	\$ -	\$ (33,237)	\$ -	(b)
SB07	Highway 101 Streetscaping	-	-	-	(1,394)	-	(1,394)	(c)
SB08	Marine View Street Improvements	(6,041)	-	-	-	6,041	-	(a)
SB09	El Viento at Granados	-	-	-	(72,404)	36,000	(36,404)	(b)(c)
SB10	Annual Pavement Management	-	-	-	(1,510)	-	(1,510)	(c)
SB11	Traffic Calming Improvements	14,015	-	-	-	-	14,015	(d)
SB12	Highland/Lomas Santa Fe Intersection	(47,587)	-	-	(19,063)	-	(66,650)	(c)
SB13	Pavement Management / Software Update	65,000	-	-	(23,781)	(36,000)	5,219	(b)
SB14	Traffic Signal Maintenance & Upgrades	-	-	-	-	13,147	13,147	(b)(e)
	2010 Series A Bonds	-	208,721	-	(208,721)	-	-	
	Total Congestion Relief	<u>58,624</u>	<u>208,721</u>	<u>-</u>	<u>(326,873)</u>	<u>(14,049)</u>	<u>(73,577)</u>	

CITY OF SOLANA BEACH, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project	Funds	Interest	Project	City	Project	Notes
		Status July 1, 2011	Received	Income	Expenditures	Adjustments	Status June 30, 2012	
	Balance carried forward	\$ 58,624	\$ 208,721	\$ -	\$ (326,873)	\$ (14,049)	\$ (73,577)	
	Maintenance:							
	Maintenance/Non Congestion Relief	(20,090)	-	-	-	20,090	-	(e)
	Total Maintenance	(20,090)	-	-	-	20,090	-	
	Total <i>TransNet</i> Extension	<u>\$ 38,534</u>	<u>\$ 208,721</u>	<u>\$ -</u>	<u>\$ (326,873)</u>	<u>\$ 6,041</u>	<u>\$ (73,577)</u>	
	Interest Income	-	-	3,250	-	-	3,250	
	Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ 928,299</u>	<u>\$ 208,721</u>	<u>\$ 3,250</u>	<u>\$ (926,361)</u>	<u>\$ -</u>	<u>\$ 213,909</u>	
	GASB 31 Fair Market Value Adjustment	-	-	(1,222)	-	-	(1,222)	
	Total after GASB 31 Adjustment	<u>\$ 928,299</u>	<u>\$ 208,721</u>	<u>\$ 2,028</u>	<u>\$ (926,361)</u>	<u>\$ -</u>	<u>\$ 212,687</u>	

Notes:

- (a) Available funds in project SB07 were transferred to SB08 per City Council Resolution #2012-009 and RTIP 10-17.
- (b) Remaining funds from completed projects SB01 and SB13 were transferred to SB09 and SB14 per City Council Resolution #2012-009 and RTIP 10-17.
- (c) To remain in compliance with SANDAG Board Policy No. 031, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), additional funding was not requested during FY 2012. Additional funding will be requested once the City is in compliance with the 30% Rule.
- (d) Project SB11 had no activity in FY2012 and is expected to be completed in FY2013.
- (e) The City amended the RTIP on February 8, 2012 to include this project in Congestion Relief.

CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:						
Local Street Improvements:						
Congestion Relief:						
SB01	Lomas Santa Fe / I5 Interchange	\$ 50,000	\$ 422	\$ (17,185)	\$ (33,237)	\$ -
SB07	Highway 101 Streetscaping	-	-	(1,394)	-	(1,394)
SB08	Marine View Street Improvements	-	-	(6,041)	6,041	-
SB09	El Viento at Granados	-	-	(72,404)	36,000	(36,404)
SB10	Annual Pavement Management	-	-	(1,510)	-	(1,510)
SB11	Traffic Calming Improvements	-	-	(1,485)	15,500	14,015
SB12	Highland/Lomas Santa Fe Intersection	-	-	(66,650)	-	(66,650)
SB13	Pavement Management / Software Update	-	-	(23,781)	29,000	5,219
SB14	Traffic Signal Maintenance & Upgrades	-	-	-	13,147	13,147
	2010 Series A Bonds	<u>412,989</u>	<u>-</u>	<u>(412,989)</u>	<u>-</u>	<u>-</u>
	Total Congestion Relief	<u>462,989</u>	<u>422</u>	<u>(603,439)</u>	<u>66,451</u>	<u>(73,577)</u>
Maintenance						
	Maintenance/Non Congestion Relief	<u>-</u>	<u>-</u>	<u>(20,090)</u>	<u>20,090</u>	<u>-</u>
	Total Maintenance	<u>-</u>	<u>-</u>	<u>(20,090)</u>	<u>20,090</u>	<u>-</u>
	Total Local Street Improvements	<u>462,989</u>	<u>422</u>	<u>(623,529)</u>	<u>86,541</u>	<u>(73,577)</u>
	Interest Income	<u>-</u>	<u>3,250</u>	<u>-</u>	<u>-</u>	<u>3,250</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 462,989</u>	<u>\$ 3,672</u>	<u>\$ (623,529)</u>	<u>\$ 86,541</u>	<u>\$ (70,327)</u>

CITY OF SOLANA BEACH, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status		Note
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011	
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 3,544	\$ -	\$ 7	\$ -	\$ -	\$ 3,551	\$ 3,551	
For Fiscal Year ended June 30, 2010	June 30, 2017	-	-	-	-	-	-	-	
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-	-	-	
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>3,623</u>	-	-	-	-	<u>3,623</u>	-	(a)
Total RTCIP Funds		<u>\$ 7,167</u>	<u>\$ -</u>	<u>\$ 7</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,174</u>	<u>\$ 3,551</u>	

Note:

(a) Interest was not allocated to RTCIP because City does not allocate interest to balances under \$10,000.

CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Vista, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$692,776. We selected \$178,488 (25.76%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable to the city, as there are no indirect costs allocated to projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent

year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment		\$1,841,717
Less: debt service payment		<u> -</u>
Net estimated apportionment		1,841,717
30% base		<u> 30%</u>
Fiscal year 2012 30% threshold		552,515
Less:		
Local streets and roads fund balance	123,106	
Local streets improvement		
– Congestion Relief fund balance	1,531,940	
– Maintenance fund deficit	<u>(1,919,648)</u>	
Total local streets and roads and local street improvement fund balance		<u>(264,602)</u>
Fund balance under apportionment		<u>\$ 817,117</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
- i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate Times
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$62,999,706</u>	<u>46,968,217</u>	<u>1.34</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is .88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$2,385,097
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ 2,098,885</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.

- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. MOE activity for the year ended June 30, 2012, is summarized as follows:

Current year local discretionary expenditures	\$ 2,712,790
Less MOE base year requirement	<u>(2,385,097)</u>
Excess MOE for the year ended June 30, 2012	\$ <u>327,693</u>

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$38,078. We selected \$30,705 (80.64%) for testing. No exceptions were noted as a result of our procedures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. Inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the City.

15. For SANDAG only, we performed the following additional procedures:
- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2011.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLean P.C.

Irvine, California
April 16, 2013

SCHEDULE A

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Local Streets and Roads:									
VISTA 07	7456	SR-78 Corridor Enhancement	\$ 596,767	\$ -	\$ 896	\$ (2,860)	\$ (585,259)	\$ 9,544	(b) (c)
VISTA 08	7741	W. Vista Way Widening	594,258	-	892	-	(595,150)	-	(b) (c)
VISTA 10	8043	Olive Avenue Sidewalks and Street Improvements	355,994	-	534	-	(356,528)	-	(b) (c) (n)
VISTA 11	8052	Median Enhancements	182,125	-	273	-	(182,398)	-	(b) (c) (n)
VISTA 13	8053	ADA Street Improvements	223	-	-	-	(223)	-	(b) (c) (n)
VISTA 19	8030	Maryland Drive Sidewalks	98,472	-	148	(34,531)	52,441	116,530	(b) (d)
VISTA 20	8039	Emerald & Vista Way Improvements	(138,702)	-	-	-	138,702	-	(b) (n)
VISTA 26	8140	Taylor Streets Improvements	182,530	-	274	-	(182,804)	-	(b) (c) (n)
VISTA 29	8152	La Mirada Dr. & Poinsettia Ave. Sig	151,839	-	228	-	(155,035)	(2,968)	(b) (d)
Total Local Streets and Roads			<u>2,023,506</u>	<u>-</u>	<u>3,245</u>	<u>(37,391)</u>	<u>(1,866,254)</u>	<u>123,106</u>	
Total <i>TransNet</i>			<u>\$ 2,023,506</u>	<u>\$ -</u>	<u>\$ 3,245</u>	<u>\$ (37,391)</u>	<u>\$ (1,866,254)</u>	<u>\$ 123,106</u>	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
VISTA 08A	8191	W. Vista Way Widening Construction - Phase 1	\$ 10,987	\$ -	\$ 16	\$ (504)	\$ (231,493)	\$ (220,994)	(b) (m)
VISTA 12	8054	East Vista Way Street Improvements	(316,383)	-	-	(92,762)	422,469	13,324	(b) (c)
VISTA 18	8029	California Avenue Improvements	34,655	-	52	-	(34,707)	-	(b) (c) (n)
VISTA 22	8088	Inland Rail Trail Bike Lane Facility	(80,461)	61,570	-	(737)	20,625	997	(h)
Subtotal Congestion Relief			<u>\$ (351,202)</u>	<u>\$ 61,570</u>	<u>\$ 68</u>	<u>\$ (94,003)</u>	<u>\$ 176,894</u>	<u>\$ (206,673)</u>	

SCHEDULE A

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status	Funds	Interest	Project	City	Project Status	Notes
			July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
		Balance carried forward	\$ (351,202)	\$ 61,570	\$ 68	\$ (94,003)	\$ 176,894	\$ (206,673)	
VISTA 23	8051	Escondido Ave. Traffic Enhancements	(41,783)	-	-	-	41,783	-	(b) (n)
VISTA 27	8141	Foothill Overlay & Improvements	357,483	-	537	(3,554)	(354,376)	90	(b)
VISTA 32	8127	East Vista Way at Oak Drive Signal	384	-	1	(72)	(313)	-	(b) (c) (n)
VISTA 33	8128	North Santa Fe at East Drive Signal	(260)	-	-	(72)	332	-	(b) (c) (n)
VISTA 34	8155	Street Rehab & Resurface	(11,101)	400,000	-	(434,472)	1,781,097	1,735,524	(a) (b)
VISTA 38	8196	SR-78 Civic Center Guide Signs	47,043	-	71	-	(47,114)	-	(b) (c) (n)
VISTA 45	8197	Bobolink Storm Drain	-	-	-	(11,021)	14,020	2,999	(b)
		Total Congestion Relief	564	461,570	677	(543,194)	1,612,323	1,531,940	
		Maintenance:							
VISTA 17	8018	Grapevine Road Street Improvements	42,083	-	63	(992)	-	41,154	(e)
VISTA 25	7650	Roadway Rehab & Upgrade (Street Rehab/Curbs & Gutters)	(16,384)	25,000	-	(35,347)	-	(26,731)	(f)
VISTA 28	8151	Thibido Road Curb & Landscape	(246,823)	-	-	-	-	(246,823)	(e) (g)
VISTA 30	8154	Street Rehab & Maintenance - FY2007-08	(1,628,578)	-	-	(30,560)	-	(1,659,138)	(g)
VISTA 42	8218	Bobier Drive Storm Drain Rehabilitation	-	-	-	(4,518)	-	(4,518)	(e)
VISTA 43	8219	Pavement and Sidewalk Management System	(282)	-	-	(23,310)	-	(23,592)	(e) (f)
		Total Maintenance	(1,849,984)	25,000	63	(94,727)	-	(1,919,648)	
		Total Local Street Improvements	(1,849,420)	486,570	740	(637,921)	1,612,323	(387,708)	
		Bikes and Pedestrians:							
VISTA 22	8088	Inland Rail Trail Bike Lane Facility	-	18,563	-	(4,218)	(20,625)	(6,280)	(h) (i)
VISTA 36	8185	Community Development Sidewalk Improvement Project	(73,165)	78,044	-	-	(4,879)	-	(j)
VISTA 39	8187	Longhorn Dr. Sidewalk Improvement Project	(50,647)	40,705	-	-	4,879	(5,063)	(j) (k)
		Total Bikes and Pedestrians	(123,812)	137,312	-	(4,218)	(20,625)	(11,343)	
		Senior Mini-Grants:							
VISTA 44		Out & About Vista	-	-	-	(13,246)	-	(13,246)	(l)
		Total Senior Mini-Grants	-	-	-	(13,246)	-	(13,246)	
		Total <i>TransNet</i> Extension	\$ (1,973,232)	\$ 623,882	\$ 740	\$ (655,385)	\$ 1,591,698	\$ (412,297)	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	\$ 50,274	\$ 623,882	\$ 3,985	\$ (692,776)	\$ (274,556)	\$ (289,191)	

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012	Notes
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Notes:

- (a) Adjustment due to the erroneous allocation of interest to projects in prior years that included GASB 31 fair-market-value adjustment amounts. GASB 31 is a bookkeeping entry for financial statement presentation only and does not represent realized (actual) gains or losses.
- (b) Council approved action per Resolution 2012-120 (06/26/12) authorizing adjustments to reduce or eliminate projects with negative balances by utilizing the excess positive balances from other projects. Due to these cash transfers, SANDAG's Programming Division is requiring an RTIP amendment specifically for VISTA 08, 08A, 19, and 34 which will go to the City Council in March 2013.
- (c) Adjustments of immaterial remaining amounts ranging from \$1 to \$123 of FY 2012 allocated interest, have been transferred from projects VISTA 08, 10, 13, 11, 18, 26, 33, and 38 and have been added to the VISTA 07, 12, and 32 projects. These amounts have been added in the "City Adjustments" column.
- (d) City adjustment to go to City Council in May 2013 to transfer funds from VISTA 19 to VISTA 29 to eliminate negative balance.
- (e) City adjustment to go to City Council in May 2013 to transfer funds from VISTA 17 to VISTA 42 to eliminate negative balances and to VISTA 28 to reduce negative balance.
- (f) City to request draw down of programmed funding in FY 2013 to eliminate negative balances.
- (g) VISTA 28 and 30 are completed projects that were removed from the RTIP before funds were drawn down. City adjustment to go to City Council in May 2013 to program carryover funds in RTIP and then draw down to eliminate negative balances.
- (h) Adjustment to correct VISTA 22 expenditures previously reported in FY 2012 as 100% congestion relief when \$20,625 of expenditures actually qualified as grant reimbursable costs.
- (i) VISTA 22 negative balance of \$6,280 represents (1) \$2,484 of retention withheld by SANDAG on reimbursement requests submitted to date that will only be paid when the project's final invoice is processed; and (2) \$3,797 of cost reimbursement received on August 9, 2012.
- (j) Correcting adjustment for prior year revenue attributed in error to VISTA 36 when it was actually reimbursement for VISTA 39 costs.
- (k) VISTA 39 negative balance of \$5,063 represents final grant retention amount received on August 22, 2012. \$40,705 of reported revenue accrued to FY 2011 in general ledger, but cash received July 19, 2011.
- (l) VISTA 44 invoice for reimbursement for FY 2012 costs submitted August 15, 2012.
- (m) FYE 2012 adjustment to correct FY 2010 project expenditures of \$231,493 to *TransNet* Fund from Grant Fund where originally charged. Finance received confirmation from Engineering Department in November 2012 that the grant funding never materialized, and was budgeted in error. *TransNet* funding was properly appropriated and available to fund the expenditures and it is programmed in the RTIP.
- (n) Project is complete.

