

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

*TransNet* and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2020

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

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# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

#### **Background**

*TransNet* is the half-cent sales tax for local transportation projects that was first approved by voters in 1988. In 2004, the San Diego voters renewed their commitment to the region's transportation improvement program by approving Proposition A, implemented through the Extension Ordinance, and continuing an existing half-cent transportation sales tax for an additional 40 years. Administered by the San Diego Association of Governments (SANDAG), the program has been instrumental in expanding the region's transportation system, reducing traffic congestion, and bringing critical transportation programs to life.

#### **Scope of the Engagement**

This engagement was to apply agreed-upon procedures in order to assist the Independent Taxpayer Oversight Committee (ITOC) and SANDAG in determining whether the recipients of *TransNet* funds were in compliance with the *TransNet* Ordinance and the *TransNet* Extension Ordinance for the year ended June 30, 2020. We performed the procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

In accordance with SANDAG Board Policy No. 031, Rule #17, Section I, fiscal and compliance audit procedures are to be completed in a timely manner. The Policy recommends that the auditors issue a report of compliance audit results and present them to the ITOC.

The following are the major compliance components included in the scope of the procedures:

- *TransNet* and *TransNet* Extension Expenditures;
- Maintenance of Effort (MOE);
- SANDAG Board Policy No. 031, Rule 17, Section IV, Local Agency Balance Limitations (30% Rule);
- Local Street improvements – Congestion Relief vs. Maintenance;
- Local Street Improvements – Maintenance Monitoring;
- Indirect Costs Allocated to Projects in the Regional Transportation Improvement Plan (RTIP);
- Regional Transportation Congestion Improvement Program (RTCIP); and
- Transit Operator Eligibility for Receipt of Funds.

The procedures performed were approved by the ITOC prior to commencing fieldwork. The sufficiency of those procedures is solely the responsibility of the ITOC. The specific procedures performed and the results of those procedures are included in each of the draft reports for the

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

recipient agencies. Following approval of the procedures, we scheduled and performed our fieldwork during the months of October 2020 through January 2021.

### **Results of Procedures**

#### **TransNet and TransNet Extension Expenditures**

As required by SANDAG Board Policy No. 031, each recipient agency is required to account for *TransNet* activities in a separate fund, or if an alternative approach is used, it must be approved by SANDAG. All recipient agencies complied with this requirement.

During our fieldwork, we obtained the following items:

- Trial balance including balance sheet and income statement;
- Detailed general ledger including revenue and expenditure details;
- Schedule A – Schedule of Status of Funds by Project; and
- Schedule B – Cumulative Schedule of Status of Funds by Project.

The objectives of the procedures were to ensure the following:

- Expenditures were allowable in accordance with the *TransNet* Ordinance and *TransNet* Extension Ordinance;
- Revenues were recorded and agreed to SANDAG's payment records;
- Interest income allocation methodology was reasonable;
- Explanations were obtained and disclosed for projects that had a negative balance; and
- Proper approvals were obtained for most inter-project transfers. Those that have not obtained approval are scheduled either for jurisdiction approval or RTIP approval prior to issuance of the final report.

Based upon the results of the procedures performed, all recipient agencies were in compliance with the revenue and expenditure requirements.

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## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

#### **Maintenance of Effort (MOE)**

In accordance with Section 8 of the *TransNet* Extension Ordinance, each recipient agency receiving revenues pursuant to Section 4(D) shall annually maintain, at a minimum, the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years (FY) completed prior to the operative date of the *TransNet* Extension Ordinance (FY 2001 through FY 2003), as was reported in the State Controller's Annual Report of Financial Transactions for Street and Roads, and as re-indexed in FY 2015.

During our fieldwork, we obtained the following items:

- From SANDAG, the current MOE requirements for each recipient agency subject to this requirement; and
- From the recipient agencies, Schedule 3 of the Annual Report of Financial Transactions for Streets and Roads.

Based upon the results of the procedures performed, all recipient agencies were in compliance with the MOE requirements for the year ended June 30, 2020 with the exception of City of Poway. See Attachment A for a summary of compliance with the MOE requirements.

#### **SANDAG Board Policy No. 031, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule)**

In accordance with the 30% Rule, a recipient 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 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.

The objectives of the procedures were to ensure that the recipient agency's *TransNet* balance for those programs that receive funding from the annual apportionment (Local Streets and Roads, Local Street Improvements, and Transit Services) is not more than 30% of the recipient agency's current year annual apportionment (net of debt service payments).

In order to ensure compliance with the 30% Rule, we performed the following:

- Obtained the schedule of annual apportionments from SANDAG;
- Obtained and reviewed the balance of the programs that received annual allocations; and
- Compared the balance of the programs noted above to the apportionment schedule to ensure the excess fund balance did not exceed the 30% threshold.

# **INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

## *TransNet and TransNet Extension Activities*

### Summary of Results

Year Ended June 30, 2020

Based upon the results of the procedures performed, all recipient agencies, with the exception of the City of Del Mar, were in compliance with the 30% Rule. This instance of non-compliance was reported for informational purposes only and not as a finding. However, SANDAG will defer payments to this agency until they are in compliance with the 30% Rule. See Attachment B for a summary of compliance with the 30% Rule.

#### **Local Street Improvements – Congestion Relief vs. Maintenance**

As specified in Section 2(C)(1) of the *TransNet* Extension Ordinance, at least 70% of the revenues provided for local street and road purposes should be used for congestion relief, and no more than 30% for maintenance. In order to ensure SANDAG is in compliance with the *TransNet* Extension Ordinance, we performed the following:

- Inquired and obtained source data used to calculate the Local Street Improvements Allocation Schedule in SANDAG's TTrak program (SANDAG's *TransNet* tracking program) and recalculated the total fund distribution per jurisdiction; and
- Reviewed the FY 2020 *TransNet* Streets and Road Fund Allocation Schedule and determined that at least 70% of the revenues provided for local street and road purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Based upon the results of the procedures performed, SANDAG was in compliance with the Local Street Improvement requirements. See Attachment C for the Local Street Improvement allocation between congestion relief and maintenance, by recipient agency.

#### **Local Street Improvements: Maintenance Monitoring**

At the request of ITOC, we documented the percentage of local street and road revenue cumulatively expended for maintenance. In accordance with the *TransNet* Extension Ordinance, the local jurisdictions receiving local street improvement funds may not spend more than 30% of cumulative funds for Maintenance purposes. All recipient agencies were in compliance with this requirement. The City of Poway has incurred more than 29% of cumulative revenue for maintenance. Results of this procedure are located in Attachment D.

#### **Indirect Costs Allocated to Projects in RTIP**

We inquired of management whether indirect costs are allocated to the projects included in the RTIP. If so, we documented the indirect cost rate allocated and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or audited by a certified public accounting firm. If not, then we documented the year the indirect cost plan was last updated, the year the methodology was last reviewed, and whether the methodology was reasonable. See Attachment E for the indirect costs allocated to the RTIP.

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

#### **Regional Transportation Congestion Improvement Program (RTCIP)**

In accordance with Section 9(A) of the *TransNet* Extension Ordinance and Expenditure Plan, each local agency in the San Diego region shall contribute a minimum of \$2,000, subject to an annual adjustment based upon an index, in exactions from the private sector, for each newly constructed residential housing unit in that jurisdiction to the RTCIP. However, each jurisdiction may use their own fee schedule, as long as the fees are at a minimum the adjusted amount as approved by the SANDAG Board of Directors annually. The RTCIP revenue is to be used to construct improvements to the Regional Arterial System.

The objectives of the procedures were to ensure the following:

- Each recipient agency collected at least the minimum exaction fee of \$2,533 from each newly constructed residential housing unit;
- Documentation was submitted to the ITOC on a timely basis and proper approval was obtained for the exaction fee; and
- Expenditures were allowable in accordance with the *TransNet* Extension Ordinance and Expenditure Plan.

In order to ensure compliance with the *TransNet* Extension Ordinance, we performed the following:

- Obtained a detailed general ledger from the recipient agencies;
- Obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions;
- Obtained the RTCIP schedule (Schedule C of the associated reports) including beginning balance, exactions collected, interest earned, expenditures, and ending balance;
- Verified that the exaction fee being collected was approved by the City Council or Board of Supervisors and is in compliance with the *TransNet* Extension Ordinance and SANDAG Board Policy No. 031; and
- Verified that expenditures, if any, complied with the *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Based upon the results of the procedures performed, all recipient agencies, with the exception of the Cities of Coronado, Lemon Grove, and National City were in compliance with the RTCIP requirements. See the Summary of Findings by Recipient Agency for further information.

# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

## *TransNet* and *TransNet* Extension Activities

### Summary of Results

Year Ended June 30, 2020

#### **Transit Operator Eligibility for Receipt of Funds**

In accordance with the *TransNet* Extension Ordinance, in order for transit operators to maintain eligibility for receipt of funds, the operator must limit the increase in its total operating cost per revenue vehicle hour for bus or revenue vehicle mile for rail services from one fiscal year to the next, to no more than the increase in the Consumer Price Index (CPI) for San Diego County over the same period.

In order to ensure compliance with the *TransNet* Extension Ordinance, we performed the following:

- Calculated the increase in operating cost per revenue vehicle hour for bus services and revenue vehicle mile for rail services between June 30, 2019 and June 30, 2020;
- Calculated the increase in the CPI for San Diego County between June 30, 2019 and June 30, 2020; and
- Compared the increase in total operating cost per revenue vehicle hour for bus services, and revenue vehicle mile for rail services, to the increase in the CPI.

The Metropolitan Transit System (MTS) and the North County Transit District (NCTD) were not in compliance with both the rail and bus operator portion of the eligibility requirements. After MTS and NCTD requested the exclusion of costs, only NCTD was in compliance for both the rail and bus operators. MTS was in compliance for only rail operator and bus operator finding remains as it did not meet the eligibility requirements.

#### **Summary of Findings by Recipient Agency**

The following findings were identified during performance of the agreed-upon procedures.

<u>Recipient Agency</u>	<u>Finding</u>	<u>Management Response</u>
City of Coronado	Need to use approved exaction fee	In process of collecting
City of Lemon Grove	Need to use approved exaction fee	In process of collecting
City of National City	Need to use approved exaction fee	In process of collecting
City of Poway	Need to be in compliance with the MOE requirement	Will make up shortfall next year
Metropolitan Transit System	Increase in revenue vehicle hours for bus operator exceeded increase in CPI	MTS will continue to strive in meeting the eligibility requirement next year

Complete responses from the recipient agencies to the findings identified are included in the individual recipient agency reports.



## Compliance With Maintenance of Effort Requirement

Recipient Agency	Fiscal Year 2020				Deficit Amount
	In Compliance	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	
Carlsbad	Yes	\$6,023,551	–	–	–
Chula Vista	Yes	3,509,614	–	–	–
Coronado	Yes	863,498	–	–	–
Del Mar	Yes	453,089	20,877	–	–
El Cajon	Yes	1,712,753	–	–	–
Encinitas	Yes	1,932,140	53	–	–
Escondido	Yes	2,889,819	–	–	–
Imperial Beach	Yes	220,018	–	–	–
La Mesa	Yes	1,774,888	–	–	–
Lemon Grove	Yes	181,274	–	–	–
National City	Yes	1,970,841	–	–	–
Oceanside	Yes	2,786,239	–	–	–
Poway	No	1,088,158	–	–	17,613
San Diego	Yes	22,679,581	167,817	903,424	–
San Marcos	Yes	4,489,387	–	–	–
Santee	Yes	567,501	–	–	–
Solana Beach	Yes	457,765	–	–	–
Vista	Yes	2,413,718	–	–	–
County of San Diego (1)	–	–	–	–	–

Yes = In Compliance

No = Not in compliance

– = Not applicable

Note 1 - The County does not have discretionary expenditures or projects that can be reported under the MOE.

## Compliance With 30 Percent Fund Balance Limitation FY 2018 – FY 2020

Recipient Agency	Fiscal Year 2020				Fiscal Year 2019				Fiscal Year 2018			
	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount
<b>Streets and Roads</b>												
Carlsbad	Yes	973,589	206,020	–	Yes	\$929,023	\$421,824	–	Yes	\$937,479	(\$283,939)	–
Chula Vista	Yes	1,918,568	824,267	–	Yes	1,822,896	(1,920,175)	–	Yes	1,812,757	436,127	–
Coronado	Yes	183,503	28,443	–	Yes	189,695	176,288	–	<b>No</b>	184,344	269,540	85,196
Del Mar	<b>No</b>	5,675	19,864	14,189	Yes	2,845	(1,460)	–	Yes	592	(1,460)	–
El Cajon	Yes	766,120	247,927	–	Yes	721,601	(1,701,579)	–	Yes	721,877	(188,290)	–
Encinitas	Yes	521,630	(997,941)	–	Yes	511,028	(901,077)	–	Yes	512,643	(174,123)	–
Escondido	Yes	1,157,749	(2,303,687)	–	Yes	1,113,951	218,528	–	Yes	1,072,133	(380,740)	–
Imperial Beach	Yes	200,610	(305,978)	–	<b>No</b>	209,863	268,974	59,211	Yes	217,951	185,017	–
La Mesa	Yes	334,733	(201,623)	–	Yes	464,269	(685,610)	–	Yes	470,691	(816,963)	–
Lemon Grove	Yes	221,852	54,508	–	Yes	213,858	(486,895)	–	Yes	214,923	(1,225,003)	–
National City	Yes	364,376	135,199	–	Yes	321,206	304,103	–	Yes	307,387	8,410	–
Oceanside	Yes	1,028,052	(2,653,098)	–	Yes	1,176,747	(4,279,916)	–	Yes	1,368,183	(6,757,986)	–
Poway	Yes	457,992	291,809	–	<b>No</b>	444,262	769,382	325,120	Yes	451,912	181,648	–
San Diego, City	Yes	10,579,579	6,485,121	–	Yes	10,016,371	641,244	–	Yes	9,742,010	145,045	–
San Marcos	Yes	506,094	(1,052,975)	–	Yes	478,969	(478,192)	–	Yes	474,536	(131,995)	–
Santee	Yes	178,621	(3,635)	–	Yes	146,856	(850)	–	Yes	150,487	(86,005)	–
Solana Beach	Yes	67,681	(34,431)	–	Yes	63,137	(88,258)	–	Yes	66,717	(102,076)	–
Vista	Yes	734,225	343,646	–	Yes	720,276	(114,016)	–	Yes	688,109	438,372	–
County of San Diego	Yes	4,441,940	3,223,622	–	Yes	4,729,350	1,694,096	–	Yes	4,186,676	3,879,380	–
<b>Transit</b>												
Metropolitan Transit System (MTS)	Yes	10,219,817	–	–	Yes	9,669,606	–	–	Yes	9,387,901	–	–
North County Transit District (NCTD)	Yes	3,650,375	–	–	Yes	3,886,042	270,813	–	Yes	3,769,526	–	–

Yes = In Compliance

No = Not in compliance and not receiving *TransNet* payment.

## Compliance with Allocation of Local Street Improvements Revenues

Recipient Agency	Fiscal Year 2020		
	Allocation of Sales Tax Revenues Received	70% Congestion Relief Allocated	30% Maintenance Allocated
Carlsbad	\$3,245,296	\$2,271,707	\$973,589
Chula Vista	6,395,225	4,476,657	1,918,568
Coronado	611,675	428,172	183,503
Del Mar	211,922	148,345	63,577
El Cajon	2,553,733	1,787,613	766,120
Encinitas	1,738,768	1,217,138	521,630
Escondido	3,859,162	2,701,413	1,157,749
Imperial Beach	752,392	526,674	225,718
La Mesa	1,643,171	1,150,220	492,951
Lemon Grove	739,506	517,654	221,852
National City	1,498,882	1,049,217	449,665
Oceanside	4,706,021	3,294,215	1,411,806
Poway	1,526,639	1,068,647	457,992
San Diego, City	35,268,171	24,687,720	10,580,451
San Marcos	2,332,755	1,632,928	699,827
Santee	1,459,268	1,021,488	437,780
Solana Beach	442,864	310,005	132,859
Vista	2,447,418	1,713,193	734,225
County of San Diego	15,926,297	11,148,408	4,777,889

Result: SANDAG appropriately allocated *TransNet* revenues for the Local Street Improvements program in accordance with the *TransNet* Extension Ordinance.

## Local Street Improvements: Maintenance Monitoring

Recipient Agency	Cumulative Revenue	30% of Cumulative Revenue	Cumulative Maintenance Expenditures	Available Maintenance Funds	Cumulative % Expended for Maintenance	In Compliance
Carlsbad	\$42,225,441	\$12,667,632	\$ (1,258,190)	\$11,409,442	2.98%	Yes
Chula Vista	70,422,734	21,126,820	(14,841,501)	6,285,319	21.07%	Yes
Coronado	7,464,490	2,239,347	(283,272)	1,956,075	3.79%	Yes
Del Mar	6,693,888	2,008,166	(394,270)	1,613,896	5.89%	Yes
El Cajon	28,592,321	8,577,697	(5,515,518)	3,062,179	19.29%	Yes
Encinitas	22,175,958	6,652,787	(1,117,046)	5,535,741	5.04%	Yes
Escondido	47,839,006	14,351,702	(12,940,403)	1,411,299	27.05%	Yes
Imperial Beach	10,011,058	3,003,317	(2,460,127)	543,190	24.57%	Yes
La Mesa	24,962,773	7,488,832	(4,435,611)	3,053,221	17.77%	Yes
Lemon Grove	8,398,779	2,519,634	(2,338,180)	181,454	27.84%	Yes
National City	20,209,907	6,062,972	(0)	6,062,972	0.00%	Yes
Oceanside	64,831,787	19,449,536	(14,688,252)	4,761,284	22.66%	Yes
Poway	17,726,648	5,317,994	(5,227,744)	90,250	29.49%	Yes
San Diego, City	404,397,117	121,319,135	(110,183,899)	11,135,236	27.25%	Yes
San Marcos	40,903,387	12,271,016	(3,723,704)	8,547,312	9.10%	Yes
Santee	30,932,691	9,279,807	(3,267,368)	6,012,439	10.56%	Yes
Solana Beach	10,913,465	3,274,040	(289,587)	2,984,453	2.65%	Yes
Vista	29,241,940	8,772,582	(5,065,171)	3,707,411	17.32%	Yes
San Diego, County	189,591,171	56,877,352	(10,390,266)	46,487,086	5.48%	Yes

## Indirect Costs Allocated to RTIP

Recipient Agency	2020 Total <i>TransNet</i> Expenditures	2020 Indirect Costs Charged to <i>TransNet</i>	2020 Indirect Costs as a % of Total <i>TransNet</i> Expenditures	Last Allocation Plan Approval	2019 Indirect Costs as a % of Total <i>TransNet</i> Expenditures
Carlsbad	\$3,535,766	\$168,563	4.77%	n/a	5.64%
Chula Vista	5,619,797	1,678,747	29.87%	n/a	12.96%
Coronado	1,151,596	0	0.00%	n/a	0.00%
Del Mar	193,004	0	0.00%	n/a	0.00%
El Cajon	1,442,587	23,867	1.65%	n/a	0.71%
Encinitas	2,911,298	0	0.00%	n/a	0.00%
Escondido	6,758,377	167,589	2.48%	2019 <sup>1</sup>	3.28%
Imperial Beach	2,193,993	0	0.00%	n/a	0.00%
La Mesa	691,055	0	0.00%	n/a	0.00%
Lemon Grove	775,706	89,216	11.50%	2019 <sup>1</sup>	12.15%
National City	2,203,787	0	0.00%	n/a	0.00%
Oceanside	2,918,859	383,811	13.15%	n/a	10.33%
Poway	1,047,721	0	0.00%	n/a	0.00%
San Diego, City	32,593,391	4,594,781	14.10%	n/a	7.22%
San Marcos	1,576,460	0	0.00%	n/a	0.00%
Santee	1,212,057	8,521	0.70%	n/a	0.33%
Solana Beach	440,034	0	0.00%	n/a	0.00%
Vista	6,252,567	0	0.00%	n/a	0.00%
Caltrans	22,207,157	2,291,955	10.32%	2019 <sup>2</sup>	9.45%
San Diego, County	7,144,899	1,037,560	14.52%	n/a	12.47%
SANDAG	140,746,056	2,863,402	2.03%	2019 <sup>2</sup>	1.42%

n/a – not applicable because there is no plan or the plan is not formally approved

<sup>1</sup> – approved by City Council

<sup>2</sup> – approved by federal cognizant agency

**CALTRANS**

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

Year Ended June 30, 2020

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

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

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, 2020. Caltrans' management is responsible for the accounting records. 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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 allowable per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted Caltrans' alternative approach.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

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

- b. 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.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

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

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval 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	\$10,698,992
<i>TransNet</i> revenue recorded by Caltrans	<u>27,414,000</u>
Variance	<u>\$(16,715,008)</u>

The variance was a result of the following:



Paid by SANDAG in 2019, but received by Caltrans in 2020	\$(20,303,486)
Paid by SANDAG in 2020, but received by Caltrans in 2021	<u>3,588,478</u>
Variance	<u>\$(16,715,008)</u>

- e. We identified the interest income reported for the fiscal year.
- i. We reviewed the interest income reported on Schedule A and agreed it to the *TransNet* general ledger.
- Results: This procedure is not applicable as there was no interest income reported on Schedule A.
- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.
- 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 advance deposits. SANDAG has accepted this practice in the past, thus no exceptions were noted as a result of our procedures.
- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$22,207,157. We selected \$7,363,686 (33.16%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures, and documented the recipient agency’s plan to

cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

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

- vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency or audited by an independent certified public accounting firm (CPA).

Results: Indirect costs are allocated to RTIP projects at a rate of 40.47% of direct labor costs associated with each project with SANDAG being considered a self-help county. The indirect cost rate plan is reviewed and updated by Caltrans on an annual basis. Caltrans' indirect cost rate plan has been reviewed by the State of California Department of Finance and the Federal Highway Administration. Caltrans allocated a total of \$2,291,955 of indirect costs in the RTIP, resulting in 10.32% of indirect costs compared to total *TransNet* expenditures. Caltrans' methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed project balances requiring movement to a *TransNet*-eligible project.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included 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 substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that included when the project will be completed.

Results: MPO ID CAL26 had no activity over the past two years. Schedule A includes a footnote on the status of the project. No exceptions were noted as a result of our procedures.

- k. We obtained approval from SANDAG staff for reason of inactivity.

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

- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as Caltrans had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were 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, 2019 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.
8. If applicable, we compared long-term debt information reported on Schedule A to the schedule to longer-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there were no commercial paper or bonds outstanding as of June 30, 2020.
9. 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.
10. We proposed current fiscal year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the findings.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the fiscal year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be

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

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the expression of an opinion or conclusion, respectively, on the Agency's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

A handwritten signature in blue ink that reads "Davis Lan up". The signature is written in a cursive, flowing style.

Irvine, California  
May 4, 2021

**GLOSSARY OF TERMS**

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including Caltrans, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“TransNet Extension Ordinance”** means the 2004 Proposition A.

**“TransNet Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

SCHEDULE A

**CALTRANS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID/ Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2020	Notes
<b>TransNet:</b>								
<b>Highways:</b>								
CAL26	Route 52	\$ 13,864	\$ -	\$ -	\$ -	\$ -	\$ 13,864	(a)
CAL31	Route 54/125	565,678	-	-	(565,678)	-	-	(a)
CAL31	SR-125 8 Lane Freeway	1,861,167	-	-	(1,861,168)	1	-	(a)(b)
	Total CAL 31 Projects	2,426,845	-	-	(2,426,846)	1	-	
	Total Highways	2,440,709	-	-	(2,426,846)	1	13,864	
	Total <i>TransNet</i>	\$ 2,440,709	\$ -	\$ -	\$ (2,426,846)	\$ 1	\$ 13,864	
<b>TransNet Extension:</b>								
<b>Major Corridor:</b>								
CAL09	I-5 North Coast	\$ 4,085,179	\$ (11,675,000)	\$ -	\$ 8,916,940	\$ -	\$ 1,327,119	
CAL09 C	I-805 HOV / Carroll Canyon DAR	(28,148)	97,000	-	(41,112)	-	27,740	
CAL29	SR 76 Middle	102,894	(93,000)	-	(7,147)	-	2,747	
CAL29 B	SR 76 East	1,254,916	(1,203,000)	-	142,895	-	194,811	
CAL38	SR-905 New Freeway	-	18,000	-	(54,320)	-	(36,320)	(c)
CAL75	I-5 Genesee	(1,355,626)	3,825,000	-	(1,075,022)	(1)	1,394,351	(b)
CAL78 B	I-805 North	116,062	(33,000)	-	(86,535)	1	(3,472)	(b) (c)
CAL78 C	I-805 South	(1,018,334)	1,394,000	-	(522,487)	-	(146,821)	(c)
CAL78 D	I-805 South Soundwalls	134,808	715,000	-	(790,395)	-	59,413	
CAL114	I-5/56 Interchange	3,696	-	-	(1,557)	1	2,140	(b)
CAL277A	SR78/I-5 Express Lanes	-	-	-	(2,627,478)	-	(2,627,478)	(c)
CAL278	SR-78 HOV / Managed Lanes	633	-	-	-	-	633	
SAN23	Mid-Coast LRT	28,118	101,000	-	(65,062)	-	64,056	
SAN26 C	I-15 BRT Stations - South	48,802	(16,000)	-	(24,038)	1	8,765	(b)
SAN47	I-805 BRT	5,467	35,000	-	(48,122)	-	(7,655)	(c)
SAN73	San Elijo Lagoon Double Track	511,253	2,363,894	-	(2,143,853)	(1)	731,293	(b)
SAN73A	Chesterfield Dr Crossing	(726,681)	795,106	-	(68,425)	-	-	
SAN224	I-805/SR-94 Bus on Shoulder Demonstra	4,485	16,000	-	(44,070)	-	(23,585)	(c)
V-11	SR-11	(48,178)	202,000	-	(1,510,372)	-	(1,356,550)	(c)
V-15	I-5 Gilman Dr Bridge	(135)	27,000	-	(22,366)	-	4,499	
V-18	I-5 Voigt	113,636	(100,000)	-	(10,589)	1	3,048	(b)
1200100	Program Office	69,043	(20,000)	-	-	1	49,044	(b) (d)
	Total Major Corridor	3,301,890	(3,551,000)	-	(83,115)	3	(332,222)	

**CALTRANS**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID/ Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2020	Notes
<b>Major Corridor Environmental: Mitigation Program (MC EMP):</b>								
V07	Mitigation Program	\$ (7,368,531)	\$ 30,213,000	\$ -	\$ (19,344,425)	\$ -	\$ 3,500,044	
	Total MC EMP	<u>(7,368,531)</u>	<u>30,213,000</u>	<u>-</u>	<u>(19,344,425)</u>	<u>-</u>	<u>3,500,044</u>	
<b>TransNet Bike, Pedestrian &amp; Neighborhood Safety (BPNS) Program:</b>								
CAL330	SR-15 Bike Path	(1,145)	11,000	-	(8,628)	-	1,227	
SAN156	Coastal Rail Trail: E St to Chesterfield	<u>(210,923)</u>	<u>741,000</u>	<u>-</u>	<u>(344,143)</u>	<u>-</u>	<u>185,934</u>	
	Total <i>TransNet</i> BPNS Program	<u>(212,068)</u>	<u>752,000</u>	<u>-</u>	<u>(352,771)</u>	<u>-</u>	<u>187,161</u>	
	Total <i>TransNet</i> Extension	<u>\$ (4,278,709)</u>	<u>\$ 27,414,000</u>	<u>\$ -</u>	<u>\$ (19,780,311)</u>	<u>\$ 3</u>	<u>\$ 3,354,983</u>	
	Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ (1,838,000)</u>	<u>\$ 27,414,000</u>	<u>\$ -</u>	<u>\$ (22,207,157)</u>	<u>\$ 4</u>	<u>\$ 3,368,847</u>	

Notes:

- (a) All projects related to CAL26 and CAL31 in the *TransNet* Highway section are in the final vouchering process and the goal is to close them during FY21.
- (b) Adjustments are due to rounding.
- (c) Negative ending balance will be removed with the next invoice to SANDAG in FY21.
- (d) Project 1200100 is an active SANDAG project as the *TransNet* Project Office Programmatic Administrative Program. In the future and in accordance with the Master Agreement, SANDAG may choose to allocate a Caltrans budget for specific program management activities to support *TransNet* implementation. There will be receivables for project 1200100 in FY2021.



**CALTRANS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>					
<b>Major Corridor:</b>					
CAL09	I-5 North Coast	\$ 99,093,897	\$ -	\$ (97,766,778)	\$ 1,327,119
CAL09 C	I-805 HOV / Carroll Canyon DAR	27,211,585	-	(27,183,845)	27,740
CAL18 B	I-15 Managed Lanes - South Segment	49,397,288	-	(49,397,288)	-
CAL26	SR 52 Freeway E&F	48,545,266	-	(48,545,266)	-
CAL29	SR 76 Middle	39,416,265	-	(39,413,518)	2,747
CAL29 B	SR 76 East	48,578,496	-	(48,383,685)	194,811
CAL38	SR-905 New Freeway	573,067	-	(609,387)	(36,320)
CAL67	SR-94 HOV Lanes (I-805 to Downtown)	8,219,450	-	(8,219,450)	-
CAL75	I-5 Genesee	14,008,000	-	(12,613,649)	1,394,351
CAL78 B	I-805 North	12,097,604	-	(12,101,076)	(3,472)
CAL78 C	I-805 South	127,930,214	-	(128,077,035)	(146,821)
CAL78 D	I-805 South Soundwalls	4,358,000	-	(4,298,587)	59,413
CAL114	I-5/56 Interchange	452,000	-	(449,860)	2,140
CAL120	Aux / Nordahl	10,344,342	-	(10,344,342)	-
CAL277A	SR78/I-5 Express Lanes	-	-	(2,627,478)	(2,627,478)
CAL278	SR-78 HOV / Managed Lanes	1,663,000	-	(1,662,367)	633
SAN23	Mid-Coast LRT	427,000	-	(362,944)	64,056
SAN26 C	I-15 BRT Stations - South	12,002,160	-	(11,993,395)	8,765
SAN47	I-805 BRT	2,915,327	-	(2,922,982)	(7,655)
SAN73	San Elijo Lagoon Double Track	8,612,894	-	(7,881,601)	731,293
SAN73A	Chesterfield Dr Crossing	3,154,106	-	(3,154,106)	-
SAN224	I-805/SR-94 Bus on Shoulder Demonstrat	24,000	-	(47,585)	(23,585)
V-11	SR-11	202,000	-	(1,558,550)	(1,356,550)
V-15	I-5 Gilman Dr Bridge	111,999	-	(107,500)	4,499
V-18	I-5 Voigt	690,000	-	(686,952)	3,048
1200100	Program Office	271,000	-	(221,956)	49,044
	<b>Total Major Corridor</b>	<b>520,298,960</b>	<b>-</b>	<b>(520,631,182)</b>	<b>(332,222)</b>

**CALTRANS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>					
<b>MC EMP</b>					
V07	Mitigation Program	\$ 155,000,185	\$ -	\$ (151,500,141)	\$ 3,500,044
	Total MC EMP	<u>155,000,185</u>	<u>-</u>	<u>(151,500,141)</u>	<u>3,500,044</u>
<b>TransNet BPNS Program:</b>					
CAL330	SR-15 Bike Path	2,907,000	-	(2,905,773)	1,227
SAN156	Coastal Rail Trail: E St to Chesterfield	<u>4,786,000</u>	<u>-</u>	<u>(4,600,066)</u>	<u>185,934</u>
	Total <i>TransNet</i> BPNS Program	<u>7,693,000</u>	<u>-</u>	<u>(7,505,839)</u>	<u>187,161</u>
	Subtotal Cumulative <i>TransNet</i> Extension	<u>682,992,145</u>	<u>-</u>	<u>(679,637,162)</u>	<u>3,354,983</u>
<b>Completed Projects:</b>					
	Major Corridor	114,351,948	-	(114,351,948)	-
	Mitigation Program (MC EMP)	14,279,000	-	(14,279,000)	-
	<i>TransNet</i> Local Program	<u>3,093,119</u>	<u>-</u>	<u>(3,093,119)</u>	<u>-</u>
	Total Completed Projects	<u>131,724,067</u>	<u>-</u>	<u>(131,724,067)</u>	<u>-</u>
	Total Cumulative <i>TransNet</i> Extension	<u>\$ 814,716,212</u>	<u>\$ -</u>	<u>\$ (811,361,229)</u>	<u>\$ 3,354,983</u>

**CITY OF CARLSBAD, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$3,535,766. We selected \$1,200,003 (33.94%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures identified during FY20.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City allocates indirect costs to capital projects by using the employee's direct cost charged to a project and multiplying it by an allocation percentage that started at 115% at the beginning of the year and was adjusted to 120% during the second half of the year in error as it should have been 114%. As a result, the City incorrectly allocated \$171,321 of indirect costs to projects when they should have should have allocated \$168,563. The City subsequently corrected the indirect costs charged to projects in the attached schedules. The City allocated 4.77% of indirect costs compared to total *TransNet* expenditures. The City calculates indirect costs using a cost allocation plan created by a consultant. The cost allocation plan was last updated in December 2019. The City's cost allocation plan has not been reviewed by a cognizant agency or audited by an independent CPA. The City's methodology for allocating indirect costs appears reasonable.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments reflected.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects.

- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

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

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

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments made during FY2020.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.



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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$3,245,296
Less: debt service payment	<u>-</u>
Net estimated apportionment	3,245,296
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>973,589</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(124,666)
Maintenance fund balance	<u>330,686</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>206,020</u>
Fund balance under apportionment	<u>\$ 767,569</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(124,666)	\$ 8,033,997	\$ 7,909,331
Maintenance	<u>330,686</u>	<u>10,565,831</u>	<u>10,896,517</u>
Totals	<u>\$ 206,020</u>	<u>\$18,599,828</u>	<u>\$18,805,848</u>

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.  
Results: No exceptions were noted as a result of our procedures.
  
- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.  
  
Results: The City recorded total RTCIP expenditures in the amount of \$77,170. We selected \$26,868 (34.82%) for testing. No exceptions were noted as a result of our procedures.
  
- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.  
  
Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.
  
- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.  
  
Results: No exceptions were noted as a result of our procedures.
  
- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.  
  
Results: This procedure is not applicable as the City did not incur expenditures for fund administration.
  
- ix. 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 existed to ensure all qualified properties were included in the program.  
  
Results: No exceptions were noted as a result of our procedures.
  
- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 2.98% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$21,956,422	\$ 6,726,233	\$28,682,655
Maintenance	1,579,825	10,030,926	11,610,751
Interest	<u>89,366</u>	<u>1,842,669</u>	<u>1,932,035</u>
 Total local street and road revenue	 <u>\$23,625,613</u>	 <u>\$18,599,828</u>	 <u>\$42,225,441</u>
 30% of total local street and road revenue			 \$12,667,632
Less maintenance expenditures incurred to date			 <u>(1,258,190)</u>
 Available maintenance funds			 <u>\$11,409,442</u>
 Cumulative percentage expended for maintenance			 <u>2.98%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
    2. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$11,738,195
Less MOE base year requirement	<u>(6,023,551)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 5,714,644</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 04, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. 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.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

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

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the expression of an opinion or conclusion, respectively, on the Agency's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

A handwritten signature in blue ink that reads "Davis Lan up". The signature is written in a cursive, flowing style.

Irvine, California  
May 4, 2021

**GLOSSARY OF TERMS**

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
CB44	N/A	Regional Arterial Management Systems	\$ -	\$ 11,700	\$ -	\$ (11,700)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	11,700	-	(11,700)	-	-	
<b>Congestion Relief:</b>									
CB17	60143	Carlsbad Blvd Bridge - Powerplant	47,484	-	612	-	-	48,096	(a)
CB17	60532	CB Blvd Railing East Side	9,545	-	123	-	-	9,668	(a)
CB20	60011	Pavement Management - Overlay	6,860	1,350,000	5,712	(923,726)	-	438,846	
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	(3,150)	70,000	-	(194,309)	-	(127,459)	(b)
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	87,381	84,000	-	(184,216)	-	(12,835)	(b) (c)
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	142,352	-	61	(133,618)	-	8,795	
CB36	60311	Carlsbad Blvd Realignment	-	-	-	(131)	-	(131)	(b)
CB43	60491	ADA Improvements	73,247	-	-	(84,525)	-	(11,278)	(b)
CB49	60751	Kelly and Park Dr. Street Improvements	53,863	-	-	(61,189)	-	(7,326)	(b)
CB51	63261	Adaptive Traffic Signal Program	(199,969)	800,000	-	(1,040,985)	-	(440,954)	(b)
CB52	40152	Village/Barrio Traffic Circles	-	42,000	-	(117,413)	-	(75,413)	(b)
CB53	60681	Carlsbad Blvd. Pedestrian Roadway Lighting	44,743	-	582	-	-	45,325	
		Total Congestion Relief	262,356	2,346,000	7,090	(2,740,112)	-	(124,666)	
<b>Maintenance:</b>									
CB58	60622	Street Light Bulb Replacement Program	159,468	850,000	4,253	(683,035)	-	330,686	
		Total Maintenance	159,468	850,000	4,253	(683,035)	-	330,686	
		Total Local Street Improvements	421,824	3,207,700	11,343	(3,434,847)	-	206,020	

(Continued)



**SCHEDULE A**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		<b>Bikes and Pedestrian (BPNS):</b>							
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	\$ (8,543)	\$ 7,725	\$ -	\$ (830)	\$ -	\$ (1,648)	(b)
		Total Bikes and Pedestrian (BPNS):	(8,543)	7,725	-	(830)	-	(1,648)	
		Total <i>TransNet</i> Extension	413,281	3,215,425	11,343	(3,435,677)	-	204,372	
		GASB 31 Fair Market Value Adjustment	(12,446)	-	12,918	-	-	472	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	400,835	3,215,425	24,261	(3,435,677)	-	204,844	
		<b>Non-TransNet:</b>							
N/A	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	100,089	-	-	(100,089)	-	-	(c)
		Total Non- <i>TransNet</i>	100,089	-	-	(100,089)	-	-	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment and Non- <i>TransNet</i>	\$ 500,924	\$ 3,215,425	\$ 24,261	\$ (3,535,766)	\$ -	\$ 204,844	

Notes:

- (a) Project is marked as complete in ProjectTrak, did not incur expenses in FY20 and project is scheduled to close 12/2020. The City is to request a transfer of funds for the remaining balance. The City will go to Council in FY21 to determine the transfer of remaining funds.
- (b) The City will be drawing funds to clear negative balances in FY21 and has already begun doing so.
- (c) Project 60442 expenses were applied to the Non-*TransNet* funds first.