SCHEDULE B

CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
VISTA 08A	8191	W. Vista Way Widening Construction - Phase 1	\$ 250,000	\$ 474	\$ (239,975)	\$ (231,493)	\$ (220,994)
VISTA 12	8054	East Vista Way Street Improvements	-	-	(409,145)	422,469	13,324
VISTA 18	8029	California Avenue Improvements	50,000	1,492	-	(51,492)	-
VISTA 22	8088	Inland Rail Trail Bike Lane Facility	146,035	-	(141,588)	(3,450)	997
VISTA 23	8051	Escondido Ave. Traffic Enhancements	270,000	50	(43,890)	(226,160)	-
VISTA 27	8141	Foothill Overlay & Improvements	1,704,645	696	(1,350,875)	(354,376)	90
VISTA 32	8127	East Vista Way at Oak Drive Signal	5,000	1	(861)	(4,140)	-
VISTA 33	8128	North Santa Fe at East Drive Signal	4,000	-	(1,079)	(2,921)	-
VISTA 34	8155	Street Rehab & Maintenance - Annual	578,542	-	(472,999)	1,629,981	1,735,524
VISTA 38	8196	SR 78 Civic Center Guide Signs	75,000	2,052	(29,938)	(47,114)	-
VISTA 45	8197	Bobolink Storm Drain	-	-	(11,021)	14,020	2,999
Total Congestion Relief			<u>3,083,222</u>	<u>4,765</u>	<u>(2,701,371)</u>	<u>1,145,324</u>	<u>1,531,940</u>
Maintenance:							
VISTA 17	8018	Grapevine Road Street Improvements	45,000	63	(3,909)	-	41,154
VISTA 25	7650	Roadway Rehab & Upgrade	50,000	7	(76,738)	-	(26,731)
VISTA 28	8151	Thibido Road Curb & Landscape	-	-	(246,823)	-	(246,823)
VISTA 30	8154	Street Rehab & Maintenance - FY2007-08	1,180,291	-	(2,839,429)	-	(1,659,138)
VISTA 42	8218	Bobier Drive Storm Drive & Street Rehabilitation	2,000	-	(5,577)	(941)	(4,518)
VISTA 43	8219	Pavement & Sidewalk Management System	-	-	(23,592)	-	(23,592)
Total Maintenance			<u>1,277,291</u>	<u>70</u>	<u>(3,196,068)</u>	<u>(941)</u>	<u>(1,919,648)</u>
Bikes and Pedestrians:							
VISTA 22	8088	Inland Rail Trail Bike Lane Facility	18,563	-	(4,218)	(20,625)	(6,280)
VISTA 36	8185	Community Development Sidewalk Improvement Project	151,723	-	(146,844)	(4,879)	-
VISTA 39	8187	Longhorn Dr. Sidewalk Improvement Project	40,705	-	(50,647)	4,879	(5,063)
Total Bikes and Pedestrians			<u>210,991</u>	<u>-</u>	<u>(201,709)</u>	<u>(20,625)</u>	<u>(11,343)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>\$ 4,571,504</u>	<u>\$ 4,835</u>	<u>\$ (6,099,148)</u>	<u>\$ 1,123,758</u>	<u>\$ (399,051)</u>

CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2012
		Balance carried forward	4,571,504	4,835	(6,099,148)	1,123,758	(399,051)
		Senior Mini-Grants:					
VISTA 35		Out & About Vista	75,848	-	(75,848)	-	-
VISTA 44		Out & About Vista	-	-	(13,246)	-	(13,246)
		Total Senior Mini-Grants	75,848	-	(89,094)	-	(13,246)
		Total Cumulative <i>TransNet</i> Extension	\$ 4,647,352	\$ 4,835	\$ (6,188,242)	\$ 1,123,758	\$ (412,297)

SCHEDULE C

CITY OF VISTA, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received	Other Revenue	Interest Income	Project Expenditures	City Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 32,000	\$ -	\$ 346	\$ (32,346)	\$ -	\$ -	\$ 32,346
For Fiscal Year ended June 30, 2010	June 30, 2017	69,360	-	1,543	(5,732)	-	65,171	70,096
For Fiscal Year ended June 30, 2011	June 30, 2018	101,969	-	2,374	-	-	104,343	103,052
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>186,824</u>	<u>-</u>	<u>2,341</u>	<u>-</u>	<u>-</u>	<u>189,165</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 390,153</u>	<u>\$ -</u>	<u>\$ 6,604</u>	<u>\$ (38,078)</u>	<u>\$ -</u>	<u>\$ 358,679</u>	<u>\$ 205,494</u>

COUNTY OF SAN DIEGO

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the County of San Diego, California (County) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. The County's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The County recorded total expenditures in the amount of \$12,969,892. We selected \$3,579,616 (27.60%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 17% of direct salary and benefit costs associated with each project. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project with the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- 7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual

apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The County is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

Fiscal year 2012 apportionment	\$12,147,661
Less: debt service payment	<u>(7,428,348)</u>
Net estimated apportionment	4,719,313
30% base	<u>30%</u>
Fiscal year 2012 30% threshold	1,415,794
Less:	
Local streets and roads fund balance	411,744
Local Street Improvement	
– Congestion Relief fund balance	626,437
– Maintenance fund balance	<u>-</u>
Total local streets and roads and local street improvement fund balance	<u>1,038,181</u>
Fund balance under apportionment	<u>\$ 377,613</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

	Balance <u>July 1, 2011</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2012</u>	Interest <u>Payments</u>
2008 Bonds	\$21,207,276	\$(5,706,500)	\$(466,122)	\$15,034,654	\$(931,626)
2012 Bonds	-	5,525,913	-	5,525,913	(324,100)

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.
 - i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
 - ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the

Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
Index as of June 30, 2012 divided by Index as of June 30, 2009	<u>81.30</u>	<u>92.00</u>	<u>.88</u>

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: The growth rate is summarized as follows:

	<u>2012</u>	<u>2009</u>	Growth Rate <u>Times</u>
General fund revenues as of June 30, 2012 divided by General fund revenues as of June 30, 2009	<u>\$3,282,205</u>	<u>\$3,137,671</u>	<u>1.05</u>

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: The lowest growth rate is 0.88 times.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: The adjusted MOE is summarized as follows:

Previously approved MOE base	\$ -
Growth rate	<u>0.88</u>
Adjusted MOE base as of June 30, 2012	<u>\$ -</u>

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: These procedures are not necessary as the MOE requirement for the County is \$0.

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the County.

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the County.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We ensured the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The County recorded total RTCIP expenditures in the amount of \$1,388,568. We selected \$287,286 (20.69%) for testing. No exceptions were noted as a result of our procedures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the County.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for the County.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the County.

16. We reviewed and documented any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. If applicable, we have included the County's response to the findings.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the County's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 29, 2013

COUNTY OF SAN DIEGO
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2012	Notes
TransNet:									
Highways:									
CNTY 14	1003303	South Santa Fe - North	\$ 3,044,024	\$ -	\$ 14,354	\$ (2,213,798)	\$ -	\$ 844,580	
		Total Highways	3,044,024	-	14,354	(2,213,798)	-	844,580	
Local Streets and Roads:									
CNTY 24	1003046	Cole Grade - High School	423,444	-	3,300	(15,000)	-	411,744	
		Total Local Streets and Roads	423,444	-	3,300	(15,000)	-	411,744	
		Total <i>TransNet</i>	\$ 3,467,468	\$ -	\$ 17,654	\$ (2,228,798)	\$ -	\$ 1,256,324	
TransNet Extension:									
Local Street Improvements:									
Congestion Relief:									
CNTY 14	1003303	South Santa Fe - North	\$ 9,139	\$ 4,248,217	\$ -	\$ (4,257,356)	\$ -	\$ -	(a)
CNTY 14A	1010123	South Santa Fe - South	(246,298)	246,300	-	-	-	2	(a)
		Subtotal Congestion Relief	(237,159)	4,494,517	-	(4,257,356)	-	2	

COUNTY OF SAN DIEGO
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2012	Notes
		Subtotal Congestion Relief balance carried forward	\$ (237,159)	\$ 4,494,517	\$ -	\$ (4,257,356)	\$ -	\$ 2	
CNTY 17	1003307	SR 54/94 II & III	5,996	-	22	(22,000)	15,982	-	(b) (c)
CNTY 21	1003030	Bradley Avenue	(18,945)	134,000	2	(115,053)	-	4	
CNTY 33	1009578	Via De La Santa	(61,327)	61,400	-	-	-	73	(a)
CNTY 34	1009589	Dye Road Extension	42,595	47,405	87	(90,000)	-	87	
CNTY 35	1009591	Ramona Street Extension	(3,470)	178,515	57	(175,045)	-	57	
CNTY 36	1009592	San Vicente Road South I	15,495	473,913	55	(489,408)	-	55	
CNTY 38	1009758	Rancho Santa Fe Roundabouts	114,171	-	918	-	(105,089)	10,000	(d)
CNTY 39	1010404	Bear Valley Parkway	649	3,679,000	4,965	(3,570,560)	375,435	489,489	(c) (d) (e)
CNTY 42	1009690	Otay Mesa Road	-	20,000	64	(10,000)	(8,064)	2,000	(e)
CNTY 66	1003111	Lonestar Road	10,176	72,865	17	(83,041)	-	17	
CNTY 76	1013679	Jamacha Blvd. Phase 1 & 2	385,094	1,259,903	653	(1,644,997)	-	653	
CNTY 78	1013677	Inland Rail Trail	(95,978)	254,380	565	(34,967)	-	124,000	
		Total Congestion Relief	<u>157,297</u>	<u>10,675,898</u>	<u>7,405</u>	<u>(10,492,427)</u>	<u>278,264</u>	<u>626,437</u>	
		Maintenance:							
CNTY 26	1003260	Olive Vista Drive	234,359	-	230	(208,320)	(26,269)	-	(c)
CNTY 26	1007354	Valley Center Road Median	290,317	-	2,025	(40,347)	(251,995)	-	(c)
		Total CNTY 26 Projects	<u>524,676</u>	<u>-</u>	<u>2,255</u>	<u>(248,667)</u>	<u>(278,264)</u>	<u>-</u>	

COUNTY OF SAN DIEGO
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2012	Notes
		Total Congestion Relief balance carried forward	\$ 157,297	\$ 10,675,898	\$ 7,405	\$ (10,492,427)	\$ 278,264	\$ 626,437	
		Subtotal Maintenance balance carried forward	524,676	-	2,255	(248,667)	(278,264)	-	
		Total Local Street Improvements	681,973	10,675,898	9,660	(10,741,094)	-	626,437	
		Total <i>TransNet</i> Extension	\$ 681,973	\$ 10,675,898	\$ 9,660	\$ (10,741,094)	\$ -	\$ 626,437	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	\$ 4,149,441	\$ 10,675,898	\$ 27,314	\$ (12,969,892)	\$ -	\$ 1,882,761	

Notes:

- (a) The County expended the balance before interest was earned and allocated.
- (b) Project CNTY17 SR 54/94 is complete.
- (c) Project CNTY26 Street Improvements is complete. Remaining funds under CNTY26 (\$278,264) were transferred to CNTY17 SR 54/94 \$15,982 and to CNTY39 Bear Valley Parkway \$262,282. The County will pass a resolution to amend the RTIP in January 2013 to approve transfer.
- (d) Project CNTY38 Rancho Santa Fe Roundabouts has more deferred cash than programmed in outward years. Adjustment of (\$105,089) will be transferred to active project CNTY39 Bear Valley Parkway. The County will pass a resolution to amend the RTIP in January 2013 to approve transfer.
- (e) Project CNTY42 Otay Mesa has more deferred cash than programmed in outward years. Adjustment of (\$8,064) will be transferred to active project CNTY39 Bear Valley Parkway. The County will pass a resolution to amend the RTIP in January 2013 to approve transfer.