**SCHEDULE B**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass Through:</b>						
CB44	N/A	Regional Arterial Management Systems	\$ 93,600	\$ -	\$ (93,600)	\$ -
		Total Congestion Relief-Pass Through	<u>93,600</u>	<u>-</u>	<u>(93,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CB17	60143	Carlsbad Blvd Bridge-Powerplant	232,278	1,928	(186,110)	48,096
CB17	60532	CB Blvd Railing East Side	10,000	373	(705)	9,668
CB20	60011	Pavement Management - Overlay	10,421,709	16,475	(9,999,338)	438,846
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	70,000	-	(197,459)	(127,459)
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	169,000	2,381	(184,216)	(12,835)
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	195,000	3,891	(190,096)	8,795
CB36	60311	Carlsbad Blvd Realignment	3,000,000	14,529	(3,014,660)	(131)
CB43	60491	ADA Improvements	995,000	1,296	(1,007,574)	(11,278)
CB49	60751	Kelly and Park Dr. Street Improvements	575,000	984	(583,310)	(7,326)
CB51	63261	Adaptive Traffic Signal Program	2,185,000	42	(2,625,996)	(440,954)
CB52	40152	Village/Barrio Traffic Circles	42,000	-	(117,413)	(75,413)
CB53	60681	Carlsbad Blvd. Pedestrian Roadway Lighting	<u>65,000</u>	<u>1,346</u>	<u>(21,021)</u>	<u>45,325</u>
		Total Congestion Relief	<u>17,959,987</u>	<u>43,245</u>	<u>(18,127,898)</u>	<u>(124,666)</u>
<b>Maintenance:</b>						
CB58	60622	Street Light Bulb Replacement Program	<u>1,295,000</u>	<u>9,034</u>	<u>(973,348)</u>	<u>330,686</u>
		Total Maintenance	<u>1,295,000</u>	<u>9,034</u>	<u>(973,348)</u>	<u>330,686</u>
		Total Local Street Improvements	<u>\$ 19,348,587</u>	<u>\$ 52,279</u>	<u>\$ (19,194,846)</u>	<u>\$ 206,020</u>

(Continued)

**SCHEDULE B**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		<b>Bikes and Pedestrian (BPNS):</b>				
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	\$ 84,599	\$ -	\$ (86,247)	\$ (1,648)
		Total Bikes and Pedestrian (BPNS):	<u>84,599</u>	<u>-</u>	<u>(86,247)</u>	<u>(1,648)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>19,433,186</u>	<u>52,279</u>	<u>(19,281,093)</u>	<u>204,372</u>
		<b>Completed Projects:</b>				
		Congestion Relief	3,902,835	37,070	(3,939,905)	-
		Maintenance	284,825	17	(284,842)	-
		Bikes and Pedestrian	564,048	-	(564,048)	-
		Environmental Mitigation Grant	<u>384,947</u>	<u>-</u>	<u>(384,947)</u>	<u>-</u>
		Total Completed Projects	<u>5,136,655</u>	<u>37,087</u>	<u>(5,173,742)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 24,569,841</u>	<u>\$ 89,366</u>	<u>\$ (24,454,835)</u>	<u>\$ 204,372</u>

**SCHEDULE C**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Spend funds	MPO ID	Cumulative				Funds Committed June 30, 2020	Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2013	June 30, 2020	CB04A	\$ 696,114	\$ 23,829	\$ (719,943)	\$ -	\$ -	\$ -		
For Fiscal Year ended June 30, 2014	June 30, 2021	CB04A	353,442	7,757	(361,199)	-	-	-		
For Fiscal Year ended June 30, 2015	June 30, 2022	CB04A	623,822	6,962	(630,784)	-	-	-		
For Fiscal Year ended June 30, 2016	June 30, 2023	CB04A	470,174	-	(470,174)	-	-	-		
For Fiscal Year ended June 30, 2017	June 30, 2024	CB04A	1,727,814	-	(1,727,814)	-	-	-		
For Fiscal Year ended June 30, 2018	June 30, 2025	CB04A	751,460	-	(78,113)	-	(673,347)	673,347	750,517	
For Fiscal Year ended June 30, 2019	June 30, 2026		715,030	-	-	-	-	715,030	715,030	
For Fiscal Year ended June 30, 2020	June 30, 2027		773,020	-	-	-	-	773,020	-	
Interest Income			-	39,770	-	-	-	39,770	19,397	
<b>Total RTCIP Funds</b>			<b>\$ 6,110,876</b>	<b>\$ 78,318</b>	<b>\$ (3,988,027)</b>	<b>\$ -</b>	<b>\$ (673,347)</b>	<b>\$ 2,201,167</b>	<b>\$ 1,484,944</b>	

**CITY OF CHULA VISTA, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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: *TransNet* revenues and TDA revenues are accounted for in the same fund. However, the City is able to identify *Transnet* activities within the fund. No exceptions were noted as a result of our procedures.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

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

- b. 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.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

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

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

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

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- f. We identified the total *TransNet* expenditures for the fiscal year.

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

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$5,619,797. We selected \$1,899,074 (33.79%) 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 if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: MPO ID CHV86: Third Avenue Streetscape Improvement Project was not included on the 2018 RTIP. Per discussion with SANDAG, the City is able to report these expenditures on Schedule A as the expenditures are programmed into the RTIP and will be eligible for reimbursement in future periods. No other exceptions were noted as a result of our procedures.

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: The City recorded total *TransNet* expenditures in the amount of \$5,619,797. Total *TransNet* payroll expenditures were \$1,678,747, or 29.87% of total *TransNet* expenditures. We selected five payroll transactions for testing. No exceptions were noted as a result of our procedures.



- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City allocates costs out of the various departments and into capital projects by using the Engineering time directly charged to a project and multiplying the hours worked by the City's fully burdened hourly rate. Total indirect costs included within projects on the RTIP were \$1,678,747, or 29.87% of total *TransNet* expenditures. The City's written indirect cost plan was last updated during the fiscal year ended June 30, 2020. The plan is not approved by City Council. The City's indirect cost plan has not been reviewed by a federal or state agency or audited by an independent CPA firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. 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: This procedure is not applicable as there were no transfer of *TrasnNet* funds during FY2020.

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$6,395,225
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	6,395,225
30% base	<u>                  30%</u>
Fiscal year 2020 30% threshold	<u>1,918,568</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	1,134,759
Maintenance fund balance	<u>(310,492)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>824,267</u>
Fund balance under apportionment	<u>\$1,094,301</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are on the following page:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$1,134,759	\$4,798,873	\$5,933,632
Maintenance	<u>(310,492)</u>	<u>7,070,597</u>	<u>6,760,105</u>
Totals	<u>\$ 824,267</u>	<u>\$11,869,470</u>	<u>\$12,693,737</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 21.07% of cumulative local street and road revenue for maintenance as follows:

	City	SANDAG	Total
Congestion relief	\$43,972,856	\$3,877,659	\$47,850,515
Maintenance	14,510,746	6,690,655	21,201,401
Interest	<u>69,664</u>	<u>1,301,153</u>	<u>1,370,817</u>
Total local street and road revenue	<u>\$58,553,266</u>	<u>\$11,869,467</u>	<u>\$70,422,733</u>
30% of total local street and road revenue			\$21,126,820
Less maintenance expenditures incurred to date			<u>(14,841,501)</u>
Available maintenance funds			<u>\$ 6,285,319</u>
Cumulative percentage expended for maintenance			<u>21.07%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

- i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
  1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
  2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
  3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$4,592,830
Less MOE base year requirement	<u>(3,509,614)</u>
Excess MOE for the year ended June 30, 2020	<u>\$1,083,216</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.
  - a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.
  - b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.
  - c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.
    - i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$48,298. We selected \$19,339 (40.04%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not exceed the 20% threshold for the fiscal year ended June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

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

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 27, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. 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.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021



GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
CHV39	N/A	Regional Arterial Management Systems	\$ -	\$ 15,500	\$ -	\$ (15,500)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	15,500	-	(15,500)	-	-	
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
CHV30	STM0361	I-5 Multi-Modal Corridor Imprv. Study	(41,611)	101,500	-	(116,750)	-	(56,861)	(a)
CHV39	TRF0350	Traffic Signal System Optimization	(36,975)	260,600	-	(259,250)	-	(35,625)	(a)
CHV39	TRF0400	Signal Retiming of Yellow	698	1,000	-	(1,595)	-	103	
		Total CHV39 Projects	(36,277)	261,600	-	(260,845)	-	(35,522)	
CHV44	TRF0356	Otay Mesa Transportation System	1,356	-	-	(2,186)	-	(830)	(a)
CHV48	STM0387	Pavement Major Rehab FY16	345,502	-	-	-	(345,502)	-	(b)
CHV48	STM0390	Major Pavement Rehab FY 2016/17	95,283	-	-	(4,793)	345,502	435,992	
CHV48	STM0393	Major Pavement Rehabilitation FY2017/18	(2,095,777)	2,565,000	-	(176,797)	-	292,426	
CHV48	STM0397	Major Pavement Rehabilitation FY2018/19	429	1,638,000	-	(163,155)	-	1,475,274	
		Total CHV48 Projects	(1,654,563)	4,203,000	-	(344,745)	-	2,203,692	
CHV51	STM0359	Naples St. & Oleander Ave. CG/ADA	3,273	-	-	-	(3,273)	-	(b)
CHV51	STL0382	Cross Gutter Rehabilitation	(23,019)	36,620	-	(226,930)	3,273	(210,056)	(a)
		Total CHV51 Projects	(19,746)	36,620	-	(226,930)	-	(210,056)	
		Subtotal Congestion Relief	(1,750,841)	4,602,720	-	(951,456)	-	1,900,423	

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Balance carried forward - Congestion Relief	\$ (1,750,841)	\$ 4,602,720	\$ -	\$ (951,456)	\$ -	\$ 1,900,423	
CHV58	TRF0414	3rd Ave @ Seavale Pedestrian Improv	-	600	-	(1,219)	-	(619)	(a)
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	(6,478)	22,000	-	(86,947)	-	(71,425)	(a)
		Total CHV58 Projects	(6,478)	22,600	-	(88,166)	-	(72,044)	
CHV60	STL0418	Bonita RD & Allen School Lane	(125,709)	127,063	-	-	-	1,354	
CHV60	STL0437	EB Right Turn Lane Instal/ East H St Study	-	1,600	-	(1,538)	-	62	
CHV60	TRF0398	Traffic Sig Instal at Main St and Jacqua St	-	4,237	-	(4,182)	-	55	
CHV60	TRF0407	Traffic Sig Mod at Five Intersections	-	66,600	-	(112,304)	-	(45,704)	(a)
CHV60	TRF0412	Traffic Signal Upgrades at Two Locations	-	48,500	-	(48,442)	-	58	
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	-	5,000	-	(2,172)	-	2,828	
		Total CHV60 Projects	(125,709)	253,000	-	(168,638)	-	(41,347)	
CHV70	STL0438	Sweetwater River Bikeway Connections	-	10,700	-	(10,441)	-	259	
CHV70	STM0384	Bike Lanes onBrdwy FsbiltyStudy	7,942	13,000	-	(224,410)	-	(203,468)	(a)
CHV70	STM0392	Bike Lanes on Broadway	99,926	195,000	-	(294,329)	-	597	
		Total CHV70 Projects	107,868	218,700	-	(529,180)	-	(202,612)	
CHV77	TRF0395	SANDAG MainSt Fiber OpticAddtl	1,167	29,650	-	(30,987)	-	(170)	(a)
CHV79	TRF0397	Raised Median Reconstruction	30,100	-	-	(1,393)	(28,707)	-	(b)
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	-	-	-	(27,809)	28,707	898	
		Total CHV79 Projects	30,100	-	-	(29,202)	-	898	
		Subtotal Congestion Relief	(1,743,893)	5,126,670	-	(1,797,629)	-	1,585,148	

(Continued)

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
		Balance carried forward - Congestion Relief	<u>\$ (1,743,893)</u>	<u>\$ 5,126,670</u>	<u>\$ -</u>	<u>\$ (1,797,629)</u>	<u>\$ -</u>	<u>\$ 1,585,148</u>	
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	<u>(66,280)</u>	<u>909,000</u>	<u>-</u>	<u>(1,332,792)</u>	<u>31,688</u>	<u>(458,384)</u>	(a) (c)
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	<u>(182,766)</u>	<u>185,000</u>	<u>-</u>	<u>(2,675)</u>	<u>-</u>	<u>(441)</u>	(a)
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	<u>(90,850)</u>	<u>257,000</u>	<u>-</u>	<u>(203,481)</u>	<u>-</u>	<u>(37,331)</u>	(a)
CHV85	STM0398	East "H" Street Sidewalk Improvements	<u>8</u>	<u>2,000</u>	<u>-</u>	<u>(677)</u>	<u>-</u>	<u>1,331</u>	(b)
		Interest Income	<u>29,063</u>	<u>-</u>	<u>15,373</u>	<u>-</u>	<u>-</u>	<u>44,436</u>	
		Total Congestion Relief	<u>(2,054,718)</u>	<u>6,479,670</u>	<u>15,373</u>	<u>(3,337,254)</u>	<u>31,688</u>	<u>1,134,759</u>	
		<b>Maintenance:</b>							
CHV06	OP0219	Pavement Management System	<u>(34,163)</u>	<u>52,168</u>	<u>-</u>	<u>(108,695)</u>	<u>-</u>	<u>(90,690)</u>	(a)
CHV06	STL0423	Pavement Minor Rehab	<u>(4,832)</u>	<u>4,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	(b)
		Total CHV06 Projects	<u>(38,995)</u>	<u>57,000</u>	<u>-</u>	<u>(108,695)</u>	<u>-</u>	<u>(90,690)</u>	
CHV22	OP0202	CIP Advanced Planning	<u>(7,024)</u>	<u>11,300</u>	<u>-</u>	<u>(67,561)</u>	<u>-</u>	<u>(63,285)</u>	(a)
CHV22	OP0208	CIP Management & Equipment Purchase	<u>2,523</u>	<u>-</u>	<u>-</u>	<u>(198)</u>	<u>-</u>	<u>2,325</u>	
		Total CHV22 Projects	<u>(4,501)</u>	<u>11,300</u>	<u>-</u>	<u>(67,759)</u>	<u>-</u>	<u>(60,960)</u>	
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	<u>56</u>	<u>5,400</u>	<u>-</u>	<u>(30,897)</u>	<u>-</u>	<u>(25,441)</u>	(a)
CHV33	STM0380	Sidewalk Replacement E H Street Study	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,234)</u>	<u>-</u>	<u>(1,234)</u>	(a)
CHV33	TRF0345	School Zone Traffic Calming	<u>3,954</u>	<u>2,400</u>	<u>-</u>	<u>(168)</u>	<u>-</u>	<u>6,186</u>	
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	<u>10</u>	<u>7,100</u>	<u>-</u>	<u>(46,546)</u>	<u>-</u>	<u>(39,436)</u>	(a)
CHV33	TRF0417	Enhanced Crosswalks School Zones	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,227)</u>	<u>-</u>	<u>(2,227)</u>	(a)
		Total CHV33 Projects	<u>4,020</u>	<u>14,900</u>	<u>-</u>	<u>(81,072)</u>	<u>-</u>	<u>(62,152)</u>	
		Subtotal Maintenance	<u>(39,476)</u>	<u>83,200</u>	<u>-</u>	<u>(257,526)</u>	<u>-</u>	<u>(213,802)</u>	

(Continued)

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Balance carried forward - Maintenance	\$ (39,476)	\$ 83,200	\$ -	\$ (257,526)	\$ -	\$ (213,802)	
CHV34	GGV222	Asset Management	(27,000)	27,000	-	-	-	-	
CHV34	SW0292	Indtrl Blvd & Main St Swr Imprv	2,910	2,075	-	(4,983)	-	2	
CHV34	TRF0327	Neighborhood Safety Program	(52,356)	110,726	-	(49,814)	-	8,556	
CHV34	TRF0394	Ped Crsswtk Enhanc @UncntrldIn	46	-	-	-	-	46	
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	4	1,840	-	(1,658)	-	186	
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Progar	64	2,965	-	(5,237)	-	(2,208)	(a)
CHV34	TRF0416	Intersection Safety Improvements	-	1,450	-	(24,218)	-	(22,768)	(a)
		Total CHV34 Projects	(76,332)	146,056	-	(85,910)	-	(16,186)	
CHV35	TRF0332	Signing and Stripping Program	-	6,102	-	(20,132)	-	(14,030)	(a)(d)
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	7,910	9,400	-	(17,100)	-	210	
CHV35	TRF0399	Internally IllumntdSNS Convrsn	-	198	-	(198)	-	-	(b)
CHV35	TRF0402	Traffic Signal Mod Broadway/F and Broadway/G	(51,716)	-	-	(75,576)	-	(127,292)	(a)
		Total CHV35 Projects	(43,806)	15,700	-	(113,006)	-	(141,112)	
CHV45	STM0369	Bikeway Facilities Gap Project	538	7,272	-	(44,033)	-	(36,223)	(a)
CHV45	TRF0274	Traffic Count	34,677	-	-	(259)	-	34,418	
CHV45	TRF0321	Citywide Traffic Count Program	7,644	-	-	(503)	-	7,141	
CHV45	TRF0392	Palomar St Trffc Data Collectn	967	272	-	(1,239)	-	-	(b)
		Total CHV45 Projects	43,826	7,544	-	(46,034)	-	5,336	
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	683	-	-	(145,711)	241,094	96,066	
CHV50	DR0206	CMP Rehabilitation in ROW FY17	241,689	-	-	(595)	(241,094)	-	(b)
CHV50	DR0207	Drainage Infra Assesmnt in ROW	55,828	-	-	-	-	55,828	
CHV50	STM0385	Bridge Maintenance	222	5,100	-	(5,285)	-	37	
		Total CHV50 Projects	298,422	5,100	-	(151,591)	-	151,931	
		Subtotal Maintenance	182,634	257,600	-	(654,067)	-	(213,833)	

(Continued)

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
		Balance carried forward - Maintenance	\$ 182,634	\$ 257,600	\$ -	\$ (654,067)	\$ -	\$ (213,833)	
CHV53	STL0404	Bikeway Master Plan2016 Update	(56,181)	-	-	(46,761)	-	(102,942)	(a)
CHV75	STL0415	ADA Curb Ramp Program FY16/17	1,020	-	-	-	(1,020)	-	(b)
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	(1,780)	22,130	-	(33,005)	1,020	(11,635)	(a)
		Total CHV75 Projects	(760)	22,130	-	(33,005)	-	(11,635)	
CHV83	STM394	Local Street Utility Undergrounding District	(3,605)	10,503	-	(8,024)	-	(1,126)	(a)
		Interest Income	12,455	-	6,589	-	-	19,044	
		Total Maintenance	134,543	290,233	6,589	(741,857)	-	(310,492)	
		Total Local Street Improvements	(1,920,175)	6,785,403	21,962	(4,094,611)	31,688	824,267	
		<b>Major Corridor Environmental Mitigation:</b>							
CHV08	OP0227	Cstl Ccts WrenHabitat Restrn	(657)	18,982	-	(18,286)	-	39	
CHV08	OP0229	Cstl Ccts WrenHabitat Restrtn 2016	(1,160)	-	-	-	1,160	-	(b)(e)
		Total CHV08 Projects	(1,817)	18,982	-	(18,286)	1,160	39	
		Total Major Corridor Environmental Mitigation	(1,817)	18,982	-	(18,286)	1,160	39	

(Continued)

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Bikes and Pedestrian</b>									
CHV53	STL0404	Bikeway Master Plan 2016 Update	\$ (63,423)	\$ -	\$ -	\$ -	\$ 63,423	\$ -	(g)
CHV76	STL0412	F Street Promenade Streetscape Masterplan	(27,346)	-	-	-	-	(27,346)	(b)(g)
Total Bikes and Pedestrian			(90,769)	-	-	-	63,423	(27,346)	
<b>Smart Growth:</b>									
CHV86	STL0406	3rd Ave Streetscap Imprv Phs 3	-	1,387,898	-	(1,506,900)	(31,688)	(150,690)	(c)(h)
Total Smart Growth			-	1,387,898	-	(1,506,900)	(31,688)	(150,690)	
Total <i>TransNet</i> Extension			(2,012,761)	8,192,283	21,962	(5,619,797)	64,583	646,270	
GASB 31 Market Value Adjustment			(3,061)	-	-	-	-	(3,061)	
Total <i>TransNet</i> Extension after GASB 31 Adjustment			\$ (2,015,822)	\$ 8,192,283	\$ 21,962	\$ (5,619,797)	\$ 64,583	\$ 643,209	

Notes:

- (a) To be covered by drawdown in FY21.
- (b) Project Complete.
- (c) Adjustment to correct error in FY19 Schedule A by moving \$31,688 in Smart Growth grant related expenditures from STL406 (CHV80/CR) to STL406 (CHV86/SmartGrowth).
- (d) TRF0332 is actually a programmatic CIP that is still ongoing. Note B (completed) on the FY19 Schedule A was an error most likely due to the zero ending balance.
- (e) Adjustment for \$1,247 staff time reduced (charged in error) and \$87 prior year retention received (net adjustment \$1,160).
- (f) Adjustment to back out TDA expenditures included in error on FY19 Schedule A.
- (g) Difference to be addressed via Council action in FY21 (date TBD).
- (h) Retention payable at end of project.

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass Through:</b>						
CHV39	N/A	Regional Arterial Management Systems	\$ 124,000	\$ -	\$ (124,000)	\$ -
		Total Congestion Relief-Pass Through	<u>124,000</u>	<u>-</u>	<u>(124,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CHV30	STM0361	15 Multi-Modal Corridor Improv. Study	<u>736,440</u>	<u>-</u>	<u>(793,301)</u>	<u>(56,861)</u>
CHV39	TRF0350	Traffic Signal System Optimization	1,477,143	833	(1,513,601)	(35,625)
CHV39	TRF0400	Signal Retiming of Yellow	<u>7,476</u>	<u>-</u>	<u>(7,373)</u>	<u>103</u>
		Total CHV39 Projects	<u>1,484,619</u>	<u>833</u>	<u>(1,520,974)</u>	<u>(35,522)</u>
CHV44	TRF0356	Otay Mesa Transportation System	<u>12,428</u>	<u>-</u>	<u>(13,258)</u>	<u>(830)</u>
CHV48	STM387	Pavement Major Rehab FY16	3,117,706	-	(3,117,706)	-
CHV48	STM390	Major Pavement Rehab FY 2016/17	3,872,704	-	(3,436,712)	435,992
CHV48	STM393	Major Pavement Rehabilitation FY2017/18	3,137,082	-	(2,844,656)	292,426
CHV48	STM397	Major Pavement Rehabilitation FY2018/19	<u>1,723,400</u>	<u>-</u>	<u>(248,126)</u>	<u>1,475,274</u>
		Total CHV 48 Projects	<u>11,850,892</u>	<u>-</u>	<u>(9,647,200)</u>	<u>2,203,692</u>
		Subtotal Congestion Relief	<u>14,084,379</u>	<u>833</u>	<u>(11,974,733)</u>	<u>2,110,479</u>

(Continued)



**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	\$ 14,084,379	\$ 833	\$ (11,974,733)	\$ 2,110,479
CHV51	STM0359	Naples St & Oleander Ave CG/ADA	88,325	-	(88,325)	-
CHV51	STL0382	Cross Gutter Rehabilitation	175,602	-	(385,658)	(210,056)
		Total CHV 51 Projects	263,927	-	(473,983)	(210,056)
CHV58	STL0414	3rd Ave @ Seavale Pedestrian Improv	600	-	(1,219)	(619)
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	187,669	-	(259,094)	(71,425)
		Total CHV58 Projects	188,269	-	(260,313)	(72,044)
CHV60	STL0418	Bonita RD & Allen School Lane	156,353	-	(154,999)	1,354
CHV60	STL0437	EB Right Turn Lane Instal/ East H St Study	1,600	-	(1,538)	62
CHV60	TRF0398	Traffic Sig Instal at Main St and Jacqua St	4,237	-	(4,182)	55
CHV60	TRF0407	Traffic Sig Mod at Five Intersections	66,600	-	(112,304)	(45,704)
CHV60	TRF0412	Traffic Signal Upgrades at Two Locations	48,500	-	(48,442)	58
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	5,000	-	(2,172)	2,828
		Total CHV60 Projects	282,290	-	(323,637)	(41,347)
		Subtotal Congestion Relief	14,818,865	833	(13,032,666)	1,787,032

(Continued)

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Congestion Relief balance carried forward	\$ 14,818,865	\$ 833	\$ (13,032,666)	\$ 1,787,032
CHV70	STL0438	Sweetwater River Bikeway Connections	10,700	-	(10,441)	259
CHV70	STM0384	Bike Lanes onBrdwy FsbiltyStudy	349,995	-	(553,463)	(203,468)
CHV70	STM0392	Bike Lanes on Broadway	445,833	-	(445,236)	597
		Total CHV70 Projects	806,528	-	(1,009,140)	(202,612)
CHV77	TRF0395	SANDAG Main St Fiber OpticAddtl	36,973	-	(36,943)	30
CHV79	TRF0397	Raised Median Reconstruction	396,990	-	(396,990)	-
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	28,707	-	(27,809)	898
		Total CHV79 Projects	425,697	-	(424,799)	898
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	1,240,038	-	(1,698,422)	(458,384)
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	599,341	-	(598,651)	690
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	359,020	-	(396,351)	(37,331)
CHV85	STM0398	East "H" Street Sidewalk Improvements	17,693	-	(17,693)	-
		Interest Income	-	44,436	-	44,436
		Total Congestion Relief	18,304,155	45,269	(17,214,665)	1,134,759

(Continued)

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Maintenance:</b>						
CHV06	OP0219	Pavement Management System	821,988	-	(912,678)	(90,690)
CHV06	STL423	Pavement Minor Rehab	30,832	-	(30,832)	-
		Total CHV06 Projects	852,820	-	(943,510)	(90,690)
CHV22	OP0202	CIP Advanced Planning	613,366	-	(676,651)	(63,285)
CHV22	OP0208	CIP Management & Equipment Purchase	45,873	-	(43,548)	2,325
		Total CHV 22 Projects	659,239	-	(720,199)	(60,960)
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	71,058	-	(96,499)	(25,441)
CHV33	STM0380	Sidewalk Replacement E H Street Study	145,912	-	(147,146)	(1,234)
CHV33	TRF0345	School Zone Traffic Calming	513,107	-	(506,921)	6,186
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	103,896	-	(143,332)	(39,436)
CHV33	TRF0417	Enhanced Crosswalks School Zones	-	-	(2,227)	(2,227)
		Total CHV 33 Projects	833,973	-	(896,125)	(62,152)
CHV34	GGV222	Asset Management	127,000	-	(127,000)	-
CHV34	SW292	Indtrl Blvd & Main St Swr Imprv	138,801	-	(138,799)	2
CHV34	TRF0327	Neighborhood Safety Program	1,562,512	-	(1,553,956)	8,556
CHV34	TRF0394	Ped Crsswtk Enhanc @UncntrlIn	82,000	-	(81,954)	46
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	4,159	-	(3,973)	186
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Program	5,081	-	(7,289)	(2,208)
CHV34	TRF0416	Intersection Safety Improvements	1,450	-	(24,218)	(22,768)
		Total CHV 34 Projects	1,921,003	-	(1,937,189)	(16,186)
		Subtotal Maintenance	4,267,035	-	(4,497,023)	(229,988)

(Continued)

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Maintenance balance carried forward	\$ 4,267,035	\$ -	\$ (4,497,023)	\$ (229,988)
CHV35	TRF0332	Signing and Stripping Program	441,638	-	(455,668)	(14,030)
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	1,791,895	-	(1,791,685)	210
CHV35	TRF0399	Internally IllumntdSNS Convrsn	214,161	-	(214,161)	-
CHV35	TRF0402	Traffic Signal Mod Broadway/F and Broadway/G	-	-	(127,292)	(127,292)
		Total CHV 35 Projects	<u>2,447,694</u>	<u>-</u>	<u>(2,588,806)</u>	<u>(141,112)</u>
CHV45	STM0369	Bikeway Facilities Gap Project	358,433	-	(394,656)	(36,223)
CHV45	TRF0274	Traffic Count	249,394	-	(214,976)	34,418
CHV45	TRF0321	Citywide Traffic Count Program	461,003	-	(453,862)	7,141
CHV45	TRF0392	Palomar St Traffic Data Collection	26,802	-	(26,802)	-
		Total CHV 45 Projects	<u>1,095,632</u>	<u>-</u>	<u>(1,090,296)</u>	<u>5,336</u>
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	300,550	-	(204,484)	96,066
CHV50	DR0206	CMP Rehabilitation in ROW FY17	1,189,079	-	(1,189,079)	-
CHV50	DR0207	Drainage Infra Assesmnt in ROW	136,194	-	(80,366)	55,828
CHV50	STM0385	Bridge Maintenance	58,585	-	(58,548)	37
		Total CHV 50 Projects	<u>1,684,408</u>	<u>-</u>	<u>(1,532,477)</u>	<u>151,931</u>
		Subtotal Maintenance	<u>9,494,769</u>	<u>-</u>	<u>(9,708,602)</u>	<u>(213,833)</u>

(Continued)

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Maintenance balance carried forward	\$ 9,494,769	\$ -	\$ (9,708,602)	\$ (213,833)
CHV53	STL0404	Bikeway Master Plan2016 Update	60,752	-	(163,694)	(102,942)
CHV75	STL0415	ADA Curb Ramp Program FY16/17	300,000	-	(300,000)	-
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	31,850	-	(43,485)	(11,635)
		Total CHV 75 Projects	331,850	-	(343,485)	(11,635)
CHV83	STM0394	Local Street Utility Undergrounding District	33,240	-	(34,366)	(1,126)
		Interest Income	-	19,044	-	19,044
		Total Maintenance	9,920,611	19,044	(10,250,147)	(310,492)
		Total Local Street Improvements	28,348,766	64,313	(27,588,812)	824,267
		<b>Major Corridor Environmental Mitigation:</b>				
CHV08	OP0227	Cstl Ccts WrenHabitat Restrtn	189,820	-	(189,781)	39
CHV08	OP0229	Cstl Ccts WrenHabitat Restrtn 2016	49,228	-	(49,228)	-
		Total Major Corridor Environmental Mitigation	239,048	-	(239,009)	39

(Continued)

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		<b>Bike and Pedestrian:</b>				
CHV53	STL0404	Bikeway Master Plan2016	\$ 63,423	\$ -	\$ (63,423)	\$ -
CHV76	STL0412	F Street Promenade Streetscape Masterplan	385,634	-	(412,980)	(27,346)
		Total Bike and Pedestrian	<u>449,057</u>	<u>-</u>	<u>(476,403)</u>	<u>(27,346)</u>
		<b>Smart Growth:</b>				
CHV86	STL0406	3rd Ave Streetscp Imprv Phs 3	1,356,210	-	(1,506,900)	(150,690)
		Total Smart Growth	<u>1,356,210</u>	<u>-</u>	<u>(1,506,900)</u>	<u>(150,690)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>30,393,081</u>	<u>64,313</u>	<u>(29,811,124)</u>	<u>646,270</u>
		<b>Completed Projects:</b>				
		LSI - Congestion Relief	25,668,701	4,132	(25,672,833)	-
		LSI - Maintenance	4,590,135	1,219	(4,591,354)	-
		Major Corridor Environmental Mitigation	803,460	-	(803,460)	-
		Smart Growth	4,104,566	-	(4,104,566)	-
		Bike and Pedestrian	<u>379,525</u>	<u>-</u>	<u>(379,525)</u>	<u>-</u>
		Total Completed Projects	<u>35,546,387</u>	<u>5,351</u>	<u>(35,551,738)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 65,939,468</u>	<u>\$ 69,664</u>	<u>\$ (65,362,862)</u>	<u>\$ 646,270</u>

**SCHEDULE C**

**CITY OF CHULA VISTA CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020		\$ 67,830	\$ 562	\$ (68,392)	\$ -	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2014	June 30, 2021		52,116	951	(53,067)	-	-	-	25,263
For Fiscal Year ended June 30, 2015	June 30, 2022		90,931	502	(23,035)	-	-	68,398	91,433
For Fiscal Year ended June 30, 2016	June 30, 2023		90,345	-	-	-	-	90,345	90,345
For Fiscal Year ended June 30, 2017	June 30, 2024		5,708	-	-	-	-	5,708	5,708
For Fiscal Year ended June 30, 2018	June 30, 2025		389,773	-	-	-	-	389,773	389,773
For Fiscal Year ended June 30, 2019	June 30, 2026		120,066	-	-	-	-	120,066	120,066
For Fiscal Year ended June 30, 2020	June 30, 2027		68,067	-	-	-	-	68,067	-
Interest Income			-	38,591	-	-	-	38,591	21,081
Subtotal RTCIP Funds			884,836	40,606	(144,494)	-	-	780,948	743,669
GASB 31 Market Value Adjustment			-	(16,864)	-	-	-	(16,864)	(3,669)
Total RTCIP Funds			\$ 884,836	\$ 23,742	\$ (144,494)	\$ -	\$ -	\$ 764,084	\$ 740,000

**CITY OF CORONADO, CALIFORNIA**

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

Year Ended June 30, 2020



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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$1,151,596. We selected \$845,499 (73.42%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- i. 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.

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$611,675
Less: debt service payment	<u>-</u>
Net estimated apportionment	611,675
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>183,503</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	28,443
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>28,443</u>
Fund balance under apportionment	<u>\$155,060</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$28,443	(\$357,269)	(\$328,826)
Maintenance	<u>-</u>	<u>2,001,348</u>	<u>2,001,348</u>
Totals	<u>\$28,443</u>	<u>\$1,644,079</u>	<u>\$1,672,522</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 3.79% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$5,574,225	(\$487,852)	\$5,086,373
Maintenance	225,000	1,954,873	2,179,873
Interest	<u>21,186</u>	<u>177,058</u>	<u>198,244</u>
 Total local street and road revenue	 <u>\$5,820,411</u>	 <u>\$1,644,079</u>	 <u>\$7,464,490</u>
 30% of total local street and road revenue			 \$2,239,347
Less maintenance expenditures incurred to date			<u>(283,272)</u>
 Available maintenance funds			 <u>\$1,956,075</u>
 Cumulative percentage expended for maintenance			 <u>3.79%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper or bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
    2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
    3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$1,938,849
Less MOE base year requirement	<u>(863,498)</u>
Excess MOE for the year ended June 30, 2020	<u>\$1,075,351</u>

- 13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: The City is not in compliance with the RTCIP exaction fee requirement. See Finding 1 in the Findings and Recommendations section of this report.

- ii. We inquired of management as to whether procedures were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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



- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$100,000. We selected \$100,000 (100%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP payroll expenditures identified during FY20.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 26, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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

Results: The City had one prior year finding related to the under-collection of RTCIP exaction fees. We reviewed evidence that under-collections totaling \$873 in the prior year were collected in FY20.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

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

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

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Lan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

**CITY OF CORONADO, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

**(1) Need to Use Approved Exaction Fee**

The City did not collect the required exaction fee amount of \$2,533.15. For one permit issued in FY 2020, the exaction fee collected was based upon the prior year exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of \$129 as follows:

<u>Invoice Number</u>	<u>Amount Collected</u>	<u>Amount Required</u>	<u>Variance</u>
NC1902-004	<u>\$2,404</u>	<u>\$2,533</u>	<u>\$129</u>
Total	<u>\$2,404</u>	<u>\$2,533</u>	<u>\$129</u>

SANDAG Board recommendations as of February 13, 2019 and subsequent approval states, in part:

“...the minimum Regional Transportation Congestion Improvement Program fee would increase from \$2,483.48 to \$2,533.15 beginning July 1, 2019.”

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 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 \$129. Additionally, we recommend that the City update and collect the proper exaction fees on a yearly basis to be in compliance with the RTCIP fees.

**Management Response**

The City will cover for the underpayment of \$129 in FY21. Public Services & Engineering Department are in the process of changing the fees in the system and place controls to update them in annual basis.

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan

**SCHEDULE A**

**CITY OF CORONADO, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Congestion Relief:</b>									
COR 07	9782-17SCG	Street, Curb & Gutter-FY17	\$ 230,648	\$ 1,000,000	\$ 3,751	\$ (1,088,871)	\$ (145,528)	\$ -	(a)(b)
COR 07	9719-18SCG	Street, Curb & Gutter-FY18	3,589	-	-	-	-	3,589	
COR 07	9740-20002	Street, Curb & Gutter-FY19/FY20	-	-	-	(62,725)	87,579	24,854	
Total Congestion Relief			<u>234,237</u>	<u>1,000,000</u>	<u>3,751</u>	<u>(1,151,596)</u>	<u>(57,949)</u>	<u>28,443</u>	
<b>Maintenance:</b>									
COR 04	9718-18SLURRY	Street and Road Maintenance	(57,949)	-	-	-	57,949	-	(a)(b)
Total Maintenance			<u>(57,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,949</u>	<u>-</u>	
<b>Senior Mini Grant:</b>									
COR20	SMG16-17	Senior Out and About Mini-Grant	(25,859)	-	-	-	24,713	(1,146)	(c)(d)(e)
Total Senior Mini Grant			<u>(25,859)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,713</u>	<u>(1,146)</u>	
Total <i>TransNet</i> Extension			150,429	1,000,000	3,751	(1,151,596)	24,713	27,297	
GASB 31 Market Value Adjustment			<u>485</u>	<u>-</u>	<u>2,012</u>	<u>-</u>	<u>-</u>	<u>2,497</u>	
Total <i>TransNet</i> Extension after GASB 31 adjustment			<u>\$ 150,914</u>	<u>\$ 1,000,000</u>	<u>\$ 5,763</u>	<u>\$ (1,151,596)</u>	<u>\$ 24,713</u>	<u>\$ 29,794</u>	

**Notes:**

- (a) Project is complete.
- (b) Remaining balance of \$148,528 moved to COR 07 (Same MPO ID) and COR 04 through council resolution in May 2021.
- (c) Adjustment of \$24,087 due to overstatement of FY18 expenditures.
- (d) Adjustment of \$626 due to overstatement of FY19 expenditures.
- (e) This grant has been fully expended, deficit to be covered by other funding source.

**SCHEDULE B**

**CITY OF CORONADO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
COR 07	9782-17SCG	Street, Curb & Gutter-FY17	\$ 1,614,848	\$ 8,674	\$ (1,623,522)	\$ -
COR 07	9719-18SCG	Street, Curb & Gutter-FY18	-	3,652	(63)	3,589
COR 07	9740-20002	Street, Curb & Gutter-FY19 and FY20	<u>87,579</u>	<u>-</u>	<u>(62,725)</u>	<u>24,854</u>
		Total Congestion Relief	<u>1,702,427</u>	<u>12,326</u>	<u>(1,686,310)</u>	<u>28,443</u>
<b>Maintenance:</b>						
COR 04	9718-18SLURRY	Street and Road Maintenance	<u>212,949</u>	<u>-</u>	<u>(212,949)</u>	<u>-</u>
		Total Maintenance	<u>212,949</u>	<u>-</u>	<u>(212,949)</u>	<u>-</u>
		Total Local Street Improvements	<u>1,915,376</u>	<u>12,326</u>	<u>(1,899,259)</u>	<u>28,443</u>
<b>Senior Mini Grant:</b>						
COR20	SMG16-17	Senior Out and About Mini-Grant	<u>87,937</u>	<u>-</u>	<u>(89,083)</u>	<u>(1,146)</u>
		Total Senior Mini Grant	<u>87,937</u>	<u>-</u>	<u>(89,083)</u>	<u>(1,146)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>2,003,313</u>	<u>12,326</u>	<u>(1,988,342)</u>	<u>27,297</u>
<b>Completed Projects:</b>						
		LSI - Congestion Relief	3,813,849	8,537	(3,822,386)	-
		LSI - Maintenance	<u>70,000</u>	<u>323</u>	<u>(70,323)</u>	<u>-</u>
		Total Completed Projects	<u>3,883,849</u>	<u>8,860</u>	<u>(3,892,709)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 5,887,162</u>	<u>\$ 21,186</u>	<u>\$ (5,881,051)</u>	<u>\$ 27,297</u>

**SCHEDULE C**

**CITY OF CORONADO, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative					Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments	Funds Committed June 30, 2020	June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2011	June 30, 2018	COR14/COR24	\$ 16,648	\$ 605	\$ (17,253)	\$ -	\$ -	\$ -	\$ 2,048
For Fiscal Year ended June 30, 2012	June 30, 2019	COR24	6,369	519	(6,888)	-	-	-	6,788
For Fiscal Year ended June 30, 2013	June 30, 2020	COR24	4,330	283	(4,613)	-	-	-	4,546
For Fiscal Year ended June 30, 2014	June 30, 2021	COR24	35,820	2,008	(37,828)	-	-	-	37,281
For Fiscal Year ended June 30, 2015	June 30, 2022	COR24	24,273	1,267	(25,540)	-	-	-	25,171
For Fiscal Year ended June 30, 2016	June 30, 2023	COR24	18,536	876	(19,412)	-	-	-	19,131
For Fiscal Year ended June 30, 2017	June 30, 2024	COR24	21,213	959	(3,671)	-	-	18,501	21,852
For Fiscal Year ended June 30, 2018	June 30, 2025		14,425	564	-	-	-	14,989	14,772
For Fiscal Year ended June 30, 2019	June 30, 2026		26,446	895	-	-	-	27,341	26,962
For Fiscal Year ended June 30, 2020	June 30, 2027		15,943	233	-	-	-	16,176	-
Total RTCIP Funds			184,003	8,209	(115,205)	-	-	77,007	158,551
GASB 31 Market Value Adjustment			-	461	-	-	-	461	461
Total RTCIP Funds			<u>\$ 184,003</u>	<u>\$ 8,670</u>	<u>\$ (115,205)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,468</u>	<u>\$ 159,012</u>



**CITY OF DEL MAR, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$193,004. We selected \$193,004 (100%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy No. 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures included in the total *TransNet* expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to the projects included in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no amounts in the adjustments column.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

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

Results: This procedure was not applicable as there were no projects with a negative ending balance.

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

Results: This procedure was not applicable as there were no projects with a negative ending balance.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: MPO ID DM01 and DM02 had no activity over the past two years. No exceptions were noted as a result of our procedures.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 04, 2021.