COUNTY OF SAN DIEGO
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2012
TransNet Extension:							
Local Street Improvements:							
Congestion Relief:							
CNTY 14	1003303	South Santa Fe - North	\$ 6,733,117	\$ 883	\$ (6,734,000)	\$ -	\$ -
CNTY 14A	1010123	South Santa Fe - South	985,300	2,456	(987,754)	-	2
CNTY 17	1003307	SR 54/94 II & III	177,360	68	(193,410)	15,982	-
CNTY 21	1003030	Bradley Avenue	1,407,000	53,425	(1,402,421)	(58,000)	4
CNTY 33	1009578	Via De La Santa	650,777	210	(650,914)	-	73
CNTY 34	1009589	Dye Road Extension	858,405	722	(859,040)	-	87
CNTY 35	1009591	Ramona Street Extension	674,330	18,841	(693,114)	-	57
CNTY 36	1009592	San Vicente Road South I	1,956,086	187	(1,956,218)	-	55
CNTY 38	1009758	Rancho Santa Fe Roundabouts	516,000	3,596	(404,507)	(105,089)	10,000
CNTY 39	1010404	Bear Valley Parkway	4,471,835	5,614	(4,363,395)	375,435	489,489
CNTY 42	1009690	Otay Mesa Road	20,000	64	(10,000)	(8,064)	2,000
CNTY 66	1033111	Lonestar Road	182,865	536	(183,384)	-	17
CNTY 76	1013679	Jamacha Blvd. Phase 1 & 2	4,063,810	4,489	(4,067,646)	-	653
CNTY 78	1013677	Inland Rail Trail	426,380	693	(303,073)	-	124,000
Total Congestion Relief			<u>23,123,265</u>	<u>91,784</u>	<u>(22,808,876)</u>	<u>220,264</u>	<u>626,437</u>
Maintenance:							
CNTY 26	1003099	Julian Avenue	1,800,000	132,966	(2,363,404)	430,438	-
CNTY 26	1003260	Olive Vista Drive	3,496,100	327,645	(3,426,970)	(396,775)	-
CNTY 26	1003276	Ramona Drive	1,000,000	54,562	(994,630)	(59,932)	-
CNTY 26	1007354	Valley Center Road Median	1,500,000	256,485	(1,504,490)	(251,995)	-
Subtotal CNTY 26 Projects			<u>7,796,100</u>	<u>771,658</u>	<u>(8,289,494)</u>	<u>(278,264)</u>	<u>-</u>
Total Maintenance			<u>7,796,100</u>	<u>771,658</u>	<u>(8,289,494)</u>	<u>(278,264)</u>	<u>-</u>
Total Local Street Improvements			<u>30,919,365</u>	<u>863,442</u>	<u>(31,098,370)</u>	<u>(58,000)</u>	<u>626,437</u>

COUNTY OF SAN DIEGO
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2012
		Total Local Street Improvements balance carried forward	\$ 30,919,365	\$ 863,442	\$ (31,098,370)	\$ (58,000)	\$ 626,437
Completed Projects:							
		Local Street Improvements:					
		Congestion Relief	29,150,865	619,323	(33,642,581)	3,872,393	-
		Maintenance	2,484,676	6,786	(1,641,503)	(849,959)	-
		Bikes and Pedestrians	125,000	-	(125,000)	-	-
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 62,679,906</u>	<u>\$ 1,489,551</u>	<u>\$ (66,507,454)</u>	<u>\$ 2,964,434</u>	<u>\$ 626,437</u>

Note:

Schedule B includes activity for Project CNTY 26 that was advance-funded prior to the implementation of the *TransNet* Extension Ordinance on July 1, 2008, through various SANDAG debt instruments and is paid down through the County of San Diego *TransNet* Extension Ordinance Local Street Improvement funding.

SCHEDULE C

COUNTY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2012

Project Year	Last Date to Spend funds	Cumulative					Cumulative Status	
		Funds Received (1)	Other Revenue	Interest Income	Project Expenditures	County Adjustments	June 30, 2012	June 30, 2011
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 785,479	\$ -	\$ 8,081	\$ (793,560)	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	815,447	-	2,064	(867,910)	50,399	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	1,120,191	-	2,461	(1,122,652)	-	-	131,998
For Fiscal Year ended June 30, 2012	June 30, 2019	<u>1,253,969</u>	<u>-</u>	<u>2,601</u>	<u>(1,256,570)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total RTCIP Funds		<u>\$ 3,975,086</u>	<u>\$ -</u>	<u>\$ 15,207</u>	<u>\$ (4,040,692)</u>	<u>\$ 50,399</u>	<u>\$ -</u>	<u>\$ 131,998</u>

Notes:

- (1) The County of San Diego does not have a specific RTCIP fee. The County's Transportation Impact Fee (TIF) program is the mechanism for complying with the Regional Transportation Congestion Implementation Program (RTCIP). Under the TIF program, the County collects regional residential fees for compliance with the RTCIP.

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether ITOC was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. SANDAG's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either, for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: This procedure is not applicable for ITOC.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: This procedure is performed as part of procedure 13 of this report for ITOC.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
 - a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).
 - b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.
 - c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.
 - d. We identified the interest income reported for the year ended June 30, 2012.
 - i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.
 - ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.
 - e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.
 - i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.
 - ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
 - iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.
- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.
 - i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.
- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.
- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.
- j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.
- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: These procedures are not applicable for ITOC.

- 6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
 - a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: This procedure is not applicable for ITOC.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: This procedure is not applicable for ITOC.

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable for ITOC.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort (MOE) base year amount to be use for fiscal year 2015, 2016 and 2017 audits.

Results: This procedure is not applicable for ITOC.

10. For the cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.

Results: This procedure is not applicable for ITOC.

11. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for ITOC.

12. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) for the year ended June 30, 2012 from SANDAG.

- a. We obtained a general ledger for the RTCIP fund from the ITOC.
- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the ITOC.

- c. We obtained the RTCIP schedule, which included the cumulative exactions collected, cumulative interest earned, cumulative expenditures, and cumulative ending balance.
 - i. We determined that the ITOC is using the most current approved fee amount.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
 - v. We determined whether the ITOC provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.
 - vi. We identified interest income for the fiscal year ended June 30, 2012 and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: These procedures are not applicable as the RTCIP does not apply to ITOC.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: ITOC recorded total expenditures in the amount of \$356,159. We selected \$90,045 (25.28%) for testing. No exceptions were noted as a result of our procedures.

14. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

- b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for ITOC.

15. For SANDAG only, we performed the following additional procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for ITOC.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the ITOC's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the fiscal year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on ITOC's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McClann P.C.

Irvine, California
March 29, 2013

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet Extension Activities

Schedule of Status of Funds

Year Ended June 30, 2012

<u>Project Name</u>	<u>Status July 1, 2011</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Committee Adjustments</u>	<u>Status June 30, 2012</u>
<i>TransNet</i> Extension:						
Independent Taxpayer Oversight Committee	\$ 534,894	\$ 347,711	\$ 5,975	\$ (356,159)	\$ -	\$ 532,421
Total ITOC	<u>534,894</u>	<u>347,711</u>	<u>5,975</u>	<u>(356,159)</u>	<u>-</u>	<u>532,421</u>
Total <i>TransNet</i> Extension	<u>\$ 534,894</u>	<u>\$ 347,711</u>	<u>\$ 5,975</u>	<u>\$ (356,159)</u>	<u>\$ -</u>	<u>\$ 532,421</u>

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet Extension Activities
 Cumulative Schedule of Status of Funds
 Year Ended June 30, 2012

<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Committee Adjustments</u>	<u>Status June 30, 2012</u>
<i>TransNet</i> Extension:					
Independent Taxpayer Oversight Committee	\$ 1,348,842	\$ 12,068	\$ (828,489)	\$ -	\$ 532,421
Total ITOC	<u>1,348,842</u>	<u>12,068</u>	<u>(828,489)</u>	<u>-</u>	<u>532,421</u>
Total Cumulative <i>TransNet</i> Extension	<u>\$ 1,348,842</u>	<u>\$ 12,068</u>	<u>\$ (828,489)</u>	<u>\$ -</u>	<u>\$ 532,421</u>

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Metropolitan Transit System (MTS) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. MTS' management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: Per discussion with management, *TransNet* revenues and expenditures are not recorded in a separate fund, but MTS maintains separate accountability for all

TransNet activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted the MTS' alternative approach.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: MTS recorded total expenditures in the amount of \$22,328,539. We selected \$5,748,323 (25.74%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are not allocated to the projects included in the RTIP. No further testing deemed necessary.

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule

showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: MTS is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

	<u>Sr. & Disabled</u>	<u>Transit</u>
Fiscal year 2012 apportionment	\$658,643	\$24,830,827
Less: debt service payment	<u>-</u>	<u>-</u>
Net estimated apportionment	658,643	24,830,827
30% base	<u>30%</u>	<u>30%</u>
Fiscal year 2012 30% threshold	197,593	7,449,248
Less: Fund balance	<u>-</u>	<u>-</u>
Fund balance under apportionment	<u>\$ 197,593</u>	<u>\$ 7,449,248</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016, and 2017 audits.

Results: This procedure is not applicable as MTS is not subject to MOE requirements.

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

Results: This procedure is not applicable as MTS is not subject to MOE requirements.

11. We reviewed transit operator eligibility for receipt of funds.

- a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.

- b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year.
- c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

Results: The increase in the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services are shown in the tables below.

The growth rate for bus total operating cost per revenue vehicle hour and the growth rate for rail total operating cost per revenue mile exceeded the increase in the CPI. However, MTS submitted to the SANDAG Board, a request to calculate the requirement based on the average over the previous three fiscal years, as allowed for in Section 4(C)5 of the *TransNet* Extension Ordinance (04-01). The SANDAG Board of Directors approved MTS's request. Therefore, we have calculated the increase in operating cost per revenue vehicle hour for bus and operating cost per revenue vehicle mile for rail services based on the average, and the growth rates are now in compliance with the requirements.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>3-Year Average Growth Rate</u>
Operating cost for bus services	\$151,951,288	\$140,008,751	\$142,314,150	\$81,271,392	
Revenue vehicle hours	1,689,974	1,680,436	1,733,857	843,438	
Total operating cost per revenue vehicle hours	\$89.91	\$83.32	\$82.08	\$96.36	
Consumer Price Index	229.775	222.913	198.572	177.071	
Increase/ (Decrease) in CPI	3.1%	12.3%	12.1%		9.2%
Increase/ (Decrease) in Ratio	7.9%	1.5%	-14.8%		-1.8%

Operating Cost per Revenue Vehicle Mile for Rail Services

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>3-Year Average Growth Rate</u>
Operating cost for rail services	\$63,849,409	\$60,815,846	\$61,127,104	\$58,536,769	
Revenue vehicle miles	7,544,239	7,518,512	7,848,443	7,894,528	
Total operating cost per revenue vehicle mile	\$8.46	\$8.09	\$7.79	\$7.41	
Consumer Price Index	229.775	222.913	198.572	177.071	
Increase/ (Decrease) in CPI	3.1%	12.3%	12.1%		9.2%
Increase/ (Decrease) in Ratio	4.6%	3.9%	5.0%		4.5%

12. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.
 - a. We obtained a general ledger for the RTCIP fund from MTS.
 - b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from MTS.
 - c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
 - i. We determined that MTS is using the most current approved fee amount.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
 - v. We reviewed and ensured that MTS provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

- vi. We identified interest income for the year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as MTS.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for MTS.

14. We reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: These procedures are not applicable for MTS.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for MTS.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included MTS' response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on MTS' receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McLann P.C.

Irvine, California
March 29, 2013

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	MTS Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Capital:								
SAN 67	Blue Line Rehab	\$ -	\$ -	\$ -	\$ 5,646,676	\$ (5,646,676)	\$ -	(a)
	Total Capital	-	-	-	5,646,676	(5,646,676)	-	
	Total <i>TransNet</i>	\$ -	\$ -	\$ -	\$ 5,646,676	\$ (5,646,676)	\$ -	
TransNet Extension:								
Operating:								
Senior and Disabled Transportation:								
MTS 33A	MTS Access	\$ -	\$ 673,269	\$ -	\$ (673,269)	\$ -	\$ -	
	Total Senior and Disabled Transportation	-	673,269	-	(673,269)	-	-	
Transit and Trolley:								
MTS 23A	MTS Operating Support	235	25,402,128	-	(25,402,363)	-	-	
Major Transit Corridor Operations:								
SAN 80	Bus Rapid Transit	-	72,742	-	(72,742)	-	-	
SAN 80	SuperLoop	-	1,826,841	-	(1,826,841)	-	-	
	Total Major Transit Corridor Operations	-	1,899,583	-	(1,899,583)	-	-	
	Total Transit and Trolley	235	27,301,711	-	(27,301,946)	-	-	
	Total Operating	235	27,974,980	-	(27,975,215)	-	-	
	Total <i>TransNet</i> Extension	\$ 235	\$ 27,974,980	\$ -	\$ (27,975,215)	\$ -	\$ -	
	Total <i>TransNet</i> and <i>TransNet</i> Extension	\$ 235	\$ 27,974,980	\$ -	\$ (22,328,539)	\$ (5,646,676)	\$ -	

Notes

(a) Current year adjustment results from reclassification of prior year funds from TransNet to Prop 1B.

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	MTS Adjustments	Status June 30, 2012
TransNet Extension						
Operating:						
	Senior and Disabled Transportation:					
MTS 33A	MTS Access	\$ 2,492,876	\$ -	\$ (2,492,876)	\$ -	\$ -
	Total Senior and Disabled Transportation:	2,492,876	-	(2,492,876)	-	-
	Transit and Trolley					
MTS 23A	MTS Operating Support	83,067,492	-	(83,067,492)	-	-
	Major Transit Corridor Operations:					
SAN 80	Bus Rapid Transit	262,847	-	(262,847)	-	-
SAN 80	SuperLoop	5,472,734	-	(5,472,734)	-	-
	Total Major Transit Corridor Operations	5,735,581	-	(5,735,581)	-	-
	Total Transit and Trolley	88,803,073	-	(88,803,073)	-	-
	Total Operating	91,295,949	-	(91,295,949)	-	-
Capital:						
SAN 67	Blue Line Rehab	43,310,407	-	(37,663,731)	(5,646,676)	-
	Total Capital	43,310,407	-	(37,663,731)	(5,646,676)	-
	Total Cumulative <i>TransNet</i> Extension	\$ 134,606,356	\$ -	\$ (128,959,680)	\$ (5,646,676)	\$ -

**NORTH COUNTY TRANSIT DISTRICT
OCEANSIDE, CALIFORNIA**

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



Mayer Hoffman McCann P.C.

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San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the North County Transit District, Oceanside, California (NCTD), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. NCTD's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: Per discussion with NCTD management, *TransNet* revenues and expenditures are not recorded in a separate fund. However, since NCTD is an enterprise fund, it does maintain separate accountability for all *TransNet* activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted NCTD's alternative approach.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the Ordinance and Board Policy No, 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: NCTD recorded total expenditures in the amount of \$12,396,613. We selected \$3,218,909 (25.97%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects for the year ended June 30, 2012.

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We

determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
 - a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and

ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's fiscal year annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: NCTD is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

	<u>Sr. & Disabled</u>	<u>Transit</u>
Fiscal year 2012 apportionment	\$ 269,690	\$10,167,329
Less: debt service payment	<u>-</u>	<u>(173,577)</u>
Net estimated apportionment	269,690	9,993,752
30% base	<u>30%</u>	<u>30%</u>
Fiscal year 2012 30% threshold	80,907	2,998,126
Less:		
Fund balance	<u>-</u>	<u>-</u>
Fund balance under apportionment	<u>\$ 80,907</u>	<u>\$ 2,998,126</u>

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: NCTD has \$32,900,000 in outstanding commercial paper. However, it does not use *TransNet* funds for the payment of principal and interest. For the year ended June 30, 2012, NCTD paid \$173,577 in interest on commercial paper, which represents the cost of being in the commercial paper program.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance of effort Maintenance of Effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.
 - a. Obtain the Construction Cost Index for June 30, from SANDAG.

- i. Calculate the growth rate in the Construction Cost Index for the prior MOE base period over the Construction Cost Index as of June 30.
- ii. The calculation of the growth rate of the Construction Cost Index would involve determining the percentage change of the index by taking the Index as of June 30 and dividing it by the Index at June 30 of the previously approved MOE base period.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

- b. Obtain from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2012.
 - i. Calculate the growth rate in the recipient agency's General Fund revenues for the period ended June 30, 2012, over the amount of General Fund revenues as of June 30, 2009, of the previously approved MOE base period.
 - ii. The calculation of the growth rate would involve determining the percentage change of the General Fund revenues by taking total General Fund revenues, as reported in the recipient agency's annual financial report as of June 30 and dividing it by total General Fund revenues as reported in the recipient agency's annual financial report as of June 30 of the previously approved MOE base period.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

- c. Compare the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and select the lowest rate.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

- d. Apply the growth rate selected in (c) above to previously approved MOE base and determine the re-indexed MOE base as of June 30 to become effective for the fiscal year ending June 30, 2015 to 2017.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

10. For the cities and the County of San Diego only, we reviewed the MOE requirement.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

11. We reviewed transit operator eligibility for receipt of funds.
 - a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.
 - b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year from SANDAG.
 - c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

Results: The increase in the total operating cost per revenue vehicle hour for bus services, and the increase in total operating cost per revenue vehicle mile for rail services, is shown in the tables below.

The increase in the total operating cost per revenue vehicle hour for bus services was lower than the increase in the CPI. However, the growth rate for rail total operating cost per revenue vehicle mile exceeded the increase in the CPI. NCTD submitted to the SANDAG Board, a request to calculate the requirement based on the average over the previous three fiscal years, as allowed for in Section 4(C)5 of the *TransNet* Extension Ordinance (04-01). The SANDAG Board of Directors approved NCTD's request. Therefore, we have calculated the operating cost per revenue vehicle mile based on the average, and the growth rate is now in compliance with the requirements.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2012</u>	<u>2011</u>	<u>Growth Rate</u>
Operating cost for bus services	\$44,760,253	\$42,720,619	
Revenue vehicle hours	454,558	438,086	
Total operating cost per revenue vehicle hour	\$98.47	\$97.52	1.010
Consumer Price Index	229.775	222.913	1.031

Operating Cost per Revenue Vehicle Mile for Rail Services

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>3-Year Average Growth Rate</u>
Operating cost for rail services	\$31,433,211	\$28,912,425	\$28,197,382	\$31,517,329	
Revenue vehicle miles	791,558	761,909	740,828	739,266	
Total operating cost per revenue vehicle mile	\$39.71	\$37.95	\$38.06	\$42.63	
Consumer Price Index	229.775	222.913	198.572	177.071	
Increase/ (Decrease) in CPI	3.1%	12.3%	12.1%		9.2%
Increase/ (Decrease) in Ratio	4.6%	-0.3%	-10.7%		-2.1%

12. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the fiscal year ended June 30, 2012.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as NCTD.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC’s responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for NCTD.

14. We reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

Results: This procedure is not applicable for NCTD.

15. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for NCTD.

16. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable, as there were no prior year findings and recommendations.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included NCTD's response to the findings, if applicable.

Results: This procedure is not applicable, as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on NCTD's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 29, 2013

NORTH COUNTY TRANSIT DISTRICT
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Project Status July 1, 2011	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Capital:								
Transit:								
NCTD16	Inland (O-E Line)	\$ 6,399	\$ -	\$ 17	\$ -	\$ -	\$ 6,416	
NCTD18	Coastal	1,760,882	-	4,754	(95,396)	-	1,670,240	
	STP Projects and Services	28,776	-	78	(215)	-	28,639	
	Total Transit	1,796,057	-	4,849	(95,611)	-	1,705,295	
	Total Capital	1,796,057	-	4,849	(95,611)	-	1,705,295	
	Total <i>TransNet</i>	\$ 1,796,057	\$ -	\$ 4,849	\$ (95,611)	\$ -	\$ 1,705,295	
TransNet Extension:								
Operating:								
Senior and Disabled Transportation:								
NCTD03	Elderly and Disabled	\$ -	\$ 270,242	\$ -	\$ (270,242)	\$ -	\$ -	
	Total Senior and Disabled Transportation	-	270,242	-	(270,242)	-	-	
Transit:								
NCTD16B	Oceanside to Escondido Rail Operations	-	2,322,560	-	(2,322,560)	-	-	
NCTD34	Expanded Transit Service	-	7,844,254	-	(7,844,254)	-	-	
	Total Transit	-	10,166,814	-	(10,166,814)	-	-	
	Subtotal <i>TransNet Extension</i>	-	10,437,056	-	(10,437,056)	-	-	

NORTH COUNTY TRANSIT DISTRICT
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Project Status	Funds	Interest	Project	NCTD	Project Status	Notes
		July 1, 2011	Received	Income	Expenditures	Adjustments	June 30, 2012	
	Balance carried forward	\$ -	\$ 10,437,056	\$ -	\$ (10,437,056)	\$ -	\$ -	
	TransNet Senior Mini Grant:							
NCTD34	TransNet Senior Services	(37,185)	15,942	-	(6,067)	-	(27,310)	(a)
	Total TransNet Senior Mini Grant	(37,185)	15,942	-	(6,067)	-	(27,310)	
	Total Operating	(37,185)	10,452,998	-	(10,443,123)	-	(27,310)	
	Capital:							
	Major Corridor:							
NCTD16	Oceanside-Escondido Rail Project	2,720,117	-	4,556	(1,857,758)	-	866,915	
NCTD40	Rail Station Improvement	1,034,266	-	2,790	(121)	-	1,036,935	
	Total Major Corridor	3,754,383	-	7,346	(1,857,879)	-	1,903,850	
	Total Capital	3,754,383	-	7,346	(1,857,879)	-	1,903,850	
	Total TransNet Extension	\$ 3,717,198	\$ 10,452,998	\$ 7,346	\$ (12,301,002)	\$ -	\$ 1,876,540	
	Total TransNet and TransNet Extension	\$ 5,513,255	\$ 10,452,998	\$ 12,195	\$ (12,396,613)	\$ -	\$ 3,581,835	

Notes:

(a) \$25,364 was received from SANDAG in FY 2013. Additional reimbursement requests were sent in FY2013.

NORTH COUNTY TRANSIT DISTRICT
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2012

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2012
TransNet Extension:						
Operating:						
Major Corridor:						
NCTD34	Expanded Transit Service	\$ 1,313,066	\$ -	\$ (1,313,066)	\$ -	\$ -
	Total Major Corridor	1,313,066	-	(1,313,066)	-	-
Senior and Disabled Transportation:						
NCTD03	Elderly and Disabled	1,018,325	-	(1,018,325)	-	-
	Total ADA	1,018,325	-	(1,018,325)	-	-
Transit:						
NCTD16B	Oceanside to Escondido Rail Operations	6,449,369	-	(6,449,369)	-	-
NCTD34	Expanded Transit Service	31,806,019	-	(31,806,019)	-	-
	Total Transit	38,255,388	-	(38,255,388)	-	-
TransNet Senior Mini Grant:						
NCTD34	<i>TransNet</i> Senior Services	113,550	-	(140,860)	-	(27,310)
	Total <i>TransNet</i> Senior Mini Grant	113,550	-	(140,860)	-	(27,310)
	Total Operating	40,700,329	-	(40,727,639)	-	(27,310)

NORTH COUNTY TRANSIT DISTRICT
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Name	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2012
Capital:						
Major Corridor:						
NCTD16	Oceanside-Escondido Rail Project	65,304,611	363,864	(65,216,615)	415,055	866,915
NCTD40	Rail Station Improvements	<u>1,230,000</u>	<u>42,879</u>	<u>(242,503)</u>	<u>6,559</u>	<u>1,036,935</u>
	Total Major Corridor	<u>66,534,611</u>	<u>406,743</u>	<u>(65,459,118)</u>	<u>421,614</u>	<u>1,903,850</u>
	Total Capital	<u>66,534,611</u>	<u>406,743</u>	<u>(65,459,118)</u>	<u>421,614</u>	<u>1,903,850</u>
Completed Projects:						
Capital:						
Major Corridor						
NCTD41	San Luis Rey Transit Center	459,699	6,559	(459,699)	(6,559)	-
V01	Inland Rail Trail	<u>857,834</u>	<u>-</u>	<u>-</u>	<u>(857,834)</u>	<u>-</u>
	Total Major Corridor	<u>1,317,533</u>	<u>6,559</u>	<u>(459,699)</u>	<u>(864,393)</u>	<u>-</u>
	Bike, Pedestrian and Neighborhood Safety (BPNS)					
V01	Inland Rail Trail	<u>3,870,000</u>	<u>25,257</u>	<u>(4,753,091)</u>	<u>857,834</u>	<u>-</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 112,422,473</u>	<u>\$ 438,559</u>	<u>\$ (111,399,547)</u>	<u>\$ 415,055</u>	<u>\$ 1,876,540</u>

**SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA**

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2012



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San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Association of Governments (SANDAG) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2012. SANDAG's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

4. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

5. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2012.

- i. We reviewed the interest income reported on Schedule A and agreed it to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2012.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: SANDAG recorded total expenditures in the amount of \$144,301,268. We selected \$36,350,205 (25.19%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determine if the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect cost is allocated to RTIP projects at a rate of 48.6% of salaries. No exceptions were noted as a result of our procedures.

- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is included with the subsequent year’s

intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

6. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

7. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: This procedure is not applicable as the 30% balance threshold applies to *TransNet* recipients that receive an annual apportionment per the Ordinance. SANDAG is not a recipient of an annual apportionment.

8. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2012.

9. For the cities and County of San Diego only and in accordance with Section 8 of the Ordinance, re-index the maintenance effort (MOE) base year amount to be used for fiscal year 2015, 2016 and 2017 audits.

Results: This procedure is not applicable for SANDAG.

10. For cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.

Results: This procedure is not applicable for SANDAG.

11. We reviewed the transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for SANDAG.

12. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2012.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.
- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.
- c. We obtained the RTCIP schedule, which included the beginning balance, exactions collected, interest earned, expenditures incurred and the ending balance, from SANDAG. We agreed the ending balance per the prior year schedule to the beginning balance for the fiscal year ended June 30, 2012, or footnoted any restatements.
 - i. We determined that the recipient agency is using the most current approved fee amount.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
- iii. We determined whether all exaction fees have been expended within seven years of collection.
- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.
- vi. We identified interest income for the fiscal year ended June 30, 2012, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: These procedures are not applicable as SANDAG is not a local agency as identified in Section 9 of the Extension Ordinance.

13. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: These procedures are not applicable as SANDAG.

14. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: No exceptions were noted as a result of our procedures.

15. For SANDAG only, we performed the following additional procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed the fiscal year 2012 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: No exceptions were noted as a result of our procedures.

16. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

17. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included SANDAG's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on SANDAG's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Mayer Hoffman McCann P.C.