- i. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments reported on Schedule A that were required to be on Schedule B.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: This procedure is not applicable as there were no completed projects reported in the prior year's Schedule A.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$ 211,922
Less: debt service payment	<u>(193,004)</u>
Net estimated apportionment	18,917
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>5,675</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	10,864
Maintenance fund balance	<u>9,000</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>19,864</u>
Fund balance over apportionment	<u>\$ (14,189)</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$10,460	\$(307,535)	\$(296,671)
Maintenance	<u>9,000</u>	<u>337,224</u>	<u>346,224</u>
Totals	<u>\$ 19,864</u>	<u>\$ 29,689</u>	<u>\$ 49,553</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 5.89% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$6,253,581	\$ (322,603)	\$5,930,978
Maintenance	402,626	331,804	734,430
Interest	<u>7,992</u>	<u>20,488</u>	<u>28,480</u>
 Total local street and road revenue	 <u>\$6,664,199</u>	 <u>\$ 29,689</u>	 <u>\$6,693,888</u>
 30% of total local street and road revenue			 \$2,008,166
Less maintenance expenditures incurred to date			<u>(394,270)</u>
 Available maintenance funds			 <u>\$1,613,896</u>
 Cumulative percentage expended for maintenance			 <u>5.89%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Debt</u> <u>Refunding</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2020</u>	<u>Interest</u> <u>Payments</u>
2014 Series						
A Bonds	\$2,775,520	\$14,480	\$855,000	\$60,000	\$1,875,000	\$107,010
2019 Series						
A Bonds	-	855,000	-	-	855,000	25,994

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;



3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
  - c. We 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. 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 reported 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, 2020, is summarized as follows:

	<u>Streets and Roads</u>	<u>Specialized Transportation</u>	<u>Total</u>
Current year local discretionary expenditures	\$3,327,029	\$ 63,500	\$3,390,529
Less MOE base year requirement	<u>(453,089)</u>	<u>(20,877)</u>	<u>(473,966)</u>
Excess MOE for the year ended June 30, 2020	<u>\$2,873,940</u>	<u>\$ 42,623</u>	<u>\$2,916,563</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 26, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF DEL MAR, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
DM02	44.6121.5900	Local Match to Bridge Retrofit Projects	\$ 3,195	\$ -	\$ -	\$ -	\$ -	\$ 3,195	(a)
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	(13,655)	21,000	324	-	-	7,669	
		2014 Series A Bond	-	167,010	-	(167,010)	-	-	
		2019 Series A Bond	-	25,994	-	(25,994)	-	-	
		<b>Total Congestion Relief</b>	<b>(10,460)</b>	<b>214,004</b>	<b>324</b>	<b>(193,004)</b>	<b>-</b>	<b>10,864</b>	
<b>Maintenance:</b>									
DM01	44.6101.5900	Resurfacing and Drainage Project	9,000	-	-	-	-	9,000	(b)
		<b>Total Maintenance</b>	<b>9,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,000</b>	
		<b>Total Local Street Improvements</b>	<b>(1,460)</b>	<b>214,004</b>	<b>324</b>	<b>(193,004)</b>	<b>-</b>	<b>19,864</b>	
		<b>Total TransNet Extension</b>	<b>(1,460)</b>	<b>214,004</b>	<b>324</b>	<b>(193,004)</b>	<b>-</b>	<b>19,864</b>	
		<b>GASB 31 Market Value Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
		<b>Total TransNet Extension after GASB 31 Adjustment</b>	<b>\$ (1,460)</b>	<b>\$ 214,004</b>	<b>\$ 324</b>	<b>\$ (193,004)</b>	<b>\$ -</b>	<b>\$ 19,864</b>	

Notes:

- (a) Project will resume in Fiscal Year 2020-21 when sufficient funding is available.
- (b) Project spending will resume in Fiscal Year 2020-21.

**CITY OF DEL MAR, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
DM02	44.6121.5900	Local Match to Bridge Retrofit Projects	\$ 207,386	\$ 459	\$ (204,650)	\$ 3,195
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	4,220,985	5,478	(4,218,794)	7,669
		2014 Series A Bonds	1,094,993	-	(1,094,993)	-
		2019 Series A Bonds	25,994	-	(25,994)	-
		<b>Total Congestion Relief</b>	<u>5,549,358</u>	<u>5,937</u>	<u>(5,544,431)</u>	<u>10,864</u>
<b>Maintenance:</b>						
DM01	44.6101.5900	Resurfacing and Drainage Project	402,626	644	(394,270)	9,000
		<b>Total Maintenance</b>	<u>402,626</u>	<u>644</u>	<u>(394,270)</u>	<u>9,000</u>
		<b>Total Local Street Improvements</b>	<u>5,951,984</u>	<u>6,581</u>	<u>(5,938,701)</u>	<u>19,864</u>
		<b>Total Cumulative <i>TransNet</i> Extension</b>	<u>5,951,984</u>	<u>6,581</u>	<u>(5,938,701)</u>	<u>19,864</u>
<b>Completed Projects:</b>						
		LSI - Commercial Paper Debt Service	1,082	-	(1,082)	-
		LSI - Congestion Relief	704,223	1,411	(705,634)	-
		Bikes and Pedestrian	812,000	-	(812,000)	-
		<b>Total Completed Projects</b>	<u>1,517,305</u>	<u>1,411</u>	<u>(1,518,716)</u>	<u>-</u>
		<b>Total Cumulative <i>TransNet</i> Extension</b>	<u>\$ 7,469,289</u>	<u>\$ 7,992</u>	<u>\$ (7,457,417)</u>	<u>\$ 19,864</u>

**CITY OF DEL MAR, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020		\$ 2,165	\$ 84	\$ (2,249)	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021		2,209	49	(2,241)	-	17	17	
For Fiscal Year ended June 30, 2015	June 30, 2022		-	-	-	-	-	-	
For Fiscal Year ended June 30, 2016	June 30, 2023		-	-	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024		-	-	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025		2,404	25	-	-	2,429	2,429	
For Fiscal Year ended June 30, 2019	June 30, 2026		2,483	68	-	-	2,551	2,551	
For Fiscal Year ended June 30, 2020	June 30, 2027		2,533	125	-	-	2,658	-	
<b>Total RTCIP Funds</b>			<u>\$ 11,795</u>	<u>\$ 351</u>	<u>\$ (4,490)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,656</u>	<u>\$ 4,997</u>



**CITY OF EI CAJON, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$1,442,587. We selected \$492,222 (34.12%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City allocates costs to capital projects using a fully-burdened hourly rate multiplied by the actual hours worked. The City does not have a formal written indirect cost plan. The City's indirect cost rates were last updated on October 19, 2019. The dollar amount of the indirect costs charged to the *TransNet* program was \$23,867, resulting in 1.65% of indirect costs compared to total *TransNet* expenditures. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no amounts reflected in the "Adjustments" column.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - k. We obtained approval from SANDAG staff for the reason of inactivity.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: No exceptions were noted as a result of our procedures.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: This procedure is not applicable as there were no amounts listed in the Adjustment column of Schedule A.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$2,553,733
Less: debt service payment	<u>-</u>
Net estimated apportionment	2,553,733
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>766,120</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	431,888
Maintenance fund balance	<u>(183,961)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>247,927</u>
Fund balance under apportionment	<u>\$518,193</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$431,888	\$1,210,979	\$1,642,867
Maintenance	<u>(183,961)</u>	<u>3,270,284</u>	<u>3,086,323</u>
Totals	<u>\$247,927</u>	<u>\$4,481,263</u>	<u>\$4,729,190</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 19.29% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$18,772,978	\$894,124	\$19,667,102
Maintenance	5,328,761	3,146,425	8,475,186
Interest	<u>9,319</u>	<u>440,714</u>	<u>450,033</u>
 Total local street and road revenue	 <u>\$24,111,058</u>	 <u>\$4,481,263</u>	 <u>\$28,592,321</u>
 30% of total local street and road revenue			 \$8,577,696
Less maintenance expenditures incurred to date			<u>(5,515,518)</u>
 Available maintenance funds			 <u>\$3,062,178</u>
 Cumulative percentage expended for maintenance			 <u>19.29%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.



- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$2,625,159
Less MOE base year requirement	<u>(1,712,753)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 912,406</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$342,616. We selected \$258,126 (75.34%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures charged to RTCIP during FY20.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 28, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

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

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
EL06	N/A	Regional Arterial Management Systems	\$ -	\$ 9,700	\$ -	\$ (9,700)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	9,700	-	(9,700)	-	-	
<b>Congestion Relief:</b>									
EL03	PW3576	Overlay Thoroughfares 2017	(72,690)	-	-	-	-	(72,690)	(a)(b)
EL03	PW3613/PW50018	Overlay Thoroughfares 2018	(1,083,490)	1,700,000	-	-	-	616,510	(a)(c)
EL03	PW50019	Overlay 2019	(390,573)	375,000	-	(334,082)	-	(349,655)	(a)(b)
EL03	PW50020	Overlay 2020	-	-	-	(433)	-	(433)	(b)
		Total EL03 Projects	(1,546,753)	2,075,000	-	(334,515)	-	193,732	
EL06	PW3617	Washington Ave Complete Streets	7,947	-	-	(1,177)	-	6,770	(a)(c)
EL06	PW3660	Traffic Signal System Upgrades 2019	483	51,486	-	(51,969)	-	-	(a)
EL06	PW3687	Traffic Signal System Upgrades 2020	-	15,000	-	(11,172)	-	3,828	
EL06	PW3688	Jamacha Road Safety Improvements	-	40,000	-	(263)	-	39,737	
EL06	PW3689	Madison Avenue Safety Improvements	-	15,000	-	(202)	-	14,798	
EL06	PW3690	El Cajon Transit Center Improvements	-	28,514	-	-	-	28,514	
		Total EL06 Projects	8,430	150,000	-	(64,783)	-	93,647	
EL18	PW3617	Washington Ave Complete Streets	-	32,000	-	(31,552)	-	448	(a)(c)
EL18	PW3685	Repair and Replacement of Street Light System	-	97,000	-	(96,276)	-	724	
EL18	PW3688	Jamacha Road Safety Improvements	-	1,000	-	(263)	-	737	
EL18	PW3689	Madison Avenue Safety Improvements	-	1,000	-	(202)	-	798	
EL18	PW3658	Street Light LED Retrofit Program 2019	(61,910)	44,000	-	-	-	(17,910)	(a)(b)
		Total EL18 Projects	(61,910)	175,000	-	(128,293)	-	(15,203)	
EL29	PW3579	Traffic Safety Calming 2017	13,062	-	-	-	-	13,062	(a)(c)
EL29	PW3491	Traffic Safety Calming	30,998	-	-	-	-	30,998	(a)(c)
EL29	PW3615	Traffic Safety Calming- ECVHS	55,300	-	-	-	-	55,300	(a)(c)
EL29	PW3659	Traffic Safety Calming 2019	53,539	38,000	-	(37,710)	-	53,829	(a)(c)
		Total EL29 Projects	152,899	38,000	-	(37,710)	-	153,189	
		Subtotal Congestion Relief	\$ (1,447,334)	\$ 2,438,000	\$ -	\$ (565,301)	\$ -	\$ 425,365	

**SCHEDULE A**

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Congestion Relief balance carried forward	\$ (1,447,334)	\$ 2,438,000	\$ -	\$ (565,301)	\$ -	\$ 425,365	
		Interest Income	4,968	-	1,555	-	-	6,523	
		<b>Total Congestion Relief</b>	<u>(1,442,366)</u>	<u>2,438,000</u>	<u>1,555</u>	<u>(565,301)</u>	<u>-</u>	<u>431,888</u>	
		<b>Maintenance:</b>							
EL11	PW3405	Sidewalk	17,658	-	-	-	-	17,658	(a)(c)
EL11	PW3688	Jamacha Road Safety Improvements	-	2,000	-	(263)	-	1,737	
EL11	PW3689	Madison Avenue Safety Improvements	-	2,000	-	(202)	-	1,798	
EL11	PW3690	El Cajon Transit Center Improvements	-	20,000	-	(14,553)	-	5,447	
EL11	PW52019	Concrete Grind 2019	57,544	-	-	-	-	57,544	(a)(c)
EL11	PW52020	Concrete Grind 2020	-	100,000	-	(91,158)	-	8,842	
EL11	PW53019	ADA Concrete Improvements 2019	(26,577)	100,000	-	(98,104)	-	(24,681)	(a)(b)
EL11	PW53020	ADA Concrete Improvements 2020	-	11,000	-	(2,662)	-	8,338	
		<b>Total EL11 Projects</b>	<u>48,625</u>	<u>235,000</u>	<u>-</u>	<u>(206,942)</u>	<u>-</u>	<u>76,683</u>	
EL21	PW3617	Washington Ave Complete Streets	(126,169)	130,224	-	(4,055)	-	-	(a)
EL21	PW3622	Street Resurfacing/Preservation 2018	(1,060)	1,060	-	-	-	-	(a)
EL21	PW51019	Slurry 2019	(182,738)	235,698	-	(52,960)	-	-	(a)
EL21	PW51020	Slurry 2020	-	142,018	-	(405,458)	-	(263,440)	(b)
		<b>Total EL21 Projects</b>	<u>(309,967)</u>	<u>509,000</u>	<u>-</u>	<u>(462,473)</u>	<u>-</u>	<u>(263,440)</u>	
		Interest Income	2,129	-	667	-	-	2,796	
		<b>Total Maintenance</b>	<u>(259,213)</u>	<u>744,000</u>	<u>667</u>	<u>(669,415)</u>	<u>-</u>	<u>(183,961)</u>	
		<b>Total Local Street improvements</b>	<u>(1,701,579)</u>	<u>3,191,700</u>	<u>2,222</u>	<u>(1,244,416)</u>	<u>-</u>	<u>247,927</u>	
		<b>Smart Growth:</b>							
EL33	MG3542	El Cajon Smart Growth	(38,159)	20,641	-	-	-	(17,518)	(b)
EL33	MG5463	Active Transportation Plan	-	-	-	(30,413)	-	(30,413)	(b)
EL33	MG5488	El Cajon Transit Center Community Connection Improvements	-	-	-	(94,728)	-	(94,728)	(b)
EL33	MG5489	Main Street/Green Street Gateway	-	-	-	(73,030)	-	(73,030)	(b)
		<b>Total Smart Growth</b>	<u>(38,159)</u>	<u>20,641</u>	<u>-</u>	<u>(198,171)</u>	<u>-</u>	<u>(215,689)</u>	
		<b>Total TransNet Extension</b>	<u>(1,739,738)</u>	<u>3,212,341</u>	<u>2,222</u>	<u>(1,442,587)</u>	<u>-</u>	<u>32,238</u>	
		<b>GASB 31 Market Value Adjustment</b>	<u>-</u>	<u>-</u>	<u>6,637</u>	<u>-</u>	<u>-</u>	<u>6,637</u>	
		<b>Total TransNet Extension after GASB 31 Adjustment</b>	<u>\$ (1,739,738)</u>	<u>\$ 3,212,341</u>	<u>\$ 8,859</u>	<u>\$ (1,442,587)</u>	<u>\$ -</u>	<u>\$ 38,875</u>	

Notes:

- (a) Project Completed.
- (b) City will request funds during FY21.
- (c) Balances will be reallocated with the 2022 RTIP amendment.

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
EL06	N/A	Regional Arterial Management Systems	\$ 77,600	\$ -	\$ (77,600)	\$ -
		Total Congestion Relief - Pass-Through	<u>77,600</u>	<u>-</u>	<u>(77,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
EL03	PW3576	Overlay Thoroughfares 2017	1,275,846	-	(1,348,536)	(72,690)
EL03	PW3613/PW50018	Overlay Thoroughfares 2018	2,100,000	-	(1,483,490)	616,510
EL03	PW50019	Overlay 2019	375,000	-	(724,655)	(349,655)
EL03	PW50020	Overlay 2020	<u>-</u>	<u>-</u>	<u>(433)</u>	<u>(433)</u>
		Total EL03 Projects	<u>3,750,846</u>	<u>-</u>	<u>(3,557,114)</u>	<u>193,732</u>
EL06	PW3617	Washington Ave Complete Streets	15,201	-	(8,431)	6,770
EL06	PW3660	Traffic Signal System Upgrades 2019	130,169	-	(130,169)	-
EL06	PW3687	Traffic Signal System Upgrades 2020	15,000	-	(11,172)	3,828
EL06	PW3688	Jamacha Road Safety Improvements	40,000	-	(263)	39,737
EL06	PW3689	Madison Avenue Safety Improvements	15,000	-	(202)	14,798
EL06	PW3690	El Cajon Transit Center Improvements	<u>28,514</u>	<u>-</u>	<u>-</u>	<u>28,514</u>
		Total EL06 Projects	<u>243,884</u>	<u>-</u>	<u>(150,237)</u>	<u>93,647</u>
EL18	PW3617	Washington Ave Complete Streets	47,770	-	(47,322)	448
EL18	PW3685	Repair and Replacement of Street Light System	97,000	-	(96,276)	724
EL18	PW3688	Jamacha Road Safety Improvements	1,000	-	(263)	737
EL18	PW3689	Madison Avenue Safety Improvements	1,000	-	(202)	798
EL18	PW3658	Street Light LED Retrofit Program 2019	<u>138,425</u>	<u>-</u>	<u>(156,335)</u>	<u>(17,910)</u>
		Total EL18 Projects	<u>285,195</u>	<u>-</u>	<u>(300,398)</u>	<u>(15,203)</u>
EL29	PW3579	Traffic Safety Calming 2017	45,000	-	(31,938)	13,062
EL29	PW3491	Traffic Safety Calming	179,775	-	(148,777)	30,998
EL29	PW3615	Traffic Safety Calming- ECVHS	215,300	-	(160,000)	55,300
EL29	PW3659	Traffic Safety Calming 2019	<u>98,000</u>	<u>-</u>	<u>(44,171)</u>	<u>53,829</u>
		Total EL29 Projects	<u>538,075</u>	<u>-</u>	<u>(384,886)</u>	<u>153,189</u>
		Subtotal Congestion Relief	<u>\$ 4,818,000</u>	<u>\$ -</u>	<u>\$ (4,392,635)</u>	<u>\$ 425,365</u>



**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	\$ 4,818,000	\$ -	\$ (4,392,635)	\$ 425,365
		Interest Income	-	6,523	-	6,523
		Total Congestion Relief	4,818,000	6,523	(4,392,635)	431,888
		<b>Maintenance:</b>				
EL11	PW3405	Sidewalk	350,956	-	(333,298)	17,658
EL11	PW3688	Jamacha Road Safety Improvements	2,000	-	(263)	1,737
EL11	PW3689	Madison Avenue Safety Improvements	2,000	-	(202)	1,798
EL11	PW3690	El Cajon Transit Center Improvements	20,000	-	(14,553)	5,447
EL11	PW52019	Concrete Grinding 2019	130,000	-	(72,456)	57,544
EL11	PW52020	Concrete Grinding 2020	100,000	-	(91,158)	8,842
EL11	PW53019	ADA Concrete Improvements 2019	120,671	-	(145,352)	(24,681)
EL11	PW53020	ADA Concrete Improvements 2020	11,000	-	(2,662)	8,338
		Total EL11 Projects	736,627	-	(659,944)	76,683
EL21	PW3617	Washington Ave Complete Streets	130,224	-	(130,224)	-
EL21	PW3622	Street Resurfacing/Preservation 2018	340,703	-	(340,703)	-
EL21	PW51019	Slurry 2019	235,698	-	(235,698)	-
EL21	PW51020	Slurry 2020	142,018	-	(405,458)	(263,440)
		Total EL21 Projects	848,643	-	(1,112,083)	(263,440)
		Interest Income	-	2,796	-	2,796
		Total Maintenance	1,585,270	2,796	(1,772,027)	(183,961)
		Total Local Street Improvements	6,480,870	9,319	(6,242,262)	247,927
		<b>Smart Growth:</b>				
EL33	MG3542	El Cajon Smart Growth	146,840	-	(164,358)	(17,518)
EL33	MG5463	Active Transportation Plan	-	-	(30,413)	(30,413)
EL33	MG5488	El Cajon Transit Center Community Connectic	-	-	(94,728)	(94,728)
EL33	MG5489	Main Street/Green Street Gateway	-	-	(73,030)	(73,030)
		Total Smart Growth	146,840	-	(362,529)	(215,689)
		Subtotal Cumulative <i>TransNet</i> Extension	\$ 6,627,710	\$ 9,319	\$ (6,604,791)	\$ 32,238

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Cumulative <i>TransNet</i> Extension balance carried forward	\$ 6,627,710	\$ 9,319	\$ (6,604,791)	\$ 32,238
		<b>Completed Projects:</b>				
		Congestion Relief	13,954,978	-	(13,954,978)	-
		Maintenance	3,743,491	-	(3,743,491)	-
		Smarth Growth	<u>342,855</u>	<u>-</u>	<u>(342,855)</u>	<u>-</u>
		Total Completed Projects	<u>18,041,324</u>	<u>-</u>	<u>(18,041,324)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 24,669,034</u>	<u>\$ 9,319</u>	<u>\$ (24,646,115)</u>	<u>\$ 32,238</u>

**CITY OF EL CAJON CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020		\$ 19,485	\$ 221	\$ (19,706)	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021		50,807	(432)	(50,375)	-	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	EL21	132,986	442	(133,428)	-	-	11,769	
For Fiscal Year ended June 30, 2016	June 30, 2023	EL21	13,860	991	(14,851)	-	-	14,851	
For Fiscal Year ended June 30, 2017	June 30, 2024	EL21	260,933	-	(260,933)	-	-	260,933	
For Fiscal Year ended June 30, 2018	June 30, 2025	EL21	50,449	-	(50,449)	-	-	50,449	
For Fiscal Year ended June 30, 2019	June 30, 2026	EL21	302,985	-	(4,614)	-	-	298,371	
For Fiscal Year ended June 30, 2020	June 30, 2027		298,912	-	-	-	-	298,912	
Interest Income			-	28,374	-	-	-	28,374	
<b>Total RTCIP Funds</b>			<b>\$ 1,130,417</b>	<b>\$ 29,596</b>	<b>\$ (534,356)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 625,657</b>	<b>\$ 656,535</b>

**CITY OF ENCINITAS CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$2,911,298. We selected \$1,383,852 (47.53%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures were not allocated to projects on the RTIP for the fiscal year ended June 30, 2020.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's

indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included within the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable, as there were no adjustments to projects included within the RTIP.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.



- k. We obtained approval from SANDAG staff for the reason of inactivity.
- Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.
- Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year ended June 30, 2020.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.
- Results: No exceptions were noted as a result of our procedures.
- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.
- Results: This procedure is not applicable, as there were no adjustments to projects included within the RTIP.
- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.
- Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$1,738,768
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	1,738,768
30% base	<u>                  30%</u>
Fiscal year 2020 30% threshold	<u>          521,630</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(997,941)
Maintenance fund balance	<u>                  -</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(997,941)</u>
Fund balance under apportionment	<u>\$1,519,571</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(997,941)	\$ (963,684)	\$(1,961,625)
Maintenance	<u>                  -</u>	<u>5,275,430</u>	<u>5,275,430</u>
Totals	<u>\$(997,941)</u>	<u>\$4,311,746</u>	<u>\$3,313,805</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 5.04% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$16,705,939	\$(1,374,302)	\$15,331,637
Maintenance	1,117,046	5,117,694	6,234,740
Interest	<u>41,228</u>	<u>568,353</u>	<u>609,581</u>
 Total local street and road revenue	 <u>\$17,864,213</u>	 <u>\$4,311,745</u>	 <u>\$22,175,958</u>
 30% of total local street and road revenue			 \$6,652,787
Less maintenance expenditures incurred to date			<u>(1,117,046)</u>
 Available maintenance funds			 <u>\$5,535,741</u>
 Cumulative percentage expended for maintenance			 <u>5.04%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
    2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
    3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
- c. We 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. 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 reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. MOE activity for the year ended June 30, 2020, is summarized as follows:

Current year local discretionary expenditures	\$12,253,361
Less MOE base year requirement	<u>(1,932,140)</u>
Excess MOE for the year ended June 30, 2020	<u>\$10,321,221</u>

- 13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure

that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$1,082,003. We selected \$1,039,550 (96.08%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures identified for the fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures were not allocated RTCIP projects for the fiscal year ended June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet*

Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 19, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be

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

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the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Encinitas, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.



**SCHEDULE A**

**CITY OF ENCINITAS, CALIFORNIA**

*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief Pass-Through:</b>									
ENC28	CS02G	Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
ENC14A	CS19A	FY 18/19 Annual Street Overlay	(441,880)	1,348,860	4,797	(993,162)	-	(81,385)	(a)
ENC14A	CS20A	FY 19/20 Annual Street Overlay	-	184,315	298	(209,580)	-	(24,967)	(a)
		Total ENC14A Projects	(441,880)	1,533,175	5,095	(1,202,742)	-	(106,352)	
ENC17	CS07B	Santa Fe Dr/I-5 MacKinnon Improvements	(1,353)	1,353	-	-	-	-	(b)
ENC17	CS15C	South Coast Hwy 101 Sidewalk Improvement	(70,107)	70,107	-	-	-	-	(b)
ENC17	CS18G	B Street Sidewalk Project	(3,575)	149,216	358	(147,650)	-	(1,651)	(a)
		Total ENC17 Projects	(75,035)	220,676	358	(147,650)	-	(1,651)	
ENC20	CS04D	No. Coast Hwy 101 Streetscape	(380,948)	1,039,236	5,280	(1,553,506)	-	(889,938)	(a)
ENC28	CS14E	Upgrade Traffic Signals - El Camino	(991)	991	-	-	-	-	(b)
ENC28	CS14F	Upgrade Traffic Signals - Leucadia Blvd.	(2,223)	2,223	-	-	-	-	(b)
		Total ENC28 Projects	(3,214)	3,214	-	-	-	-	
		Total Congestion Relief	(901,077)	2,796,301	10,733	(2,903,898)	-	(997,941)	
		Total Local Street Improvements	(901,077)	2,803,701	10,733	(2,911,298)	-	(997,941)	
		Total <i>TransNet</i> Extension	\$ (901,077)	\$ 2,803,701	\$ 10,733	\$ (2,911,298)	\$ -	\$ (997,941)	

**Notes:**

- (a) Funding will be requested in FY21 to remove the deficit.
- (b) Project Complete.

**SCHEDULE B**

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass Through:</b>						
ENC28	CS02G	Regional Arterial Management Systems	\$ 59,200	\$ -	\$ (59,200)	\$ -
		Total Congestion Relief - Pass Through	<u>59,200</u>	<u>-</u>	<u>(59,200)</u>	<u>-</u>
<b>Congestion Relief:</b>						
ENC14A	CS19A	FY 18/19 Annual Street Overlay	1,348,903	4,797	(1,435,085)	(81,385)
ENC14A	CS20A	FY 19/20 Annual Street Overlay	<u>184,315</u>	<u>298</u>	<u>(209,580)</u>	<u>(24,967)</u>
		Total ENC14A Projects	<u>1,533,218</u>	<u>5,095</u>	<u>(1,644,665)</u>	<u>(106,352)</u>
ENC17	CS07B	Santa Fe Dr/I-5 MacKinnon Improvements	290,602	455	(291,057)	-
ENC17	CS15C	South Coast Hwy 101 Sidewalk Improvement	347,828	2,172	(350,000)	-
ENC17	CS18G	B Street Sidewalk Project	<u>237,663</u>	<u>883</u>	<u>(240,197)</u>	<u>(1,651)</u>
		Total ENC17 Projects	<u>876,093</u>	<u>3,510</u>	<u>(881,254)</u>	<u>(1,651)</u>
ENC20	CS04D	No. Coast Hwy 101 Streetscape	<u>3,305,461</u>	<u>20,723</u>	<u>(4,216,122)</u>	<u>(889,938)</u>
ENC28	CS14E	Upgrade Traffic Signals - El Camino	41,146	-	(41,146)	-
ENC28	CS14F	Upgrade Traffic Signals - Leucadia Blvd.	<u>2,223</u>	<u>-</u>	<u>(2,223)</u>	<u>-</u>
		Total ENC28 Projects	<u>43,369</u>	<u>-</u>	<u>(43,369)</u>	<u>-</u>
		Total Congestion Relief	<u>5,758,141</u>	<u>29,328</u>	<u>(6,785,410)</u>	<u>(997,941)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	\$ <u>5,817,341</u>	\$ <u>29,328</u>	\$ <u>(6,844,610)</u>	\$ <u>(997,941)</u>

**SCHEDULE B**

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		<b>Completed Projects:</b>				
		LSI - Congestion Relief	\$ 10,947,798	\$ 11,900	\$ (10,959,698)	\$ -
		LSI - Maintenance	1,117,046	-	(1,117,046)	-
		Environmental Mitigation Grant	52,744	-	(52,744)	-
		Total Completed Projects	<u>12,117,588</u>	<u>11,900</u>	<u>(12,129,488)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 17,934,929</u>	<u>\$ 41,228</u>	<u>\$ (18,974,098)</u>	<u>\$ (997,941)</u>

**CITY OF ENCINITAS, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2020

**SCHEDULE C**

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2011	June 30, 2018	ENC20/ENC46	\$ 206,214	\$ 2,670	\$ (208,884)	\$ -	\$ -	\$ -	\$ 134,181
For Fiscal Year ended June 30, 2012	June 30, 2019	ENC46	138,651	1,370	(140,021)	-	-	-	140,021
For Fiscal Year ended June 30, 2013	June 30, 2020	ENC46	123,111	1,067	(124,178)	-	-	-	124,178
For Fiscal Year ended June 30, 2014	June 30, 2021	ENC46	176,720	1,095	(177,815)	-	-	-	177,815
For Fiscal Year ended June 30, 2015	June 30, 2022	ENC46	207,323	891	(208,214)	-	-	-	208,214
For Fiscal Year ended June 30, 2016	June 30, 2023	ENC46	242,595	-	(242,595)	-	-	-	242,595
For Fiscal Year ended June 30, 2017	June 30, 2024	ENC46	94,233	-	(54,999)	-	-	39,234	94,233
For Fiscal Year ended June 30, 2018	June 30, 2025		125,062	-	-	-	-	125,062	125,062
For Fiscal Year ended June 30, 2019	June 30, 2026		151,651	-	-	-	-	151,651	151,651
For Fiscal Year ended June 30, 2020	June 30, 2027		157,055	-	-	-	-	157,055	-
Interest Income			-	98,934	-	-	-	98,934	65,292
<b>Total RTCIP Funds</b>			<b>\$ 1,622,615</b>	<b>\$ 106,027</b>	<b>\$ (1,156,706)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 571,936</b>	<b>\$ 1,463,242</b>

**CITY OF ESCONDIDO, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$7,016,030. We selected \$2,456,403 (35.01%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total expenditures in FY20.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).



Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City allocates costs out of the various departments and into capital projects by using the Engineering personnel time directly charged to a project as the cost basis and multiplying it by a set percentage associated with each department. The indirect cost percentage charged by department varied between 0.48% and 24.26%. The City allocated a total of \$167,589 of indirect costs in the RTIP, resulting in 2.48% of indirect costs compared to total *TransNet* expenditures. The City does not have a formal written indirect cost plan. The allocation methodology used for the fiscal year ended June 30, 2020 was reviewed by the City Council on June 12, 2019 as part of the budget process. The City's indirect cost have not been reviewed by a federal or state agency, nor has it been audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - k. We obtained approval from SANDAG staff for the reason of inactivity.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: This procedure is not applicable as the City did not have non-*TransNet* activity during FY20.
- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$3,859,162
Less: debt service payment	<u>-</u>
Net estimated apportionment	3,859,162
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>1,157,749</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(1,186,363)
Maintenance fund balance	<u>(1,117,324)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(2,303,687)</u>
Fund balance under apportionment	<u>\$3,461,436</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(1,186,363)	\$9,711,448	\$8,525,085
Maintenance	<u>(1,117,324)</u>	<u>1,978,938</u>	<u>861,614</u>
Totals	<u>\$(2,303,687)</u>	<u>\$11,690,386</u>	<u>\$9,386,699</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 27.05% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$24,303,111	\$ 8,711,058	\$33,014,169
Maintenance	11,813,711	1,542,516	13,356,227
Interest	<u>31,798</u>	<u>1,436,812</u>	<u>1,468,610</u>
 Total local street and road revenue	 <u>\$36,148,620</u>	 <u>\$11,690,386</u>	 <u>\$47,839,006</u>
 30% of total local street and road revenue			 \$ 14,351,702
Less maintenance expenditures incurred to date			 <u>(12,940,403)</u>
 Available maintenance funds			 <u>\$ 1,411,299</u>
 Cumulative percentage expended for maintenance			 <u>27.05%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
      2. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$5,804,346
Less MOE base year requirement	<u>(2,889,819)</u>
Excess MOE for the year ended June 30, 2020	<u>\$2,914,527</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

- Results: No exceptions were noted as a result of our procedures.
- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 29, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021



**GLOSSARY OF TERMS**

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
ESC02A	691705	East Valley/Valley Center Road	\$ (142,321)	\$ 155,845	\$ -	\$ (1,215)	\$ -	\$ 12,309	
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	(7,554)	600,000	-	(637,299)	-	(44,853)	(a)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	644,369	1,300,000	-	(2,228,195)	-	(283,826)	(a)
ESC24	690029	Centre City/Highway 78 to Mission Ave	5,580	-	-	-	-	5,580	
ESC47	699901	Quince/Tulip Pedestrian Signal	-	5,000	-	(1,279)	-	3,721	
ESC48	699902	Grand Ave Streetscape Improvements	(619)	35,000	-	(65,607)	-	(31,226)	(a)
		Subtotal Congestion Relief	499,455	2,095,845	-	(2,933,595)	-	(338,295)	
ESC38	694801	Pavement Rehabilitation FY 18	(318,616)	425,000	-	(210,640)	257,653	153,397	(b)
ESC38	694901	Pavement Rehabilitation FY 19	(39,164)	359,873	-	(284,315)	-	36,394	
ESC38	694001	Pavement Rehabilitation FY 20	-	60,000	-	(1,134,855)	4,949	(1,069,906)	(a) (e)
		Total ESC38 Project	(357,780)	844,873	-	(1,629,810)	262,602	(880,115)	
ESC39	691402	Traffic Signals & Intersections FY 14	(30,022)	35,000	-	(1,830)	-	3,148	
ESC39	691801	Traffic Signals FY 18	(29,901)	35,000	-	(1,853)	-	3,246	
ESC39	691901	Traffic Signals FY 19	(71,587)	115,000	-	(18,617)	-	24,796	
		Total ESC39 Project	(131,510)	185,000	-	(22,300)	-	31,190	
		Interest Income	4,949	-	857	-	(4,949)	857	(e)
		Total Congestion Relief	15,114	3,125,718	857	(4,585,705)	257,653	(1,186,363)	

(Continued)

**SCHEDULE A**

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Maintenance:</b>									
ESC37	697801	Pavement Maintenance FY 18	\$ 201,293	\$ 500,000	\$ -	\$ (201,293)	\$ (500,000)	\$ -	(c)
ESC37	697901	Pavement Maintenance FY 19	-	-	-	(1,292,593)	500,000	(792,593)	(a)
ESC37	687001	Pavement Maintenance FY 20	-	-	-	(327,219)	2,121	(325,098)	(a) (e)
Total ESC37 Project			<u>201,293</u>	<u>500,000</u>	<u>-</u>	<u>(1,821,105)</u>	<u>2,121</u>	<u>(1,117,691)</u>	
Total ESC37 Project			<u>201,293</u>	<u>500,000</u>	<u>-</u>	<u>(1,821,105)</u>	<u>2,121</u>	<u>(1,117,691)</u>	
Interest Income			<u>2,121</u>	<u>-</u>	<u>367</u>	<u>-</u>	<u>(2,121)</u>	<u>367</u>	(e)
Total Maintenance			<u>203,414</u>	<u>500,000</u>	<u>367</u>	<u>(1,821,105)</u>	<u>-</u>	<u>(1,117,324)</u>	
Total Local Street Improvements			<u>218,528</u>	<u>3,625,718</u>	<u>1,224</u>	<u>(6,406,810)</u>	<u>257,653</u>	<u>(2,303,687)</u>	
<b>Smart Growth:</b>									
ESC44	699601	Transit Center Active Transportation Connections	(45,684)	468,224	-	(519,617)	-	(97,077)	(d)
ESC48	699902	Grand Ave Streetscape Improvements	(91)	13,642	-	(89,603)	-	(76,052)	(d)
Total Smart Growth			<u>(45,775)</u>	<u>481,866</u>	<u>-</u>	<u>(609,220)</u>	<u>-</u>	<u>(173,129)</u>	
Total <i>TransNet</i> Extension			<u>\$ 172,753</u>	<u>\$ 4,107,584</u>	<u>\$ 1,224</u>	<u>\$ (7,016,030)</u>	<u>\$ 257,653</u>	<u>\$ (2,476,816)</u>	

**Notes:**

- (a) More project expenditures incurred in June 2020 than anticipated, drawdowns were requested in FY 2021 for ESC04, ESC06, ESC48, ESC38, and ESC37.
- (b) The retention payable for \$257,653.33 was accrued in FY19 and reversed in FY20. Retention payment was distributed to other Transnet accounts in FY 2021, leaving a cash balance for project 694801 to be used in FY 2021. We do anticipate to incur more expenditures in the next fiscal year, which will resolve the issue.
- (c) Project is complete.
- (d) Grant Projects are on a reimbursement basis and 10% retention is held by SANDAG.
- (e) Pooled congestion relief interest from FY19 was moved to ESC38 and pooled maintenance interest from FY19 was moved to ESC 37.