Irvine, California
March 29, 2013

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
TransNet:								
Highways:								
SAN13	1142600	Joint Transit Operations Center	\$ -	\$ 87	\$ (87)	\$ -	\$ -	
		Total Highways	-	87	(87)	-	-	
Transit:								
	1095400	LFV Station Platform Retrofit	-	49,563	(49,563)	-	-	
		Total Transit	-	49,563	(49,563)	-	-	
		Total <i>TransNet</i>	-	49,650	(49,650)	-	-	
TransNet Extension:								
Administration:								
		SANDAG 1% Administration	-	2,251,010	(2,251,010)	-	-	(a)
		Total Administration	-	2,251,010	(2,251,010)	-	-	
Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through:								
CHV56	1223006	Sidewalk Safety Program	-	79,544	(79,544)	-	-	
ESC20	1223010	Escondido Creek Bikeway Ash St Undercrossing	-	457,357	(457,357)	-	-	
LAM29	1223012	Spring St. Trolley Ped Acc Improvements	-	88,000	(88,000)	-	-	
LAM29	1223013	La Mesa/EI Cajon Blvd Ped Improvements	-	361,000	(361,000)	-	-	
		Total LAM 29	-	449,000	(449,000)	-	-	
		Subtotal BPNS - Pass Through	-	985,901	(985,901)	-	-	
		Subtotal <i>TransNet</i> Extension	-	3,236,911	(3,236,911)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 3,236,911	\$ (3,236,911)	\$ -	\$ -	
		BPNS - Pass Through balance carried forward	-	985,901	(985,901)	-	-	
SD191	1223008	Bicycle Detection Signalized Intersection	-	65,722	(65,722)	-	-	
SD191	1223014	SR 15 Bike Path Design/Environmental Docs	-	183,053	(183,053)	-	-	
		Total SD191	-	248,775	(248,775)	-	-	
SM37	1223007	Barham Dr. Urban Trail Imp	-	590,108	(590,108)	-	-	
V01	1223002	Inland Rail Trail	-	4,218	(4,218)	-	-	
		Total BPNS - Pass Through	-	1,829,002	(1,829,002)	-	-	
		BPNS:						
ESC32	1223011	Escondido Creek Bike Path/ECBP Lighting and Restriping	-	1,603	(1,603)	-	-	
NC11	1223001	SWater River Bike Path Gap	-	575	(575)	-	-	
SAN40	3300300	TDA/TN Bike, Ped, Neighborhood	-	20,000	(20,000)	-	-	
SAN102	1143700	Bayshore Bikeway Segments 4 & 5	-	-	324,621	(324,621)	-	(b)
SAN102	1144300	Bayshore Bikeway Segments 7 & 8	-	14,404	(339,025)	324,621	-	(b)
		Total SAN102	-	14,404	(14,404)	-	-	
SAN145	1143800	Encinitas Grade Separated Pedestrian Crossing	-	200,000	(200,000)	-	-	
		Subtotal BPNS	-	236,582	(236,582)	-	-	
		Subtotal <i>TransNet</i> Extension	-	4,316,594	(4,316,594)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 4,316,594	\$ (4,316,594)	\$ -	\$ -	
		BPNS balance carried forward	-	236,582	(236,582)	-	-	
SAN150	3300601	Regional Bike Plan Data	-	40,141	(40,141)	-	-	
SAN150	3300602	Regional Bike Plan Transit	-	50,989	(50,989)	-	-	
SAN150	3300603	Regional Bike Plan Wayfinding	-	10,831	(10,831)	-	-	
		Total SAN150	-	101,961	(101,961)	-	-	
SAN152	1223024	Coastal Rail Trail Phase 2B Oceanside	-	217,557	(217,557)	-	-	
SAN157	1223019	San Diego River Trail	-	2,478	(2,478)	-	-	
SAN158	1223020	Bicycle Facilities La Mesa to North Park	-	27,167	(27,167)	-	-	
SAN159	1223021	Bicycle Facilities Normal Heights to Balboa Park	-	8,868	(8,868)	-	-	
SAN160	1223022	Bicycle Facilities Old Town to San Diego	-	28,458	(28,458)	-	-	
		Total BPNS	-	623,071	(623,071)	-	-	
		Senior Services - Pass Through:						
LAM27	1270400	La Mesa - Rides4Neighbors	-	157,907	(157,907)	-	-	
NCTD34	1270100	NCTD - Mobility/Travel Training Program	-	5,965	(5,965)	-	-	
O21	1270500	Oceanside - Solutions for Seniors on the Go	-	217,893	(217,893)	-	-	
		Subtotal Senior Services - Pass Through	-	381,765	(381,765)	-	-	
		Subtotal <i>TransNet</i> Extension	-	5,084,848	(5,084,848)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and *TransNet* Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 5,084,848	\$ (5,084,848)	\$ -	\$ -	
		Senior Services - Pass Through balance carried forward	-	381,765	(381,765)	-	-	
SAN70	1271000	Jewish Family Services - Rides & Smiles	-	39,682	(39,682)	-	-	
SAN85	1270200	All Congregations Together - ComLink Transportation	-	144,095	(144,095)	-	-	
SAN86	1270300	Alpha Project - Senior Transportation Program	-	157,608	(157,608)	-	-	
SAN87	1270700	Elderhelp - Volunteer Driver Program	-	80,958	(80,958)	-	-	
SAN88	1270800	FACT - Reimbursement	-	3,705	(3,705)	-	-	
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	-	41,938	(41,938)	-	-	
SAN91	1271200	Redwood Elderlink	-	49,872	(49,872)	-	-	
SAN92	1271300	Travelers Aid Society - SeniorRide	-	92,995	(92,995)	-	-	
SAN141	1271000	Jewish Family Services	-	97,907	(97,907)	-	-	
VISTA44	1270600	City of Vista Out and About	-	13,246	(13,246)	-	-	
		Total Senior Services - Pass Through	-	1,103,771	(1,103,771)	-	-	
		Senior Services:						
SAN40	3320100	S/R Transit Svc Activities	-	42,000	(42,000)	-	-	
		Total Senior Services	-	42,000	(42,000)	-	-	
		Subtotal <i>TransNet</i> Extension	-	5,848,854	(5,848,854)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 5,848,854	\$ (5,848,854)	\$ -	\$ -	
Smart Growth - Pass Through:								
CHV49	1224013	3rd Ave. Streetscape Implem	-	204,629	(204,629)	-	-	
CHV52	1224012	Industrial Blvd. Bicycle and Pedestrian Facilities	-	226,743	(226,743)	-	-	
CHV63	1224002	Palomar Gateway District Specific Plan and EIR	-	161,074	(161,074)	-	-	
LG19	1224008	Lemon Grove Trolley Plaza	-	374,334	(374,334)	-	-	
SD201	1224004	Mid City SR15 BRT Station Area Planning Study	-	64,838	(64,838)	-	-	
SD202	1224005	Chollas Triangle Master Plan	-	69,982	(69,982)	-	-	
SD203	1224006	Euclid and Market Village Master Plan	-	270,388	(270,388)	-	-	
SD204	1224007	Imperial Ave and Commercial St Corridor Plan	-	317,784	(317,784)	-	-	
SD205	1224009	Park Blvd/Essex St Pedestrian Crossing and Traffic Calming	-	34,423	(34,423)	-	-	
SD206	1224011	Fourth Ave/Quince Pedestrian Crossing and Traffic Calming	-	26,715	(26,715)	-	-	
SD207	1224014	4th and 5th Ave/Nutmeg Ped Crossing and Traffic Calming	-	25,293	(25,293)	-	-	
SD214	1224010	Park Blvd/City College/San Diego High	-	43,147	(43,147)	-	-	
		Total Smart Growth - Pass Through	-	1,819,350	(1,819,350)	-	-	
		Subtotal <i>TransNet</i> Extension	-	7,668,204	(7,668,204)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 7,668,204	\$ (7,668,204)	\$ -	\$ -	
		Smart Growth:						
SAN40	3300100	<i>TransNet</i> Smart Growth Incentive Program	-	20,000	(20,000)	-	-	
		Total Smart Growth	-	20,000	(20,000)	-	-	
		Local Street Improvements:						
ESC13	1201510	Nordahl Road Bridge @ SR78	-	344,086	(344,086)	-	-	
		Total Local Street Improvements	-	344,086	(344,086)	-	-	
		Regional Environmental Mitigation Program (EMP) - Pass Through:						
V07	12002xx	Caltrans	-	6,994,535	(6,994,535)	-	-	
V08	1200305	Shinohara Parcel Vernal Pools	-	(145)	145	-	-	
V08	1200311	Gnatcatcher/Cactus Wren - Chula Vista	-	63,919	(63,919)	-	-	
V08	1200320	Mission Resource Conversation District	-	74,928	(74,928)	-	-	
V08	1200321	San Dieguito River Park - JPA	-	76,674	(76,674)	-	-	
V08	1200324	San Elijo Lagoon Foundation	-	43,560	(43,560)	-	-	
V08	1200325	USGS Pond Turtles Restoration	-	32,930	(32,930)	-	-	
V08	1200326	SD County Salt Creek Recovery	-	18,105	(18,105)	-	-	
V08	1200328	San Pasqual River Restoration	-	1	(1)	-	-	
V08	1200333	Calavera Preserve	-	199,577	(199,577)	-	-	
V08	1200334	Wild Animal Park	-	134,575	(134,575)	-	-	
V08	1200335	Rancho Jamul Fencing	-	92,099	(92,099)	-	-	
V08	1200336	San Dieguito River Valley Conservancy	-	73,279	(73,279)	-	-	
V08	1200337	Rancho La Costa/TET/Meadowlark	-	19,723	(19,723)	-	-	
V08	1200340	CA Invasive Plant Council	-	56,338	(56,338)	-	-	
		Subtotal V08	-	885,563	(885,563)	-	-	
		Subtotal <i>TransNet</i> Extension	-	15,912,388	(15,912,388)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 15,912,388	\$ (15,912,388)	\$ -	\$ -	
		V08 balance carried forward	-	885,563	(885,563)	-	-	
V08	1200344	River Habitat San Diego River	-	112,076	(112,076)	-	-	
V08	1200345	Daley Preserve	-	142,045	(142,045)	-	-	
V08	1200346	South Crest - Crestridge	-	182,026	(182,026)	-	-	
V08	1200347	Lusardi Creek	-	29,000	(29,000)	-	-	
V08	1200348	San Pasqual Valley Weed	-	46,105	(46,105)	-	-	
V08	1200349	South County Grassland	-	54,476	(54,476)	-	-	
V08	1200351	Lakeside Linkage	-	83,957	(83,957)	-	-	
V08	1200352	Chula Vista Tarplant-Thornmint	-	121,425	(121,425)	-	-	
V08	1200353	Crest Canyon Invasive Removal	-	9,411	(9,411)	-	-	
V08	1200354	Invasive Control Pepper Weed	-	20,507	(20,507)	-	-	
V08	1200358	Carlsbad Hydrologic Unit	-	1,920	(1,920)	-	-	
V08	1200359	Audubon Mission Bay Park	-	3,482	(3,482)	-	-	
V08	1200360	Proctor Valley Vernal Pools	-	15,416	(15,416)	-	-	
V08	1200361	Brachypodium Removal	-	1,058	(1,058)	-	-	
V08	1200362	Tijuana River Valley SWIA	-	2,761	(2,761)	-	-	
V08	1200363	Groundwork Radio - Encanto	-	5,966	(5,966)	-	-	
V08	1200368	CNLM Acanthomintha	-	3,728	(3,728)	-	-	
V08	1200370	Proctor Valley Missing Link Barriers	-	4,915	(4,915)	-	-	
V08	1200371	County Community Outreach	-	33,863	(33,863)	-	-	
V08	1200372	Mission Valley Preserve	-	8,138	(8,138)	-	-	
		Total V08	-	1,767,838	(1,767,838)	-	-	
		Total Regional EMP - Pass Through	-	8,762,373	(8,762,373)	-	-	
		Subtotal <i>TransNet</i> Extension	-	16,794,663	(16,794,663)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 16,794,663	\$ (16,794,663)	\$ -	\$ -	
		Environmental Mitigation (EMP):						
V07	12002xx	Biological Mitigation	-	30,312,876	(30,312,876)	-	-	
V08	12003xx	Regional Habitat Conservation Fund	-	1,883,362	(1,883,362)	-	-	
		Total EMP	-	32,196,238	(32,196,238)	-	-	
		Major Corridor - Pass Through:						
CAL09	1200501	I-5 North Coast	-	-	1,794,546	(1,794,546)	-	(c)
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	600,000	(600,000)	-	-	
		Total CAL09	-	600,000	1,194,546	(1,794,546)	-	
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	-	280,000	(280,000)	-	-	
CAL18	1201502	I-15 Managed Lanes-Middle Segment	-	-	(2,397,800)	2,397,800	-	(c)
CAL18A	1201503	I-15 Managed Lanes-North Segment	-	-	2,922,254	(2,922,254)	-	(c)
CAL18B	1201501	I-15 ML S. Segment and Mira Mesa Transit Center	-	-	(1,710,000)	1,710,000	-	(c)
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Stations	-	900,000	(900,000)	-	-	
		Total CAL18B	-	900,000	(2,610,000)	1,710,000	-	
CAL26B	1205202	SR52 Aux Lanes, Truck Lane, and Inside Widening	-	-	3,290,000	(3,290,000)	-	(c)
CAL78B	1280503	I-805 HOV/Managed Lanes + North	-	-	(500,000)	500,000	-	(c)
CAL78B	1280511	I-805 North: 2HOV	-	-	(1,290,000)	1,290,000	-	(c)
		Total CAL78B	-	-	(1,790,000)	1,790,000	-	
		Subtotal Major Corridor - Pass Through	-	1,780,000	329,000	(2,109,000)	-	
		Subtotal <i>TransNet</i> Extension	-	50,770,901	(48,661,901)	(2,109,000)	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 50,770,901	\$ (48,661,901)	\$ (2,109,000)	\$ -	
		Major Corridor - Pass Through balance carried forward	-	1,780,000	329,000	(2,109,000)	-	
CAL78C	1280501	I-805 HOV/Managed Lanes South	-	-	3,456,000	(3,456,000)	-	(c)
CAL78C	1280510	I-805 South: 2HOV & DAR	-	6,245,000	(6,245,000)	-	-	
		Total CAL78C	-	6,245,000	(2,789,000)	(3,456,000)	-	
CAL120	1201510	SR 78 Auxiliary Lanes	-	-	(5,500,000)	5,500,000	-	(c)
SAN04	1201504	I-15 Managed Lane/Value Pricing	-	145,000	(145,000)	-	-	
SAN26	1201505	I-15 BRT Transit Stations	-	-	(42,000)	42,000	-	(c)
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	-	-	(13,000)	13,000	-	(c)
SAN47	1280504	South Bay BRT	-	-	(10,000)	10,000	-	(c)
		Total Major Corridor - Pass Through	-	8,170,000	(8,170,000)	-	-	
		Major Corridor:						
CAL09	1200501	I-5 North Coast	-	1,676,767	(1,676,767)	-	-	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	909,716	(909,716)	-	-	
		Total CAL09	-	2,586,483	(2,586,483)	-	-	
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	-	702,580	(702,580)	-	-	
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	327,935	(327,935)	-	-	
		Subtotal Major Corridor	-	3,616,998	(3,616,998)	-	-	
		Subtotal <i>TransNet</i> Extension	-	60,777,899	(60,777,899)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 60,777,899	\$ (60,777,899)	\$ -	\$ -	
		Major Corridor balance carried forward	-	3,616,998	(3,616,998)	-	-	
CAL18	1201502	I-15 Managed Lanes-Middle Segment	-	104,629	(104,629)	-	-	
CAL18A	1201503	I-15 Managed Lanes-North Segment	-	2,466,462	(2,466,462)	-	-	
CAL18B	1201501	I-15 Managed Lanes-South Segment	-	233,657	(233,657)	-	-	
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Stations	-	345,757	(345,757)	-	-	
		Total CAL18B	-	579,414	(579,414)	-	-	
CAL26	1205203	State Route 52 Freeway (E&F)	-	285,060	(285,060)	-	-	
CAL29	1207602	SR 76 Middle	-	1,582,487	(1,582,487)	-	-	
CAL29B	1207606	SR 76 East	-	2,083,339	(2,083,339)	-	-	
CAL38	1390501	SR-905 New Freeway	-	(124,973)	124,973	-	-	(d)
CAL67	1280508	SR 94 Widening	-	234,645	(234,645)	-	-	
CAL68	1212501	SR94-125 Widening	-	264,241	(264,241)	-	-	
CAL75	1200506	I-5 Genessee interchange and Widening	-	54,320	(54,320)	-	-	
CAL77	1200505	I-5/I-8 Connector	-	8,994	(8,994)	-	-	
		Subtotal Major Corridor	-	11,155,616	(11,155,616)	-	-	
		Subtotal <i>TransNet</i> Extension	-	68,316,517	(68,316,517)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 68,316,517	\$ (68,316,517)	\$ -	\$ -	
		Major Corridor balance carried forward	-	11,155,616	(11,155,616)	-	-	
CAL78B	1280503	I-805 HOV/Managed Lanes - North	-	5,365	(5,365)	-	-	
CAL78B	1280511	I-805 North: 2 HOV	-	144,691	(144,691)	-	-	
		Total CAL78B	-	150,056	(150,056)	-	-	
CAL78C	1280501	I-805 HOV/Managed Lanes - South	-	130,696	(130,696)	-	-	
CAL78C	1280510	I-805 South: 2 HOV & DAR	-	2,578,820	(2,578,820)	-	-	
		Total CAL78C	-	2,709,516	(2,709,516)	-	-	
CAL114	1200503	I-5/SR56 Interchange	-	12,106	(12,106)	-	-	
CAL120	1201510	SR 78 Auxiliary Lanes	-	637,415	(637,415)	-	-	
SAN04	1201504	I-15 Managed Lane/Value Pricing	-	4,288,222	(4,288,222)	-	-	
SAN04	3310400	I-15 Violation Enforcement System Study	-	22,304	(22,304)	-	-	
		Total SAN04	-	4,310,526	(4,310,526)	-	-	
SAN23	1041501	Mid-Coast Corridor Project	-	762,022	(762,022)	-	-	
SAN23	1257001	Mid-Coast Corridor Transit Project	-	12,946,942	(12,946,942)	-	-	
		Total SAN23	-	13,708,964	(13,708,964)	-	-	
		Subtotal Major Corridor	-	32,684,199	(32,684,199)	-	-	
		Subtotal <i>TransNet</i> Extension	-	89,845,100	(89,845,100)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 89,845,100	\$ (89,845,100)	\$ -	\$ -	
		Major Corridor balance carried forward	-	32,684,199	(32,684,199)	-	-	
SAN26	1201505	I-15 BRT Transit Stations	-	161,395	(161,395)	-	-	
SAN26A	1201508	I-15 BRT Operations and Vehicles	-	57,248	(57,248)	-	-	
SAN26B	1201509	Downtown BRT Stations	-	1,839,317	(1,839,317)	-	-	
SAN26C	1201507	I-15 BRT Transit Stations - South	-	793,406	(793,406)	-	-	
SAN27	1300601	San Ysidro Intermodal Freight Facility	-	307,790	(307,790)	-	-	
SAN27	1300602	South Line Rail Freight Capacity	-	(2,223,267)	2,223,267	-	-	(e)
		Total SAN27	-	(1,915,477)	1,915,477	-	-	
SAN29	1239801	Sorrento to Miramar Double Track/Realign	-	2,993,395	(2,993,395)	-	-	
SAN29	1239812	Sorrento to Miramar Phase 2	-	1,562,837	(1,562,837)	-	-	
		Total SAN29	-	4,556,232	(4,556,232)	-	-	
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	-	644,684	(644,684)	-	-	
SAN46	1041502	<i>SuperLoop</i>	-	5,233,990	(5,233,990)	-	-	
SAN47	1280504	Otay BRT	-	821,511	(821,511)	-	-	
		Subtotal Major Corridor	-	44,876,505	(44,876,505)	-	-	
		Subtotal <i>TransNet</i> Extension	-	102,037,406	(102,037,406)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 102,037,406	\$ (102,037,406)	\$ -	\$ -	
		Major Corridor balance carried forward	-	44,876,505	(44,876,505)	-	-	
SAN54	2301500	Multimodal TSM/TDM Model Tool	-	3,067	(3,067)	-	-	
SAN54	3310900	IMTMS	-	61,886	(61,886)	-	-	
SAN54	3311000	ITS Operations	-	1,576,697	(1,576,697)	-	-	
SAN54	3311100	Regional ITS Program Management	-	38,977	(38,977)	-	-	
SAN54	3311800	Connected Vehicle Development Program	-	25,093	(25,093)	-	-	
SAN54	3311900	Arterial Detection System Development	-	69,446	(69,446)	-	-	
		Total SAN54	-	1,775,166	(1,775,166)	-	-	
SAN64	1239809	Eastbrook to Shell Double Track	-	2,159,121	(2,159,121)	-	-	
SAN67	1210080	Low Floor Vehicles	-	(6,381,778)	6,381,778	-	-	(e)
SAN68	1280507	Vehicle Assist and Automation/Bus on Shoulder Serv	-	9,902	(9,902)	-	-	
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	-	190,403	(190,403)	-	-	
SAN74	1143300	Escondido Bus Rapid Transit	-	143,116	(143,116)	-	-	
SAN78	1240001	Mid-City Rapid Bus	-	122,694	(122,694)	-	-	
SAN79	1142500	Centralized Train Control	-	2,047,253	(2,047,253)	-	-	
SAN79	1143401	TLSP-At Grade Xing	-	11,453	(11,453)	-	-	
		Total SAN79	-	2,058,706	(2,058,706)	-	-	
		Subtotal Major Corridor	-	44,953,835	(44,953,835)	-	-	
		Subtotal <i>TransNet</i> Extension	-	102,114,736	(102,114,736)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 102,114,736	\$ (102,114,736)	\$ -	\$ -	
		Major Corridor balance carried forward	-	44,953,835	(44,953,835)	-	-	
SAN116	1239803	Oceanside Station Stub Tracks	-	1,034,785	(1,034,785)	-	-	
SAN117	1239805	Poinsettia Run Through Track	-	78,828	(78,828)	-	-	
SAN119	1239807	Sorrento Valley Double Track	-	117,304	(117,304)	-	-	
SAN120	1239808	Tecolote-Washington Crossovers	-	370,683	(370,683)	-	-	
SAN121	1239804	Carlsbad Double Track	-	47,388	(47,388)	-	-	
SAN123	1143200	University Town Center (UTC) Transit Center	-	439	(439)	-	-	
SAN128	1201512	I-15 BRT Sabre Springs Parking Structure	-	207,481	(207,481)	-	-	
SAN129	1201514	Downtown Layover Facility	-	359,326	(359,326)	-	-	
SAN130	1239810	Carlsbad Village Double Track	-	155,043	(155,043)	-	-	
SAN131	1201511	Mira Mesa Blvd. BRT Priority Treatments	-	343,081	(343,081)	-	-	
SAN132	1239811	Elvira to Morena Double Track	-	79,156	(79,156)	-	-	
SAN133	1201513	South Bay BRT Maintenance Facility	-	42,084	(42,084)	-	-	
SAN146	1280512	I-805 Imperial BRT Station	-	49,570	(49,570)	-	-	
		Subtotal Major Corridor	-	47,839,003	(47,839,003)	-	-	
		Subtotal <i>TransNet</i> Extension	-	104,999,904	(104,999,904)	-	-	

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

MPO ID	Project Number	Project Name	Project Status July 1, 2011	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012	Notes
		<i>TransNet</i> Extension balance carried forward	\$ -	\$ 104,999,904	\$ (104,999,904)	\$ -	\$ -	
		Major Corridor balance carried forward	-	47,839,003	(47,839,003)	-	-	
SAN149	1239814	Coaster PE	-	385,353	(385,353)	-	-	
SAN170	1210010	Orange and Blue Line Project Management	-	8,747,608	(8,747,608)	-	-	
SAN171	1210020	Blue Line Crossovers and Signals	-	3,220,472	(3,220,472)	-	-	
SAN172	1210030	Blue Line Station Rehabilitation	-	650,091	(650,091)	-	-	
SAN173	1210040	Blue Line Rail Infrastructure	-	875,424	(875,424)	-	-	
SAN174	1210050	Blue Line Communications Upgrades	-	7,055	(7,055)	-	-	
SAN175	1210060	Blue Line Substation Roofs	-	3,102	(3,102)	-	-	
SAN176	1210070	System Station Platforms	-	25,362,609	(25,362,609)	-	-	
		Total Major Corridor	-	87,090,717	(87,090,717)	-	-	
		Total <i>TransNet</i> Extension	-	144,251,618	(144,251,618)	-	-	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	\$ -	\$ 144,301,268	\$ (144,301,268)	\$ -	\$ -	

Notes:

- (a) SANDAG 1% Administration also includes Overall Work Program Planning efforts.
- (b) Correct project number for prior year expenditures.
- (c) Major Corridor Pass through agency adjustment per Caltrans. Distribute excess cash on hand to balance projects. See Caltrans *TransNet* audit report for detail.
- (d) Negative FY12 expenditures due to reallocation of prior year *TransNet* expenses.
- (e) Replace prior year *TransNet* with State revenue.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2012