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
ESC02A	691705	East Valley/Valley Center Road	\$ 5,160,417	\$ 8,686	\$ (5,156,794)	\$ 12,309
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	1,602,637	321	(1,647,811)	(44,853)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	2,108,084	-	(2,391,910)	(283,826)
ESC24	690029	Centre City/Highway 78 to Mission Ave	110,000	-	(104,420)	5,580
ESC47	699901	Quince/Tulip Pedestrian Signal	5,000	-	(1,279)	3,721
ESC48	699902	Grand Ave Streetscape Improvements	<u>35,000</u>	<u>-</u>	<u>(66,226)</u>	<u>(31,226)</u>
		Subtotal Congestion Relief	<u>9,021,138</u>	<u>9,007</u>	<u>(9,368,440)</u>	<u>(338,295)</u>
ESC38	694801	Pavement Rehabilitation FY 18	2,709,453	-	(2,556,056)	153,397
ESC38	694901	Pavement Rehabilitation FY 19	684,873	-	(648,479)	36,394
ESC38	694001	Pavement Rehabilitation FY 20	<u>60,000</u>	<u>4,949</u>	<u>(1,134,855)</u>	<u>(1,069,906)</u>
		Total ESC38 Project	<u>3,454,326</u>	<u>4,949</u>	<u>(4,339,390)</u>	<u>(880,115)</u>
ESC39	691402	Traffic Signals & Intersections FY 14	150,000	-	(146,852)	3,148
ESC39	691801	Traffic Signals FY 18	50,000	-	(46,754)	3,246
ESC39	691901	Traffic Signals FY 19	<u>120,000</u>	<u>-</u>	<u>(95,204)</u>	<u>24,796</u>
		Total ESC39 Project	<u>320,000</u>	<u>-</u>	<u>(288,810)</u>	<u>31,190</u>
		Interest Income	<u>-</u>	<u>857</u>	<u>-</u>	<u>857</u>
		Total Congestion Relief	<u>12,795,464</u>	<u>14,813</u>	<u>(13,996,640)</u>	<u>(1,186,363)</u>

(Continued)

**SCHEDULE B**

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Maintenance:</b>						
ESC37	697801	Pavement Maintenance FY18	\$ 1,572,200	\$ 3,666	\$ (1,575,866)	\$ -
ESC37	697901	Pavement Maintenance FY19	500,000	-	(1,292,593)	(792,593)
ESC37	687001	Pavement Maintenance FY20	-	2,121	(327,219)	(325,098)
Total ESC37 Project			<u>2,072,200</u>	<u>5,787</u>	<u>(3,195,678)</u>	<u>(1,117,691)</u>
Interest Income			<u>-</u>	<u>367</u>	<u>-</u>	<u>367</u>
Total Maintenance			<u>2,072,200</u>	<u>6,154</u>	<u>(3,195,678)</u>	<u>(1,117,324)</u>
Total Local Street Improvements			<u>14,867,664</u>	<u>20,967</u>	<u>(17,192,318)</u>	<u>(2,303,687)</u>
<b>Smart Growth:</b>						
ESC44	699601	Transit Center Active Transportation Connections	816,106	-	(913,183)	(97,077)
ESC48	699902	Grand Ave Streetscape Improvements	<u>14,396</u>	<u>-</u>	<u>(90,448)</u>	<u>(76,052)</u>
Total Smart Growth			<u>830,502</u>	<u>-</u>	<u>(1,003,631)</u>	<u>(173,129)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>15,698,166</u>	<u>20,967</u>	<u>(18,195,949)</u>	<u>(2,476,816)</u>
<b>Completed Projects:</b>						
Congestion Relief			11,507,647	7,617	(11,515,264)	-
Congestion Relief Pass-Through			344,086	-	(344,086)	-
Maintenance			9,741,511	3,214	(9,744,725)	-
Bikes and Pedestrian			<u>2,253,049</u>	<u>4,479</u>	<u>(2,257,528)</u>	<u>-</u>
Total Completed Projects			<u>23,846,293</u>	<u>15,310</u>	<u>(23,861,603)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 39,544,459</u>	<u>\$ 36,277</u>	<u>\$ (42,057,552)</u>	<u>\$ (2,476,816)</u>

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Spend funds	MPO ID	Cumulative				Funds Committed June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020	ESC02A	\$ 43,384	\$ 2,400	\$ (45,784)	\$ -	\$ -	\$ -	
		ESC02A,							
For Fiscal Year ended June 30, 2014	June 30, 2021	ESC04	187,765	6,012	(175,308)	-	(18,469)	18,469	
For Fiscal Year ended June 30, 2015	June 30, 2022	ESC04	200,779	1,423	-	-	(202,202)	202,202	
For Fiscal Year ended June 30, 2016	June 30, 2023	ESC04	267,312	-	-	-	(267,312)	267,312	
For Fiscal Year ended June 30, 2017	June 30, 2024	ESC04	453,403	-	-	-	(453,403)	453,403	
For Fiscal Year ended June 30, 2018	June 30, 2025	ESC04	726,884	-	-	-	(726,884)	726,884	
For Fiscal Year ended June 30, 2019	June 30, 2026	ESC04	64,347	-	-	-	(14,730)	64,347	
For Fiscal Year ended June 30, 2020	June 30, 2027	ESC04	106,094	-	-	-	-	106,094	
Interest Income			-	150,431	-	-	-	150,431	
<b>Total RTCIP Funds</b>			<b>\$ 2,049,968</b>	<b>\$ 160,266</b>	<b>\$ (221,092)</b>	<b>\$ -</b>	<b>\$ (1,683,000)</b>	<b>\$ 1,989,142</b>	<b>\$ 1,810,301</b>

**CITY OF IMPERIAL BEACH, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.



6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$2,193,993. We selected \$1,148,722 (52.36%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect allocated to projects included in the RTIP during FY'20.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

Results: This procedure is not applicable as there were no completed projects.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no balances of completed projects that had not been transferred.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- i. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

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

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

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$752,392
Less: debt service payment	<u>(83,692)</u>
Net estimated apportionment	668,700
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>200,610</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(230,603)
Maintenance fund balance	<u>(75,375)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(305,978)</u>
Fund balance under apportionment	<u>\$506,588</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	(\$230,603)	\$238,985	\$8,382
Maintenance	<u>(75,375)</u>	<u>111,447</u>	<u>36,072</u>
Totals	<u>(\$305,978)</u>	<u>\$350,432</u>	<u>\$44,454</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 24.57% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$7,241,895	\$200,872	\$7,442,767
Maintenance	2,383,050	96,464	2,479,514
Interest	<u>35,681</u>	<u>53,096</u>	<u>88,777</u>
Total local street and road revenue	<u>\$9,660,626</u>	<u>\$350,432</u>	<u>\$10,011,058</u>
30% of total local street and road revenue			\$3,003,317
Less maintenance expenditures incurred to date			<u>(2,460,127)</u>
Available maintenance funds			<u>\$543,190</u>
Cumulative percentage expended for maintenance			<u>24.57%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Principal Adjustments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payments</u>
Commercial Paper Debt Services	\$ -	\$1,103,000	\$79,186	\$ -	\$1,023,814	\$4,506

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
    2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
    3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$460,850
Less MOE base year requirement	<u>(220,018)</u>
Excess MOE for the year ended June 30, 2020	<u>\$240,832</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures for the fiscal year ending June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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



- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 2, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

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

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan UP". The signature is written in a cursive, flowing style.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
IB12	S18101/S20102/S20108/S21101	Major Street Improvements	\$ 251,554	\$ 241,500	\$ 3,044	\$ (698,300)	\$ -	\$ (202,202)	(a)
IB18	S19105	Imperial Beach Blvd. Safe Routes to School	-	1,103,000	-	(1,131,401)	-	(28,401)	(a)
		Commercial Paper Debt Service	-	83,692	-	(83,692)	-	-	
		Total Congestion Relief	251,554	1,428,192	3,044	(1,913,393)	-	(230,603)	
<b>Maintenance:</b>									
IB02	N/A	Street Maintenance - Operations	17,420	131,500	1,305	(225,600)	-	(75,375)	(a)
		Total Maintenance	17,420	131,500	1,305	(225,600)	-	(75,375)	
		Total Local Street Improvements	268,974	1,559,692	4,349	(2,138,993)	-	(305,978)	
<b>Smart Growth Grants:</b>									
IB17	S15104	Palm Avenue Mixed Use - Rainbow to Delaware	(7,027)	-	-	-	7,027	-	(b)
		Total Smart Growth Grants	(7,027)	-	-	-	7,027	-	
<b>Active Transport Grants</b>									
IB19	SP1907	Active Transportation - Bike/Ped	-	7,591	-	(55,000)	-	(47,409)	(c)
		Total Active Transport Grants	-	7,591	-	(55,000)	-	(47,409)	
		Total <i>TransNet</i> Extension	261,947	1,567,283	4,349	(2,193,993)	7,027	(353,387)	
		GASB 31 Market Value Adjustment	1,640	-	4,326	-	-	5,966	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ 263,587	\$ 1,567,283	\$ 8,675	\$ (2,193,993)	\$ 7,027	\$ (347,421)	

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
		Balance carried forward - Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ 263,587	\$ 1,567,283	\$ 8,675	\$ (2,193,993)	\$ 7,027	\$ (347,421)	
		<b>Non-TransNet :</b>							
IB18	SP1815	Imperial Beach Blvd. Safe Routes to School	-	1,823,685	-	(1,823,685)	-	-	
		Total Non- <i>TransNet</i>	-	1,823,685	-	(1,823,685)	-	-	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment and Non- <i>TransNet</i>	\$ 263,587	\$ 3,390,968	\$ 8,675	\$ (4,017,678)	\$ 7,027	\$ (347,421)	

**Notes:**

- (a) The City will request drawdown in FY21 to address the deficit.
- (b) Project is complete. City has exhausted SANDAG funds and used City's General Fund for the \$7,027 balance remaining from FY19.
- (c) The City will receive reimbursement from SANDAG in FY21 for funds expended in FY20.

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet Extension Activities*  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
IB12	S18101/S20102/S20108/S21101	Major Street Improvements	\$ 6,055,203	\$ 33,979	\$ (6,291,384)	\$ (202,202)
IB18	S19105	Imperial Beach Blvd. Safe Routes to School	1,103,000	-	(1,131,401)	(28,401)
		Commercial Paper Debt Services	83,692	-	(83,692)	-
		Total Congestion Relief	7,241,895	33,979	(7,506,477)	(230,603)
<b>Maintenance:</b>						
IB02	N/A	Street Maintenance - Operations	2,383,050	1,702	(2,460,127)	(75,375)
		Total Maintenance	2,383,050	1,702	(2,460,127)	(75,375)
		Total Local Street Improvements	9,624,945	35,681	(9,966,604)	(305,978)
<b>Smart Growth Grants:</b>						
IB17	SB15104	Palm Avenue Mixed Use - Rainbow to Delaware	395,281	-	(395,281)	-
		Total Smart Growth Grants	395,281	-	(395,281)	-
<b>Active Transport Grants:</b>						
IB19	SP1907	Active Transportation - Bike/Ped	7,591	-	(55,000)	(47,409)
		Total Active Transport Grants	7,591	-	(55,000)	(47,409)
<b>Completed Projects:</b>						
		Smart Growth Grant	400,000	-	(400,000)	-
		Bicycles and Pedestrian	1,800,000	-	(1,800,000)	-
		Total Completed Projects	2,200,000	-	(2,200,000)	-
		Total Cumulative <i>TransNet</i> Extension	\$ 12,227,817	\$ 35,681	\$ (12,616,885)	\$ (353,387)

**SCHEDULE C**

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds	Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	City Adjustments	Committed at June 30, 2020	June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2013	June 30, 2020	IB11	\$ 6,495	\$ 161	\$ (6,656)	\$ -	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021	IB11	22,090	462	(22,552)	-	-	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	IB11	42,832	645	(43,477)	-	-	-	-	
For Fiscal Year ended June 30, 2016	June 30, 2023	IB11	48,510	386	(48,896)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	IB11	197,988	-	(197,988)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	IB11	352,277	-	(148,100)	-	(204,177)	204,177	204,177	
For Fiscal Year ended June 30, 2019	June 30, 2026	IB11	38,178	-	-	-	(38,178)	38,178	38,178	
For Fiscal Year ended June 30, 2020	June 30, 2027	IB11	61,329	-	-	-	(61,329)	61,329	-	
Interest Income			-	11,980	-	-	-	11,980	10,204	
<b>Total RTCIP Funds</b>			<b>\$ 769,699</b>	<b>\$ 13,634</b>	<b>\$ (467,669)</b>	<b>\$ -</b>	<b>\$ (303,684)</b>	<b>\$ 315,664</b>	<b>\$ 252,559</b>	

**CITY OF LA MESA, CALIFORNIA**

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

Year Ended June 30, 2020



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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: This procedure is not applicable as the City did not have interest income reported on Schedule A.
    - ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$691,055, excluding those related to debt service activities. We selected \$182,215 (26.37%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures identified during FY20.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's

indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments noted within Schedule A.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

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

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as the identified inactive project has been closed.

- i. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments noted within Schedule A.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$1,643,171
Less: debt service payment	<u>(527,396)</u>
Net estimated apportionment	1,115,775
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>334,733</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(2,790)
Maintenance fund balance	<u>(198,833)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(201,623)</u>
Fund balance under apportionment	<u>\$536,356</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$ (2,790)	\$(1,045,001)	\$(1,047,791)
Maintenance	<u>(198,833)</u>	<u>1,989,694</u>	<u>1,790,861</u>
Totals	<u>\$(201,623)</u>	<u>\$ 944,693</u>	<u>\$ 743,070</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 17.77% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$19,780,795	\$(1,289,786)	\$18,491,009
Maintenance	4,236,586	1,884,198	6,120,784
Interest	<u>700</u>	<u>350,281</u>	<u>350,980</u>
Total local street and road revenue	<u>\$24,018,081</u>	<u>\$ 944,693</u>	<u>\$24,962,773</u>
30% of total local street and road revenue			\$7,488,832
Less maintenance expenditures incurred to date			<u>(4,435,611)</u>
Available maintenance funds			<u>\$3,053,221</u>
Cumulative percentage expended for maintenance			<u>17.77%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance June 30, 2020</u>	<u>Allocation of CP Expenses</u>
Commercial Paper	\$2,000,000	\$ -	\$(500,004)	\$1,499,996	\$(27,392)

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$4,122,782
Less MOE base year requirement	<u>(1,774,888)</u>
Excess MOE for the year ended June 30, 2020	<u>\$2,347,894</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.



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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$30,248. We selected \$5,308 (17.55%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures identified during FY20.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 16, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

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

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan UP". The signature is written in a cursive, flowing style.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF LA MESA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
LAM46	n/a	Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
Total Congestion Relief - Pass-Through			-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
LAM17	302120TR	Street Reconstruction 12	2,928	-	-	-	-	2,928	(a)
LAM34	302192TR	Street Lights/ OH Utilities 19	12,310	-	-	-	(12,310)	-	(a)
LAM34	302202TR	Street Lights/ OH Utilities 20	-	33,180	-	(45,490)	12,310	-	(a)
Total LAM34 Projects			12,310	33,180	-	(45,490)	-	-	
LAM37	302162TR	Traffic Signal Upgrades 16	(62,190)	62,190	-	-	-	-	(a)
LAM37	302171TR	Traffic Signal Upgrades 17	(16,788)	30,810	-	(14,022)	-	-	(a)
LAM37	302182TR	Traffic Signal Upgrades 18	(100,000)	100,000	-	-	-	-	(a)
LAM37	302193TR	Traffic Signal Upgrades 19	-	14,034	-	(14,034)	-	-	(a)
LAM37	302203TR	Traffic Signal Upgrades 20	-	41,095	-	(41,095)	-	-	
Total LAM37 Projects			(178,978)	248,129	-	(69,151)	-	-	
LAM40	302153TR	Street Construction 15	-	20,111	-	(20,111)	-	-	(b)
LAM40	302173TR	Street Construction 17	-	27,126	-	(27,126)	-	-	(b)
LAM40	302184TR	Street Construction 18	(86,597)	102,606	-	(16,009)	-	-	(a)
LAM40	302205TR	Street Construction 20	-	10,684	-	(16,925)	-	(6,241)	(c)
Total LAM40 Projects			(86,597)	160,527	-	(80,171)	-	(6,241)	
LAM44	304170TR	Roadway Drainage Improvements 17	(162,572)	162,572	-	-	-	-	(a)
LAM44	304180TR	Roadway Drainage Improvements 18	(89,027)	89,027	-	-	-	-	(a)
LAM44	304190TR	Roadway Drainage Improvements 19	-	401	-	(386)	-	15	(a)(d)
Total LAM44 Projects			(251,599)	252,000	-	(386)	-	15	
Commercial Paper Debt Service			-	527,396	-	(527,396)	-	-	
Interest Income			508	-	-	-	-	508	
Total Congestion Relief			\$ (501,428)	\$ 1,221,232	\$ -	\$ (722,594)	\$ -	\$ (2,790)	

**SCHEDULE A**

**CITY OF LA MESA, CALIFORNIA**  
 TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Maintenance:</b>									
LAM31	General Fund	Street Maintenance	\$ (150,000)	\$ 150,000	\$ -	\$ (150,000)	\$ -	\$ (150,000)	(c)
LAM33	302161TR	Curb, Gutter, Sidewalk 16	-	139,799	-	(139,799)	-	-	(a)
LAM33	302181TR	Curb, Gutter, Sidewalk 18	(23,836)	23,846	-	(10)	-	-	(a)
LAM33	302201TR	Curb, Gutter, Sidewalk 20	-	26,569	-	(75,594)	-	(49,025)	(c)
		Total LAM33 Projects	(23,836)	190,214	-	(215,403)	-	(49,025)	
LAM39	302163TR	Traffic Calming Program 16	(538)	538	-	-	-	-	(a)
LAM39	302194TR	Traffic Calming Program 19	(10,000)	10,000	-	-	-	-	(a)
LAM39	302204TR	Traffic Calming Program 20	-	13,833	-	(13,833)	-	-	
		Total LAM39 Projects	(10,538)	24,371	-	(13,833)	-	-	
		Interest Income	192	-	-	-	-	192	
		Total Maintenance	(184,182)	364,585	-	(379,236)	-	(198,833)	
		Total Local Street Improvements	(685,610)	1,593,217	-	(1,109,230)	-	(201,623)	
<b>Senior Mini-Grants:</b>									
LAM27	212001	La Mesa Rides4Neighbors	(114,820)	169,620	-	(66,963)	-	(12,163)	(e)
		Total Senior Mini-Grants	(114,820)	169,620	-	(66,963)	-	(12,163)	
<b>Smart Growth Grant</b>									
LAM47	302168OT	North Spring Street	(8,051)	-	-	(276)	-	(8,327)	(e)
LAM49	30220EOT	Complete Streets Design Manual	-	7,833	-	(41,982)	-	(34,149)	(e)
		Total Smart Growth Grant	(8,051)	7,833	-	(42,258)	-	(42,476)	
		Total TransNet Extension	\$ (808,481)	\$ 1,770,670	\$ -	\$ (1,218,451)	\$ -	\$ (256,262)	

**Notes:**

- (a) Project completed in FY20 and will be closed in FY21.
- (b) Project was marked as complete in FY19; Upon further review the project is still active in FY20.
- (c) Funding has been programmed in FY21 and will be drawn down.
- (d) Surplus funds will be reallocated within same MPO ID in FY21.
- (e) This is a reimbursable funding source and expenditures are expected to be in excess of funding while the project is active.

**SCHEDULE B**

**CITY OF LA MESA, CALIFORNIA**  
 TransNet and TransNet Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		<b>TransNet Extension:</b>				
		<b>Local Street Improvements:</b>				
		<b>Congestion Relief - Pass-Through:</b>				
LAM46	n/a	Regional Arterial Management Systems	\$ 59,200	\$ -	\$ (59,200)	\$ -
		Total Congestion Relief - Pass-Through	<u>59,200</u>	<u>-</u>	<u>(59,200)</u>	<u>-</u>
		<b>Congestion Relief:</b>				
LAM17	302120TR	Street Reconstruction 12	<u>253,601</u>	<u>-</u>	<u>(250,673)</u>	<u>2,928</u>
LAM34	302192TR	Street Lights/ OH Utilities 19	22,757	-	(22,757)	-
LAM34	302202TR	Street Lights/ OH Utilities 20	<u>45,490</u>	<u>-</u>	<u>(45,490)</u>	<u>-</u>
		Total LAM 34 Projects	<u>68,247</u>	<u>-</u>	<u>(68,247)</u>	<u>-</u>
LAM37	302162TR	Traffic Signal Upgrades 16	100,005	-	(100,005)	-
LAM37	302171TR	Traffic Signal Upgrades 17	86,086	-	(86,086)	-
LAM37	302182TR	Traffic Signal Upgrades 18	100,000	-	(100,000)	-
LAM37	302193TR	Traffic Signal Upgrades 19	14,034	-	(14,034)	-
LAM37	302203TR	Traffic Signal Upgrades 20	<u>41,095</u>	<u>-</u>	<u>(41,095)</u>	<u>-</u>
		Total LAM 37 Projects	<u>341,220</u>	<u>-</u>	<u>(341,220)</u>	<u>-</u>
LAM40	302153TR	Street Construction 15	1,114,994	-	(1,114,994)	-
LAM40	302173TR	Street Construction 17	298,977	-	(298,977)	-
LAM40	302184TR	Street Construction 18	734,965	-	(734,965)	-
LAM40	302205TR	Street Construction 20	<u>10,684</u>	<u>-</u>	<u>(16,925)</u>	<u>(6,241)</u>
		Total LAM40 Projects	<u>2,159,620</u>	<u>-</u>	<u>(2,165,861)</u>	<u>(6,241)</u>
		Subtotal Congestion Relief - Pass-Through	<u>\$ 2,822,688</u>	<u>\$ -</u>	<u>\$ (2,826,001)</u>	<u>\$ (3,313)</u>

**CITY OF LA MESA, CALIFORNIA**  
 TransNet and TransNet Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Congestion Relief - balance carried forward	\$ 2,822,688	\$ -	\$ (2,826,001)	\$ (3,313)
LAM44	304170TR	Roadway Drainage Improvements 17	169,235	-	(169,235)	-
LAM44	304180TR	Roadway Drainage Improvements 18	177,027	-	(177,027)	-
LAM44	304190TR	Roadway Drainage Improvements 19	<u>401</u>	-	<u>(386)</u>	<u>15</u>
		Total LAM44 Projects	<u>346,663</u>	-	<u>(346,648)</u>	<u>15</u>
		Commercial Paper Debt Service	<u>527,396</u>	-	<u>(527,396)</u>	-
		Interest Income	-	<u>508</u>	-	<u>508</u>
		Total Congestion Relief	<u>3,696,747</u>	<u>508</u>	<u>(3,700,045)</u>	<u>(2,790)</u>
		<b>Maintenance:</b>				
LAM31	General Fund	Street Maintenance	\$ 1,358,281	\$ -	\$ (1,508,281)	\$ (150,000)
LAM33	302161TR	Curb, Gutter, Sidewalk 16	196,364	-	(196,364)	-
LAM33	302181TR	Curb, Gutter, Sidewalk 18	227,606	-	(227,606)	-
LAM33	302201TR	Curb, Gutter, Sidewalk 20	<u>26,569</u>	-	<u>(75,594)</u>	<u>(49,025)</u>
		Total LAM 33 Projects	<u>450,539</u>	-	<u>(499,564)</u>	<u>(49,025)</u>
LAM39	302163TR	Traffic Calming Program 16	7,882	-	(7,882)	-
LAM39	302194TR	Traffic Calming Program 19	10,000	-	(10,000)	-
LAM39	302204TR	Traffic Calming Program 20	<u>13,833</u>	-	<u>(13,833)</u>	-
		Total LAM 39 Projects	<u>31,715</u>	-	<u>(31,715)</u>	-
		Interest Income	-	<u>192</u>	-	<u>192</u>
		Total Maintenance	<u>1,840,535</u>	<u>192</u>	<u>(2,039,560)</u>	<u>(198,833)</u>
		Total Local Street Improvements	\$ 5,596,482	\$ 700	\$ (5,798,805)	\$ (201,623)



**CITY OF LA MESA, CALIFORNIA**  
 TransNet and TransNet Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Senior Mini-Grants:</b>						
LAM27	212001	La Mesa Rides4Neighbors	\$ 1,301,348	\$ -	\$ (1,313,511)	\$ (12,163)
Total Senior Mini-Grants			<u>1,301,348</u>	<u>-</u>	<u>(1,313,511)</u>	<u>(12,163)</u>
<b>Smart Growth Grant</b>						
LAM47	302168OT	North Spring Street	105,933	-	(114,260)	(8,327)
LAM49	30220EOT	Complete Streets Design Manual	<u>7,833</u>	<u>-</u>	<u>(41,982)</u>	<u>(34,149)</u>
Total Smart Growth			<u>113,766</u>	<u>-</u>	<u>(156,242)</u>	<u>(42,476)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>\$ 7,011,596</u>	<u>\$ 700</u>	<u>\$ (7,268,558)</u>	<u>\$ (256,262)</u>
<b>Completed Projects:</b>						
Local Street Improvements						
Congestion Relief			\$ 16,084,048	\$ -	\$ (16,084,048)	\$ -
Maintenance			2,396,051	-	(2,396,051)	-
Smart Growth			2,000,000	-	(2,000,000)	-
Bikes and Pedestrians			<u>449,000</u>	<u>-</u>	<u>(449,000)</u>	<u>-</u>
Total Completed Projects			<u>20,929,099</u>	<u>-</u>	<u>(20,929,099)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 27,940,695</u>	<u>\$ 700</u>	<u>\$ (28,197,657)</u>	<u>\$ (256,262)</u>

**SCHEDULE C**

**CITY OF LA MESA, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Funds Committed at June 30, 2020	June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020		\$ 49,417	\$ -	\$ (49,417)	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2014	June 30, 2021		123,302	-	(123,302)	-	-	-
For Fiscal Year ended June 30, 2015	June 30, 2022		675,754	-	(675,754)	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023		52,962	-	(52,962)	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024		43,984	-	(43,984)	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025		382,078	-	(382,078)	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026		519,185	-	(58,772)	-	460,413	490,660
For Fiscal Year ended June 30, 2020	June 30, 2027		572,799	-	-	-	572,799	-
Interest Income			-	28,804	-	-	28,804	16,148
Subtotal RTCIP Funds			2,419,481	28,804	(1,386,269)	-	1,062,016	506,808
GASB 31 Market Value Adjustment			-	10,638	-	-	10,638	10,596
Total RTCIP Funds			\$ 2,419,481	\$ 39,442	\$ (1,386,269)	\$ -	\$ 1,072,654	\$ 517,404

**CITY OF LEMON GROVE, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$775,706. We selected \$595,193 (76.73%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. Indirect costs are charged based on a percentage of actual salary and fringe benefits of the employees allocated to the TransNet fund. This overhead is then allocated to the Congestion Relief and Maintenance projects based on actual expenses for the current year. The City allocated \$89,216 in indirect costs to the TransNet program, which represented 11.50% of total TransNet expenditures. In 2019, the City engaged in a consultant to complete a formal indirect cost allocation plan. City Council approved the plan on June 4, 2019. The City's indirect cost allocation has not been reviewed by a federal or state agency or audited by an independent CPA firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: Council approval was not obtained because the transfer was a correction of a prior year error.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.
- Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
- k. We obtained approval from SANDAG staff for the reason of inactivity.
- Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
- l. 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.
- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.
- Results: No exceptions were noted as a result of our procedures.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.
- Results: No exceptions were noted as a result of our procedures.
- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.
- Results: No exceptions were noted as a result of our procedures.
- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.
- Results: No exceptions were noted as a result of our procedures.



8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$739,506
Less: debt service payment	<u>-</u>
Net estimated apportionment	739,506
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>221,852</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	43,743
Maintenance fund balance	<u>10,765</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>54,508</u>
Fund balance under apportionment	<u>\$167,344</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held <u>by City</u>	Funds Held <u>by SANDAG</u>	<u>Total</u>
Congestion Relief	\$43,743	\$(54,769)	\$(11,026)
Maintenance	<u>10,765</u>	<u>129,958</u>	<u>140,723</u>
Totals	<u>\$54,508</u>	<u>\$75,189</u>	<u>\$129,697</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 27.84% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$5,959,206	\$(167,686)	\$5,791,520
Maintenance	2,348,812	81,841	2,430,653
Interest	<u>15,572</u>	<u>161,034</u>	<u>176,606</u>
 Total local street and road revenue	 <u>\$8,323,590</u>	 <u>\$75,189</u>	 <u>\$8,398,779</u>
 30% of total local street and road revenue			 \$2,519,634
Less maintenance expenditures incurred to date			<u>(2,338,180)</u>
 Available maintenance funds			 <u>\$ 181,454</u>
 Cumulative percentage expended for maintenance			 <u>27.84%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      - 1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      - 2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      - 3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$342,073
Less MOE base year requirement	<u>(181,274)</u>
Excess MOE for the year ended June 30, 2020	<u>\$160,799</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: The City did not collect the correct exaction fee for two permits issued. See Finding 1 in the Findings and Recommendation section of the report.

- ii. We inquired of management as to whether procedures were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP payroll expenditures identified during FY20.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: Interest income reported in the prior year was adjusted due to a mathematical error in the prior year schedule. No exceptions noted as a result of our procedures.

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 23, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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

Results: The City had one prior year finding relating to not using the approved exaction fee. As of June 30, 2020, the City has collected 2 of the 5 fees that were under-collected, total of \$158. The City has been unsuccessful at collecting the remaining fees.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: See Findings and Recommendations section of this report.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
April 20, 2021

**CITY OF LEMON GROVE, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

**(1) Need to Use Approved Exaction Fee**

Per review of the City’s exaction fee collections for the year ended June 30, 2020, the City did not consistently collect the required exaction fee amount of \$2,533.15. For 2 permits issued, the exaction fee collected was based upon the FY18 exaction fee amount of \$2,404. This resulted in an under-collection of the exaction fee in the amount of \$258.16 as follows:

<u>Customer No.</u>	<u>Acct/Category</u>	<u>Receipt #</u>	<u>Amount Required</u>	<u>Amount Charged</u>	<u>Variance</u>
52431	B17-000-0348	32453	\$ 2,533.15	\$ 2,404.00	\$ 129.15
12337	B18-000-0120	30573	<u>2,533.15</u>	<u>2,404.14</u>	<u>129.01</u>
		Totals	<u>\$ 5,066.30</u>	<u>\$ 4,808.14</u>	<u>\$ 258.16</u>

SANDAG Board recommendations as of February 13, 2019 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 \$2,483.48 to \$2,533.15 beginning July 1, 2019.”

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 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 \$258.16. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

**CITY OF LEMON GROVE, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

**(1) Need to Use Approved Exaction Fee (Continued)**

**Management Response**

After the prior year finding that the RTCIP exaction fee had not been updated in the City's point of sale software system, the FY 2019-2020 RTCIP exaction fee was correctly updated in the City's software system with a July 1, 2019 effective date. However, City staff did not realize that the software system automatically pulls in the fees that were in place as of the 'effective date' of the permit. The 'effective date' of the permit is automatically populated with the date the permit is created in the system. Two building permits that paid RTCIP exaction fees were impacted by this discrepancy, as the permit applications began in different fiscal years than when the permit was issued. To fix this, the effective date of the permit needs to be updated each time new fees are added to the specific permit or the staff user needs to manually pull in the most recent fees. City staff is aware of the effective date problem and will double check each RCTIP fee charged before it is paid.



GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF LEMON GROVE, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	\$ (14,605)	\$ 106,605	\$ 8	\$ (86,295)	\$ -	\$ 5,713	
LG18	7155	Traffic Improvements - Congestion Relief	44,995	-	-	-	-	44,995	
LG20	7300	Street Improvements - Congestion Relief	(382,670)	898,759	69	(522,725)	(398)	(6,965)	(a) (b)
		Interest Income	-	-	-	-	-	-	
		<b>Total Congestion Relief</b>	<b>(352,280)</b>	<b>1,005,364</b>	<b>77</b>	<b>(609,020)</b>	<b>(398)</b>	<b>43,743</b>	
<b>Maintenance:</b>									
LG14	7310	Traffic Improvements - Preventive Maintenance	(112,373)	229,069	17	(118,197)	-	(1,484)	(a)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	5,932	20,000	2	(23,025)	-	2,909	
LG17	7150	Street Improvements - Preventive Maintenance	(27,174)	61,973	5	(25,464)	-	9,340	
		Interest Income	-	-	-	-	-	-	
		<b>Total Maintenance</b>	<b>(133,615)</b>	<b>311,042</b>	<b>24</b>	<b>(166,686)</b>	<b>-</b>	<b>10,765</b>	
		<b>Total Local Street Improvements</b>	<b>(485,895)</b>	<b>1,316,406</b>	<b>101</b>	<b>(775,706)</b>	<b>(398)</b>	<b>54,508</b>	
<b>Smart Growth Grant:</b>									
LG22	7140	Realignment	(398)	-	-	-	398	-	(b) (c)
		<b>Total Smart Growth Grant</b>	<b>(398)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>398</b>	<b>-</b>	
		<b>Total TransNet Extension</b>	<b>\$ (486,293)</b>	<b>\$ 1,316,406</b>	<b>\$ 101</b>	<b>\$ (775,706)</b>	<b>\$ -</b>	<b>\$ 54,508</b>	

Notes:

- (a) The City received reimbursement from SANDAG in FY21 for funds expended in FY20.
- (b) Prior year project expenditures exceeded grant award by \$398, so the overage was reclassified to LG20. LG22 expenditure activities are allowable under LG20 expenditures as such no Council approval was required.
- (c) Project complete.

**SCHEDULE B**

**CITY OF LEMON GROVE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	\$ 1,008,497	\$ 2,866	\$ (1,005,650)	\$ 5,713
LG18	7155	Traffic Improvements - Congestion Relief	149,187	308	(104,500)	44,995
LG20	7300	Street Improvements - Congestion Relief	3,317,294	69	(3,324,328)	(6,965)
		Interest Income	-	-	-	-
		Total Congestion Relief	<u>4,474,978</u>	<u>3,243</u>	<u>(4,434,478)</u>	<u>43,743</u>
<b>Maintenance:</b>						
LG14	7310	Traffic Improvements - Preventive Maintenance	1,109,436	17	(1,110,937)	(1,484)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	542,423	62	(539,576)	2,909
LG17	7150	Street Improvements - Preventive Maintenance	696,953	54	(687,667)	9,340
		Interest Income	-	-	-	-
		Total Maintenance	<u>2,348,812</u>	<u>133</u>	<u>(2,338,180)</u>	<u>10,765</u>
		Total Local Street Improvements	<u>6,823,790</u>	<u>3,376</u>	<u>(6,772,658)</u>	<u>54,508</u>
<b>Smart Growth Grant:</b>						
LG22	7140	Realignment	<u>805,001</u>	-	<u>(805,001)</u>	-
		Total Smart Growth Grant	<u>805,001</u>	-	<u>(805,001)</u>	-
		Subtotal Cumulative <i>TransNet</i> Extension	<u>7,628,791</u>	<u>3,376</u>	<u>(7,577,659)</u>	<u>54,508</u>
<b>Completed Projects:</b>						
		Congestion Relief	1,484,228	12,196	(1,496,424)	-
		Smart Growth Grant	<u>2,470,000</u>	-	<u>(2,470,000)</u>	-
		Total Completed Projects	<u>3,954,228</u>	<u>12,196</u>	<u>(3,966,424)</u>	-
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 11,583,019</u>	<u>\$ 15,572</u>	<u>\$ (11,544,083)</u>	<u>\$ 54,508</u>

**SCHEDULE C**

**CITY OF LEMON GROVE, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status		Note
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2013	June 30, 2020	LG 13	\$ 6,495	\$ 80	\$ (6,575)	\$ -	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021	LG 13	22,134	215	(22,349)	-	-	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	LG 13	130,777	737	(131,514)	-	-	-	-	
For Fiscal Year ended June 30, 2016	June 30, 2023	LG 13	272,580	2,383	(274,963)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	LG 13	51,854	2,997	(54,851)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	LG 13	50,484	5,909	(56,393)	-	-	-	-	
For Fiscal Year ended June 30, 2019	June 30, 2026	LG 13	52,888	2,012	(54,882)	-	-	18	18	(a)
For Fiscal Year ended June 30, 2020	June 30, 2027		40,351	-	-	-	-	40,351	-	
Interest Income			-	13,498	-	(13,222)	-	276	13,222	(b)
<b>Total RTCIP Funds</b>			<b>\$ 627,563</b>	<b>\$ 27,831</b>	<b>\$ (601,527)</b>	<b>\$ (13,222)</b>	<b>\$ -</b>	<b>\$ 40,645</b>	<b>\$ 13,240</b>	

**Notes:**

- (a) To correct the interest for FY19.
- (b) To correct FY19 reporting error for interest income.

**CITY OF NATIONAL CITY, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$2,203,787. We selected \$560,132 (25.42%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).



Results: This procedure is not applicable as there were no indirect costs allocated to projects in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as the City did not have projects with no activity for the past two years on Schedule A.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as the City did not have projects with no activity for the past two years on Schedule A.

- i. 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.

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

Results: This procedure is not applicable as the City did not have any non-*TransNet* activity on Schedule A.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$1,498,882
Less: debt service payment	<u>284,294</u>
Net estimated apportionment	1,214,588
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>364,376</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	135,199
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>135,199</u>
Fund balance under apportionment	<u>\$ 229,177</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$135,199	\$(4,539,536)	\$(4,404,337)
Maintenance	<u>-</u>	<u>4,966,453</u>	<u>4,966,453</u>
Totals	<u>\$135,199</u>	<u>\$ 426,917</u>	<u>\$ 562,116</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 0.00% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$19,738,833	\$(4,831,591)	\$14,907,242
Maintenance	-	4,866,730	4,866,730
Interest	<u>44,157</u>	<u>391,778</u>	<u>435,935</u>
Total local street and road revenue	<u>\$19,782,990</u>	<u>\$ 426,917</u>	<u>\$20,209,907</u>
30% of total local street and road revenue			\$6,062,972
Less maintenance expenditures incurred to date			<u>-</u>
Available maintenance funds			<u>\$6,062,972</u>
Cumulative percentage expended for maintenance			<u>0.00%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Principal Adjustments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payments</u>
2010 Series A Bonds	\$280,288	\$ -	\$(280,288)	\$(1,472)	\$ -	\$(2,534)

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
    2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
    3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$2,362,063
Less MOE base year requirement	<u>(1,970,841)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 391,222</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: The City is not in compliance with the RTCIP exaction fee requirement. See Finding 1 in the Findings and Recommendations section of this report.

- ii. We inquired of management as to whether procedures were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur payroll expenditures for RTCIP projects.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- x. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 26, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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

Results: The prior two reports (fiscal year ended June 30, 2018 and June 30, 2019) included findings related to charging incorrect exaction fees. The current year testing of the exaction fee (procedure 13.c.i) also resulted in a finding. As of the date of this report, the under-collections of \$3,666 relating to the fiscal year ended June 30, 2018 and \$156 relating to the fiscal year ended June 30, 2019 had not been recovered. Per the City, a transfer of \$3,822 will be made from the General Fund to the RTCIP Fund in fiscal year 2021 to remedy these under-collections.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
March 19, 2021



**CITY OF NATIONAL CITY, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

**(1) Need to Use Approved Exaction Fee**

The City did not consistently collect the required exaction fee amount of \$2,533.15. For 18 permits issued, the exaction fee was incorrectly collected from the developer. This resulted in an over-collection of the exaction fee in the amount of \$162 as follows:

<u>Invoice Number</u>	<u>Audited Amount</u>	<u>Amount Required</u>	<u>Variance</u>
2018-7675	<u>\$45,774</u>	<u>\$45,612</u>	<u>\$162</u>
Totals	<u>\$45,774</u>	<u>\$45,612</u>	<u>\$162</u>

SANDAG Board recommendations as of February 13, 2019 and subsequent approval states, in part:

“...the minimum Regional Transportation Congestion Improvement Program fee would increase from \$2,483.48 to \$2,533.15 beginning July 1, 2019.”

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 that was the subject of the audit will be retroactively owed to the Commission...”

**Recommendation**

We recommend that the City reimburse the developer for the over-collection of exaction fees in the amount of \$162 for FY20. Furthermore, the City has under-collected exaction fees of \$162 and \$3,666 from FY19 and FY18, respectively, for which we recommend the City recover the under-collected fees or fund the deficit from an alternate source. Lastly, we recommend that the City update and collect the proper exaction fees on a yearly basis to be in compliance with the RTCIP fees.

**Management Response**

The City incorrectly charged one developer \$2,543 instead of \$2,534 for 18 permits issued, which totaled \$162 in over-collected fees. The City is recommending to its department head that the money be reimbursed to this developer.

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through</b>									
NC04	6558	Regional Arterial Management Systems	\$ -	\$ 8,000	\$ -	\$ (8,000)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	8,000	-	(8,000)	-	-	
<b>Congestion Relief:</b>									
NC01	6569	Plaza Blvd. Widening	530,585	-	-	-	(530,585)	-	(a)(b)
NC03	6035	Street Resurfacing Project	(197,230)	-	-	(369,174)	501,333	(65,071)	(b)(c)
NC04	6558	Traffic Signal Install/Upgrade	438,449	606,000	-	(617,178)	(438,449)	(11,178)	(b)(c)
NC15	6166	Citywide Safe Routes to School	(467,701)	282,000	5,424	(75,976)	467,701	211,448	(b)
		2010 Series A Bonds Debt Service	-	284,294	-	(284,294)	-	-	
		Total Congestion Relief	304,103	1,172,294	5,424	(1,346,622)	-	135,199	
		Total Local Street Improvements	304,103	1,180,294	5,424	(1,354,622)	-	135,199	
<b>Smart Growth:</b>									
NC23	6577	Westside Mobility Improvements Project	140,024	-	-	-	-	140,024	(a)(d)
NC29	6604	24th Street TOD Overlay	-	112,368	-	(241,963)	-	(129,595)	(e)
NC36	6605	Roosevelt Ave Corridor	(2,555)	68,060	-	(222,628)	-	(157,123)	(e)
NC37	6606	Sweetwater Rd Protected Bikeway	(19,677)	101,979	-	(127,927)	-	(45,625)	(e)
		Total Smart Growth	117,792	282,407	-	(592,518)	-	(192,319)	

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Active Transportation Grant: Bike and Pedestrian</b>									
NC 33	6601	National City Blvd. Inter-City Bike Connectivity	\$ (10,564)	\$ -	\$ -	\$ (44,721)	\$ -	\$ (55,285)	(e)
NC 34	6603	Waterfront To Homefront Connectivity	(15,618)	81,038	-	(182,383)	-	(116,963)	(e)
NC 35	6602	National City Bike Parking Enhancements	-	10,759	-	(29,543)	-	(18,784)	(e)
Total Bike and Pedestrian			<u>(26,182)</u>	<u>91,797</u>	<u>-</u>	<u>(256,647)</u>	<u>-</u>	<u>(191,032)</u>	
Total <i>TransNet</i> Extension			<u>\$ 395,713</u>	<u>\$ 1,554,498</u>	<u>\$ 5,424</u>	<u>\$ (2,203,787)</u>	<u>\$ -</u>	<u>\$ (248,152)</u>	

Notes:

- (a) This project is complete.
- (b) City Council Resolution No. 2020-197 approved a transfer of \$501,333 from project NC01 to project NC03, \$438,449 from NC04 to NC15, and \$29,252 from NC01 to NC15.
- (c) The City will request a drawdown in FY21 to cover the deficit.
- (d) The City will return excess funding for the project in FY21.
- (e) Grant expenditures will be requested for reimbursement in FY21.