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
TransNet Extension:						
Administration:						
		SANDAG 1% Administration	\$ 8,489,215	\$ (8,489,215)	\$ -	\$ -
		Total Administration	8,489,215	(8,489,215)	-	-
Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through:						
CHV56	1223006	Sidewalk Safety Program	79,544	(79,544)	-	-
ESC20	1223010	Escondido Creek Bikeway Ash St Undercrossing	457,357	(457,357)	-	-
LAM29	1223012	Spring St. Trolley Ped Acc Improvements	88,000	(88,000)	-	-
LAM29	1223013	La Mesa/EI Cajon Blvd Ped Improvements	361,000	(361,000)	-	-
		Total LAM29	449,000	(449,000)	-	-
NC11	1223001	SWater River Bike Path Gap	6,860	(6,860)	-	-
SD191	1223008	Bicycle Detection Signalized Intersection	65,722	(65,722)	-	-
SD191	1223014	SR-15 Bike Path Design/Environmental Docs	230,945	(230,945)	-	-
		Total SD191	296,667	(296,667)	-	-
		Subtotal BPNS - Pass Through	1,289,428	(1,289,428)	-	-
		Subtotal <i>TransNet</i> Extension	9,778,643	(9,778,643)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
		<i>TransNet</i> Extension balance carried forward	\$ 9,778,643	\$ (9,778,643)	\$ -	\$ -
		BPNS - Pass Through balance carried forward	1,289,428	(1,289,428)	-	-
SM37	1223007	Barham Dr. Urban Trail Improvements	700,000	(700,000)	-	-
SNT30	1223005	Carlton Oaks Dr. Bike Lanes	30,200	(30,200)	-	-
V01	1223002	Inland Rail Trail	24,843	(24,843)	-	-
VISTA36	1223004	Boys & Girls Club Sidewalk	146,844	(146,844)	-	-
VISTA39	1223003	Pedestrian Improvements	50,649	(50,649)	-	-
		Total BPNS - Pass Through	2,241,964	(2,241,964)	-	-
		BPNS:				
ESC32	1223011	Escondido Creek Bike Path Lighting and Restriping	1,603	(1,603)	-	-
NC11	1223001	Sweetwater River Bike Path Gap	123,012	(123,012)	-	-
SAN40	3300300	<i>TransNet</i> Bike, Ped, Neighborhood	57,000	(57,000)	-	-
SAN50	3310706	Regional Bicycle Locker Program	15,039	(15,039)	-	-
		Subtotal BPNS	196,654	(196,654)	-	-
		Subtotal <i>TransNet</i> Extension	10,927,833	(10,927,833)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
		<i>TransNet</i> Extension balance carried forward	\$ 10,927,833	\$ (10,927,833)	\$ -	\$ -
		BPNS balance carried forward	196,654	(196,654)	-	-
SAN81	75067	Bayshore Bikeway - Main to 32nd	34,807	(34,807)	-	-
SAN81	11437	Bayshore Bikeway - Seg. 4 & 5	380,386	(415,193)	34,807	-
		Total SAN81	415,193	(450,000)	34,807	-
SAN93	1143700	Bayshore Bikeway Extension	34,807	-	(34,807)	-
SAN102	1143700	Bayshore Bikeway - Segments 4 & 5	196,587	128,034	(324,621)	-
SAN102	1144300	Bayshore Bikeway - Segments 7 & 8a	14,404	(339,025)	324,621	-
		Total SAN102	210,991	(210,991)	-	-
SAN145	1143800	Encinitas Grade - Separated Pedestrian Crossing	200,000	(200,000)	-	-
SAN150	3300601	Regional Bike Plan - Data	40,141	(40,141)	-	-
SAN150	3300602	Regional Bike Plan - Transit	50,989	(50,989)	-	-
SAN150	3300603	Regional Bike Plan - Wayfinding	10,831	(10,831)	-	-
		Total SAN150	101,961	(101,961)	-	-
SAN152	1223024	Coastal Rail Trail Phase 2B - Oceanside	217,557	(217,557)	-	-
SAN157	1223019	San Diego River Trail	2,478	(2,478)	-	-
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	27,167	(27,167)	-	-
SAN159	1223021	Bicycle Facilities - Normal Heights to Balboa Park	8,868	(8,868)	-	-
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	28,458	(28,458)	-	-
		Total BPNS	1,444,134	(1,444,134)	-	-
		Subtotal <i>TransNet</i> Extension	12,175,313	(12,175,313)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 12,175,313	\$ (12,175,313)	\$ -	\$ -
		Senior Services - Pass Through:				
LAM27	1270400	La Mesa - Rides4Neighbors	294,146	(294,146)	-	-
NCTD34	1270100	NCTD - Mobility/Travel Training Program	138,979	(138,979)	-	-
O21	1270500	Oceanside - Solutions for Seniors on the Go	458,192	(458,192)	-	-
SAN70	1271000	Jewish Family Services - Rides & Smiles	228,773	(228,773)	-	-
SAN85	1270200	All Congregations Together - ComLink Transportation	378,843	(378,843)	-	-
SAN86	1270300	Alpha Project - Senior Transportation Program	587,416	(587,416)	-	-
SAN87	1270700	Elderhelp - Volunteer Driver Program	310,837	(310,837)	-	-
SAN88	1270800	FACT - Reimbursement	12,453	(12,453)	-	-
SAN89	1270900	Independent Transportation Network San Diego	75,000	(75,000)	-	-
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	128,481	(128,481)	-	-
SAN91	1271200	Redwood Elderlink	166,878	(166,878)	-	-
SAN92	1271300	Travelers Aid Society - SeniorRide	234,746	(234,746)	-	-
SAN141	1271000	Jewish Family Services	97,907	(97,907)	-	-
VISTA35	1270600	Out & About Vista	75,847	(75,847)	-	-
VISTA44	1270600	City of Vista Out and About	13,246	(13,246)	-	-
		Total Senior Services - Pass Through	3,201,744	(3,201,744)	-	-
		Subtotal <i>TransNet</i> Extension	15,377,057	(15,377,057)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 15,377,057	\$ (15,377,057)	\$ -	\$ -
		Senior Services:				
SAN40	3320100	Short Range Transit Svc Activities	126,000	(126,000)	-	-
SAN85	3320800	New Freedom Match Pass Through	10,919	(10,919)	-	-
		Total Senior Services	136,919	(136,919)	-	-
		Smart Growth - Pass Through:				
CHV49	1224013	3rd Ave. Streetscape Implementation	655,847	(655,847)	-	-
CHV52	1224012	Industrial Blvd. Bicycle and Pedestrian Facilities	265,556	(265,556)	-	-
CHV63	1224002	Palomar Gateway Spec Plan	288,220	(288,220)	-	-
LG19	1224008	Lemon Grove Trolley Plaza	1,257,510	(1,257,510)	-	-
SD201	1224004	Mid-City SR15 BRT Station Area Planning Study	183,857	(183,857)	-	-
SD202	1224005	Chollas Triangle Master Plan	108,699	(108,699)	-	-
SD203	1224006	Euclid and Market Village Master Plan	296,672	(296,672)	-	-
SD204	1224007	Imperial Ave and Commercial St Corridor Plan	345,979	(345,979)	-	-
SD205	1224009	Park Blvd/Essex St Pedestrian Crossing and Traffic Calming	38,759	(38,759)	-	-
SD206	1224011	Fourth Ave/Quince Pedestrian Crossing and Traffic Calming	36,408	(36,408)	-	-
SD207	1224014	4th and 5th Ave/Nutmeg Ped Crossing and Traffic Calming	34,919	(34,919)	-	-
SD214	1224010	Park Blvd/City College/San Diego High	43,147	(43,147)	-	-
		Total Smart Growth - Pass Through	3,555,573	(3,555,573)	-	-
		Subtotal <i>TransNet</i> Extension	19,069,549	(19,069,549)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 19,069,549	\$ (19,069,549)	\$ -	\$ -
		Smart Growth:				
SAN40	3300100	<i>TransNet</i> Smart Growth Incentive Program	90,000	(90,000)	-	-
		Total Smart Growth	90,000	(90,000)	-	-
		Transit System Improvements - Pass Through:				
SAN43A		Reduced Price Subsidy - Pass Through	11,000,000	(11,000,000)	-	-
		Total Transit System Improvements - Pass Through	11,000,000	(11,000,000)	-	-
		Local Street Improvements				
ESC13	1201510	Nordahl Road Bridge @ SR78	344,086	(344,086)	-	-
		Total Local Street Improvements	344,086	(344,086)	-	-
		Regional Environmental Mitigation Program (EMP) - Pass Through:				
V07	12002xx	Caltrans	38,970,785	(55,093,785)	16,123,000	-
V08	1200303	Properties w/Vernal Pool Rscs	263,912	(263,912)	-	-
V08	1200304	Lakeside Linkage	70,750	(70,750)	-	-
V08	1200305	Shinohara Parcel Vernal Pools	373,214	(373,214)	-	-
V08	1200306	Manchester Habitat Conser Area	52,744	(52,744)	-	-
V08	1200307	N. Shore Lake Hodges	50,000	(50,000)	-	-
V08	1200308	Wright's Field MSCP Preserve	38,995	(38,995)	-	-
V08	1200309	Crest Canyon	16,414	(16,414)	-	-
V08	1200310	Indian Head Canyon Area	142,500	(142,500)	-	-
V08	1200311	Gnatcatcher/Cactus Wren - Groundwork San Diego	238,998	(238,998)	-	-
V08	1200311	Gnatcatcher/Cactus Wren - US Fish & Wildlife	118,876	(118,876)	-	-
V08	1200311	Gnatcatcher/Cactus Wren - Chula Vista	263,592	(263,592)	-	-
		Subtotal V08	1,629,995	(1,629,995)	-	-
		Subtotal Regional EMP - Pass Through	40,600,780	(56,723,780)	16,123,000	-
		Subtotal <i>TransNet</i> Extension	71,104,415	(87,227,415)	16,123,000	-

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 71,104,415	\$ (87,227,415)	\$ 16,123,000	\$ -
		Regional EMP - Pass Through balance carried forward	40,600,780	(56,723,780)	16,123,000	-
		Subtotal V08 balance carried forward	1,629,995	(1,629,995)	-	-
V08	1200320	Mission Resource Conversation District	276,161	(276,161)	-	-
V08	1200321	San Dieguito River Park - JPA	264,844	(264,844)	-	-
V08	1200322	SD Water Dept Proctor Valley	234,728	(234,728)	-	-
V08	1200323	SW Wetlands Interpretive Assoc	148,866	(148,866)	-	-
V08	1200324	San Elijo Lagoon Foundation	279,950	(279,950)	-	-
V08	1200325	USGS Pond Turtles Restoration	151,463	(151,463)	-	-
V08	1200326	SD County Salt Creek Recovery	72,124	(72,124)	-	-
V08	1200327	Fallbrook Land Conservancy	16,299	(16,299)	-	-
V08	1200328	San Pasqual River Restoration	44,527	(44,527)	-	-
V08	1200333	Calavera Preserve	270,654	(270,654)	-	-
V08	1200334	Wild Animal Park	249,938	(249,938)	-	-
V08	1200335	Rancho Jamul Fencing	392,751	(392,751)	-	-
V08	1200336	San Dieguito River Valley Conservancy	213,303	(213,303)	-	-
V08	1200337	Rancho La Costa/TET/Meadowlark	50,700	(50,700)	-	-
V08	1200338	Batiquitos Lagoon/Mitsuuchi	13,245	(13,245)	-	-
V08	1200339	Wright's Field MSCP Preserve	11,334	(11,334)	-	-
V08	1200340	CA Invasive Plant Council	106,593	(106,593)	-	-
V08	1200341	City of OC/Myers Property	60,998	(60,998)	-	-
V08	1200344	River Habitat San Diego River	112,076	(112,076)	-	-
V08	1200345	Daley Preserve	142,045	(142,045)	-	-
V08	1200346	South Crest - Crestridge	220,056	(220,056)	-	-
V08	1200347	Lusardi Creek	29,000	(29,000)	-	-
V08	1200348	San Pasqual Valley Weed	46,105	(46,105)	-	-
V08	1200349	South County Grassland	67,151	(67,151)	-	-
V08	1200351	Lakeside Linkage	83,957	(83,957)	-	-
		Subtotal V08	5,188,863	(5,188,863)	-	-
		Subtotal Regional EMP - Pass Through	44,159,648	(60,282,648)	16,123,000	-
		Subtotal <i>TransNet</i> Extension	74,663,283	(90,786,283)	16,123,000	-