**SCHEDULE B**

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass-Through:</b>						
NC04	6558	Regional Arterial Management Systems	\$ 64,000	\$ -	\$ (64,000)	\$ -
		Total Congestion Relief - Pass-Through	<u>64,000</u>	<u>-</u>	<u>(64,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
NC01	6569	Plaza Blvd Widening	241,237	7,393	(248,630)	-
NC03	6035	Street Resurfacing Project	10,325,610	3,202	(10,393,883)	(65,071)
NC04	6558	Traffic Signal Install/Upgrade	1,712,233	18,355	(1,741,766)	(11,178)
NC15	6166	Citywide Safe Routes to School Tax 2010 Series A Bonds Debt Service	2,865,701 <u>3,705,689</u>	11,509 <u>-</u>	(2,665,762) <u>(3,705,689)</u>	211,448 <u>-</u>
		Total Congestion Relief	<u>18,850,470</u>	<u>40,459</u>	<u>(18,755,730)</u>	<u>135,199</u>
		Total Local Street Improvements	<u>18,914,470</u>	<u>40,459</u>	<u>(18,819,730)</u>	<u>135,199</u>
<b>Smart Growth:</b>						
NC23	6577	Westside Mobility Improvements Project	2,140,024	-	(2,000,000)	140,024
NC29	6604	24th Street TOD Overlay	112,368	-	(241,963)	(129,595)
NC36	6605	Roosevelt Ave Corridor	68,060	-	(225,183)	(157,123)
NC37	6606	Sweetwater Rd Protected Bikeway	<u>101,979</u>	<u>-</u>	<u>(147,604)</u>	<u>(45,625)</u>
		Total Smart Growth	<u>2,422,431</u>	<u>-</u>	<u>(2,614,750)</u>	<u>(192,319)</u>

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>Active Transportation Grant:</b>						
<b>Bike and Pedestrian:</b>						
NC 33	6601	National City Blvd. Inter-City Bike Connectivity	\$ -	\$ -	\$ (55,285)	\$ (55,285)
NC 34	6603	Waterfront To Homefront Connectivity	81,038	-	(198,001)	(116,963)
NC 35	6604	Waterfront To Homefront Connectivity	<u>10,759</u>	<u>-</u>	<u>(29,543)</u>	<u>(18,784)</u>
Total Bike and Pedestrian			<u>91,797</u>	<u>-</u>	<u>(282,829)</u>	<u>(191,032)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>21,428,698</u>	<u>40,459</u>	<u>(21,717,309)</u>	<u>(248,152)</u>
<b>Completed Projects:</b>						
Congestion Relief			824,363	3,698	(828,061)	-
Smart Growth			5,145,000	-	(5,145,000)	-
Bike and Pedestrian			<u>1,806,861</u>	<u>-</u>	<u>(1,806,861)</u>	<u>-</u>
Total Completed Projects			<u>7,776,224</u>	<u>3,698</u>	<u>(7,779,922)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 29,204,922</u>	<u>\$ 44,157</u>	<u>\$ (29,497,231)</u>	<u>\$ (248,152)</u>

**SCHEDULE C**

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative Status		
			Funds Received	Interest Income	Project Expenditures	City Adjustments	Funds Committed	June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020	NC01	\$ 102,133	\$ 1,191	\$ (103,324)	\$ -	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2014	June 30, 2021	NC01	36,044	198	(36,242)	-	-	-	-
For Fiscal Year ended June 30, 2015	June 30, 2022	NC01	351,669	595	(352,264)	-	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023	NC01	13,860	-	(13,860)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024	NC01	28,096	-	(28,143)	47	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025	NC01	494,561	-	(114,556)	-	-	380,005	380,005
For Fiscal Year ended June 30, 2019	June 30, 2026		141,430	-	-	-	-	141,430	141,430
For Fiscal Year ended June 30, 2020	June 30, 2027		1,061,746	-	-	-	-	1,061,746	-
Interest Income			-	33,468	-	-	-	33,468	16,402
Subtotal RTCIP Funds			2,229,539	35,452	(648,389)	47	-	1,616,649	537,837
GASB 31 Market Value Adjustment			-	(15,228)	-	-	-	(15,228)	3,769
Total RTCIP Funds			\$ 2,229,539	\$ 20,224	\$ (648,389)	\$ 47	\$ -	\$ 1,601,421	\$ 541,606

**CITY OF OCEANSIDE, CALIFORNIA**

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

Year Ended June 30, 2020



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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$2,918,859. We selected \$796,900 (27.30%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City does not have a formal indirect cost plan. The City allocates costs based on all expenses charged to the designated Engineering Account, as a percentage of each active CIP account on a quarterly basis. The City allocated a total of \$383,811 of indirect costs to RTIP projects, resulting in 13.15% of the total *TransNet* expenditures. The City's methodology for allocating indirect costs appears reasonable. The City's indirect cost allocation has not been reviewed by a federal or state agency or audited by a CPA firm. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. 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.

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

Results: This procedure is not applicable as there was no non-*TransNet* activity reported for the fiscal year.

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

- 8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$4,706,021
Less: debt service payment	<u>(1,279,182)</u>
Net estimated apportionment	3,426,839
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>1,028,052</u>
Less:	
Local Streets and Roads fund balance	322,132
Local Street Improvement:	
Congestion Relief fund balance	(2,447,980)
Maintenance fund balance	<u>(527,250)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(2,653,098)</u>
Fund balance under apportionment	<u>\$3,681,150</u>

- We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(2,447,980)	\$(847,384)	\$(3,295,364)
Maintenance	<u>(527,250)</u>	<u>3,339,017</u>	<u>2,811,767</u>
Totals	<u>\$(2,975,230)</u>	<u>\$2,491,633</u>	<u>\$ (483,597)</u>

- We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 22.66% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$48,044,148	\$(1,448,209)	\$46,595,939
Maintenance	14,102,923	3,070,166	17,173,089
Interest	<u>193,083</u>	<u>869,676</u>	<u>1,062,759</u>
Total local street and road revenue	<u>\$62,340,154</u>	<u>\$2,491,633</u>	<u>\$64,831,787</u>
30% of total local street and road revenue			\$19,449,536
Less maintenance expenditures incurred to date			<u>(14,688,252)</u>
Available maintenance funds			<u>\$4,761,284</u>
Cumulative percentage expended for maintenance			<u>22.66%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payments</u>
Commercial Paper Debt Services	\$1,977,468	\$2,108,000	\$1,229,490	\$2,855,978	\$49,692

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$5,154,861
Less MOE base year requirement	<u>(2,786,239)</u>
Excess MOE for the year ended June 30, 2020	<u>\$2,368,622</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.



Results: This procedure is not applicable as all exaction fees had been expended within seven years of collection.

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$191,929. We selected \$33,729 (17.57%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 1, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

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

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This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet:</b>									
<b>Local Streets and Roads:</b>									
O14	914560800212	Douglas Dr. Bridge Seismic Retro	\$ 157,647	\$ -	\$ -	\$ (46,417)	\$ -	\$ 111,230	
O14	914560900212	No Coast Hwy Bridge Seismic Retro	274,051	-	-	(63,149)	-	210,902	
Total Local Streets and Roads			<u>431,698</u>	<u>-</u>	<u>-</u>	<u>(109,566)</u>	<u>-</u>	<u>322,132</u>	
Total <i>TransNet</i>			<u>431,698</u>	<u>-</u>	<u>-</u>	<u>(109,566)</u>	<u>-</u>	<u>322,132</u>	
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
O35	N/A	Regional Arterial Management Systems	-	11,200	-	(11,200)	-	-	
Total Congestion Relief - Pass-Through			<u>-</u>	<u>11,200</u>	<u>-</u>	<u>(11,200)</u>	<u>-</u>	<u>-</u>	
<b>Congestion Relief:</b>									
O17	905120100212	Loma Alta Creek Detention Basins	293	-	-	(13,749)	-	(13,456)	(a)
O24	902754200212	Street Restoration	(1,341,522)	500,000	-	(101,096)	-	(942,618)	(a)
O25	902146516212	Downtown Fiber-Optic	(4,396)	-	-	(15,827)	-	(20,223)	(a)
Subtotal Congestion Relief			<u>(1,345,625)</u>	<u>500,000</u>	<u>-</u>	<u>(130,672)</u>	<u>-</u>	<u>(976,297)</u>	

**SCHEDULE A**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
		Congestion Relief - balance carried forward	<u>\$ (1,345,625)</u>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ (130,672)</u>	<u>\$ -</u>	<u>\$ (976,297)</u>	
O33	902131200212	Coast Hwy Corridor Study/EIR	57,476	-	-	(26,199)	93,000	124,277	
O33	902137100212	Coast Hwy Vision EIR-SA	<u>93,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,000)</u>	<u>-</u>	
		Total O33 Projects	<u>150,476</u>	<u>-</u>	<u>-</u>	<u>(26,199)</u>	<u>-</u>	<u>124,277</u>	
O37	902135600212	Bicycle Master Plan/Bike Sfty	<u>(5,781)</u>	<u>-</u>	<u>-</u>	<u>(1,283)</u>	<u>-</u>	<u>(7,064)</u>	(a)
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	(27,621)	-	-	(36,792)	-	(64,413)	(a)
O38	902135500212	Neighborhood Traffic Sfty Impr	<u>(17,301)</u>	<u>-</u>	<u>-</u>	<u>(126,884)</u>	<u>-</u>	<u>(144,185)</u>	(a)
		Total O38 Projects	<u>(44,922)</u>	<u>-</u>	<u>-</u>	<u>(163,676)</u>	<u>-</u>	<u>(208,598)</u>	
O39	902135200212	Clementime Intersection Reconstruction	80,911	-	-	-	(80,911)	-	(b)(c)
O39	917141614212	Coco Palms Flood Imprvmnt	<u>11,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,724)</u>	<u>-</u>	(b)(c)
		Total O39 Projects	<u>92,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(92,635)</u>	<u>-</u>	
O40	902135400212	Mainline R/R Xing Sfty	<u>(2,159,160)</u>	<u>2,108,000</u>	<u>-</u>	<u>(177,937)</u>	<u>-</u>	<u>(229,097)</u>	(d)
O41	907118100212	Lot 23 Transit Parking Strctr	<u>(958,758)</u>	<u>-</u>	<u>-</u>	<u>(370,054)</u>	<u>100,558</u>	<u>(1,228,254)</u>	(a)(c)
O42	902145616212	Seagaze Downtown Mobility - Cnstrt	<u>(785)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>785</u>	<u>-</u>	(b)(c)
		Subtotal Congestion Relief	<u>(4,271,920)</u>	<u>2,608,000</u>	<u>-</u>	<u>(869,821)</u>	<u>8,708</u>	<u>(2,525,033)</u>	

**SCHEDULE A**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Congestion Relief balance carried forward	<u>\$ (4,271,920)</u>	<u>\$ 2,608,000</u>	<u>\$ -</u>	<u>\$ (869,821)</u>	<u>\$ 8,708</u>	<u>\$ (2,525,033)</u>	
O45	902146816212	Mission Ave from Carolyn Cir to Foussat Rd	(76,329)	461,716	-	(430,022)	-	(44,635)	(a)
O45	902147216212	Douglas Dr Median HSIP-City	(3,330)	25,605	-	(47,617)	-	(25,342)	(a)
		Total O45 Projects	<u>(79,659)</u>	<u>487,321</u>	<u>-</u>	<u>(477,639)</u>	<u>-</u>	<u>(69,977)</u>	
O46	904146616212	Coastal Rail Trail Oblvd Morse	(3,133)	-	-	(18,591)	-	(21,724)	(a)
O47	907146416212	Pier Restoration	33,750	-	-	-	-	33,750	
		Commercial Paper Debt Services	-	1,279,182	-	(1,279,182)	-	-	
		Interest income	119,698	-	15,306	-	-	135,004	
		Total Congestion Relief	<u>(4,201,264)</u>	<u>4,374,503</u>	<u>15,306</u>	<u>(2,645,233)</u>	<u>8,708</u>	<u>(2,447,980)</u>	
		<b>Maintenance:</b>							
O18	425411212	Misc Traffic Markings	(9,493)	-	-	-	-	(9,493)	(a)
O18	425418212	Neighborhood Traffic Improvement	17,117	-	-	-	-	17,117	
O18	425426212	Misc Street Projects	(569,273)	-	-	(23,460)	-	(592,733)	(a)
		Total O18 Projects	<u>(561,649)</u>	<u>-</u>	<u>-</u>	<u>(23,460)</u>	<u>-</u>	<u>(585,109)</u>	
		Interest Income	51,299	-	6,560	-	-	57,859	
		Total Maintenance	<u>(510,350)</u>	<u>-</u>	<u>6,560</u>	<u>(23,460)</u>	<u>-</u>	<u>(527,250)</u>	
		Total Local Street Improvements	<u>(4,711,614)</u>	<u>4,385,703</u>	<u>21,866</u>	<u>(2,679,893)</u>	<u>8,708</u>	<u>(2,975,230)</u>	

**SCHEDULE A**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Bike and Pedestrian:</b>									
O30	902129800212	2-Year Educ/Encour/Awareness	\$ 8,708	\$ -	\$ -	\$ -	\$ (8,708)	\$ -	(b)(e)
O47	902157419212	Pier VWay Bridge Replacement PDR	-	-	-	(15,190)	-	(15,190)	(f)
O48	836161619212	Sandag ATGP Bike Storage	-	-	-	(302)	-	(302)	(f)
Total Bike and Pedestrian			8,708	-	-	(15,492)	(8,708)	(15,492)	
<b>Senior Mini-Grant:</b>									
O34	817130819212	Senior Transportation Grant	-	71,784	-	(113,908)	-	(42,124)	(f)
Total Senior Mini-Grant			-	71,784	-	(113,908)	-	(42,124)	
Total <i>TransNet</i> Extension			(4,702,906)	4,457,487	21,866	(2,809,293)	-	(3,032,846)	
Total <i>TransNet</i> and <i>TransNet</i> Extension			(4,271,208)	4,457,487	21,866	(2,918,859)	-	(2,710,714)	
GASB 31 Market Value Adjustment			4,724	-	20,925	-	-	25,649	
Total <i>TransNet</i> and <i>TransNet</i> Extension afther GASB 31 Adjustment			\$ (4,266,484)	\$ 4,457,487	\$ 42,791	\$ (2,918,859)	\$ -	\$ (2,685,065)	

**Notes:**

- (a) City will request drawdown to remove deficit in FY21.
- (b) Project is complete.
- (c) Funds transferred from O39 (\$92,635) to O41 (\$91,850) and O42 (\$785) through council resolution in May 2020.
- (d) City requested drawdown of commercial paper in August 2019 and November 2019.
- (e) Project balance to be transferred from MPO ID O31 to O41. This action will be included in upcoming council resolution in May 2021.
- (f) Grant funding will be requested for reimbursement in FY21.



**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
O35	N/A	Regional Arterial Management Systems	\$ 89,600	\$ -	\$ (89,600)	\$ -
		Total Congestion Relief - Pass-Through	<u>89,600</u>	<u>-</u>	<u>(89,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
O17	905120100212	Loma Alta Creek Detention Basins	<u>2,380,780</u>	<u>-</u>	<u>(2,394,236)</u>	<u>(13,456)</u>
O24	902754200212	Street Restoration	<u>24,414,021</u>	<u>-</u>	<u>(25,356,639)</u>	<u>(942,618)</u>
O25	902146516212	Downtown Fiber-Optic	<u>146,900</u>	<u>-</u>	<u>(167,123)</u>	<u>(20,223)</u>
O33	902131200212	Coast Hwy Corridor Study/EIR	1,159,218	-	(1,034,941)	124,277
O33	902137100212	Coast Hwy Vision EIR-SA	<u>323,068</u>	<u>-</u>	<u>(323,068)</u>	<u>-</u>
		Total O33 Projects	<u>1,482,286</u>	<u>-</u>	<u>(1,358,009)</u>	<u>124,277</u>
O37	902135600212	Bicycle Master Plan/Bike Sfty	<u>283,065</u>	<u>-</u>	<u>(290,129)</u>	<u>(7,064)</u>
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	722,500	-	(786,913)	(64,413)
O38	902135500212	Neighborhood Traffic Sfty Impr	<u>246,629</u>	<u>-</u>	<u>(390,814)</u>	<u>(144,185)</u>
		Total O38 Projects	<u>969,129</u>	<u>-</u>	<u>(1,177,727)</u>	<u>(208,598)</u>
		Subtotal Congestion Relief	<u>29,676,181</u>	<u>-</u>	<u>(30,743,863)</u>	<u>(1,067,682)</u>

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Congestion Relief balance carried forward	<u>\$ 29,676,181</u>	<u>\$ -</u>	<u>\$ (30,743,863)</u>	<u>\$ (1,067,682)</u>
O39	902135200212	Clementime Intersection Reconstruction	<u>364,241</u>	<u>-</u>	<u>(364,241)</u>	<u>-</u>
O39	917141614212	Coco Palms Flood Imprvmnt	<u>528,276</u>	<u>-</u>	<u>(528,276)</u>	<u>-</u>
		Total O39 Projects	<u>892,517</u>	<u>-</u>	<u>(892,517)</u>	<u>-</u>
O40	902135400212	Mainline R/R Xing Sfty	<u>5,239,000</u>	<u>-</u>	<u>(5,468,097)</u>	<u>(229,097)</u>
O41	907118100212	Lot 23 Transit Parking Strctr	<u>2,454,725</u>	<u>-</u>	<u>(3,682,979)</u>	<u>(1,228,254)</u>
O42	902145616212	Seagaze Downtown Mobility - Cnstrt	<u>833</u>	<u>-</u>	<u>(833)</u>	<u>-</u>
O45	902146816212	Mission Ave from Carolyn Cir to Foussat Rd	<u>559,835</u>	<u>-</u>	<u>(604,470)</u>	<u>(44,635)</u>
O45	902147216212	Douglas Dr Median HSIP-City	<u>105,998</u>	<u>-</u>	<u>(131,340)</u>	<u>(25,342)</u>
		Total O45 Projects	<u>665,833</u>	<u>-</u>	<u>(735,810)</u>	<u>(69,977)</u>
O46	904146616212	Coastal Rail Trail Oblvd Morse	<u>115,000</u>	<u>-</u>	<u>(136,724)</u>	<u>(21,724)</u>
O47	907146416212	Pier Restoration	<u>500,000</u>	<u>-</u>	<u>(466,250)</u>	<u>33,750</u>
		Subtotal Congestion Relief	<u>39,544,089</u>	<u>-</u>	<u>(42,127,073)</u>	<u>(2,582,984)</u>

**SCHEDULE B**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Congestion Relief balance carried forward	\$ 39,544,089	\$ -	\$ (42,127,073)	\$ (2,582,984)
		Commercial Paper Debt Services	1,832,135	-	(1,832,135)	-
		Interest Income	-	135,004	-	135,004
		Total Congestion Relief	41,376,224	135,004	(43,959,208)	(2,447,980)
		<b>Maintenance:</b>				
O18	425411212	Misc Traffic Markings	374,670	-	(384,163)	(9,493)
O18	425418212	Neighborhood Traffic Improvement	820,190	-	(803,073)	17,117
O18	425426212	Misc Street Projects	7,619,617	-	(8,212,350)	(592,733)
		Total O18 Projects	8,814,477	-	(9,399,586)	(585,109)
		Interest Income	-	57,859	-	57,859
		Total Maintenance	8,814,477	57,859	(9,399,586)	(527,250)
		Total Local Street Improvements	50,280,301	192,863	(53,448,394)	(2,975,230)
		<b>Bike and Pedestrian:</b>				
O30	902129800212	2-Year Educ/Encour/Awareness	177,521	-	(177,521)	-
O47	902157419212	Pier VWay Bridge Replacement PDR	-	-	(15,190)	(15,190)
O48	836161619212	Sandag ATGP Bike Storage	-	-	(302)	(302)
		Total Bike and Pedestrian	177,521	-	(193,013)	(15,492)

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		<b>Senior Mini-Grant:</b>				
034	817130816212	Senior Transportation Grant	\$ 867,736	\$ -	\$ (909,860)	\$ (42,124)
		Total Senior Mini-Grant	<u>867,736</u>	<u>-</u>	<u>(909,860)</u>	<u>(42,124)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>51,325,558</u>	<u>192,863</u>	<u>(54,551,267)</u>	<u>(3,032,846)</u>
		<b>Completed Projects:</b>				
		LSI - Congestion Relief	6,578,324	-	(6,578,324)	-
		LSI - Maintenance	5,288,446	220	(5,288,666)	-
		Bike and Pedestrian	390,099	-	(390,099)	-
		Smart Growth	431,451	-	(431,451)	-
		Senior Mini-Grant	<u>757,082</u>	<u>13</u>	<u>(757,095)</u>	<u>-</u>
		Total Completed Projects	<u>13,445,402</u>	<u>233</u>	<u>(13,445,635)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 64,770,960</u>	<u>\$ 193,096</u>	<u>\$ (67,996,902)</u>	<u>\$ (3,032,846)</u>

**SCHEDULE C**

**CITY OF OCEANSIDE, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2020

Project Year	Last Date to Spend funds	MPO ID	Cumulative				Funds Committed June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020	O22	\$ 402,690	\$ -	\$ (402,690)	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021	O22	251,826	1,690	(253,516)	-	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	O22	128,478	911	(129,389)	-	-	-	
For Fiscal Year ended June 30, 2016	June 30, 2023	O22	256,521	1,798	(258,319)	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	O22	912,159	7,156	(919,315)	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	O22	951,228	-	(546,339)	-	(404,889)	404,889	
For Fiscal Year ended June 30, 2019	June 30, 2026	O22	623,484	-	-	-	(623,484)	623,484	
For Fiscal Year ended June 30, 2020	June 30, 2027	O22	509,334	-	-	-	(171,627)	509,334	
Interest Income			-	11,091	-	-	-	11,091	
<b>Total RTCIP Funds</b>			<b>\$ 4,035,720</b>	<b>\$ 22,646</b>	<b>\$ (2,509,568)</b>	<b>\$ -</b>	<b>\$ (1,200,000)</b>	<b>\$ 1,548,798</b>	<b>\$ 1,223,451</b>

**CITY OF POWAY, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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



- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$1,047,721. We selected \$842,854 (80.45%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures identified during FY20.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated during FY20.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which had no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which had no activity over the past two years.

- i. 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: A signed staff report was approved on May 5, 2020 for the transfer of funds.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there were no non-*TransNet* activities during FY20.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$1,526,639
Less: debt service payment	<u>-</u>
Net estimated apportionment	1,526,639
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>457,992</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	291,809
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>291,809</u>
Fund balance under apportionment	<u>\$166,183</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held <u>by City</u>	Funds Held <u>by SANDAG</u>	<u>Total</u>
Congestion Relief	\$ 291,809	\$1,396,344	\$1,688,153
Maintenance	<u>-</u>	<u>59,289</u>	<u>59,289</u>
Totals	<u>\$291,809</u>	<u>\$1,455,633</u>	<u>\$1,747,442</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 29.49% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$11,012,849	\$1,325,847	\$12,338,696
Maintenance	5,223,100	32,415	5,255,515
Interest	<u>35,067</u>	<u>97,371</u>	<u>132,438</u>
Total local street and road revenue	<u>\$16,271,016</u>	<u>\$1,455,633</u>	<u>\$17,726,649</u>
30% of total local street and road revenue			\$5,317,994
Less maintenance expenditures incurred to date			<u>(5,227,744)</u>
Available maintenance funds			<u>\$ 90,250</u>
Cumulative percentage expended for maintenance			<u>29.49%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
    2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
    3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported a roll forward schedule.

Results: The City was not in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. See Finding Number 1 in the Findings and Recommendations section of this report. MOE activity for the year ended June 30, 2020, is summarized as follows:

Current year local discretionary expenditures	\$1,070,545
Less MOE base year requirement	<u>(1,088,158)</u>
Excess MOE for the year ended June 30, 2020	<u>\$(17,613)</u>

- 13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$27,764. We selected \$17,700 (63.75%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP payroll expenditures for fiscal year ending June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 27, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.



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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Fan UP". The signature is written in a cursive, flowing style.

Irvine, California  
March 19, 2021

**CITY OF POWAY, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

**(1) Need to Meet Maintenance of Effort (MOE) Requirement**

The City did not meet its MOE requirement for Streets and Roads as follows:

Current year local discretionary expenditures	\$1,070,545
Less MOE base year requirement	<u>(1,088,158)</u>
Excess (shortfall) MOE for the year ended June 30, 2020	<u>\$ (17,613)</u>

*TransNet* Extension Ordinance Section 8 states in part:

“Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to operative date as of this Ordinance...”

**Recommendation**

We recommend the City budget and incur adequate discretionary expenditures in order to meet its MOE requirement.

**Management Response**

The City of Poway did not achieve the SANDAG Maintenance of Effort (MOE) requirement for Fiscal Year 2020. The MOE requirement was \$1,088,158, while the City’s discretionary expenditures totaled \$1,070,545, leaving a deficit of \$17,613. The City budgeted enough funds to meet the requirement, however, circumstances occurred that slowed progress on a major capital project as well as our maintenance schedule. Work on our major capital project, Espola Road Safety Improvements, was delayed due to design and easement issues related to undergrounding of utilities. The undergrounding needs to be completed before road work can begin. Additionally, during the last quarter of the fiscal year the novel coronavirus 2019 (COVID-19) pandemic caused delays to the Streets Maintenance program. Safety protocols mandated smaller crews and focus was shifted from paving to crack sealing, resulting in reduced labor and materials costs. The City will request the Commission to allow the City to make up the shortfall by June 20, 2021.

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF POWAY, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief Pass-Through:</b>									
POW 29	0411-4320D	Regional Arterial Management Systems	\$ -	\$ 7,300	\$ -	\$ (7,300)	\$ -	\$ -	
		Total Congestion Relief Pass-Through	-	7,300	-	(7,300)	-	-	
<b>Congestion Relief:</b>									
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	-	95,351	642	(76,062)	-	19,931	
POW 38	411040-43202	Annual Reconstruction and Overlay Project	322,677	-	6,489	(306,465)	178,796	201,497	(a)
POW 46	STR0008	Poway Rd Left Turn Improvements	427,646	-	2,266	(180,735)	(178,796)	70,381	(a)(b)
		Total Congestion Relief	750,323	95,351	9,397	(563,262)	-	291,809	
<b>Maintenance:</b>									
POW 30	411040-43203	Street Maintenance Project	19,059	458,100	-	(477,159)	-	-	(c)
		Total Maintenance	19,059	458,100	-	(477,159)	-	-	
		Total Local Street Improvement	769,382	560,751	9,397	(1,047,721)	-	291,809	
		Subtotal <i>TransNet</i> Extension	769,382	560,751	9,397	(1,047,721)	-	291,809	
		GASB 31 Market Value Adjustment	1,284	-	4,357	-	-	5,641	
		Total <i>TransNet</i> Extension	\$ 770,666	\$ 560,751	\$ 13,754	\$ (1,047,721)	\$ -	\$ 297,450	

**Notes:**

- (a) Cash from completed project POW46 (STR0008) to POW38 (411040-43202) in the amount of \$178,796. The City obtained Council Approval via Staff Resolution 19-013.
- (b) Project complete. The remaining balance will be transferred to another project in FY2020-21.
- (c) The expenditures for the City's Maintenance program were substantially made during the first part of the fiscal year. However, due to cash flow constraints, TransNet funds were received throughout the fiscal year. This resulted in an average negative cash balance during the fiscal year. Therefore, the fund received no interest allocation.

**SCHEDULE B**

**CITY OF POWAY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass-Through:</b>						
POW 29	0411-4320D	Regional Arterial Management Systems	\$ 58,400	\$ -	\$ (58,400)	\$ -
Total Congestion Relief Pass-Through			58,400	-	(58,400)	-
<b>Congestion Relief:</b>						
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	95,351	642	(76,062)	19,931
POW 38	411040-43202	Annual Reconstruction and Overlay Project	924,624	9,899	(733,026)	201,497
POW 46	STR0008	Poway Rd Left Turn Improvements	252,264	6,786	(188,669)	70,381
Total Congestion Relief			1,272,239	17,327	(997,757)	291,809
<b>Maintenance:</b>						
POW 30	411040-43203	Street Maintenance Project	902,400	-	(902,400)	-
Total Maintenance			902,400	-	(902,400)	-
Subtotal Cumulative <i>TransNet</i> Extension			2,233,039	17,327	(1,958,557)	291,809
<b>Completed Projects:</b>						
Local Street Improvements:						
Congestion Relief						
			9,682,210	13,096	(9,695,306)	-
Maintenance						
			4,320,700	4,644	(4,325,344)	-
Total Completed Projects			14,002,910	17,740	(14,020,650)	-
Total Cumulative <i>TransNet</i> Extension			\$ 16,235,949	\$ 35,067	\$ (15,979,207)	\$ 291,809

**SCHEDULE C**

**CITY OF POWAY, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed June 30, 2020	Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2011	June 30, 2018	POW37	\$ 158,156	\$ -	\$ (54,692)	\$ -	\$ (103,464)	\$ 103,464	\$ 137,145	(a)
For Fiscal Year ended June 30, 2012	June 30, 2019	POW37	6,369	-	-	-	(6,369)	6,369	6,552	(a)
For Fiscal Year ended June 30, 2013	June 30, 2020	POW37	30,310	-	-	-	(30,310)	30,310	30,940	(a)
For Fiscal Year ended June 30, 2014	June 30, 2021	POW37	17,672	-	-	-	(5,165)	17,672	17,958	(a)
For Fiscal Year ended June 30, 2015	June 30, 2022		20,336	-	-	-	-	20,336	20,412	
For Fiscal Year ended June 30, 2016	June 30, 2023		25,360	-	-	-	-	25,360	25,360	
For Fiscal Year ended June 30, 2017	June 30, 2024		32,998	-	-	-	-	32,998	32,998	
For Fiscal Year ended June 30, 2018	June 30, 2025		43,275	-	-	-	-	43,275	43,275	
For Fiscal Year ended June 30, 2019	June 30, 2026		17,464	-	-	-	-	17,464	17,464	
For Fiscal Year ended June 30, 2020	June 30, 2027		43,064	-	-	-	-	43,064	-	
Interest Income			-	32,166	-	-	-	32,166	17,383	
Subtotal RTCIP Funds			395,004	32,166	(54,692)	-	(145,308)	372,478	349,487	
GASB 31 Market Value Adjustment			-	6,637	-	-	-	6,637	1,131	
Total RTCIP Funds			\$ 395,004	\$ 38,803	\$ (54,692)	\$ -	\$ (145,308)	\$ 379,115	\$ 350,618	

**Notes:**

(a) The POW37 project is in design phase. The project crosses a sensitive easement requiring an encroachment permit from the San Diego County Water Authority (SDCWA). After initial coordination with SDCWA, the design scope was expanded to mitigate unavoidable conflicts and accommodate specific requirements in order to obtain permit approvals to move the project forward. If the City's revised design satisfies SDCWA requirements, the project will proceed to design completion.

**CITY OF SAN DIEGO, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.



6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$35,245,968, excluding those related to debt service activities. We selected \$9,318,205 (26.44%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

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

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. 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, two city departments charged labor and applied indirect costs to projects in the RTIP. The indirect cost rates charged by the departments ranged from 10.0% to 169.8%% of direct labor. Total indirect costs included within projects in the RTIP were \$4,594,781 or 14.10% of total *TransNet* expenditures. The City's cost allocation plan has not been reviewed by a federal or state agency, nor has it been audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- l. 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.

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

Results: This procedure is not applicable as there were no non-*TransNet* activity.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$35,268,171
Less: debt service payment	<u>(2,907)</u>
Net estimated apportionment	35,265,264
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>10,579,579</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	6,485,121
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>6,485,121</u>
Fund balance over apportionment	<u>\$4,094,458</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$6,485,121	\$22,224,199	\$28,709,320
Maintenance	<u>-</u>	<u>2,674,174</u>	<u>2,674,174</u>
Totals	<u>\$6,485,121</u>	<u>\$24,898,373</u>	<u>\$31,383,494</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 27.25% of cumulative local street and road revenue for maintenance as indicated as follows:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$269,083,504	\$18,768,151	\$287,851,655
Maintenance	110,183,899	1,002,379	111,186,278
Interest	<u>231,341</u>	<u>5,127,843</u>	<u>5,359,184</u>
Total local street and road revenue	<u>\$379,498,744</u>	<u>\$24,898,373</u>	<u>\$404,397,117</u>
30% of total local street and road revenue			\$121,319,135
Less maintenance expenditures incurred to date			<u>(110,183,899)</u>
Available maintenance funds			<u>\$11,135,236</u>
Cumulative percentage expended for maintenance			<u>27.25%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payment</u>
Commercial Paper	\$ -	\$26,167,000	\$ -	\$26,167,000	\$ 2,907

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

	<u>Street and Road</u>	<u>Specialized Transportation Services</u>	<u>Transit Bus Subsidies</u>	<u>Total</u>
Current year local discretionary expenditures	\$33,994,983	\$167,817	\$976,059	\$35,138,859
Less MOE base year requirement	<u>(22,679,581)</u>	<u>(167,817)</u>	<u>(903,424)</u>	<u>(23,750,822)</u>
Excess MOE for the year ended June 30, 2020	<u>\$11,315,402</u>	<u>\$ -</u>	<u>\$72,635</u>	<u>\$11,388,037</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$4,329,429. We selected \$722,012 (16.68%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

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

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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

- ix. 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 existed to ensure all qualified properties were included in the program.

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



- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: The City allowed a developer credit of \$101,480 for purposes of complying with the RTCIP exaction fees. No exceptions were noted as a result of our procedures.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 25, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

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

- 15. 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.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SD16A	13001747	Regional Arterial Management Systems	\$ -	\$ 67,600	\$ -	\$ (67,600)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	67,600	-	(67,600)	-	-	
<b>Congestion Relief - Commercial Paper:</b>									
SD70	S00871	Commercial Paper	-	26,167,000	-	-	-	26,167,000	(a)
		Total Congestion Relief - Commercial Paper:	-	26,167,000	-	-	-	26,167,000	
<b>Congestion Relief:</b>									
SD09	AIK.00001	New Walkways	279,204	1,397,854	-	(1,456,677)	-	220,381	
SD15	AIH.00001	Street Lights - Smart Growth Areas	(400,840)	1,287,812	-	(449,296)	-	437,676	
SD16A	21004805	Traffic Signals - Modifications/ Modernization	-	106,499	-	(106,499)	-	-	
SD16A	AIL.00002	Traffic Signal Interconnect Projects	6,338	483,999	-	(249,391)	-	240,946	
SD16A	AIL.00004	Traffic Signals - Citywide	249,109	1,402,028	-	(1,518,151)	-	132,986	
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	826,972	547,342	-	(1,277,786)	-	96,528	
		Total SD16A Projects	1,082,419	2,539,868	-	(3,151,827)	-	470,460	
SD18	AIL.00001	Traffic Control/Calmng Measures - Smart Growth Areas	19,586	610,786	-	(285,316)	-	345,056	
		Subtotal Congestion Relief	980,369	5,836,320	-	(5,343,116)	-	1,473,573	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Congestion Relief balance carried forward	\$ 980,369	\$ 5,836,320	\$ -	\$ (5,343,116)	\$ -	\$ 1,473,573	
SD23	ACA.00001	Drainage Projects	(181,499)	181,499	-	(175,545)	-	(175,545)	(b)
SD32	S00841	Carroll Canyon Rd Sorrento Valley Road to I-805	-	170,762	-	-	-	170,762	
SD34	S00856	El Camino Real Road and Bridge Widening	46,986	103,857	-	(30,024)	-	120,819	
SD38	S00863	Georgia St Bridge & University Ave	94,780	26,062	-	(141,718)	20,876	-	(c)
SD49	AIG.00001	Median Installation	94,474	1,350,969	-	(925,072)	-	520,371	
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	70,831	177,795	-	(102,999)	-	145,627	
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	(1,104,362)	1,104,362	-	-	-	-	
SD83	S00851	State Route 163 and Friars Road, Phase I	16,032	1,974,937	-	(2,022,421)	31,452	-	(c)
SD90	S00905	Clairemont Mesa/SR163	19,299	-	-	(13,911)	-	5,388	
		Subtotal Congestion Relief	36,910	10,926,563	-	(8,754,806)	52,328	2,260,995	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

MPOP ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Congestion Relief balance carried forward	\$ 36,910	\$ 10,926,563	\$ -	\$ (8,754,806)	\$ 52,328	\$ 2,260,995	
SD96	AID.00005	Resurfacing of City Streets	241,000	7,165,189	-	(6,328,890)	-	1,077,299	
SD99	AIE.00001	Bridge Rehabilitation	400,851	965	-	(240,269)	-	161,547	
SD102A	S11060	Otay Mesa Truck Route Phase 4	203,035	2,076,597	-	(1,342,260)	-	937,372	
SD108	S00944	Bayshore Bikeway (ARRA)	-	8,945	-	-	(8,945)	-	(c)(d)
SD120	S00958	San Diego River Multi-Use Bicycle & Pedestrian Path	-	49,510	-	-	(49,510)	-	(c)(d)
SD129	S00915	University Avenue Mobility Project	-	-	-	-	-	-	(e)
SD137	S00913	Palm Avenue Roadway Improvements	-	-	-	(13,644)	13,644	-	(c)
SD153	S00985	25th Street Renaissance Project	-	-	-	(37,685)	37,685	-	(c)(d)
SD157	S00921	Cherokee Street Improvements	5,985	-	-	(4,205)	(1,780)	-	(c)(d)
SD164	S00880	Miramar Road / I-805 Easterly Ramps	-	33,665	-	(78,660)	44,995	-	(c)
SD166	AIA.00001	Minor Bicycle Facilities	137,637	240,562	-	(162,312)	-	215,887	
SD179	S-00907	Linda Vista Road and Genesee Avenue	4,166	-	-	(4,166)	-	-	
SD186	21002143	Administrative Expenses - Comptrollers	(3,188)	102,500	-	(104,086)	-	(4,774)	(b)
SD186	21002273	Administrative Expenses - Engineering	(3,779)	183,582	-	(180,271)	-	(468)	(b)
		Total SD186 Projects	(6,967)	286,082	-	(284,357)	-	(5,242)	
		Subtotal Congestion Relief	1,022,617	20,788,078	-	(17,251,254)	88,417	4,647,858	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Congestion Relief balance carried forward	\$ 1,022,617	\$ 20,788,078	\$ -	\$ (17,251,254)	\$ 88,417	\$ 4,647,858	
SD188	various	Congestion Relief /Traffic Signal Operations	2,442	3,283,730	-	(3,283,730)	(2,442)	-	(c)
SD200	S14009	SR56 / Euclid Avenue Interchange Improv	(155,827)	410,174	-	(208,990)	-	45,357	
SD208	S00602	Juan Street - Concrete Street	80,647	-	-	(14,245)	-	66,402	
SD209	S00877	Torrey Pines Road Slope Reconstruction	(300,000)	300,000	-	(18,448)	18,448	-	(c)
SD210	S00988	Five Points Neighborhood Pedestrian Impr	-	-	-	(9,630)	9,630	-	(c)(d)
SD226	S00870	Old Otay Road Westerly	13,208	82,681	-	(106,102)	10,213	-	(c)
SD235	S15023	Torrey Pine Road Improvement Phase 2	(104,151)	104,151	-	(136,564)	136,564	-	(c)
SD237	S00951	Coastal Rail Trail	103,251	819,223	-	(312,590)	-	609,884	
SD245	S16061	Market St-47th St to Euclid Complete St	(185,166)	1,241,225	-	(172,595)	-	883,464	
SD248	S13018	Avenida de la Playa Infrastructure - SD	82,093	-	-	(11,503)	(70,590)	-	(c)(d)
SD249	S18000	Steamview Drive Phase 2	591	659,915	-	(308,293)	-	352,213	
SD252	S18001	University Ave Complete Street Phase 1	9,278	19,940	-	(214,344)	2	(185,124)	(b)(f)
		Commercial Paper Debt Services	-	2,907	-	(2,907)	-	-	
		Interest income - Congestion Relief 70%	3,980	-	183,046	-	(121,959)	65,067	(c)
		<b>Total Congestion Relief</b>	<b>572,963</b>	<b>27,712,024</b>	<b>183,046</b>	<b>(22,051,195)</b>	<b>68,283</b>	<b>6,485,121</b>	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>Maintenance:</b>									
SD176	13000768	Maintenance	\$ 60,556	\$ 10,474,596	\$ -	\$ (10,474,596)	\$ (60,556)	\$ -	(c)(g)
		Interest income - Maintenance 30%	7,725	-	-	-	(7,725)	-	(c)(g)
		Total Maintenance	68,281	10,474,596	-	(10,474,596)	(68,281)	-	
		Total Local Street Improvements	641,244	64,421,220	183,046	(32,593,391)	2	32,652,121	
<b>Active Transportation:</b>									
SD259	1000530-2018	Move Free SD Education, Encouragement, and Awareness Campaign	\$ (2,602)	\$ 70,556	\$ -	\$ (100,027)	\$ -	\$ (32,073)	(h)
		Total Active Transportation	(2,602)	70,556	-	(100,027)	-	(32,073)	
<b>Smart Growth:</b>									
SD227	1000401-2013	Morena Blvd Stn Study Ph 2	(40,000)	40,000	-	-	-	-	(i)
SD241	1000451-2015	Pacific Beach Green Park & Transit	(234,504)	234,504	-	-	-	-	(i)
SD243	5004750	14th St Pedestrian Promenade Demonstration Block	(29,012)	16,920	-	(365,626)	-	(377,718)	(h)
SD253	1000529-2018	Clairemont TOD Design Concepts	(65,459)	146,798	-	(186,246)	-	(104,907)	(h)
SD254	1000527-2018	College Area Smart Growth Study	(95)	86	-	(122,990)	-	(122,999)	(h)
SD255	5005471	E Street Greenway Master Plan	-	53,570	-	(79,330)	-	(25,760)	(h)
SD256	1000525-2018	Mira Mesa Transit Oriented Development Concept Plan	(67,025)	236,142	-	(317,385)	-	(148,268)	(h)
SD257	1000528-2018	University Community Smart Growth Concept Study	(19,713)	169,273	-	(332,986)	-	(183,426)	(h)
		Subtotal Smart Growth	(455,808)	897,293	-	(1,404,563)	-	(963,078)	



**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
		Smart Growth balance carried forward	\$ (455,808)	\$ 897,293	\$ -	\$ (1,404,563)	\$ -	\$ (963,078)	
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	(61,082)	749,551	-	(992,837)	-	(304,368)	(h)
SD261	5005485	Downtown San Diego Wayfinding Signage - Cycle Network	-	17,748	-	(42,524)	-	(24,776)	(h)
SD262	5005486	East Village Green Park Phase 1	(1,459)	1,420	-	(5,483)	-	(5,522)	(h)
		<b>Total Smart Growth</b>	<u>(518,349)</u>	<u>1,666,012</u>	<u>-</u>	<u>(2,445,407)</u>	<u>-</u>	<u>(1,297,744)</u>	
		<b>Environmental Mitigation:</b>							
VO8	1000531-2018	Otay Res Cactus When	\$ -	\$ 19,501	\$ -	\$ (22,304)	\$ -	\$ (2,803)	(h)
VO8	1000532-2018	San Pasq Cactus Wren	-	11,277	-	(19,906)	-	(8,629)	(h)
VO8	1000534-2018	Navajo Canyon Cactus	-	21,874	-	(40,890)	-	(19,016)	(h)
VO8	1000535-2018	Vernal Pool Habitat - Otay Mesa	-	10,076	-	(11,195)	-	(1,119)	(h)
VO8	1000536-2018	EMP Florida Canyon Habitat	(25,311)	-	-	(15,755)	-	(41,066)	(h)
		<b>Total Environmental Mitigation</b>	<u>(25,311)</u>	<u>62,728</u>	<u>-</u>	<u>(110,050)</u>	<u>-</u>	<u>(72,633)</u>	
		<b>Total <i>TransNet</i> Extension</b>	\$ 94,982	\$ 66,220,516	\$ 183,046	\$ (35,248,875)	\$ 2	\$ 31,249,671	
		<b>GASB 31 Market Value Adjustment</b>	<u>17,819</u>	<u>-</u>	<u>550,606</u>	<u>-</u>	<u>-</u>	<u>568,425</u>	
		<b>Total <i>TransNet</i> Extension after GASB 31 Adjustment</b>	<u>\$ 112,801</u>	<u>\$ 66,220,516</u>	<u>\$ 733,652</u>	<u>\$ (35,248,875)</u>	<u>\$ 2</u>	<u>\$ 31,818,096</u>	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
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Notes:

- (a) Proceeds from the Commercial Paper were subsequently transferred as an interfund loan for the West Mission Bay Blvd Bridge Project. The Commercial Paper principal will be returned to SANDAG after the expenditure for this project has been reimbursed by the Federal grant.
- (b) FY21 draws will provide coverage for MPO ID projects with negative balances as of June 30, 2020.
- (c) City Council approval obtained for the transfer of funds per Resolution R-313396 on December 9, 2020.
- (d) Project is complete.
- (e) The project is inactive (estimated completion date shown) SD129 6/30/2022.
- (f) Rounding adjustment.
- (g) Restated beginning balance by moving \$11,195 prior year interest from SD176 to maintenance.
- (h) Negative grant balances as of June 30, 2020 covered with Grant Reimbursement in FY21 or withheld retention to be released when the project is completed.
- (i) Grant completed.

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SD16A	13001747	Regional Arterial Management Systems	\$ 540,800	\$ -	\$ (540,800)	\$ -
		Total Congestion Relief - Pass-Through	<u>540,800</u>	<u>-</u>	<u>(540,800)</u>	<u>-</u>
<b>Congestion Relief - Commercial Paper:</b>						
SD70	S00871	Commercial paper	<u>26,167,000</u>	<u>-</u>	<u>-</u>	<u>26,167,000</u>
		Total Congestion Relief - Commercial Paper	<u>26,167,000</u>	<u>-</u>	<u>-</u>	<u>26,167,000</u>
<b>Congestion Relief:</b>						
SD09	AIK.00001	New Walkways (ARRA)	1,885,685	(8,383)	(1,877,302)	-
SD09	AIK.00001	New Walkways	<u>8,646,468</u>	<u>-</u>	<u>(8,426,087)</u>	<u>220,381</u>
		Total SD09 Projects	<u>10,532,153</u>	<u>(8,383)</u>	<u>(10,303,389)</u>	<u>220,381</u>
SD15	AIH.00001	Street Lights - Smart Growth Areas	<u>2,564,638</u>	<u>(4,702)</u>	<u>(2,122,260)</u>	<u>437,676</u>
SD16A	21004805	Traffic Signals - Modifications/modernization	106,499	-	(106,499)	-
SD16A	AIL.00002	Traffic Signal Interconnect Projects	2,039,290	(1,572)	(1,796,772)	240,946
SD16A	AIL.00004	Traffic Signals - Citywide	5,415,012	(4,826)	(5,277,200)	132,986
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	6,909,130	(3,471)	(6,809,131)	96,528
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization (ARRA)	<u>36,100</u>	<u>-</u>	<u>(36,100)</u>	<u>-</u>
		Total SD16A Projects	<u>14,506,031</u>	<u>(9,869)</u>	<u>(14,025,702)</u>	<u>470,460</u>
SD18	AIL.00001	Traffic Control/Calming Measures - Smart Growth Areas	<u>4,350,068</u>	<u>(2,224)</u>	<u>(4,002,788)</u>	<u>345,056</u>
		Subtotal Congestion Relief	<u>31,952,890</u>	<u>(25,178)</u>	<u>(30,454,139)</u>	<u>1,473,573</u>

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	\$ 31,952,890	\$ (25,178)	\$ (30,454,139)	\$ 1,473,573
SD19	S00864	Streamview Drive	3,247,863	(2,862)	(3,245,001)	-
SD19	S00864	Streamview Drive (ARRA)	186,265	-	(186,265)	-
		Total SD19 Projects	3,434,128	(2,862)	(3,431,266)	-
SD23	ACA.00001	Drainage Projects	6,295,576	(1,690)	(6,469,431)	(175,545)
SD23	ACA.00001	Drainage Projects (ARRA)	1,260,000	-	(1,260,000)	-
		Total SD23 Projects	7,555,576	(1,690)	(7,729,431)	(175,545)
SD29	S00845	43rd Street Widening	2,574,998	-	(2,574,998)	-
SD32	S00841	Carroll Canyon Rd Sorrento Valley Road to I-805	170,762	-	-	170,762
SD34	S00856	El Camino Real Road and Bridge Widening	825,190	2,965	(707,336)	120,819
SD38	S00863	Georgia St Bridge & University Ave	2,417,801	916	(2,418,717)	-
SD49	AIG.00001	Median Installation	3,504,046	(4,375)	(2,979,300)	520,371
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	969,285	1,817	(825,475)	145,627
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	2,195,329	(1,394)	(2,193,935)	-
SD83	S00851	State Route 163 and Friars Road, Phase I	31,391,086	(27,402)	(31,363,684)	-
		Subtotal Congestion Relief	86,991,091	(57,203)	(84,678,281)	2,255,607

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	\$ 86,991,091	\$ (57,203)	\$ (84,678,281)	\$ 2,255,607
SD90	S00905	Clairemont Mesa/SR163	8,323,823	(10,234)	(8,308,201)	5,388
SD96	AID.00005	Resurfacing of City Streets	28,841,683	-	(27,764,384)	1,077,299
SD96	AID.00005	Resurfacing of City Streets (ARRA)	49,144	-	(49,144)	-
		Total SD96 Projects	28,890,827	-	(27,813,528)	1,077,299
SD99	AIE.00001	Bridge Rehabilitation	2,554,752	(492)	(2,392,713)	161,547
SD102A	S11060	Otay Mesa Truck Route Phase 4	3,725,557	-	(2,788,185)	937,372
SD106	S00839	Mission Beach Boardwalk Bulkhead	487,762	-	(487,762)	-
SD108	S00944	Bayshore Bikeway (ARRA)	145,649	-	(145,649)	-
SD113	S00914	Sorrento valley Rd & I-5 Interchange	463,068	-	(463,068)	-
SD120	S00958	San Diego River Multi-Use Bicycle & Pedestrian Path	-	-	-	-
SD129	S00915	University Avenue Mobility Project	1,550,585	(1,380)	(1,549,205)	-
SD129	S00915	University Avenue Mobility Project (ARRA)	180,000	-	(180,000)	-
		Total SD129 Projects	1,730,585	(1,380)	(1,729,205)	-
		Subtotal Congestion Relief	133,313,114	(69,309)	(128,806,592)	4,437,213

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	\$ 133,313,114	\$ (69,309)	\$ (128,806,592)	\$ 4,437,213
SD137	S00913	Palm Avenue Roadway Improvements	4,354,314	(1,627)	(4,352,687)	-
SD153	S00985	25th Street Renaissance Project	2,394,222	(1,201)	(2,393,021)	-
SD157	S00921	Cherokee Street Improvements	1,898,225	(321)	(1,897,904)	-
SD164	S00880	Miramar Road / I-805 Easterly Ramps	63,275	15,385	(78,660)	-
SD166	AIA.00001	Minor Bicycle Facilities	1,768,703	(171)	(1,552,645)	215,887
SD166	S00981	El Camino Real Road / SR-56 Bike Path Connector	10,000	-	(10,000)	-
SD166	S00955	Minor Bicycle Facilities	6,256	-	(6,256)	-
		Total SD166 Projects	1,784,959	(171)	(1,568,901)	215,887
SD179	S-00907	Linda Vista Road and Genesee Avenue	917,884	(483)	(917,401)	-
SD186	21002143	Administrative Expenses - Comptrollers	1,006,666	2,320	(1,013,760)	(4,774)
SD186	21002273	Administrative Expenses - Engineering	2,036,455	431	(2,037,354)	(468)
		Total SD186 Projects	3,043,121	2,751	(3,051,114)	(5,242)
		Subtotal Congestion Relief	147,769,114	(54,976)	(143,066,280)	4,647,858

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		Congestion Relief balance carried forward	<u>\$ 147,769,114</u>	<u>\$ (54,976)</u>	<u>\$ (143,066,280)</u>	<u>\$ 4,647,858</u>
SD188	various	Congestion Relief /Traffic Signal Operations	<u>25,582,704</u>	<u>39,944</u>	<u>(25,622,648)</u>	<u>-</u>
SD200	S14009	SR56 / Euclid Avenue Interchange Improv	<u>3,050,000</u>	<u>-</u>	<u>(3,004,643)</u>	<u>45,357</u>
SD208	S00602	Juan Street - Concrete Street	<u>2,133,137</u>	<u>-</u>	<u>(2,066,735)</u>	<u>66,402</u>
SD209	S00877	Torrey Pines Road Slope Reconstruction	<u>1,154,985</u>	<u>18,448</u>	<u>(1,173,433)</u>	<u>-</u>
SD210	S00988	Five Points Neighborhood Pedestrian Impr	<u>763,723</u>	<u>9,630</u>	<u>(773,353)</u>	<u>-</u>
SD226	S00870	Old Otay Mesa Road - Westerly	<u>8,940,793</u>	<u>10,213</u>	<u>(8,951,006)</u>	<u>-</u>
SD226	S00870	Old Otay Mesa Road - Westerly (ARRA)	<u>750,000</u>	<u>-</u>	<u>(750,000)</u>	<u>-</u>
		Total SD226 Projects	<u>9,690,793</u>	<u>10,213</u>	<u>(9,701,006)</u>	<u>-</u>
SD235	S15023	Torrey Pine Road Improvement Phase 2	<u>1,506,493</u>	<u>108,738</u>	<u>(1,615,231)</u>	<u>-</u>
SD237	S00951	Coastal Rail Trail	<u>1,850,000</u>	<u>-</u>	<u>(1,240,116)</u>	<u>609,884</u>
SD245	S16061	Market St-47th St to Euclid Complete St	<u>1,353,228</u>	<u>-</u>	<u>(469,764)</u>	<u>883,464</u>
SD248	S13018	Avenida de la Playa Infrastructure - SD	<u>5,548,432</u>	<u>-</u>	<u>(5,548,432)</u>	<u>-</u>
SD249	S18000	Steamview Drive Phase 2	<u>810,000</u>	<u>-</u>	<u>(457,787)</u>	<u>352,213</u>
SD252	S18001	University Ave Complete Street Phase 1	<u>250,000</u>	<u>-</u>	<u>(435,124)</u>	<u>(185,124)</u>
		Commercial Paper Debt Services	<u>2,907</u>	<u>-</u>	<u>(2,907)</u>	<u>-</u>
		Interest Income - Congestion Relief	<u>-</u>	<u>65,067</u>	<u>-</u>	<u>65,067</u>
		Total Congestion Relief	<u>201,465,516</u>	<u>197,064</u>	<u>(195,177,459)</u>	<u>6,485,121</u>

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Maintenance:</b>						
SD176	13000768	Maintenance	\$ 104,133,499	\$ -	\$ (104,133,499)	\$ -
		Interest Income - Maintenance	-	-	-	-
		Total Maintenance	104,133,499	-	(104,133,499)	-
		Total Local Street Improvements	332,306,815	197,064	(299,851,758)	32,652,121
<b>Active Transportation:</b>						
SD259	1000530-2018	Move Free SD Education, Encouragement, and Awareness Campaign	70,556	-	(102,629)	(32,073)
		Total Active Transportation	70,556	-	(102,629)	(32,073)
<b>Smart Growth:</b>						
SD227	1000401-2013	Morena Blvd Stn Study Ph 2	400,001	-	(400,001)	-
SD241	1000451-2015	Pacific Beach Green Park & Transit	399,981	-	(399,981)	-
SD243	5004750	14th St Pedestrian Promenade Demonstration Block	157,762	-	(535,480)	(377,718)
SD253	1000529-2018	Clairemont TOD Design Concepts	146,798	-	(251,705)	(104,907)
SD254	1000527-2018	College Area Smart Growth Study	86	-	(123,085)	(122,999)
SD255	5005471	E Street Greenway Master Plan	53,570	-	(79,330)	(25,760)
SD256	5005471	Mira Mesa Transit Oriented Development Concept Plan	236,142	-	(384,410)	(148,268)
SD257	1000528-2018	University Community Smart Growth Concept Study	169,273	-	(352,699)	(183,426)
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	749,551	-	(1,053,919)	(304,368)
SD261	5005485	Downtown San Diego Wayfinding Signage Cycle Network	17,748	-	(42,524)	(24,776)
SD262	5005486	East Village Green Park Phase 1	1,420	-	(6,942)	(5,522)
		Total Smart Growth	2,332,332	-	(3,630,076)	(1,297,744)



**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Environmental Mitigation:</b>						
V08	1000531-2018	Otay Res Cactus When	\$ 19,501	\$ -	\$ (22,304)	\$ (2,803)
V08	1000532-2018	San Pasq Cactus Wren	11,277	-	(19,906)	(8,629)
V08	1000534-2018	Navajo Canyon Cactus	21,874	-	(40,890)	(19,016)
V08	1000535-2018	Vernal Pool Habitat - Otay Mesa	10,076	-	(11,195)	(1,119)
V08	1000536-2018	EMP Florida Canyon Habitat	-	-	(41,066)	(41,066)
Total Environmental Mitigation			<u>62,728</u>	<u>-</u>	<u>(135,361)</u>	<u>(72,633)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>334,772,431</u>	<u>197,064</u>	<u>(303,719,824)</u>	<u>31,249,671</u>
<b>Completed Projects:</b>						
Major Corridor			3,774,000	35,001	(3,809,001)	-
LSI-Congestion Relief			41,450,988	(724)	(41,450,264)	-
LSI-Maintenance			6,050,400	-	(6,050,400)	-
Bikes and Pedestrian			1,543,659	-	(1,543,659)	-
Smart Growth			4,580,877	-	(4,580,877)	-
Environmental Mitigation			<u>153,274</u>	<u>-</u>	<u>(153,274)</u>	<u>-</u>
Total Completed Projects			<u>57,553,198</u>	<u>34,277</u>	<u>(57,587,475)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 392,325,629</u>	<u>\$ 231,341</u>	<u>\$ (361,307,299)</u>	<u>\$ 31,249,671</u>

CITY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2020

Project Year	Last Date to Spend funds	MPO ID	Cumulative						
			Funds Received	Interest Income	Project Expenditures	City Adjustments	Funds Committed June 30, 2020	Cumulative Status	
								June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020	various	\$ 3,422,066	\$ 38,688	\$ (3,460,754)	\$ -	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2014	June 30, 2021	various	3,766,865	58,628	(3,825,493)	-	-	-	-
For Fiscal Year ended June 30, 2015	June 30, 2022	various	4,291,606	48,891	(4,340,497)	-	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023	various	8,067,505	222,436	(8,289,941)	-	-	-	289,029
For Fiscal Year ended June 30, 2017	June 30, 2024	various	6,897,302	140,438	(4,040,400)	-	-	2,997,340	7,037,740
For Fiscal Year ended June 30, 2018	June 30, 2025		6,311,935	130,648	-	-	-	6,442,583	6,442,583
For Fiscal Year ended June 30, 2019	June 30, 2026		5,300,604	-	-	-	-	5,300,604	5,300,604
For Fiscal Year ended June 30, 2020	June 30, 2026		4,563,070	-	-	-	-	4,563,070	-
Interest Income			-	821,727	-	-	-	821,727	345,631
<b>Total RTCIP Funds</b>			<b>\$ 42,620,953</b>	<b>\$ 1,461,456</b>	<b>\$ (23,957,085)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,125,324</b>	<b>\$ 19,415,587</b>

**CITY OF SAN MARCOS, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: This procedure is not applicable as there was no interest income reported on Schedule A.
    - ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$1,576,460. We selected \$492,249 (31.22%) 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 if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: MPO ID SM67: San Marcos Blvd. at Discovery Street was not included on the 2018 RTIP. Per discussion with SANDAG, the City is able to report these expenditures on Schedule A as the expenditures are programmed into the RTIP and will be eligible for reimbursement in future periods. No other exceptions were noted as a result of our procedures.

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not have any payroll related expenditures during FY20.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments made during FY20.

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

- 8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not



more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$2,332,755
Less: debt service payment	<u>(645,776)</u>
Net estimated apportionment	1,686,979
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>506,094</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(1,075,201)
Maintenance fund balance	<u>22,226</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(1,052,975)</u>
Fund balance under apportionment	<u>\$1,559,069</u>

- We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(1,075,201)	\$ 8,285,468	\$7,210,267
Maintenance	<u>22,226</u>	<u>3,839,316</u>	<u>3,861,542</u>
Totals	<u>\$(1,052,975)</u>	<u>\$12,124,784</u>	<u>\$11,071,809</u>

- We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 9.10% of cumulative local street and road revenue for maintenance as indicated on the following page:

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

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	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$25,018,635	\$ 7,669,786	\$32,688,421
Maintenance	3,723,704	3,584,044	7,307,748
Interest	<u>36,264</u>	<u>870,954</u>	<u>907,218</u>
Total local street and road revenue	<u>\$28,778,603</u>	<u>\$12,124,784</u>	<u>\$40,903,387</u>
30% of total local street and road revenue			\$12,271,016
Less maintenance expenditures incurred to date			<u>(3,723,704)</u>
Available maintenance funds			<u>\$8,547,312</u>
Cumulative percentage expended for maintenance			<u>9.10%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2020</u>	Interest <u>Payments</u>	Total Principal and Interest <u>Payments</u>
2010 Series A Bonds	\$15,139,627	\$ -	\$ -	\$15,139,627	\$ 598,046	\$ 598,046
2014 Series A Bonds	\$ 1,025,000	\$ -	\$(945,000)	\$ 80,000	\$ 32,658	\$ 32,658
2019 Series A Bonds	\$ -	\$945,000	\$ -	\$ 945,000	\$ 15,072	\$ 15,072

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$4,535,309
Less MOE base year requirement	<u>(4,489,387)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 45,922</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$15,031. We selected \$5,719 (38.05%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not have payroll expenditures that exceeded 20% of total RTCIP expenditures.

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 21, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021

## GLOSSARY OF TERMS

**"Annual Street Report"** means the State of California Annual Street Report.

**"Current Fiscal Year"** means the fiscal period of July 1, 2019, through June 30, 2020.

**"ITOC"** means the Independent Taxpayer Oversight Committee.

**"MOE"** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**"MPO ID"** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**"Recipient Agency"** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**"RTCIP"** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**"RTIP"** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**"SANDAG"** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**"SANDAG Board Policy No. 031"** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**"Schedule A"** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**"Schedule B"** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**"*TransNet* Extension Ordinance"** means the 2004 Proposition A.

**"*TransNet* Ordinance and Expenditure Plan"** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF SAN MARCOS, CALIFORNIA**

*TransNet* and *TransNet* Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SM54	N/A	Regional Arterial Management Systems	\$ -	\$ 10,800	\$ -	\$ (10,800)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	10,800	-	(10,800)	-	-	
<b>Congestion Relief:</b>									
SM22	88179	South Santa Fe from Bosstick to Smilax	(88,993)	88,993	-	(10,208)	-	(10,208)	(a)
SM31	88265	Discovery Street Improvements	(348,338)	148,728	-	(148,639)	-	(348,249)	(a)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	(62,244)	49,257	-	(257,370)	-	(270,357)	(a)
SM48	88505	SM Creek Specific Plan	80,878	-	-	(80,824)	-	54	
SM56	88263	Bent Ave Bridge and Street Improvement	(99,960)	44,349	-	(333,454)	-	(389,065)	(a)
SM59	86009	Annual Street Overlay Project	4,349	13,774	-	(18,232)	-	(109)	(a)
SM67	86002	San Marcos Blvd at Discovery St	-	-	-	(71,157)	-	(71,157)	(b)
		2010 Series A Bonds Debt Service	-	598,046	-	(598,046)	-	-	
		2014 Series A Bonds	-	32,658	-	(32,658)	-	-	
		2019 Series A Bonds	-	15,072	-	(15,072)	-	-	
		Subtotal Congestion Relief	(514,308)	990,877	-	(1,565,660)	-	(1,089,091)	
		Interest Income	13,890	-	-	-	-	13,890	
		Total Congestion Relief	(500,418)	990,877	-	(1,565,660)	-	(1,075,201)	
<b>Maintenance:</b>									
		Interest Income	22,226	-	-	-	-	22,226	
		Total Maintenance	22,226	-	-	-	-	22,226	
		Total Local Street Improvements	(478,192)	1,001,677	-	(1,576,460)	-	(1,052,975)	
		Total <i>TransNet</i> Extension	\$ (478,192)	\$ 1,001,677	\$ -	\$ (1,576,460)	\$ -	\$ (1,052,975)	

**Notes:**

(a) The City will request drawdown from programmed funds in FY21.

(b) A drawdown will occur next fiscal year once a formal amendment is opened and the project updated.



**SCHEDULE B**

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SM54	N/A	Regional Arterial Management Systems	\$ 75,600	\$ -	\$ (75,600)	\$ -
		Total Congestion Relief - Pass-Through	<u>75,600</u>	<u>-</u>	<u>(75,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
SM22	88179	South Santa Fe from Bosstick to Smilax	128,229	-	(138,437)	(10,208)
SM31	88265	Discovery Street Improvements	2,394,447	-	(2,742,696)	(348,249)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	319,602	-	(589,959)	(270,357)
SM48	88505	SM Creek Specific Plan	2,771,657	-	(2,771,603)	54
SM56	88263	Bent Ave Bridge and Street Improvement	210,097	-	(599,162)	(389,065)
SM59	86009	Annual Street Overlay Project	113,107	-	(113,216)	(109)
SM67	86002	San Marcos Blvd at Discovery Service	-	-	(71,157)	(71,157)
		2010 Series A Bonds Debt Service	5,706,180	-	(5,706,180)	-
		2014 Series A Bonds	281,730	-	(281,730)	-
		2019 Series A Bonds	<u>15,072</u>	<u>-</u>	<u>(15,072)</u>	<u>-</u>
		Subtotal Congestion Relief	11,940,121	-	(13,029,212)	(1,089,091)
		Interest Income	<u>-</u>	<u>13,890</u>	<u>-</u>	<u>13,890</u>
		Total Congestion Relief	<u>11,940,121</u>	<u>13,890</u>	<u>(13,029,212)</u>	<u>(1,075,201)</u>
<b>Maintenance:</b>						
		Interest Income	<u>-</u>	<u>22,226</u>	<u>-</u>	<u>22,226</u>
		Total Maintenance	<u>-</u>	<u>22,226</u>	<u>-</u>	<u>22,226</u>
		Total Local Street Improvements	<u>12,015,721</u>	<u>36,116</u>	<u>(13,104,812)</u>	<u>(1,052,975)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>12,015,721</u>	<u>36,116</u>	<u>(13,104,812)</u>	<u>(1,052,975)</u>

**(Continued)**

**SCHEDULE B**

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
		<b>Completed projects:</b>				
		Congestion Relief	13,078,514	148	(13,078,662)	-
		Maintenance	3,723,704	-	(3,723,704)	-
		Bikes and Pedestrian	948,941	1,668	(950,609)	-
		Senior Mini-Grant	34,992	-	(34,992)	-
		Smart Growth	1,000,000	-	(1,000,000)	-
		Total Completed Projects	18,786,151	1,816	(18,787,967)	-
		Total Cumulative <i>TransNet</i> Extension	\$ 30,801,872	\$ 37,932	\$ (31,892,779)	\$ (1,052,975)

**SCHEDULE C**

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed	Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2009	June 30, 2016	SM31/SM42	\$ 14,000	\$ 1,011	\$ (15,011)	\$ -	\$ -	\$ -	\$ 15,011	
For Fiscal Year ended June 30, 2010	June 30, 2017	SM31/SM42	2,040	127	(20)	-	(2,167)	2,147	2,167	(a)
For Fiscal Year ended June 30, 2011	June 30, 2018	SM31	93,760	3,919	-	-	(97,679)	97,679	97,679	(a)
For Fiscal Year ended June 30, 2012	June 30, 2019	SM31	82,797	2,672	-	-	(85,469)	85,469	85,469	(a)
For Fiscal Year ended June 30, 2013	June 30, 2020	SM31	1,155,830	15,387	-	-	(1,171,217)	1,171,217	1,171,217	(a)
For Fiscal Year ended June 30, 2014	June 30, 2021		11,045	140	-	-	-	11,185	11,185	
For Fiscal Year ended June 30, 2015	June 30, 2022		166,795	991	-	-	-	167,786	167,786	
For Fiscal Year ended June 30, 2016	June 30, 2023		364,168	-	-	-	-	364,168	364,168	
For Fiscal Year ended June 30, 2017	June 30, 2024		874,955	-	-	-	-	874,955	874,955	
For Fiscal Year ended June 30, 2018	June 30, 2025		1,345,318	-	-	-	-	1,345,318	1,345,318	
For Fiscal Year ended June 30, 2019	June 30, 2026		466,033	-	-	-	-	466,033	466,033	
For Fiscal Year ended June 30, 2020	June 30, 2027		890,385	-	-	-	-	890,385	-	
Interest Income			-	291,560	-	-	-	291,560	188,443	
<b>Total RTCIP Funds</b>			<b>\$ 5,467,126</b>	<b>\$ 315,807</b>	<b>\$ (15,031)</b>	<b>\$ -</b>	<b>\$ (1,356,532)</b>	<b>\$ 5,767,902</b>	<b>\$ 4,789,431</b>	

**Notes:**

(a) FY10-FY13 funds accumulated for CIP 88265 (SM31) scheduled for completion in Fall 2021.

**CITY OF SANTEE, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$348,191, excluding those related to debt service activities. We selected \$248,748 (71.44%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures excluding those related to debt service activities for the fiscal year ended June 30, 2020.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's

indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. The City charges indirect costs at the rate of 21.9% of direct salary and benefit costs associated with each project. The City allocated a total of \$8,521 in indirect costs to the *TransNet* program, resulting in 0.70% of indirect costs compared to total *TransNet* expenditures. The City does not have a formal written indirect cost plan. The City's indirect cost allocation is reviewed internally and updated annually. The City's indirect cost allocation has not been reviewed by a federal or state agency or audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

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



- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - k. We obtained approval from SANDAG staff for the reason of inactivity.  
  
Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.
  - l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: No exceptions were noted as a result of our procedures.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.  
  
Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

Fiscal year 2020 apportionment	\$1,459,268
Less: debt service payment	<u>(863,866)</u>
Net estimated apportionment	595,402
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>178,621</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	6
Maintenance fund balance	<u>(3,641)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(3,635)</u>
Fund balance under apportionment	<u>\$182,256</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$ 6	\$(1,144,794)	\$(1,144,788)
Maintenance	<u>(3,641)</u>	<u>1,777,081</u>	<u>1,773,440</u>
Totals	<u>\$(3,635)</u>	<u>\$632,287</u>	<u>\$628,652</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 10.56% of cumulative local street and road revenue for maintenance as indicated on the following page:

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

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	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$27,035,268	\$(1,304,563)	\$25,730,705
Maintenance	3,262,505	1,722,261	4,984,766
Interest	<u>2,631</u>	<u>214,589</u>	<u>217,220</u>
Total local street and road revenue	<u>\$30,300,404</u>	<u>\$632,287</u>	<u>\$30,932,691</u>
30% of total local street and road revenue			\$9,279,807
Less maintenance expenditures incurred to date			<u>(3,267,368)</u>
Available maintenance funds			<u>\$6,012,439</u>
Cumulative percentage expended for maintenance			<u>10.56%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: Results are as follows as of June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Debt Refunding</u>	<u>Principal Adjustments</u>	<u>Principal Payments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payments</u>
2010 Series B	\$5,053,656	\$ -	\$4,765,00	\$(2)	\$288,658	\$ -	\$66,031
2014 Bonds	3,816,561	-	-	1,147	182,914	3,632,500	179,486
2020 Bonds	-	3,935,000	-	-	77,500	3,857,500	69,277
Total	<u>8,870,217</u>	<u>3,935,000</u>	<u>4,765,000</u>	<u>1,145</u>	<u>549,072</u>	<u>7,490,000</u>	<u>314,794</u>

12. We reviewed the MOE requirement.

- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
  - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
    1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

- 2. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
  - 3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
- c. We 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. 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 reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. MOE activity for the year ended June 30, 2020, is summarized as follows:

Current year local discretionary expenditures	\$1,354,656
Less MOE base year requirement	<u>(567,501)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 787,155</u>

- 13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

Results: This procedure is not applicable as the City expended exaction fees within seven years of collection.

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$80,198. We selected \$29,867 (37.24%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

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

- viii. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, one developer was allowed a credit related to the construction of a new public road. As this was applicable to congestion relief efforts, we determined the Ordinance had been followed.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 4, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.



**SCHEDULE A**

**CITY OF SANTEE, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SNT20		Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
SNT04	2019-01	Citywide Pavement Repair & Rehab 2019	(1,536)	201,127	-	(199,588)	(3)	-	(a)(b)
SNT04	2020-03	Citywide Pavement Repair & Rehab 2020	-	12,873	6	(12,876)	3	6	(b)
		Subtotal SNT04	(1,536)	214,000	6	(212,464)	-	6	
		2010 Series B Bonds Debt Service	-	354,689	-	(354,689)	-	-	
		2014 Bonds Debt Service	-	304,602	-	(304,602)	-	-	
		2019 Bonds Debt Service	-	57,798	-	(57,798)	-	-	
		2020 Bonds Debt Service	-	146,777	-	(146,777)	-	-	
		Total Congestion Relief	(1,536)	1,077,866	6	(1,076,330)	-	6	
<b>Maintenance:</b>									
SNT22	2019-02	Citywide Slurry Seal & Roadway Maintenance 2019	686	109,804	-	(110,491)	1	-	(a)(b)
SNT22	2020-04	Citywide Slurry Seal & Roadway Maintenance 2020	-	14,196	-	(17,836)	(1)	(3,641)	(b)(c)
		Total Maintenance	686	124,000	-	(128,327)	-	(3,641)	
		Total Local Street Improvements	(850)	1,209,266	6	(1,212,057)	-	(3,635)	
		Total <i>TransNet</i> Extension	(850)	1,209,266	6	(1,212,057)	-	(3,635)	
		GASB 31 Market Value Adjustment	3	-	(3)	-	-	-	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ (847)	\$ 1,209,266	\$ 3	\$ (1,212,057)	\$ -	\$ (3,635)	

Notes:

- (a) Completed project
- (b) Rounding adjustment to close project
- (c) Funding for this project will be drawn down in FY 2020-21

**SCHEDULE B**

**CITY OF SANTEE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass Through:</b>						
SNT20		Regional Arterial Management Systems	\$ 59,200	\$ -	\$ (59,200)	\$ -
		Total Congestion Relief - Pass Through	<u>59,200</u>	<u>-</u>	<u>(59,200)</u>	<u>-</u>
<b>Congestion Relief:</b>						
SNT04	2019-01	Citywide Pavement Repair & Rehab 2019	211,243	1	(211,244)	-
SNT04	2020-03	Citywide Pavement Repair & Rehab 2020	<u>12,876</u>	<u>6</u>	<u>(12,876)</u>	<u>6</u>
		Subtotal SNT04	224,119	7	(224,120)	6
		2010 Series B Bonds Debt Service	5,649,855	-	(5,649,855)	-
		2014 Bonds Debt Service	1,983,511	-	(1,983,511)	-
		2019 Bonds Debt Service	57,798	-	(57,798)	-
		2020 Bonds Debt Service	<u>146,777</u>	<u>-</u>	<u>(146,777)</u>	<u>-</u>
		Total Congestion Relief	<u>8,062,060</u>	<u>7</u>	<u>(8,062,061)</u>	<u>6</u>
<b>Maintenance:</b>						
SNT22	2019-02	Citywide Slurry Seal & Roadway Maintenance 2019	124,805	-	(124,805)	-
SNT22	2020-04	Citywide Slurry Seal & Roadway Maintenance 2020	<u>14,195</u>	<u>-</u>	<u>(17,836)</u>	<u>(3,641)</u>
		Total Maintenance	<u>139,000</u>	<u>-</u>	<u>(142,641)</u>	<u>(3,641)</u>
		Total Local Street Improvements	<u>8,260,260</u>	<u>7</u>	<u>(8,263,902)</u>	<u>(3,635)</u>
<b>Completed Projects</b>						
		LSI - Congestion Relief	18,914,008	1,402	(18,915,410)	-
		LSI - Maintenance	3,123,505	1,222	(3,124,727)	-
		Commercial Paper Debt Service	3,979,674	-	(3,979,674)	-
		Bikes and Pedestrian	<u>423,141</u>	<u>-</u>	<u>(423,141)</u>	<u>-</u>
		Total Completed Projects	<u>26,440,328</u>	<u>2,624</u>	<u>(26,442,952)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	\$ <u>34,700,588</u>	\$ <u>2,631</u>	\$ <u>(34,706,854)</u>	\$ <u>(3,635)</u>

**SCHEDULE C**

**CITY OF SANTEE, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
For Fiscal Year ended June 30, 2013	June 30, 2020	SNT23	\$ 204,965	\$ 5,840	\$ (210,805)	\$ -	\$ -	\$ -	
For Fiscal Year ended June 30, 2014	June 30, 2021	SNT23, SNT26	384,278	4,318	(388,596)	-	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	SNT23, SNT26	106,441	637	(107,078)	-	-	-	
For Fiscal Year ended June 30, 2016	June 30, 2023	SNT23, SNT26	275,865	-	(275,865)	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	SNT23, SNT26	228,629	-	(228,629)	-	-	65,117	
For Fiscal Year ended June 30, 2018	June 30, 2025	SNT23, SNT26	1,079,459	-	(15,081)	(38,182)	-	1,026,196	
For Fiscal Year ended June 30, 2019	June 30, 2026		255,798	-	-	-	-	255,798	
For Fiscal Year ended June 30, 2020	June 30, 2027		672,284	-	-	-	-	672,284	
Interest Income			-	113,235	-	-	-	113,235	
<b>Total RTCIP Funds</b>			<b>\$ 3,207,719</b>	<b>\$ 124,030</b>	<b>\$ (1,226,054)</b>	<b>\$ (38,182)</b>	<b>\$ -</b>	<b>\$ 2,067,513</b>	<b>\$ 1,421,280</b>

**CITY OF SOLANA BEACH, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The City's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: This procedure is not applicable as there was no interest income reported in Schedule A or within the general ledger.
    - ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as there was no interest income reported in Schedule A or within the general ledger.
  - f. We identified the total *TransNet* expenditures for the fiscal year.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$440,034. We selected \$182,714 (41.52%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

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

- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects.

- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.





Fiscal year 2020 apportionment	\$442,864
Less: debt service payment	<u>(217,261)</u>
Net estimated apportionment	225,603
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>67,681</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(63,611)
Maintenance fund balance	<u>29,180</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(34,431)</u>
Fund balance under apportionment	<u>\$102,112</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(63,611)	\$(695,402)	\$(759,013)
Maintenance	<u>29,180</u>	<u>1,266,396</u>	<u>1,295,576</u>
Totals	<u>\$(34,431)</u>	<u>\$ 570,994</u>	<u>\$ 536,563</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 2.65% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$10,019,425	\$(790,188)	\$9,229,237
Maintenance	318,767	1,229,415	1,548,182
Interest	<u>4,279</u>	<u>131,767</u>	<u>136,046</u>
 Total local street and road revenue	 <u>\$10,342,471</u>	 <u>\$ 570,994</u>	 <u>\$10,913,465</u>
 30% of total local street and road revenue			 \$3,274,040
Less maintenance expenditures incurred to date			<u>(289,587)</u>
 Available maintenance funds			 <u>\$2,984,453</u>
 Cumulative percentage expended for maintenance			 <u>2.65%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance June 30, 2020</u>	<u>Interest Payments</u>
2010 Series A Bonds	\$5,499,999	\$ -	\$ -	\$5,499,999	\$217,261

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:
      1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
      2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
      3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

- c. We 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. 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 reported 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, 2020, is summarized as follows:

Current year local discretionary expenditures	\$1,456,846
Less MOE base year requirement	<u>(457,765)</u>
Excess MOE for the year ended June 30, 2020	<u>\$ 999,081</u>

- 13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2020.

- vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for the fiscal year ending June 30, 2020.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP expenditures related to payroll for the fiscal year ending June 30, 2020.

- viii. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- x. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 10, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.

A handwritten signature in blue ink that reads "Davis Jan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

## GLOSSARY OF TERMS

**"Annual Street Report"** means the State of California Annual Street Report.

**"Current Fiscal Year"** means the fiscal period of July 1, 2019, through June 30, 2020.

**"ITOC"** means the Independent Taxpayer Oversight Committee.

**"MOE"** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**"MPO ID"** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**"Recipient Agency"** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**"RTCIP"** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**"RTIP"** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**"SANDAG"** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**"SANDAG Board Policy No. 031"** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**"Schedule A"** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**"Schedule B"** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**"*TransNet* Extension Ordinance"** means the 2004 Proposition A.

**"*TransNet* Ordinance and Expenditure Plan"** means the 1987 Proposition A San Diego Transportation Improvement Plan.



**SCHEDULE A**

**CITY OF SOLANA BEACH, CALIFORNIA**

*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
SB16	9362.17	Annual Pavement Management	\$ (36,533)	\$ 34,113	\$ -	\$ -	\$ 590	\$ (1,830)	(a)(b)
SB16	9362.20	Annual Pavement Management	-	94,387	-	(123,567)	-	(29,180)	(c)(d)
SB16	9450.09	Canyon/Marvista Stormdrain	(38,920)	38,920	-	-	-	-	(c)
		Total SB16 Projects	(75,453)	167,420	-	(123,567)	590	(31,010)	
SB19	9382.01	Lomas Santa Fe Corridor Study II	(2,500)	-	-	-	-	(2,500)	(b)
SB19	9382.03	Lomas Santa Fe Corridor Study III	(13,570)	-	-	(20,388)	-	(33,958)	(b)
		Total SB19 Projects	(16,070)	-	-	(20,388)	-	(36,458)	
SB20	9320.01	Glencrest Street Improvements	(592)	80,000	-	(78,818)	(590)	-	(a)(c)
		Total SB20 Projects	(592)	80,000	-	(78,818)	(590)	-	
		2010 Series A Bonds	-	217,261	-	(217,261)	-	-	
		Interest Income	3,857	-	-	-	-	3,857	
		Total Congestion Relief	(88,258)	464,681	-	(440,034)	-	(63,611)	
<b>Maintenance:</b>									
SB18		Pavement Maintenance	-	29,180	-	-	-	29,180	
		Total Maintenance	-	29,180	-	-	-	29,180	
		Total Local Street Improvements	(88,258)	493,861	-	(440,034)	-	(34,431)	

(Continued)

**CITY OF SOLANA BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2020</u>	<u>Notes</u>
		Total <i>TransNet</i> Extension	\$ (88,258)	\$ 493,861	\$ -	\$ (440,034)	\$ -	\$ (34,431)	
		GASB 31 Fair Market Value Adjustment	-	-	-	-	-	-	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	<u>\$ (88,258)</u>	<u>\$ 493,861</u>	<u>\$ -</u>	<u>\$ (440,034)</u>	<u>\$ -</u>	<u>\$ (34,431)</u>	

Notes:

- (a) To close SB20 with zero balance, \$590 will be transferred from SB20 to SB16 via Council Resolution 2021-001.
- (b) To clear the deficit balance, the City with request a draw down in FY 20-21.
- (c) Project complete.