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 74,663,283	\$ (90,786,283)	\$ 16,123,000	\$ -
		Regional EMP - Pass Through balance carried forward	44,159,648	(60,282,648)	16,123,000	-
		Subtotal V08 balance carried forward	5,188,863	(5,188,863)	-	-
V08	1200352	Chula Vista Tarplant-Thornmint	121,425	(121,425)	-	-
V08	1200353	Crest Canyon Invasive Removal	9,411	(9,411)	-	-
V08	1200354	Invasive Control Pepper Weed	20,507	(20,507)	-	-
V08	1200358	Carlsbad Hydrologic Unit	1,920	(1,920)	-	-
V08	1200359	Audubon Mission Bay Park	3,482	(3,482)	-	-
V08	1200360	Proctor Valley Vernal Pools	15,416	(15,416)	-	-
V08	1200361	Brachypodium Removal	1,058	(1,058)	-	-
V08	1200362	Tijuana River Valley SWIA	2,761	(2,761)	-	-
V08	1200363	Groundwork Radio - Encanto	5,966	(5,966)	-	-
V08	1200368	CNLM Acanthomintha	3,728	(3,728)	-	-
V08	1200370	Proctor Valley Missing Link Barriers	4,915	(4,915)	-	-
V08	1200371	County Community Outreach	33,863	(33,863)	-	-
V08	1200372	Mission Valley Preserve	8,138	(8,138)	-	-
		Total V08	5,421,453	(5,421,453)	-	-
		Total Regional EMP - Pass Through	44,392,238	(60,515,238)	16,123,000	-
		Environmental Mitigation Program (EMP):				
V07	12002xx	Biological Mitigation	73,547,301	(74,046,273)	498,972	-
V08	12003xx	Regional Habitat Conservation Fund	7,332,511	(7,332,511)	-	-
		Total EMP	80,879,812	(81,378,784)	498,972	-
		Subtotal <i>TransNet</i> Extension	155,775,685	(172,397,657)	16,621,972	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 155,775,685	\$ (172,397,657)	\$ 16,621,972	\$ -
		Major Corridor - Pass Through:				
CAL09	1200501	I-5 North Coast	9,303,550	(7,509,004)	(1,794,546)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	9,525,000	(7,050,000)	(2,475,000)	-
		Total CAL09	18,828,550	(14,559,004)	(4,269,546)	-
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	16,385,455	(20,826,555)	4,441,100	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	12,962,600	(10,386,000)	(2,576,600)	-
CAL18	1201502	I-15 Managed Lanes-Middle Segment	5,726,000	(7,711,600)	1,985,600	-
CAL18A	1201503	I-15 Managed Lanes-North Segment	28,750,253	(25,827,999)	(2,922,254)	-
CAL18B	1201501	I-15 ML-S. Segment and Mira Mesa Transit Center	23,425,480	(27,953,480)	4,528,000	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Station	8,998,000	(8,998,000)	-	-
		Total CAL18B	32,423,480	(36,951,480)	4,528,000	-
CAL26	1205203	State Route 52 Freeway (E&F)	61,224,552	(73,144,252)	11,919,700	-
CAL26A	1205201	SR 52 HOV/Managed Lanes	3,089,451	(2,579,451)	(510,000)	-
CAL26B	1205201	SR52 HOV/Managed Lanes	(236,242)	-	236,242	-
CAL26B	1205202	SR 52 Aux Lanes, Truck Lane, and Inside Widening	32,901,589	(27,860,847)	(5,040,742)	-
		Total CAL26B	32,665,347	(27,860,847)	(4,804,500)	-
		Subtotal Major Corridor - Pass Through	212,055,688	(219,847,188)	7,791,500	-
		Subtotal <i>TransNet</i> Extension	367,831,373	(392,244,845)	24,413,472	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2012
		<i>TransNet</i> Extension balance carried forward	\$ 367,831,373	(392,244,845)	24,413,472	-
		Major Corridor - Pass Through balance carried forward	212,055,688	(219,847,188)	7,791,500	-
CAL26C	1280502	SR 52 Truck Lane	3,972,833	(3,972,833)	-	-
CAL29	1207602	SR 76 Middle	39,449,029	(17,455,829)	(21,993,200)	-
CAL29B	1207606	SR 76 East	6,735,000	(6,135,000)	(600,000)	-
CAL38	1390501	SR-905 New Freeway	411,000	(411,000)	-	-
CAL78	1280501	I-805 HOV/Managed Lanes South	4,189,411	(4,189,411)	-	-
CAL78	1280503	I-805 HOV/Managed Lanes North	2,400,000	(2,400,000)	-	-
		Total CAL78	6,589,411	(6,589,411)	-	-
CAL78B	1280503	I-805 HOV/Managed Lanes - North	4,452,000	(4,952,000)	500,000	-
CAL78B	1280511	I-805 North: 2HOV	-	(1,290,000)	1,290,000	-
		Total CAL78B	4,452,000	(6,242,000)	1,790,000	-
CAL78C	1280501	I-805 HOV/Managed Lanes - South	7,360,000	1,296,000	(8,656,000)	-
CAL78C	1280510	I-805 South: 2 HOV and DAR	12,017,000	(12,017,000)	-	-
		Total CAL78C	19,377,000	(10,721,000)	(8,656,000)	-
CAL120	1201510	SR 78 Auxiliary Lanes	1,870,000	(7,370,000)	5,500,000	-
NCTD16	1230001	North County Transit District	65,304,611	(65,304,611)	-	-
		Subtotal Major Corridor - Pass Through	360,216,572	(344,048,872)	(16,167,700)	-
		Subtotal <i>TransNet</i> Extension	515,992,257	(516,446,529)	454,272	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 515,992,257	\$ (516,446,529)	\$ 454,272	\$ -
		Major Corridor - Pass Through balance carried forward	360,216,572	(344,048,872)	(16,167,700)	-
SAN04	1201504	I-15 Managed Lane/Value Pricing	480,000	(464,700)	(15,300)	-
SAN26	1201505	I-15 BRT Transit Stations	190,000	(227,000)	37,000	-
SAN26B	1201507	I-15 BRT Downtown Transit Stations	135,000	(135,000)	-	-
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	680,000	(693,000)	13,000	-
SAN47	1280504	South Bay BRT	237,423	(247,423)	10,000	-
SAN75	1201507	I-15 BRT Transit Stations	10,000	(10,000)	-	-
	1200100	<i>TransNet</i> EAP Program Mgmt	364,200	(364,200)	-	-
		Total Major Corridor - Pass Through	362,313,195	(346,190,195)	(16,123,000)	-
		Major Corridor:				
CAL09	1200501	I-5 North Coast	9,599,999	(9,599,999)	-	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	1,336,886	(1,336,886)	-	-
		Total CAL09	10,936,885	(10,936,885)	-	-
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	1,478,811	(1,478,811)	-	-
		Subtotal Major Corridor	12,415,696	(12,415,696)	-	-
		Subtotal <i>TransNet</i> Extension	530,504,576	(531,003,548)	498,972	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 530,504,576	\$ (531,003,548)	\$ 498,972	\$ -
		Major Corridor balance carried forward	12,415,696	(12,415,696)	-	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	4,274,202	(4,274,202)	-	-
CAL18	1201502	I-15 Managed Lanes - Middle Segment	1,273,798	(1,273,798)	-	-
CAL18A	1201503	I-15 Managed Lanes - North Segment	17,575,504	(17,575,504)	-	-
CAL18B	1201501	I-15 Managed Lanes - South Segment	14,337,892	(14,337,892)	-	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Stations	4,381,052	(4,381,052)	-	-
		Total CAL18B	18,718,944	(18,718,944)	-	-
CAL26	1205203	State Route 52 Freeway (E&F)	16,970,303	(16,970,303)	-	-
CAL26A	1205201	SR 52 HOV/Managed Lanes	2,978,559	(2,978,559)	-	-
CAL26B	1205202	SR 52 Truck Lane	315,134	(315,134)	-	-
CAL26C	1205202	SR 52 Truck Lane	(76,122)	73,242	2,880	-
CAL29	1207602	SR 76 Middle	8,717,830	(8,218,858)	(498,972)	-
CAL29B	1207606	SR 76 East	7,568,269	(7,568,269)	-	-
CAL38	1390501	SR-905 New Freeway	720,178	(720,178)	-	-
CAL67	1280508	SR-94 Widening	683,313	(683,313)	-	-
		Subtotal Major Corridor	92,135,608	(91,639,516)	(496,092)	-
		Subtotal <i>TransNet</i> Extension	610,224,488	(610,227,368)	2,880	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 610,224,488	\$ (610,227,368)	\$ 2,880	\$ -
		Major Corridor balance carried forward	92,135,608	(91,639,516)	(496,092)	-
CAL68	1212501	SR-94-125 Widening	322,087	(322,087)	-	-
CAL75	1200506	I-5 Genessee Interchange and Widening	54,320	(54,320)	-	-
CAL77	1200505	I-5/I-8 Connector	8,994	(8,994)	-	-
CAL78	1280501	I-805 HOV/Managed Lanes - South	3,383,507	(3,383,507)	-	-
CAL78	1280502	I-805 HOV/Managed Lanes	2,880	-	(2,880)	-
CAL78	1280503	I-805/Managed Lanes - North	653,906	(653,906)	-	-
		Total CAL78	4,040,293	(4,037,413)	(2,880)	-
CAL78B	1280501	I-805 HOV/Managed Lanes - South	83,152	(83,152)	-	-
CAL78B	1280503	I-805/Managed Lanes - North	1,325,861	(1,325,861)	-	-
CAL78B	1280511	I-805 North: 2 HOV	144,691	(144,691)	-	-
		Total CAL78B	1,553,704	(1,553,704)	-	-
CAL78C	1280501	I-805 HOV/Managed Lanes - South	7,605,216	(7,605,216)	-	-
CAL78C	1280510	I-805 South: 2 HOV & DAR	5,483,480	(5,483,480)	-	-
		Total CAL78C	13,088,696	(13,088,696)	-	-
CAL114	1200503	I-5/SR 56 Interchange	12,106	(12,106)	-	-
CAL120	1201510	SR 78 Auxiliary Lanes	796,225	(796,225)	-	-
		Subtotal Major Corridor	112,012,033	(111,513,061)	(498,972)	-
		Subtotal <i>TransNet</i> Extension	630,100,913	(630,100,913)	-	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 630,100,913	\$ (630,100,913)	\$ -	\$ -
		Major Corridor balance carried forward	112,012,033	(111,513,061)	(498,972)	-
SAN04	1201504	I-15 Managed Lane/Value Pricing	21,034,980	(21,034,980)	-	-
SAN04	3310400	I-15 Violation Enforcement System Study	59,794	(59,794)	-	-
		Total SAN04	21,094,774	(21,094,774)	-	-
SAN22	1145700	Automated Fare Collection	7,300,000	(7,300,000)	-	-
SAN23	1041501	Mid-Coast Corridor Project	1,865,730	(1,766,057)	(99,673)	-
SAN23	1257001	Mid-Coast Corridor Transit Project	12,946,942	(12,946,942)	-	-
		Total SAN23	14,812,672	(14,712,999)	(99,673)	-
SAN26	1201505	I-15 BRT Transit Stations	2,041,717	(2,041,717)	-	-
SAN26A	1201508	I-15 BRT Operations and Vehicles	2,534,649	(2,534,649)	-	-
SAN26B	1201509	Downtown BRT Stations	2,366,071	(2,366,071)	-	-
SAN26C	1201507	I-15 BRT Transit Stations - South	2,760,892	(2,760,892)	-	-
SAN27	1250001	SD & AE Mainline Freight Capacity	1,497,100	(1,497,100)	-	-
SAN27	1300601	San Ysidro Intermodal Freight Facility	426,167	(426,167)	-	-
SAN27	1300602	South Line Rail Freight Capacity	1,015,815	(1,015,815)	-	-
		Total SAN27	2,939,082	(2,939,082)	-	-
		Subtotal Major Corridor	167,861,890	(167,263,245)	(598,645)	-
		Subtotal <i>TransNet</i> Extension	685,950,770	(685,851,097)	(99,673)	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 685,950,770	\$ (685,851,097)	\$ (99,673)	\$ -
		Major Corridor balance carried forward	167,861,890	(167,263,245)	(598,645)	-
SAN29	1239801	Sorrento to Miramar Double Track/Realign	4,193,850	(4,193,850)	-	-
SAN29	1239812	Sorrento to Miramar Phase 2	2,297,959	(2,297,959)	-	-
		Total SAN29	6,491,809	(6,491,809)	-	-
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	701,124	(701,124)	-	-
SAN31	1142300	Escondido Maintenance Facility	1,983,496	(1,983,496)	-	-
SAN46	1041502	Mid-Coast Super Loop	18,944,535	(18,944,535)	-	-
SAN47	1280509	South Bay Bus Rapid Transit	1,345	(1,345)	-	-
SAN47	1280504	Otay BRT	7,334,629	(7,334,629)	-	-
		Total SAN47	7,335,974	(7,335,974)	-	-
SAN54	2301500	Multimodal TSM/TDM Model Tool	3,067	(3,067)	-	-
SAN54	3310500	511 Advanced Traveler Information System (511 ATIS)	348	(348)	-	-
SAN54	3310501	ATIS SD Region	40,570	(40,570)	-	-
SAN54	3310504	ATIS Corridorwide CVO	46,858	(46,858)	-	-
SAN54	3310900	IMTMS	61,886	(61,886)	-	-
SAN54	3311000	ITS Operations	3,879,308	(3,879,308)	-	-
SAN54	3311100	Regional ITS Program Management	85,382	(85,382)	-	-
SAN54	3311800	Connected Vehicle Development Program	25,093	(25,093)	-	-
SAN54	3311900	Arterial Detection System Development	69,446	(69,446)	-	-
		Total SAN54	4,211,958	(4,211,958)	-	-
		Subtotal Major Corridor	207,530,786	(206,932,141)	(598,645)	-
		Subtotal <i>TransNet</i> Extension	725,619,666	(725,519,993)	(99,673)	-

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 725,619,666	\$ (725,519,993)	\$ (99,673)	\$ -
		Major Corridor balance carried forward	207,530,786	(206,932,141)	(598,645)	-
SAN64	1239809	Eastbrook to Shell Double Track	2,244,129	(2,244,129)	-	-
SAN66	1210010	Orange and Blue Line Project Management	6,699,765	(6,699,765)	-	-
SAN66	1210020	Blue Line Crossover & Signals	12,305	(12,305)	-	-
SAN66	1210030	Blue Line Station Rehab	83,780	(83,780)	-	-
SAN66	1210050	Blue Line Slope Repair	3,087	(3,087)	-	-
SAN66	1210070	Trolley Station Platforms	5,374,183	(5,374,183)	-	-
SAN66	10416	Mission Valley West LRT Extension	275	(275)	-	-
SAN66	1220001	Orange Line Upgrade	(6,895)	6,895	-	-
		Total SAN66	12,166,500	(12,166,500)	-	-
SAN67	1210080	Low Floor Vehicles	37,710,429	(37,710,429)	-	-
SAN68	1280507	Vehicle Assist and Automation/Bus on Shoulder Serv	218,767	(218,767)	-	-
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	348,125	(348,125)	-	-
SAN74	1143300	Escondido Bus Rapid Transit	4,064,186	(4,064,186)	-	-
SAN75	1201507	I-15 BRT Transit	35,151	(35,151)	-	-
SAN76	1220001	Orange Line Upgrade	6,895	(6,895)	-	-
SAN78	1240001	Mid-City Rapid Bus	1,760,668	(1,760,668)	-	-
		Subtotal Major Corridor	266,085,636	(265,486,991)	(598,645)	-
		Subtotal <i>TransNet</i> Extension	784,174,516	(784,074,843)	(99,673)	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 784,174,516	\$ (784,074,843)	\$ (99,673)	\$ -
		Major Corridor balance carried forward	266,085,636	(265,486,991)	(598,645)	-
SAN79	1142500	Centralized Train Control	4,388,739	(4,388,739)	-	-
SAN79	1143401	TLSP-At Grade Xing	55,828	(55,828)	-	-
		Total SAN79	4,444,567	(4,444,567)	-	-
SAN116	1239803	Oceanside Station Stub Tracks	1,814,739	(1,814,739)	-	-
SAN117	1239805	Poinsettia Run Through Track	412,566	(412,566)	-	-
SAN119	1239807	Sorrento Valley Double Track	822,011	(822,011)	-	-
SAN120	1239808	Tecolote-Washington Crossovers	709,144	(709,144)	-	-
SAN121	1239804	Carlsbad Double Track	221,419	(221,419)	-	-
SAN123	1143200	University Town Center (UTC) Transit Center	5,796	(5,796)	-	-
SAN128	1201512	I-15 BRT Sabre Springs Parking Structure	273,552	(273,552)	-	-
SAN129	1201514	Downtown Layover Facility	402,432	(402,432)	-	-
SAN130	1239810	Carlsbad Village Double Track	227,783	(227,783)	-	-
SAN131	1201511	Mira Mesa Blvd. BRT Priority Treatments	474,499	(474,499)	-	-
SAN132	1239811	Elvira to Morena Double Track	121,636	(121,636)	-	-
		Subtotal Major Corridor	276,015,780	(275,417,135)	(598,645)	-
		Subtotal <i>TransNet</i> Extension	794,104,660	(794,004,987)	(99,673)	-

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Agency Adjustments</u>	<u>Project Status June 30, 2012</u>
		<i>TransNet</i> Extension balance carried forward	\$ 794,104,660	\$ (794,004,987)	\$ (99,673)	\$ -
		Major Corridor balance carried forward	276,015,780	(275,417,135)	(598,645)	-
SAN133	1201513	South Bay BRT Maintenance Facility	42,084	(42,084)	-	-
SAN146	1280512	I-805 Imperial BRT Station	49,570	(49,570)	-	-
SAN149	1239814	Coaster PE	438,485	(438,485)	-	-
SAN170	1210010	Orange and Blue Line Project Management	8,747,608	(8,747,608)	-	-
SAN171	1210020	Blue Line Crossovers and Signals	3,220,472	(3,220,472)	-	-
SAN172	1210030	Blue Line Station Rehabilitation	650,091	(650,091)	-	-
SAN173	1210040	Blue Line Rail Infrastructure	875,424	(875,424)	-	-
SAN174	1210050	Blue Line Communications Upgrades	7,055	(7,055)	-	-
SAN175	1210060	Blue Line Substation Roofs	3,102	(3,102)	-	-
SAN176	1210070	System Station Platforms	25,362,609	(25,362,609)	-	-
	1045500	Nobel Drive Coaster Station	412	(412)	-	-
	1046500	Sorrento Valley Coaster Station	351	(351)	-	-
		Total Major Corridor	315,413,043	(314,814,398)	(598,645)	-
		Total <i>TransNet</i> Extension	\$ 833,501,923	\$ (833,402,250)	\$ (99,673)	\$ -