**SCHEDULE B**

**CITY OF SOLANA BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
SB16	9362.17	Annual Pavement Management	\$ 416,492	\$ -	\$ (418,322)	\$ (1,830)
SB16	9362.19	Annual Pavement Management	94,387	-	(123,567)	(29,180)
SB16	9450.09	Canyon/Marvista Stormdrain	<u>38,920</u>	<u>-</u>	<u>(38,920)</u>	<u>-</u>
		Total SB16 Projects	<u>549,799</u>	<u>-</u>	<u>(580,809)</u>	<u>(31,010)</u>
SB19	9382.01	Lomas Santa Fe Corridor Study II	-	-	(2,500)	(2,500)
SB19	9382.03	Lomas Santa Fe Corridor Study III	<u>-</u>	<u>-</u>	<u>(33,958)</u>	<u>(33,958)</u>
		Total SB19 Projects	<u>-</u>	<u>-</u>	<u>(36,458)</u>	<u>(36,458)</u>
SB20	9320.01	Glencrest Street Improvements	<u>79,410</u>	<u>-</u>	<u>(79,410)</u>	<u>-</u>
		2010 Series A Bonds	<u>2,145,540</u>	<u>-</u>	<u>(2,145,540)</u>	<u>-</u>
		Interest Income	<u>-</u>	<u>3,857</u>	<u>-</u>	<u>3,857</u>
		Total Congestion Relief	<u>2,774,749</u>	<u>3,857</u>	<u>(2,842,217)</u>	<u>(63,611)</u>
<b>Maintenance:</b>						
SB18		Pavement Maintenance	<u>154,530</u>	<u>-</u>	<u>(125,350)</u>	<u>29,180</u>
		Total Maintenance	<u>154,530</u>	<u>-</u>	<u>(125,350)</u>	<u>29,180</u>
		Total Local Street Improvements	<u>2,929,279</u>	<u>3,857</u>	<u>(2,967,567)</u>	<u>(34,431)</u>

(Continued)

**SCHEDULE B**

**CITY OF SOLANA BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Subtotal Cumulative <i>TransNet</i> Extension	\$ 2,929,279	\$ 3,857	\$ (2,967,567)	\$ (34,431)
		<b>Completed Projects</b>				
		LSI - Congestion Relief	7,244,676	422	(7,245,098)	-
		LSI - Maintenance	164,237	-	(164,237)	-
		Bikes and Pedestrian	<u>135,986</u>	<u>-</u>	<u>(135,986)</u>	<u>-</u>
		<b>Total Completed Projects</b>	<u>7,544,899</u>	<u>422</u>	<u>(7,545,321)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	\$ <u>10,474,178</u>	\$ <u>4,279</u>	\$ <u>(10,512,888)</u>	\$ <u>(34,431)</u>

**SCHEDULE C**

**CITY OF SOLANA BEACH CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds Committed at June 30, 2020	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments		June 30, 2020	June 30, 2019
Year ended June 30, 2013	June 30, 2020	SB16	\$ 3,623	\$ -	\$ (3,623)	\$ -	\$ -	\$ -	
Year ended June 30, 2014	June 30, 2021	SB16	3,623	-	(3,623)	-	-	-	
Year ended June 30, 2015	June 30, 2022	SB16	13,768	-	(13,768)	-	-	-	
Year ended June 30, 2016	June 30, 2023	SB16	19,566	-	(18,812)	-	754	754	
Year ended June 30, 2017	June 30, 2024		29,714	-	-	-	29,714	29,714	
Year ended June 30, 2018	June 30, 2025		36,233	-	-	-	36,233	36,233	
Year ended June 30, 2019	June 30, 2026		46,381	-	-	-	46,381	46,381	
Year ended June 30, 2020	June 30, 2027		7,246	-	-	-	7,246	-	
Interest Income			-	3,856	-	-	3,856	1,393	
Subtotal RTCIP Funds			<u>160,154</u>	<u>3,856</u>	<u>(39,826)</u>	<u>-</u>	<u>124,184</u>	<u>114,475</u>	
GASB 31 Market Value Adjustment			<u>-</u>	<u>3,228</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total RTCIP Funds			<u>\$ 160,154</u>	<u>\$ 7,084</u>	<u>\$ (39,826)</u>	<u>\$ -</u>	<u>\$ 124,184</u>	<u>\$ 114,475</u>	

**COUNTY OF SAN DIEGO, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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, 2020. The County's management is responsible for the accounting records. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

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

- b. 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.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

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

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

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

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- f. We identified the total *TransNet* expenditures for the fiscal year.



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

Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$7,144,899. We selected \$1,822,664 (25.51%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.
- v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.
- vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20%.
- vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: Indirect costs were allocated to the projects included in the RTIP, using an overhead ratio of total overhead costs to direct labor costs. Multiple rates were used due to different cost codes. A total of \$1,037,560 of indirect costs were charged to the *TransNet* program, which resulted in an average indirect cost rate of 14.52% compared to total *TransNet* expenditures. The indirect cost rate has not been reviewed by a federal or state agency or audited by an independent CPA firm. The indirect cost rates are updated and reviewed on an annual basis by the County. The methodology used to calculate the indirect cost rate appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was 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 substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2021.

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

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as the County did not have inactive projects.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as the County did not have inactive projects.

- l. 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.

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

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

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. 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 Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

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

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The County is in compliance with the 30% requirement as follows:

Fiscal year 2020 apportionment	\$15,926,297
Less: debt service payment	<u>(1,119,830)</u>
Net estimated apportionment	14,806,467
30% base	<u>30%</u>
Fiscal year 2020 30% threshold	<u>4,441,940</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	2,798,872
Maintenance fund balance	<u>424,750</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>3,223,622</u>
Fund balance under apportionment	<u>\$1,218,318</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2020 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2020 are as follows:

	Funds Held by County	Funds Held by SANDAG	Total
Congestion Relief	\$2,798,872	\$(4,027,124)	\$(1,228,252)
Maintenance	<u>424,750</u>	<u>50,409,012</u>	<u>50,833,762</u>
Totals	<u>\$3,223,622</u>	<u>\$46,381,888</u>	<u>\$49,605,510</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The County has expended 5.48% of cumulative local street and road revenue for maintenance as follows:

	<u>County</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$131,465,822	\$(6,808,027)	\$124,657,795
Maintenance	10,019,090	49,481,912	59,501,002
Interest	<u>1,724,371</u>	<u>3,708,003</u>	<u>5,432,374</u>
 Total local street and road revenue	 <u>\$143,209,283</u>	 <u>\$46,381,888</u>	 <u>\$189,591,171</u>
 30% of total local street and road revenue			 \$ 56,877,351
Less maintenance expenditures incurred to date			<u>(10,390,266)</u>
 Available maintenance funds			 <u>\$ 46,487,085</u>
 Cumulative percentage expended for maintenance			 <u>5.48%</u>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2020</u>	Interest <u>Payments</u>
2008 Bonds	\$15,153,610	\$ -	\$ -	\$ 15,153,610	\$ 436,409
2012 Bonds	<u>1,800,975</u>	<u>-</u>	<u>(630,754)</u>	<u>1,170,221</u>	<u>52,667</u>
Total	<u>\$16,954,585</u>	<u>\$ -</u>	<u>\$ (630,754)</u>	<u>\$ 16,323,831</u>	<u>\$ 489,076</u>

12. We reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
  - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
    - i. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

1. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
  2. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;
  3. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
- c. We 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. 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 reported a roll forward schedule.

Results: This procedure is not applicable as the County does not have a MOE requirement.

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

- i. We reviewed to ensure that the recipient agency was 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 were 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 or committed within seven years of collection.

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

- iv. If exaction fees are committed, but not expended within seven years, we ensured that a footnote was provided on the status of the project.

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

- v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The County recorded total RTCIP expenditures in the amount of \$45,088. We selected \$5,200 (11.53%) for testing. No exceptions were noted as a result of our procedures.

- vi. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

- vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

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

- viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the County did not incur expenditures for fund administration.

- ix. 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 existed to ensure all qualified properties were included in the program.

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

- x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to

ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the County did not transfer, loan, or exchange any RTCIP funds.

- xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

- xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The County provided RTCIP documentation to us for review on October 15, 2020.

- xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The County did not include any administrative projects in the RTIP.

- 15. 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.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.



Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 the specified parties.



Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National County, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
CNTY81		Regional Arterial Management Systems	\$ -	\$ 12,500	\$ -	\$ (12,500)	\$ -	\$ -	(a)
		Total Congestion Relief - Pass-Through	-	12,500	-	(12,500)	-	-	
<b>Congestion Relief:</b>									
CNTY14A	1010123	South Santa Fe - South	1,725	-	25	(951)	-	799	
CNTY21	1003030	Bradley Avenue	703,239	-	6,992	(544,055)	-	166,176	
CNTY24	1003046	Cole Grade - High School	339,558	1,504,000	18,930	(964,379)	-	898,109	
CNTY34	1009589	Dye Road Extension	13,919	-	308	-	-	14,227	(b)
CNTY35	1009591	Ramona Street Extension	10,038	-	222	-	-	10,260	(c)
CNTY82	1010313	Alpine Blvd	55,766	-	1,149	(7,367)	-	49,548	
CNTY86	1020014	Countywide AC FY16/17	-	170	-	(170)	-	-	
CNTY86	1021828	AC Overlay 17/18 B	-	1,100,000	6,245	(776,568)	-	329,677	
CNTY86	1021825	AC Overlay 17/18 C	18,961	250,000	7,411	(116,132)	-	160,240	
CNTY86	1023466	AC Overlay 19/20 B	-	48,615	2,504	(29,241)	-	21,878	
CNTY86	1022881	AC Culverts 19/20	-	2,701,215	21,526	(2,301,997)	-	420,744	
CNTY86	1022883	ADA Ramps 19/20	-	1,200,000	1,112	(1,057,264)	-	143,848	
CNTY88	1018734	Ashwood St Corridor	-	1,269,000	12,548	(698,182)	-	583,366	
CNTY89	1019200	East Vista Way/Gopher Canyon Intersection	193,949	-	-	-	(193,949)	-	(d)
		Total Congestion Relief	1,337,155	8,073,000	78,972	(6,496,306)	(193,949)	2,798,872	
<b>Maintenance:</b>									
CNTY90	1020776	Camino Del Rey Drainage	356,941	-	9,541	(135,681)	193,949	424,750	(e)
		Total Maintenance	356,941	-	9,541	(135,681)	193,949	424,750	

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2020	Notes
		Total Local Street Improvements	<u>\$ 1,694,096</u>	<u>\$ 8,085,500</u>	<u>\$ 88,513</u>	<u>\$ (6,644,487)</u>	<u>\$ -</u>	<u>\$ 3,223,622</u>	
		<b>Smart Growth Incentive Program:</b>							
CNTY95	5005475	Alpine Community Plan Implementation Financing Tools and Mechanisms Plan	-	-	-	(8,845)	-	(8,845)	(f)
CNTY96	5005476	Casa De Oro - Campo Road Specific Plan	-	-	-	(100,505)	-	(100,505)	(f)
CNTY97	5005477	Valley Center Community Plan Update	-	-	-	(119,343)	-	(119,343)	(f)
		Total Smart Growth Incentive Program	<u>-</u>	<u>-</u>	<u>-</u>	<u>(228,693)</u>	<u>-</u>	<u>(228,693)</u>	
		<b>Competitive Land Management Grant:</b>							
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	(96,610)	240,526	-	(240,445)	-	(96,529)	(f)
V08	5005507	Ramona Grasslands preserve Bullfrog Eradication	(16,595)	30,051	-	(31,274)	-	(17,818)	(f)
		Total Competitive Land Management Grant	<u>(113,205)</u>	<u>270,577</u>	<u>-</u>	<u>(271,719)</u>	<u>-</u>	<u>(114,347)</u>	
		Total <i>TransNet</i> Extension	<u>\$ 1,580,891</u>	<u>\$ 8,356,077</u>	<u>\$ 88,513</u>	<u>\$ (7,144,899)</u>	<u>\$ -</u>	<u>\$ 2,880,582</u>	

Notes:

- (a) This is the County's cost-share of the installation of the regional traffic signal management software and linking of the local agencies to a common system. The County did not receive this cash and did not incur any expenditures. This was a pass-through managed by SANDAG.
- (b) CNTY34 Dye Rd Extension has been delayed. Estimated project completion date is August 2026.
- (c) CNTY35 Ramona Street Extension has been delayed. Estimated project completion date is December 2027.
- (d) CNTY89 East Vista Way/Gopher Canyon Intersection is complete. Remaining funds under CNTY89 of \$193,949 were transferred to CNTY90 Camino Del Rey Drainage. The County passed a resolution to amend the RTIP on April 21, 2020 Minute Order 12.
- (e) CNTY90 Camino Del Rey Drainage received remaining funds of \$193,949 under CNTY89 East Vista Way/Gopher Canyon Intersection. The County passed a resolution to amend the RTIP on April 21, 2020 Minute Order 12 to approve the transfer.
- (f) Negative project status balance is due to qualifying expenditures incurred during the fiscal year. The remaining reimbursement will be received in FY20-21.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SAN54/ CNTY81		Regional Arterial Management Systems	\$ 100,000	\$ -	\$ (100,000)	\$ -
		Total Congestion Relief - Pass-Through	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CNTY14A	1010123	South Santa Fe - South	992,312	2,629	(994,142)	799
CNTY21	1003030	Bradley Avenue	7,392,617	82,798	(7,309,239)	166,176
CNTY24	1003046	Cole Grade - High School	4,678,000	46,473	(3,826,364)	898,109
CNTY34	1009589	Dye Road Extension	979,405	1,722	(966,900)	14,227
CNTY35	1009591	Ramona Street Extension	830,330	19,855	(839,925)	10,260
CNTY82	1010313	Alpine Blvd	5,794,000	11,736	(5,756,188)	49,548
CNTY86	1020014	Countywide AC FY16/17	2,382,752	5,221	(2,387,973)	-
CNTY86	1021828	AC Overlay 17/18 B	3,199,000	15,166	(2,884,489)	329,677
CNTY86	1021825	AC Overlay 17/18 C	1,930,000	12,755	(1,782,515)	160,240
CNTY86	1023466	AC Overlay 19/20 B	48,615	2,504	(29,241)	21,878
CNTY86	1022881	AC Culverts 19/20	2,701,215	21,526	(2,301,997)	420,744
CNTY86	1022883	ADA Ramps 19/20	1,200,000	1,112	(1,057,264)	143,848
CNTY88	1018734	Ashwood St Corridor	1,269,000	12,548	(698,182)	583,366
CNTY89	1019200	East Vista Way/Gopher Canyon Intersection	<u>889,051</u>	<u>10,320</u>	<u>(899,371)</u>	<u>-</u>
		Total Congestion Relief	<u>34,286,297</u>	<u>246,365</u>	<u>(31,733,790)</u>	<u>2,798,872</u>
<b>Maintenance:</b>						
CNTY90	1020776	Camino Del Rey Drainage	<u>1,112,949</u>	<u>19,738</u>	<u>(707,937)</u>	<u>424,750</u>
		Total Maintenance	<u>1,112,949</u>	<u>19,738</u>	<u>(707,937)</u>	<u>424,750</u>
		Total Local Street Improvements	<u>35,499,246</u>	<u>266,103</u>	<u>(32,541,727)</u>	<u>3,223,622</u>

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>Smart Growth Incentive Program:</b>						
CNTY95	5005475	Alpine Community Plan Implementation Financing Tools and Mechanisms Plan	\$ -	\$ -	\$ (8,845)	\$ (8,845)
CNTY96	5005476	Casa De Oro - Campo Road Specific Plan	-	-	(100,505)	(100,505)
CNTY97	5005477	Valley Center Community Plan Update	-	-	(119,343)	(119,343)
Total Smart Growth Incentive Program			<u>-</u>	<u>-</u>	<u>(228,693)</u>	<u>(228,693)</u>
<b>Competitive Land Management Grant:</b>						
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	912,728	-	(1,009,257)	(96,529)
V08	5005507	Ramona Grasslands preserve Bullfrog Eradication	<u>46,089</u>	-	<u>(63,907)</u>	<u>(17,818)</u>
Total Competitive Land Management Grant			<u>958,817</u>	<u>-</u>	<u>(1,073,164)</u>	<u>(114,347)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>36,458,063</u>	<u>266,103</u>	<u>(33,843,584)</u>	<u>2,880,582</u>
<b>Completed Projects:</b>						
LSI - Congestion Relief Pass Through			36,000	-	(36,000)	-
LSI - Congestion Relief			97,043,525	682,080	(97,725,605)	-
LSI - Maintenance			8,906,141	776,188	(9,682,329)	-
Bikes and Pedestrians			625,000	-	(625,000)	-
Competitive Land Management Grant			<u>835,501</u>	-	<u>(835,501)</u>	-
Total Completed Projects			<u>107,446,167</u>	<u>1,458,268</u>	<u>(108,904,435)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 143,904,230</u>	<u>\$ 1,724,371</u>	<u>\$ (142,748,019)</u>	<u>\$ 2,880,582</u>

**COUNTY OF SAN DIEGO, CALIFORNIA, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2020

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Funds committed at June 30, 2020	Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	County Adjustments		June 30, 2020	June 30, 2019	
For Fiscal Year ended June 30, 2013	June 30, 2020		\$ 699,665	\$ 1,696	\$ (701,361)	\$ -	\$ -	\$ -		
For Fiscal Year ended June 30, 2014	June 30, 2021		1,108,576	4,770	(1,113,346)	-	-	-		
For Fiscal Year ended June 30, 2015	June 30, 2022		1,180,266	4,039	(1,184,305)	-	-	-		
For Fiscal Year ended June 30, 2016	June 30, 2023		1,506,988	4,979	(1,511,967)	-	-	-		
For Fiscal Year ended June 30, 2017	June 30, 2024	CNTY89	1,455,074	51,014	(691,690)	-	-	814,398	844,974	
For Fiscal Year ended June 30, 2018	June 30, 2025		2,646,555	120,860	-	-	-	2,767,415	2,720,687	
For Fiscal Year ended June 30, 2019	June 30, 2026		2,245,234	80,216	-	-	-	2,325,449	2,286,185	
For Fiscal Year ended June 30, 2020	June 30, 2027		<u>2,508,395</u>	<u>43,082</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,551,477</u>	<u>-</u>	(a)
Total RTCIP Funds			<u>\$ 13,350,753</u>	<u>\$ 310,656</u>	<u>\$ (5,202,669)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>8,458,739</u>	<u>\$ 5,851,846</u>	

**Notes:**

- (a) Interest income and project expenditures for FY17, FY18, FY19 and FY20 are adjusted based on the Schedule C Guidelines. According to the Guidelines, interest earned shall be allocated equitably to each year that had a beginning balance. Expenditures were also applied to the oldest cumulative funds available.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

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

Year Ended June 30, 2020



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

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

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, 2020. The City's management is responsible for the accounting records. 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 *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

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

2. 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.

3. We obtained from SANDAG staff, Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance.

- a. We substantiated all footnotes required in Schedule A.

Results: This procedure is not applicable as there were no footnotes required in Schedule A.

- b. We agreed the beginning balance from the prior year or reviewed that SANDAG staff provided a footnote for any restatements of ITOC activity. We determined whether reasons for differences were valid.

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

- c. We obtained a listing of *TransNet* payments made for the ITOC from SANDAG staff. We compared the *TransNet* revenue recorded for the ITOC to the listing of payments received from SANDAG staff. We notified SANDAG staff of any variations and obtained approval from SANDAG.

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

- d. We identified the interest income reported for the year ended June 30, 2020.
  - i. We reviewed the interest income reported on Schedule A and matched to SANDAG's general ledger.

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

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

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

- e. We identified the total *TransNet* expenditures for the fiscal year.
  - i. We reviewed the total project expenditures per Schedule A and agreed to SANDAG's general ledger.

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

- ii. We reviewed at least 25% of ITOC expenditures as reported by SANDAG to determine if they were necessary and reasonable in carrying out ITOC 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 *TransNet* expenditures in the amount of \$376,416. We selected \$117,271 (31.15%) for testing. No exceptions were noted as a result of our procedures.

- iii. If unallowable expenditures were identified in procedure 3.e.ii, we expanded the sample to include an additional 25% of ITOC expenditures and documented SANDAG's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures are required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 3.e.ii.

- iv. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: ITOC recorded total *TransNet* payroll expenditures in the amount of \$221,098, which represented 58.74% of total expenditures.

We selected one pay period and six employees for testing. No exceptions were noted as a result of our procedures.

4. We obtained from SANDAG staff, Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance.

- a. We reviewed the ending balances at June 30, 2020 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustment column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no amounts listed in the Adjustment column of Schedule A.

5. 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.

6. We proposed current year findings as a result of performing the above agreed-upon procedures. We included SANDAG staff's response to address the ITOC finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the ITOC's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.



Irvine, California  
March 19, 2021

**GLOSSARY OF TERMS**

**Definitions**

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee, with the administrative functions performed by SANDAG.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“TransNet Extension Ordinance”** means the 2004 Proposition A.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

*TransNet* Extension Activities

Schedule of Status of Funds

Year Ended June 30, 2020

Project Name	Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	Committee Adjustments	Status June 30, 2020
<b><i>TransNet</i> Extension:</b>						
Independent Taxpayer Oversight Committee	\$ 250,100	\$ 422,485	\$ 8,634	\$ (376,416)	\$ -	\$ 304,803
Total <i>TransNet</i> Extension	\$ 250,100	\$ 422,485	\$ 8,634	\$ (376,416)	\$ -	\$ 304,803

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds  
 Year Ended June 30, 2020

<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Status June 30, 2020</u>
<b><i>TransNet</i> Extension:</b>				
Independent Taxpayer Oversight Committee	<u>\$ 2,947,354</u>	<u>\$ 41,980</u>	<u>\$ (2,684,531)</u>	<u>\$ 304,803</u>
Total Cumulative <i>TransNet</i> Extension	<u>\$ 2,947,354</u>	<u>\$ 41,980</u>	<u>\$ (2,684,531)</u>	<u>\$ 304,803</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

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

Year Ended June 30, 2020

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

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

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, 2020. MTS' management is responsible for the accounting records. 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 enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: This procedure is not applicable as MTS does not participate in the Grant Program.

4. 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, the *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 MTS' alternative approach.



5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

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

- b. 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.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

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

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.

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

- e. We identified the interest income reported for the fiscal year.

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

Results: This procedure is not applicable as there was no interest income required to be reported on Schedule A.

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

Results: This procedure is not applicable as interest income was not reported on Schedule A.

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$47,436,542. We selected \$12,130,206 (25.57%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25%, and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.
- Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.
- v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.
- Results: No exceptions were noted as a result of our procedures.
- vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm (CPA).

Results: MTS allocated indirect costs to MPO ID MTS33A included in the RTIP for the year ended June 30, 2020 at an overhead rate of 24.58% and a fringe rate of 51.10%. The total dollar amount of indirect costs charged was \$109,706, which represented 0.23% of total *TransNet* expenditures. MTS has a formal Indirect Cost Allocation Plan that was approved by the Federal Transit Administration in December 2018 for the fiscal year ending June 30, 2020. Additionally, MTS engaged an independent CPA firm to perform agreed-upon procedures applied to its indirect cost rates. The firm used 2 CFR Part 200 as its criteria in reviewing the rates, and concluded that MTS's rate were consistent with the provision of 2 CFR Part 200. No exceptions were noted as a result of our procedure.

- g. We determined that any amounts reflected 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, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments for the fiscal year ended June 30, 2020.

- h. 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 reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2020.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

Results: This procedure is not applicable as there was not a negative ending balance.

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient

agency had presented a footnote as to the status of the project that included when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as MTS had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency the Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were 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, 2020 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included in Schedule A.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

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

8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

	Senior and Disabled	Transit
Fiscal year 2020 apportionment	\$880,260	\$33,185,797
Less: debt service payment	<u>-</u>	<u>-</u>
Net estimated apportionment	880,260	33,185,797
30% base	<u>30%</u>	<u>30%</u>
Fiscal year 2020 30% threshold	<u>264,078</u>	<u>9,955,739</u>
Less:		
Fund balance	<u>-</u>	<u>-</u>
Fund balance under apportionment	<u>\$ 264,078</u>	<u>\$9,955,739</u>

9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

10. 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 prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.
  - b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.
  - c. We reviewed and reported that 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 (calculated in [a]) does not exceed the increase in the CPI (obtained in [b]).

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 table below. The CPI from 2019 to 2020 decreased by 4.96%. The total

operating cost per revenue vehicle mile for rail services increased by 3.65% and thus MTS was not in compliance with this portion of the requirement. In addition, the total operating cost per revenue vehicle hours for bus services increased by 8.35%, and thus MTS was not in compliance with this portion of the requirement. MTS submitted to the SANDAG Board, a request to recalculate operator eligibility for rail operations by using the three-year average comparison and to recalculate for bus operations by excluding COVID-19 related services. The effects of these adjustments were an increase in total operating cost per revenue vehicle hour for rail services of 2.22% and vehicle mile for bus services to 1.70%. On March 10, 2021, ITOC approved MTS' request. As a result, operator eligibility for rail services is now in compliance with the requirement. However, bus services is not in compliance with the requirement. See Finding 1 in the Findings and Recommendations section of this report.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2020</u>	<u>2019</u>	<u>Growth Rate</u>
Operating cost for buses	\$190,890,364	\$185,691,112	
Revenue vehicle hours	2,151,089	2,127,979	
Total operating cost per revenue vehicle hour	\$88.74	\$87.26	1.70%
Consumer Price Index	220.500	232.005	(4.96)%

Operating Cost per Revenue Vehicle Mile for Rail Services (three year average)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>Growth Rate</u>
Operating cost for rail	\$91,636,520	\$84,682,777	\$87,588,922	
Revenue vehicle miles	9,210,076	8,820,704	8,656,486	
Total operating cost per revenue vehicle mile	\$9.95	\$9.60	\$10.12	2.22%
Consumer Price Index	220.500	232.005	226.494	2.80%

11. 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.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

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

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the MTS' compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.



Irvine, California  
April 21, 2021

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM  
SAN DIEGO, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2020

(Continued)

**(1) Increase in Operating Cost per Revenue Vehicle Hours Exceeded Increase in CPI**

San Diego Metropolitan Transit System's (MTS) change in its operating cost per revenue vehicle hour from June 30, 2019 to June 30, 2020 for bus services exceeded the change in the Consumer Price Index (CPI) for San Diego County. The CPI decreased by 4.96% while the operating cost per revenue vehicle hours for the bus services increased by 1.70%.

Section 4C of the *TransNet* Ordinance states, in part:

"...To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must list the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period..."

Additionally, Section 4C.5 of the *TransNet* Extension Ordinance and Expenditure Plan states, in part:

"...If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were limited to, increases in the cost for fuel, insurance premiums, or new state or federal mandates..."

**Recommendation**

The ITOC recognized the impact of COVID-19 on bus services for the fiscal year ended June 30, 2020. MTS should make efforts to comply with the requirement in the future.

**Management Response**

MTS appreciates the SANDAG Board of Directors' and ITOC's recognition and understanding of the COVID-19 and state mandated wage increase impacts on MTS operations. We will continue to strive towards providing safe, reliable, efficient and cost effective services to the San Diego community, and meeting the eligibility requirements next year.



**GLOSSARY OF TERMS**

**"CPI"** means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1<sup>st</sup> Half 2019 of the Semiannual average indexes Table).

**"Current Fiscal Year"** means the fiscal period of July 1, 2019, through June 30, 2020.

**"MPO ID"** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**"Recipient Agency"** means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**"RTIP"** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**"SANDAG"** means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**"SANDAG Board Policy No. 031"** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**"Schedule A"** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**"Schedule B"** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**"TransNet Extension Ordinance"** means the 2004 Proposition A.

**"TransNet Ordinance and Expenditure Plan"** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2019</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>MTS Adjustments</u>	<u>Project Status June 30, 2020</u>
<b>TransNet Extension:</b>								
<b>Operating:</b>								
Senior and Disabled Transportation:								
MTS 33A	47130	MTS Access	\$ -	\$ 908,306	\$ -	\$ (908,306)	\$ -	\$ -
		Total Senior and Disabled Transportation	-	908,306	-	(908,306)	-	-
Transit and Trolley:								
MTS 32A	47110	MTS Preventive Maintenance	-	34,345,626	-	(34,345,626)	-	-
Major Transit Corridor Operations:								
SAN 80	47140	SuperLoop	-	1,805,661	-	(1,805,661)	-	-
SAN 80	47150	Bus Rapid Transit	-	2,712,376	-	(2,712,376)	-	-
SAN 80	47170	Mid City Bus Rapid Transit	-	2,164,338	-	(2,164,338)	-	-
SAN 80	47180	South Bay Bus Rapid Transit	-	5,500,235	-	(5,500,235)	-	-
		Total Major Transit Corridor Operations	-	12,182,610	-	(12,182,610)	-	-
		Total Transit and Trolley	-	46,528,236	-	(46,528,236)	-	-
		Total Operating	-	47,436,542	-	(47,436,542)	-	-
		Total <i>TransNet</i> Extension	\$ -	\$ 47,436,542	\$ -	\$ (47,436,542)	\$ -	\$ -

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension</b>						
<b>Operating:</b>						
Senior and Disabled Transportation:						
MTS 33A	47130	MTS Access	\$ 8,893,829	\$ -	\$ (8,893,829)	\$ -
		Total Senior and Disabled Transportation	8,893,829	-	(8,893,829)	-
Transit and Trolley:						
MTS 32A	47110	MTS Preventative Maintenance	142,989,723	-	(142,989,723)	-
Major Transit Corridor Operations:						
SAN 80	47140	SuperLoop	15,112,701	-	(15,112,701)	-
SAN 80	47150	Bus Rapid Transit	55,667,619	-	(55,667,619)	-
SAN 80	47170	Mid City Bus Rapid Transit	9,072,566	-	(9,072,566)	-
SAN 80	47180	South Bay Bus Rapid Transit	8,080,989	-	(8,080,989)	-
		Total Major Transit Corridor Operations	87,933,875	-	(87,933,875)	-
		Total Transit and Trolley	230,923,598	-	(230,923,598)	-
		Total Operating	239,817,427	-	(239,817,427)	-
		Subtotal Cumulative <i>TransNet</i> Extension	239,817,427	-	(239,817,427)	-

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
<b>Completed Projects:</b>						
Capital:						
Major Corridor:						
MTS28	47120	Bus & Rail Rolling Stock	\$ 2,247,000	\$ -	\$ (2,247,000)	\$ -
SAN 67	47120	Blue Line Rehab	45,442,895	-	(45,442,895)	-
Operating:						
Transit and Trolley:						
MTS 23A	47110	MTS Operating Support	<u>181,530,668</u>	<u>-</u>	<u>(181,530,668)</u>	<u>-</u>
Total Completed Projects			<u>229,220,563</u>	<u>-</u>	<u>(229,220,563)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 469,037,990</u>	<u>\$ -</u>	<u>\$ (469,037,990)</u>	<u>\$ -</u>

**NORTH COUNTY TRANSIT DISTRICT  
OCEANSIDE, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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 (NCTD) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. NCTD's management is responsible for the accounting records. 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 enumerated 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. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG staff the applicable approved RTIP.

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

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: This procedure is not applicable as NCTD does not participate in the Grant Program.

4. 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: NCTD does not maintain a separate fund for *TransNet* revenues and expenditures. However, since NCTD is an enterprise fund, it does maintain separate accountability for all *TransNet* activity. This alternative approach for maintaining separate accountability has been approved by SANDAG.

5. 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.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

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

- b. 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.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

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

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.

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

- e. We identified the interest income reported for the fiscal year.

- 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 to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

- f. We identified the total *TransNet* expenditures for the fiscal year.

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

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$13,935,841. We selected \$4,967,191 (35.64%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25%, and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the payroll expenditure did not exceed the 20% of the total dollar amount of expenditures.

- vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.



- g. We determined that any amounts reflected 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, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments for the fiscal year ended June 30, 2020.

- h. 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 reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2020.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

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

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had presented a footnote as to the status of the project that included when the project will be completed.

Results: NCTD02 has had no activity over the past two years. Schedule A includes a footnote on the status of the project.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for no activity on January 8, 2021.

- l. 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: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as NCTD had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency the Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were 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, 2020 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included in Schedule A.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

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

- 8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 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 deduction (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 as follows:

	Senior and Disabled	Transit
Fiscal year 2020 apportionment	\$ 358,079	\$13,499,573
Less: debt service payment	<u>          -</u>	<u>(1,331,655)</u>
Net estimated apportionment	358,079	12,167,918
30% base	<u>          30%</u>	<u>          30%</u>
Fiscal year 2020 30% threshold	<u>  107,424</u>	<u>  3,650,375</u>
Less:		
Fund balance	<u>          -</u>	<u>          -</u>
Fund balance under apportionment	<u>\$  107,424</u>	<u>\$  3,650,375</u>

9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	Balance <u>July 1, 2019</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2020</u>	Interest <u>Payments</u>
Commercial Paper	\$24,300,000	\$ -	\$(1,250,000)	\$23,050,000	\$(81,655)

10. 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 prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.
  - b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.
  - c. We reviewed and reported that 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 (calculated in [a]) does not exceed the increase in the CPI (obtained in [b]).

Results: The decrease 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 table below. The CPI from 2019 to 2020 decreased by 4.96%. The total operating cost per revenue vehicle hour for bus services increased by 7.47% and thus NCTD was not in compliance with this portion of the requirement. In addition, the total operating cost per revenue vehicle mile for rail services increased by 10.84%, and thus NCTD was not in compliance with this portion of the requirement. NCTD submitted to the SANDAG Board, a request to recalculate operator eligibility for bus and rail services by using non-cash adjustments and exclusions. The effect

of these adjustments and exclusions was a decrease to the change in total operating cost per revenue vehicle hour for bus services to (0.46)% and revenue vehicle miles for rail services to (0.55)%. On March 19, 2021, the SANDAG Board of Directors approved NCTD’s request. Therefore, we have calculated operator eligibility for bus and rail services and NCTD is now in compliance with this requirement.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2020</u>	<u>2019</u>	<u>Growth Rate</u>
Operating cost for buses	\$52,293,647	\$55,715,087	
Revenue vehicle hours	503,957	534,456	
Total operating cost per revenue vehicle hour	\$103.77	\$104.25	(0.46%)
Consumer Price Index	220.500	232.005	(4.96%)

Operating Cost per Revenue Vehicle Mile for Rail Services

	<u>2020</u>	<u>2019</u>	<u>Growth Rate</u>
Operating cost for rail	\$39,306,558	\$41,530,791	
Revenue vehicle miles	749,139	787,140	
Total operating cost per revenue vehicle mile	\$52.47	\$52.76	(0.55%)
Consumer Price Index	220.500	232.005	(4.96%)

11. 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.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations noted during the fiscal year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the NCTD’s compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

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

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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.

*Davis Jan UP*

Irvine, California  
March 19, 2021

**GLOSSARY OF TERMS**

**"CPI"** means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1<sup>st</sup> Half 2020 of the Semiannual average indexes Table).

**"Current Fiscal Year"** means the fiscal period of July 1, 2019, through June 30, 2020.

**"MPO ID"** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**"Recipient Agency"** means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**"RTIP"** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**"SANDAG"** means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**"SANDAG Board Policy No. 031"** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**"Schedule A"** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**"Schedule B"** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**"TransNet Extension Ordinance"** means the 2004 Proposition A.

**"TransNet Ordinance and Expenditure Plan"** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2020	Notes
<b>TransNet:</b>									
<b>Capital:</b>									
<b>Transit:</b>									
NCTD18	112005, 115005, 514016, 512556, 512557, 512560 412770, 419003, 514017,	Coastal	\$ 2,694	\$ -	\$ 86	\$ (2,780)	\$ -	\$ -	
NCTD18	518004, 518010, 115123, 615225	STP Projects and Services	<u>13,354</u>	<u>-</u>	<u>97</u>	<u>(10,708)</u>	<u>-</u>	<u>2,743</u>	
Total Transit			<u>16,048</u>	<u>-</u>	<u>183</u>	<u>(13,488)</u>	<u>-</u>	<u>2,743</u>	
Total Capital			<u>16,048</u>	<u>-</u>	<u>183</u>	<u>(13,488)</u>	<u>-</u>	<u>2,743</u>	
Total <i>TransNet</i>			<u>\$ 16,048</u>	<u>\$ -</u>	<u>\$ 183</u>	<u>\$ (13,488)</u>	<u>\$ -</u>	<u>\$ 2,743</u>	
<b>TransNet Extension:</b>									
<b>Operating:</b>									
<b>Senior and Disabled Transportation:</b>									
NCTD03	N/A	Elderly and Disabled	<u>(1,000)</u>	<u>359,000</u>	<u>-</u>	<u>(358,000)</u>	<u>-</u>	<u>-</u>	
Total Senior and Disabled Transportation			<u>(1,000)</u>	<u>359,000</u>	<u>-</u>	<u>(358,000)</u>	<u>-</u>	<u>-</u>	
<b>Transit:</b>									
NCTD02	817350	Preventive Maintenance	-	-	-	-	-	-	(a)
NCTD16B	N/A	Oceanside to Escondido Rail - SPRINTER Debt Service	270,813	1,744,540	-	(2,015,353)	-	-	
NCTD34	N/A	Expanded Transit Service	<u>-</u>	<u>11,549,000</u>	<u>-</u>	<u>(11,549,000)</u>	<u>-</u>	<u>-</u>	
Total Transit			<u>270,813</u>	<u>13,293,540</u>	<u>-</u>	<u>(13,564,353)</u>	<u>-</u>	<u>-</u>	
Total Operating			<u>269,813</u>	<u>13,652,540</u>	<u>-</u>	<u>(13,922,353)</u>	<u>-</u>	<u>-</u>	
Total <i>TransNet</i> Extension			<u>\$ 269,813</u>	<u>\$ 13,652,540</u>	<u>\$ -</u>	<u>\$ (13,922,353)</u>	<u>\$ -</u>	<u>\$ -</u>	
Total <i>TransNet</i> and <i>TransNet</i> Extension			<u>\$ 285,861</u>	<u>\$ 13,652,540</u>	<u>\$ 183</u>	<u>\$ (13,935,841)</u>	<u>\$ -</u>	<u>\$ 2,743</u>	

Notes:

(a) No *TransNet* funds were programmed for preventive maintenance. NCTD has programmed Transportation Development Act (TDA) funds for preventive maintenance activities.

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>						
<b>Operating:</b>						
<b>Senior and Disabled Transportation:</b>						
NCTD03	N/A	Elderly and Disabled	\$ 3,622,325	\$ -	\$ (3,622,325)	\$ -
		Total Senior and Disabled Transportation	<u>3,622,325</u>	<u>-</u>	<u>(3,622,325)</u>	<u>-</u>
<b>Major Corridor:</b>						
NCTD34	N/A	Expanded Transit Service	<u>1,313,066</u>	<u>-</u>	<u>(1,313,066)</u>	<u>-</u>
		Total Major Corridor	<u>1,313,066</u>	<u>-</u>	<u>(1,313,066)</u>	<u>-</u>
<b>Transit:</b>						
NCTD02	817350	Preventive Maintenance	1,715,876	-	(1,715,876)	-
NCTD16B	N/A	Oceanside to Escondido Rail - SPRINTER Debt Service	19,355,112	-	(19,355,112)	-
NCTD34	N/A	Expanded Transit Service	<u>115,907,189</u>	<u>-</u>	<u>(115,907,189)</u>	<u>-</u>
		Total Transit	<u>136,978,177</u>	<u>-</u>	<u>(136,978,177)</u>	<u>-</u>
		Total Operating	<u>141,913,568</u>	<u>-</u>	<u>(141,913,568)</u>	<u>-</u>
<b>Completed Projects:</b>						
<b>Operating:</b>						
		<i>TransNet</i> Senior Mini Grant	217,941	-	(217,941)	-
<b>Capital:</b>						
		Major Corridor	68,323,717	429,576	(68,753,293)	-
		Bike, Pedestrian and Neighborhood Safety (BPNS) Inland Rail Trail	<u>3,870,000</u>	<u>25,257</u>	<u>(3,895,257)</u>	<u>-</u>
		Total Completed Projects	<u>72,411,658</u>	<u>454,833</u>	<u>(72,866,491)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 214,325,226</u>	<u>\$ 454,833</u>	<u>\$ (214,780,059)</u>	<u>\$ -</u>



**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
**SAN DIEGO, CALIFORNIA**

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

Year Ended June 30, 2020

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

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

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 SANDAG was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. SANDAG's management is responsible for the accounting records. 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 *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

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

2. We obtained from SANDAG the applicable approved RTIP.

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

3. We obtained from SANDAG the *TransNet* Grant Program spreadsheet.

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

4. 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.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures for SANDAG and SDCRTC for the current fiscal year.

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

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.
  - a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.
  - b. 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). We determined that the projects are properly classified by SANDAG and SDCRTC.

Results: No exceptions were noted as a result of our procedures.
  - c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.
  - d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified SANDAG staff and obtained approval.

Results: No exceptions were noted as a result of our procedures.
  - e. We identified the interest income reported for the fiscal year.
    - i. We reviewed the interest income reported on Schedule A and matched it to the *TransNet* general ledger.

Results: This procedure is not applicable as there was no interest reported on Schedule A.
    - ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as there was no interest reported on Schedule A.
  - f. We identified the total *TransNet* expenditures for the year ended June 30, 2020.
    - i. We reviewed the total project expenditures per Schedule A and agreed to the respective recipient agency's general ledger.

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

- ii. We selected individual expenditures of 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 *TransNet* expenditures in the amount of \$140,746,056. We selected \$51,166,476 (36.35%) 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 if the MPO ID is included in the RTIP (see procedure 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. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures, and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

- v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transaction and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

- vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm.

Results: SANDAG allocated indirect costs to projects included in the RTIP for the year ended June 30, 2020. SANDAG allocates indirect costs at a rate of 78.65% of direct labor costs associated with each project.

SANDAG allocated a total of \$2,863,402 of indirect costs to projects, resulting in 2.03% of indirect costs compared to total *TransNet* expenditures. SANDAG's indirect cost plan has been reviewed and approved by the State of California Department of Transportation, and is updated by SANDAG on an annual basis. The indirect cost rate allocation methodology appears reasonable. No exceptions were noted as a result of our procedures.

- g. We determined that any amounts reported in the "adjustments" column was explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

- h. 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 reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

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

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type or authorization and date of authorization.

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

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2020.

Results: This procedure is not applicable as there were no projects with a negative ending balance.

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency has provided a footnote of the status of the project that includes when the project will be completed.

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

- k. We obtained approval from SANDAG staff for reason of inactivity.

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



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.

9. If applicable (including SDCRTC), we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2020.

10. For recipient SANDAG, acting as the SDCRTC, only, we obtained a schedule of bond financing costs related to highway and transit capital projects indicating beginning balance, additions and ending paid to date balance. We ensured the financing costs were properly supported and have not exceeded \$500,000,000 (2002 dollars). We agreed the current fiscal year financing costs to SANDAG records.

Results: The schedule of bond financing costs related to highway and transit capital projects is summarized below. The total cost of \$48,286,573 did not exceed \$500,000,000 in 2002 dollars. No exceptions were noted as a result of our procedures.

<u>Debt Issuance</u>	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2020</u>
Commercial Paper	\$4,457,034	\$409,018	\$ -	\$4,866,052
2008 Bonds	29,577,941	1,725,983	-	31,303,924
2010 Bonds	2,908,879	6,947	-	2,915,826
2012 Bonds	2,325,550	3,510	-	2,329,060
2014 Bonds	1,290,437	3,200	-	1,293,637
2016 Bonds	1,204,896	2,601	-	1,207,497
2017 TIFIA Loan	947,709	16,150	-	963,859
2018 Short Term	1,559,967	1,769	-	1,561,736
2019 Bonds	-	1,430,787	-	1,430,787
2020 Bonds	-	414,196	-	414,196
<b>Total</b>	<b><u>\$44,272,413</u></b>	<b><u>\$4,014,160</u></b>	<b><u>\$ -</u></b>	<b><u>\$48,286,573</u></b>

11. We reviewed to ensure that SANDAG's administrative expenditures complied with Section 12 of the *TransNet* Extension Ordinance:

- a. We reviewed and ensured that the total administrative expenditures did not exceed 1% of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

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

- b. We reviewed at least 25% of the administrative expenditures and ensured that they were expended by recipient SANDAG for staff salaries, wages,

benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: SANDAG recorded total administrative expenditures in the amount of \$3,690,377. We selected \$3,000,001 (81.29%) for testing. No exceptions were noted as a result of our procedures.

- i. If unallowable expenditures were identified in step 11.b, we expanded the sample to include an additional 25% of administrative expenditures, and documented SANDAG's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures noted in step 11.b.

12. For SANDAG, acting as the SDCRTC, 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.

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

- b. We reviewed the FY 2020 *TransNet* Local Street Improvements Allocation Schedule and determined that at least 70% of the revenues provided for Local Street Improvement purposes were used for congestion relief purposes and that no more than 30% for maintenance purposes.

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

13. 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.

14. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2020.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the SANDAG's compliance with



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

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the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2020. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
March 19, 2021

GLOSSARY OF TERMS

**Definitions**

**“Current Fiscal Year”** means the fiscal period of July 1, 2019, through June 30, 2020.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including SANDAG and SDCRTC, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“SDCRTC”** means the San Diego County Regional Transportation Commission, a blended component unit of SANDAG.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
<b>TransNet Extension:</b>								
<b>Administration:</b>								
		SANDAG 1% Administration	\$ 721,542	\$ 3,099,235	\$ (3,690,377)	\$ -	\$ 130,400	
		Total Administration	<u>721,542</u>	<u>3,099,235</u>	<u>(3,690,377)</u>	<u>-</u>	<u>130,400</u>	
<b>Bike, Pedestrian &amp; Neighborhood Safety (BPNS) - Pass-Through:</b>								
CAL330	1223014	SR-15 Commuter Bike Facility	-	11,000	(11,000)	-	-	
CB45	1223071	Carlsbad Blvd and Tamarack Ave Ped Improvement	-	12,108	(12,108)	-	-	
IB19	1223092	IB Biking Education, Encouragement and Awareness Campaign	-	27,566	(27,566)	-	-	
NC34	1223090	"Waterfront to Homefront" Connectivity Study	-	196,166	(196,166)	-	-	
NC35	1223089	National City Bicycle Parking Enhancements	-	23,634	(23,634)	-	-	
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	-	529,514	(529,514)	-	-	
SD259	1223091	Move Free SD Education, Encouragement and Awareness Campaign	-	99,693	(99,693)	-	-	
VISTA54	1224035	Paseo Santa Fe Phase II - (Congestion Relief)	-	2,002,283	(2,002,283)	-	-	
		Total BPNS - Pass Through	<u>-</u>	<u>2,901,964</u>	<u>(2,901,964)</u>	<u>-</u>	<u>-</u>	
<b>BPNS:</b>								
CAL330	1223014	SR-15 Commuter Bike Facility	-	74,756	(74,756)	-	-	
SAN40	3300100	<i>TransNet</i> Smart Growth Incentive Program	-	87,960	(87,960)	-	-	
SAN73A	1239817	Chesterfield Drive Crossing Improvements	-	14,832	(14,832)	-	-	
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	-	116,618	(116,618)	-	-	
SAN153	1223023	The Inland Rail Trail	-	4,426,885	(4,426,885)	-	-	
SAN154	1129900	Bayshore Bikeway Segment 8B	-	23,330	(23,330)	-	-	
SAN155	1223016	Coastal Rail Trail - Rose Creek	-	2,862,527	(2,862,527)	-	-	
		Subtotal BPNS	<u>-</u>	<u>7,606,908</u>	<u>(7,606,908)</u>	<u>-</u>	<u>-</u>	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		BPNS balance carried forward	\$ -	\$ 7,606,908	\$ (7,606,908)	\$ -	\$ -	
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	-	150,042	(150,042)	-	-	
SAN156	3301100	Plan for Future Coastal Rail Trail	-	17,524	(17,524)	-	-	
		Total SAN156	-	167,566	(167,566)	-	-	
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	-	-	-	-	-	(a)
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	-	371,406	(371,406)	-	-	
SAN195	1223055	Bayshore Bikeway - Barrio Logan	-	1,051,401	(1,051,401)	-	-	
SAN197	1223052	San Diego River Trail - Qualcomm Stadium	-	(6,458)	6,458	-	-	(b)
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	-	100,611	(100,611)	-	-	
SAN203	1223056	San Ysidro to IB Parkway	-	709,052	(709,052)	-	-	
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	-	286,056	(286,056)	-	-	
SAN205	1223057	NP to Downtown/Balboa Bikeway	-	476,709	(476,709)	-	-	
SAN206	1223058	Southeast to Downtown Bikeway	-	334,610	(334,610)	-	-	
SAN229	1223078	North Park/Mid-City Bikeways: Landis Bikeway	-	24,486	(24,486)	-	-	
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	-	702,222	(702,222)	-	-	
SAN230	1223087	North Park/Mid-City Bikeway: Orange	-	443,899	(443,899)	-	-	
		Total SAN230	-	1,146,121	(1,146,121)	-	-	
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	-	818,653	(818,653)	-	-	
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	-	5,100,253	(5,100,253)	-	-	
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	-	786,289	(786,289)	-	-	
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	-	402,486	(402,486)	-	-	
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	-	87,375	(87,375)	-	-	
SAN237	1223086	Uptown Bikeways: Uptown Bikeways: Park Boulevard Bikeway	-	29,027	(29,027)	-	-	
SAN238	1223080	North Park/Mid-City Bikeways Monroe Bikeway	-	1,926	(1,926)	-	-	
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	-	2,042	(2,042)	-	-	
		Total BPNS	-	19,496,519	(19,496,519)	-	-	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
<b>Senior Services Pass Through:</b>								
LAM27	1270400	La Mesa - Rides4Neighbors	\$ -	\$ 62,493	\$ (62,493)	\$ -	\$ -	
O34	1270500	Oceanside - Senior Shuttle Program	-	113,908	(113,908)	-	-	
SAN70	1271000	Jewish Family Services - Rides and Smiles	-	141,677	(141,677)	-	-	
SAN70	1271800	On the Go (Eastern San Diego)	-	117,722	(117,722)	-	-	
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and	-	102,137	(102,137)	-	-	
		Total SAN70	-	361,536	(361,536)	-	-	
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	-	50,804	(50,804)	-	-	
SAN92	1271300	Travelers Aid Society - SeniorRide	-	196,551	(196,551)	-	-	
SAN168	1271900	FACT Mobility Management	-	189,269	(189,269)	-	-	
SAN185	1270800	FACT MedRide	-	198,370	(198,370)	-	-	
SAN243	1272600	FACT RIDEFinder	-	30,132	(30,132)	-	-	
		Total Senior Services Pass Through	-	1,203,063	(1,203,063)	-	-	
<b>Senior Services:</b>								
SAN40	3320201	Specialized Transportation	-	49,943	(49,943)	-	-	
		Total Senior Services	-	49,943	(49,943)	-	-	
<b>Smart Growth - Pass-Through:</b>								
CHV86	1224059	Third Avenue Streetscape Improvement Project (TASIP-STL406) Phase II	-	1,502,480	(1,502,480)	-	-	
CNTY95	1224054	Alpine Community Plan Implementation	-	24,006	(24,006)	-	-	
CNTY96	1224055	Casa De Oro - Campo Road Specific Plan	-	116,210	(116,210)	-	-	
CNTY97	1224056	Valley Center Community Plan Update	-	133,890	(133,890)	-	-	
EL37	1224046	CAP Environmental and Benefit Cost Analysis	-	(15,527)	15,527	-	-	(b)
EL40	1224067	El Cajon Transit Center Community Connection Improvements	-	84,963	(84,963)	-	-	
EL41	1224068	Main Street - Green Street Gateway	-	73,030	(73,030)	-	-	
		Subtotal Smart Growth - Pass-Through	-	1,919,052	(1,919,052)	-	-	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		Smart Growth - Pass-Through balance carried forward	\$ -	\$ 1,919,052	\$ (1,919,052)	\$ -	\$ -	
ESC44	1224034	Escondido Transit Center Active Transportation Connections	-	734,599	(734,599)	-	-	
ESC48	1224060	Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)	-	77,184	(77,184)	-	-	
LAM49	1224047	Complete Streets Integrated Design Manual	-	27,831	(27,831)	-	-	
NC29	1224048	National City 24th St Transit Oriented Development Overlay	-	182,472	(182,472)	-	-	
NC36	1224061	Roosevelt Avenue Corridor Smart Growth Revitalization Project	-	116,047	(116,047)	-	-	
NC37	1224062	Sweetwater Road Protected Bikeway	-	116,885	(116,885)	-	-	
O49	1224058	Coastal Rail Trail Extension	-	333,325	(333,325)	-	-	
SD241	1224043	Pacific Beach Greenways, Parks and Transit	-	(18)	18	-	-	(b)
SD243	1224031	14th Street Pedestrian Promenade Demonstration Block	-	465,455	(465,455)	-	-	
SD253	1224049	Clairemont Transit Oriented Development Design Concepts	-	186,246	(186,246)	-	-	
SD254	1224050	College Area Smart Growth Study (CASGS)	-	122,990	(122,990)	-	-	
SD255	1224051	E Street Greenway Master Plan	-	79,330	(79,330)	-	-	
SD256	1224052	Mira Mesa Transit Oriented Development	-	384,410	(384,410)	-	-	
SD257	1224053	University Community Smart Growth Concept Study	-	332,971	(332,971)	-	-	
SD260	1224063	Downtown Mobility Cycle Way Improvement Phase I and II	-	334,764	(334,764)	-	-	
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	-	42,523	(42,523)	-	-	
SD262	1224065	East Village Green Park Phase I	-	5,483	(5,483)	-	-	
VISTA54	1224035	Paseo Santa Fe Phase II	-	655,973	(655,973)	-	-	
VISTA58	1224066	Paseo Santa Fe Phase III	-	680,000	(680,000)	-	-	
		<b>Total Smart Growth - Pass-Through</b>	<b>-</b>	<b>6,797,522</b>	<b>(6,797,522)</b>	<b>-</b>	<b>-</b>	
		<b>Smart Growth:</b>						
SAN40	3300100	<i>TransNet</i> Smart Growth Incentive Program	-	87,960	(87,960)	-	-	
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Ave Bikeways	-	38,731	(38,731)	-	-	
		<b>Total Smart Growth</b>	<b>-</b>	<b>126,691</b>	<b>(126,691)</b>	<b>-</b>	<b>-</b>	
		<b>Local Street Improvements:</b>						
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	-	11,700	(11,700)	-	-	
CHV39	3311002	Traffic Signal System Optimization	-	15,500	(15,500)	-	-	
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	-	12,500	(12,500)	-	-	
		<b>Subtotal Local Street Improvements</b>	<b>-</b>	<b>39,700</b>	<b>(39,700)</b>	<b>-</b>	<b>-</b>	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		Local Street Improvements balance carried forward	\$ -	\$ 39,700	\$ (39,700)	\$ -	\$ -	
EL06	3311002	Traffic Signals Project	-	9,700	(9,700)	-	-	
ENC28	3311002	Traffic Signal Modifications	-	7,400	(7,400)	-	-	
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	-	7,400	(7,400)	-	-	
NC04	3311002	Traffic Signal Install/Upgrade	-	8,000	(8,000)	-	-	
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	-	11,200	(11,200)	-	-	
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	-	7,300	(7,300)	-	-	
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	-	67,600	(67,600)	-	-	
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	-	10,800	(10,800)	-	-	
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	-	7,400	(7,400)	-	-	
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	-	8,800	(8,800)	-	-	
		<b>Total Local Street Improvements</b>	-	<b>185,300</b>	<b>(185,300)</b>	-	-	
		<b>Regional Environmental Mitigation Program (EMP) - Pass-Through:</b>						
V07	12002xx	Caltrans EMP	\$ -	\$ 15,228,000	\$ (15,228,000)	\$ -	\$ -	
V08	1201318	Native Seed Bank	-	129,420	(129,420)	-	-	
V08	1201319	Otay Mesa Rare Plants	-	695	(695)	-	-	
V08	1201320	Proctor Valley Vernal Pools	-	183,578	(183,578)	-	-	
V08	1201321	North County Dunes 2	-	47,595	(47,595)	-	-	
V08	1201322	SD Thornmint Restoration	-	22,897	(22,897)	-	-	
V08	1201323	Navajo Canyon	-	40,889	(40,889)	-	-	
V08	1201325	Elfin Forest	-	23,678	(23,678)	-	-	
V08	1201326	Otay Mesa Open Space	-	11,195	(11,195)	-	-	
V08	1201327	D Street	-	40,853	(40,853)	-	-	
V08	1201328	Cabrillo	-	(1,185)	1,185	-	-	(b)
V08	1201329	Ramona Grasslands	-	31,274	(31,274)	-	-	
V08	1201331	Wright's Field	-	33,867	(33,867)	-	-	
V08	1201332	Boulder Creek	-	24,908	(24,908)	-	-	
		<b>Subtotal V08</b>	-	<b>589,664</b>	<b>(589,664)</b>	-	-	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		Balance carried forward - Subtotal V08	\$ -	\$ 589,664	\$ (589,664)	\$ -	\$ -	
V08	1201333	Rare Plants 2	-	43,265	(43,265)	-	-	
V08	1201335	Veldt Grass 2	-	11,990	(11,990)	-	-	
V08	1201336	Invasive Species Management	-	54,776	(54,776)	-	-	
V08	1201337	San Pasqual Cactus Wren	-	19,906	(19,906)	-	-	
V08	1201338	Lower Otay Reservoir	-	21,667	(21,667)	-	-	
V08	1201339	Burrowing Owl	-	27,283	(27,283)	-	-	
V08	1201340	Mission Bay Park	-	44,384	(44,384)	-	-	
V08	1201341	Stinknet Removal	-	25,638	(25,638)	-	-	
		Total V08	-	838,573	(838,573)	-	-	
		Total Regional EMP - Pass Through	-	16,066,573	(16,066,573)	-	-	
		<b>Environmental Mitigation Program (EMP):</b>						
V07	12002xx	Biological Mitigation	-	11,680,924	(11,680,924)	-	-	
V08	12003xx/ 12013xx	Regional Habitat Conservation Fund	-	2,822,831	(2,822,831)	-	-	
		Total EMP	-	14,503,755	(14,503,755)	-	-	
		<b>Bus Rapid Transit (BRT)/Rail Operations:</b>						
SAN80	1130100	Financial ERP System	-	478,301	(478,301)	-	-	
SAN80	1131600	Human Resources Info System	-	202,090	(202,090)	-	-	
SAN80	2301300	Data Science and Big Data	-	166,589	(166,589)	-	-	
SAN80	3102000	SD Forward Regional Plan	-	3,800,366	(3,800,366)	-	-	
SAN80	3310703	TDM - Program & Svs Delivery	-	4,701	(4,701)	-	-	
SAN80	3400500	Interregional Planning: Tribal Liaison Program	-	5,000	(5,000)	-	-	
SAN80	8000103	Office of the Independent Performance Auditor	-	136,231	(136,231)	-	-	
SAN80	8000190	Information Services	-	715,841	(715,841)	-	-	
		Total BRT/Rail Operations	-	5,509,119	(5,509,119)	-	-	



**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
<b>Major Corridor - Pass-Through:</b>								
CAL09	1200501	I-5 North Coast	\$ -	\$ 480,000	\$ (480,000)	\$ -	\$ -	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	(10,880,000)	10,880,000	-	-	(c)
CAL09	1200509	I-5 San Elijo Bridge Replace	-	(1,795,000)	1,795,000	-	-	(c)
CAL09	1200510	I-5 HOV Carlsbad	-	795,000	(795,000)	-	-	
Total CAL09			-	(11,400,000)	11,400,000	-	-	
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	45,000	(45,000)	-	-	
CAL29	1207602	SR 76 Middle	-	(1,350,000)	1,350,000	-	-	(c)
CAL29B	1207606	SR 76 East	-	(1,343,000)	1,343,000	-	-	(c)
CAL38	1390501	SR-905 New Freeway	-	112,000	(112,000)	-	-	
CAL75	1200506	I-5 Genesee Interchange and Widening	-	1,095,000	(1,095,000)	-	-	
CAL78B	1280511	I-805 HOV/Managed Lanes - North	-	85,000	(85,000)	-	-	
CAL78C	1280510	I-805 South: 2 HOV and DAR	-	1,376,000	(1,376,000)	-	-	
CAL78D	1280515	I-805 South Soundwalls - Unit 1	-	816,000	(816,000)	-	-	
CAL114	1200503	I-5/SR56 Interchange	-	(40,596)	-	40,596	-	(b)
CAL114	1200513	SR56 Auxiliary Lane	-	165,596	(125,000)	(40,596)	-	(b)
Total CAL114			-	125,000	(125,000)	-	-	
CAL277A	1207803	SR78/I-5 HOV Connector	-	2,627,478	(2,627,478)	-	-	
SAN23	1257001	Mid-Coast LRT Corridor Project	-	114,000	(114,000)	-	-	
SAN26C	1201507	SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations	-	(11,000)	11,000	-	-	(c)
SAN47	1280504	South Bay BRT	-	47,000	(47,000)	-	-	
SAN73	1239806	San Elijo Lagoon Double Track	-	2,565,894	(2,565,894)	-	-	
SAN73A	1239817	Chesterfield Drive Crossing Improvements	-	41,106	(41,106)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	57,000	(57,000)	-	-	
V15	1200508	I-5/Gilman Drive Bridge.	-	30,000	(30,000)	-	-	
V18	1200507	I-5/Voigt Drive Improvements	-	(102,000)	102,000	-	-	(c)
	1200100	TransNet Project Office	-	(40,000)	40,000	-	-	(d)
Total Major Corridor - Pass-Through			-	(5,109,522)	5,109,522	-	-	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
<b>Major Corridor:</b>								
CAL09	1200501	I-5 North Coast	\$ -	\$ 32,582	\$ (32,582)	\$ -	\$ -	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	1,158,671	(1,158,671)	-	-	
CAL09	1200509	I-5 San Elijo Bridge Replace	-	1,106,315	(1,106,315)	-	-	
CAL09	1200510	I-5 HOV Carlsbad	-	20,452	(20,452)	-	-	
		<b>Total CAL09</b>	<b>-</b>	<b>2,318,020</b>	<b>(2,318,020)</b>	<b>-</b>	<b>-</b>	
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	817	(817)	-	-	
CAL18B	1201501	I-15 Managed Lanes - South Segment	-	2,431	(2,431)	-	-	
CAL29	1207602	SR 76 Middle	-	28	(28)	-	-	
CAL29B	1207606	SR 76 East	-	(221,566)	221,566	-	-	(e)
CAL75	1200506	I-5 Genesee Interchange and Widening	-	102,206	(102,206)	-	-	
CAL78B	1280511	I-805 HOV/Managed Lanes - North	-	622	(622)	-	-	
CAL78C	1280510	I-805 South: 2 HOV & DAR	-	27,237	(27,237)	-	-	
CAL78D	1280515	I-805 S Soundwalls	-	213,650	(213,650)	-	-	
CAL114	1200513	SR56 Auxiliary Lane	-	28	(28)	-	-	
CAL277	1207802	I-15/SR78 HOV Connectors	-	44,418	(44,418)	-	-	
CAL277A	1207803	SR78/I-5 HOV Connector	-	11	(11)	-	-	
CAL502	1280516	I-805 North Construct Operational Improvements	-	7,258	(7,258)	-	-	
CAL550	1605201	CMCP - Sea to Santee (SR52)	-	49,870	(49,870)	-	-	
CAL552	1680501	CMCP - San Ysidro to Sorrento Corridor	-	104,726	(104,726)	-	-	
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	-	49,819	(49,819)	-	-	
CAL554	1600502	CMCP - Blue Line Express/I-5 South	-	47,015	(47,015)	-	-	
SAN04	1201504	I-15 FasTrak®	-	54,823	(54,823)	-	-	
SAN23	1257001	Mid-Coast LRT Corridor Project	-	24,074,497	(24,074,497)	-	-	
SAN26B	1201509	Downtown BRT Stations	-	16,465	(16,465)	-	-	
SAN26C	1201507	SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations	-	6,006	(6,006)	-	-	
		<b>Subtotal Major Corridor</b>	<b>-</b>	<b>26,898,381</b>	<b>(26,898,381)</b>	<b>-</b>	<b>-</b>	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		Major Corridor balance carried forward	\$ -	\$ 26,898,381	\$ (26,898,381)	\$ -	\$ -	
SAN27	1300601	San Ysidro Intermodal Freight Facility	-	2,152	(2,152)	-	-	
SAN27	1300602	South Line Rail Freight Capacity	-	203	(203)	-	-	
		Total SAN27	-	2,355	(2,355)	-	-	
SAN29	1239801	Sorrento to Miramar Double Track/Realign	-	3,025	(3,025)	-	-	
SAN29	1239812	Sorrento to Miramar Phase 2	-	1,749,620	(1,749,620)	-	-	
		Total SAN29	-	1,752,645	(1,752,645)	-	-	
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	-	1,873,912	(1,873,912)	-	-	
SAN31	1142300	Escondido Maintenance Facility	-	206,239	(206,239)	-	-	
SAN36	1144000	Bus/Rail Signal & Communications Equipment	-	44,239	(44,239)	-	-	
SAN46	1041502	Super Loop	-	5,796	(5,796)	-	-	
SAN47	1280504	South Bay BRT	-	10,018,544	(10,018,544)	-	-	
SAN54	3310500	511 ATIS	-	44,685	(44,685)	-	-	
SAN54	3311000	ITS Operations	-	1,023,489	(1,023,489)	-	-	
SAN54	3311100	Regional ITS Program Management	-	219,486	(219,486)	-	-	
SAN54	3311800	Connected Vehicle Development Program	-	41,972	(41,972)	-	-	
SAN54	3330700	TSM-Integrated Corridor Management Program	-	119,514	(119,514)	-	-	
SAN54	3331200	RTS Mgt & Op Plan	-	45,388	(45,388)	-	-	
		Total SAN54	-	1,494,534	(1,494,534)	-	-	
SAN64	1239809	Eastbrook to Shell Double Track	-	557,921	(557,921)	-	-	
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	-	999,399	(999,399)	-	-	
SAN73A	1239817	Chesterfield Drive Crossing Improvements	-	34,898	(34,898)	-	-	
SAN78	1240001	Mid-City Rapid Bus	-	115,062	(115,062)	-	-	
SAN116	1239803	Oceanside Station Pass Through Track	-	83,538	(83,538)	-	-	
SAN117	1239805	Poinsettia Station Improvements	-	7,667,064	(7,667,064)	-	-	
		Subtotal Major Corridor	-	51,754,527	(51,754,527)	-	-	

**SCHEDULE A**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Project Status July 1, 2019	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2020	Notes
		Major Corridor balance carried forward	\$ -	\$ 51,754,527	\$ (51,754,527)	\$ -	\$ -	
SAN119	1239807	Sorrento Valley Double Track	-	5,061	(5,061)	-	-	
SAN123	1143200	UTC Transit Center	-	870	(870)	-	-	
SAN129	1201514	Downtown Multiuse and Bus Stopover Facility	-	58,210	(58,210)	-	-	
SAN130	1239810	Carlsbad Village Double Track	-	15,578	(15,578)	-	-	
SAN131	1201511	Mira Mesa Blvd. Bus Rapid Transit Priority Treatments	-	1,611	(1,611)	-	-	
SAN132	1239811	Elvira to Morena Double Track	-	2,972,361	(2,972,361)	-	-	
SAN149	1239814	Coaster PE	-	92,832	(92,832)	-	-	
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	-	178,620	(178,620)	-	-	
SAN172	1210030	BL Station Rehabilitation	-	33,328	(33,328)	-	-	
SAN173	1210040	BL Rail Infrastructure	-	142,369	(142,369)	-	-	
SAN182	1239815	San Diego River Bridge	-	931,714	(931,714)	-	-	
SAN183	1239816	Batiquitos Lagoon Double Track	-	493,464	(493,464)	-	-	
SAN201	1145500	Airport Connection	-	1,003	(1,003)	-	-	
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	-	781	(781)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	2,023,152	(2,023,152)	-	-	
SAN253	1600501	CMCP - Central Mobility Hub	-	159,228	(159,228)	-	-	
SAN258	1149000	Central Mobility Station	-	4,618,531	(4,618,531)	-	-	
SAN261	1210091	Palomar Street Rail Grade Separation	-	169	(169)	-	-	
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	-	5,000	(5,000)	-	-	
SAN269	1600101	CMCP - Region Wide Plan	-	132,598	(132,598)	-	-	
SAN274	1239819	Carlsbad Village Double Track Trench	-	6,069	(6,069)	-	-	
V11	1201101	State Route 11	-	1,134,365	(1,134,365)	-	-	
V15	1200508	I-5/Gilman Drive Bridge.	-	1,273,198	(1,273,198)	-	-	
V18	1200507	I-5/Voigt Drive Improvements	-	9,290,113	(9,290,113)	-	-	
		Total Major Corridor	-	75,324,752	(75,324,752)	-	-	
		Total <i>TransNet</i> Extension	\$ 721,542	\$ 140,154,914	\$ (140,746,056)	\$ -	\$ 130,400	

**Notes:**

- (a) Funding for SAN158 to continue in FY 21 with an estimated project completion of FY 22.
- (b) Negative expenditures in FY 20 due to prior year corrections.
- (c) *TransNet* funds were returned in FY 20 due to Caltrans EAP refund of excess deposit on hand. See Caltrans report for more detail.
- (d) Excess deposit on hand moved to another project. See Caltrans report for more details.
- (e) *TransNet* funds were returned in FY 20 due to other funding received for prior year expenditures.

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
<b>TransNet Extension:</b>					
<b>Administration:</b>					
		SANDAG 1% Administration	\$ 31,359,835	\$ (31,229,435)	\$ 130,400
		Total Administration	<u>31,359,835</u>	<u>(31,229,435)</u>	<u>130,400</u>
<b>Bike, Pedestrian &amp; Neighborhood Safety (BPNS) - Pass-Through:</b>					
CAL330	1223014	SR-15 Commuter Bike Facility	2,556,999	(2,556,999)	-
CB45	1223071	Carlsbad Blvd & Tamarack Ave Ped Improvement Project	97,523	(97,523)	-
IB19	1223092	IB Biking Education, Encouragement and Awareness Campaign	27,566	(27,566)	-
NC34	1223090	"Waterfront to Homefront" Connectivity Study	196,166	(196,166)	-
NC35	1223089	National City Bicycle Parking Enhancements	23,634	(23,634)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	4,786,000	(4,786,000)	-
SD259	1223091	Move Free SD Education, Encouragement and Awareness Campaign	102,629	(102,629)	-
VISTA54	1224035	Paseo Santa Fe Phase II - (Congestion Relief)	<u>3,699,909</u>	<u>(3,699,909)</u>	<u>-</u>
		Total BPNS - Pass Through	<u>11,490,426</u>	<u>(11,490,426)</u>	<u>-</u>
<b>BPNS:</b>					
CAL330	1223014	SR-15 Commuter Bike Facility	334,875	(334,875)	-
	3300100/				
SAN40	3300200/	Metropolitan Planning	539,558	(539,558)	-
	3300300				
SAN73A	1239817	Chesterfield Drive Crossing Improvements	<u>486,000</u>	<u>(486,000)</u>	<u>-</u>
		Subtotal BPNS	<u>1,360,433</u>	<u>(1,360,433)</u>	<u>-</u>

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - BPNS	\$ 1,360,433	\$ (1,360,433)	\$ -
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	2,523,568	(2,523,568)	-
SAN153	1223023	The Inland Rail Trail	12,392,092	(12,392,092)	-
SAN154	1129900	Bayshore Bikeway Segment 8B	750,905	(750,905)	-
SAN155	1223016	Coastal Rail Trail - Rose Creek	17,737,846	(17,737,846)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	2,874,147	(2,874,147)	-
SAN156	3301100	Plan for Future Coastal Rail Trail	26,644	(26,644)	-
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	1,405,801	(1,405,801)	-
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	5,390,468	(5,390,468)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	4,799,944	(4,799,944)	-
SAN197	1223052	San Diego River Trail - Qualcomm Stadium	561,406	(561,406)	-
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	710,573	(710,573)	-
SAN203	1223056	San Ysidro to IB Parkway	2,246,409	(2,246,409)	-
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	1,111,596	(1,111,596)	-
SAN205	1223057	NP to Downtown/Balboa Bikeway	2,429,743	(2,429,743)	-
SAN206	1223058	Southeast to Downtown Bikeway	2,903,437	(2,903,437)	-
SAN229	1223078	North Park/Mid-City Bikeways: Landis Bikeway	1,408,106	(1,408,106)	-
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	1,307,005	(1,307,005)	-
SAN230	1223087	North Park/Mid-City Bikeway: Orange	491,145	(491,145)	-
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	2,026,327	(2,026,327)	-
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	7,540,980	(7,540,980)	-
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	1,869,770	(1,869,770)	-
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	1,719,883	(1,719,883)	-
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	93,927	(93,927)	-
SAN237	1223086	Uptown Bikeways: Uptown Bikeways: Park Boulevard Bikeway	174,323	(174,323)	-
SAN238	1223080	North Park/Mid-City Bikeways Monroe Bikeway	195,205	(195,205)	-
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	2,042	(2,042)	-
		Total BPNS	<u>76,053,725</u>	<u>(76,053,725)</u>	<u>-</u>

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
<b>Senior Services - Pass-Through:</b>					
LAM27	1270400	La Mesa - Rides4Neighbors	\$ 1,444,942	\$ (1,444,942)	\$ -
O21	1270500	Oceanside - Solutions for Seniors on the Go	835,456	(835,456)	-
O34	1270500	Oceanside - Senior Shuttle Program	<u>957,555</u>	<u>(957,555)</u>	<u>-</u>
SAN70	1271000	Jewish Family Services - Rides and Smiles	686,346	(686,346)	-
SAN70	1271800	On the Go (Eastern San Diego)	601,194	(601,194)	-
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles	<u>963,874</u>	<u>(963,874)</u>	<u>-</u>
Total SAN70			<u>2,251,414</u>	<u>(2,251,414)</u>	<u>-</u>
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	456,982	(456,982)	-
SAN92	1271300	Travelers Aid Society - SeniorRide	1,455,646	(1,455,646)	-
SAN141	1271000	Jewish Family Services	928,710	(928,710)	-
SAN168	1271900	FACT - Mobility Management	1,089,179	(1,089,179)	-
SAN185	1270800	FACT - MedRide	933,307	(933,307)	-
SAN243	1272600	FACT - RIDEFinder	<u>30,132</u>	<u>(30,132)</u>	<u>-</u>
Total Senior Services - Pass-Through			<u>10,383,323</u>	<u>(10,383,323)</u>	<u>-</u>
<b>Senior Services:</b>					
SAN40	3320100/3 320201	Short Range Transit Svc Activities/Specialized Transportation	<u>520,910</u>	<u>(520,910)</u>	<u>-</u>
Total Senior Services			<u>520,910</u>	<u>(520,910)</u>	<u>-</u>

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
<b>Smart Growth - Pass-Through:</b>					
CHV86	1224059	Third Avenue Streetscape Improvement Project (TASIP-STL406) Phase I	\$ 1,542,109	\$ (1,542,109)	\$ -
CNTY95	1224054	Alpine Community Plan Implementation	24,006	(24,006)	-
CNTY96	1224055	Casa De Oro - Campo Road Specific Plan	116,210	(116,210)	-
CNTY97	1224056	Valley Center Community Plan Update	133,890	(133,890)	-
EL37	1224046	CAP Environmental and Benefit Cost Analysis	146,840	(146,840)	-
EL40	1224067	El Cajon Transit Center Community Connection Improvements	84,963	(84,963)	-
EL41	1224068	Main Street - Green Street Gateway	73,030	(73,030)	-
ESC44	1224034	Escondido Transit Center Active Transportation Connections	1,123,582	(1,123,582)	-
ESC48	1224060	Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)	78,021	(78,021)	-
LAM49	1224047	Complete Streets Integrated Design Manual	27,831	(27,831)	-
NC29	1224048	National City 24th St Transit Oriented Development Overlay	182,472	(182,472)	-
NC36	1224061	Roosevelt Avenue Corridor Smart Growth Revitalization Project	118,602	(118,602)	-
NC37	1224062	Sweetwater Road Protected Bikeway	126,503	(126,503)	-
O49	1224058	Coastal Rail Trail Extension	333,325	(333,325)	-
SD241	1224043	Pacific Beach Greenways, Parks and Transit	399,981	(399,981)	-
SD243	1224031	14th Street Pedestrian Promenade Demonstration Block	635,308	(635,308)	-
SD253	1224049	Clairemont Transit Oriented Development Design Concepts	251,704	(251,704)	-
SD254	1224050	College Area Smart Growth Study (CASGS)	123,085	(123,085)	-
SD255	1224051	E Street Greenway Master Plan	79,330	(79,330)	-
SD256	1224052	Mira Mesa Transit Oriented Development	384,410	(384,410)	-
SD257	1224053	University Community Smart Growth Concept Study	352,684	(352,684)	-
SD260	1224063	Downtown Mobility Cycle Way Improvement Phase I and II	<u>1,503,883</u>	<u>(1,503,883)</u>	<u>-</u>
Subtotal Smart Growth - Pass-Through			<u>7,841,769</u>	<u>(7,841,769)</u>	<u>-</u>



**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Smart Growth - Pass-Through	\$ 7,841,769	\$ (7,841,769)	\$ -
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	42,523	(42,523)	-
SD262	1224065	East Village Green Park Phase I	6,942	(6,942)	-
VISTA54	1224035	Paseo Santa Fe Phase II	2,000,000	(2,000,000)	-
VISTA58	1224066	Paseo Santa Fe Phase II	680,000	(680,000)	-
		Total Smart Growth - Pass-Through	10,571,234	(10,571,234)	-
		<b>Smart Growth:</b>			
SAN40	3300100	TransNet Smart Growth Incentive Program	572,557	(572,557)	-
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	648,000	(648,000)	-
		Total Smart Growth	1,220,557	(1,220,557)	-
		<b>Local Street Improvements:</b>			
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	81,900	(81,900)	-
CHV39	3311002	Traffic Signal System Optimization	124,000	(124,000)	-
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	87,500	(87,500)	-
EL06	3311002	Traffic Signals Project	77,600	(77,600)	-
ENC28	3311002	Traffic Signal Modifications	59,200	(59,200)	-
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	44,400	(44,400)	-
NC04	3311002	Traffic Signal Install/Upgrade	64,000	(64,000)	-
		Subtotal Local Street Improvements	538,600	(538,600)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Local Street Improvements	\$ 538,600	\$ (538,600)	\$ -
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	78,400	(78,400)	-
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	51,100	(51,100)	-
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	473,200	(473,200)	-
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	75,600	(75,600)	-
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	51,800	(51,800)	-
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	26,400	(26,400)	-
		<b>Total Local Street Improvements</b>	<b>1,295,100</b>	<b>(1,295,100)</b>	<b>-</b>
		<b>Regional Environmental Mitigation Program (EMP) - Pass-Through:</b>			
CAL29	1207602	Caltrans SR 76 Middle EMP	6,146,000	(6,146,000)	-
CAL29B	1207606	Caltrans SR 76 East EMP	8,133,000	(8,133,000)	-
V07	12002xx	Caltrans EMP	156,777,185	(156,777,185)	-
V08	1200300	Regional Habitat Conservation Fund	49,142	(49,142)	-
V08	1200312	Program Developer/Administrator	154,088	(154,088)	-
V08	1200313	Invasive Plant Species Management	189,093	(189,093)	-
V08	1200316	Management Coordinator	77,993	(77,993)	-
V08	1200329	GIS Support	131,322	(131,322)	-
V08	1200331	Wildlife Corridor and Linkages Monitoring	522,097	(522,097)	-
V08	1200332	Rare and Endemic Plant Monitoring and Recovery	231,524	(231,524)	-
V08	1200343	Other Species Monitoring	15,301	(15,301)	-
V08	1200350	Administrative and Science Support	200,275	(200,275)	-
V08	1200355	Invasive Animal Species Management	571,024	(571,024)	-
V08	1200357	Database Support	105,771	(105,771)	-
		<b>Subtotal V08</b>	<b>2,247,630</b>	<b>(2,247,630)</b>	<b>-</b>

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Subtotal V08	\$ 2,247,630	\$ (2,247,630)	\$ -
V08	1200374	Biologist	154,106	(154,106)	-
V08	1200376	Vertebrate Monitoring	1,149,304	(1,149,304)	-
V08	1200377	Invertebrate Monitoring	24,392	(24,392)	-
V08	1200396	Otay River Valley Cactus Wren	66,800	(66,800)	-
V08	1200397	San Luis Rey, Santa Margarita, and San Dieguito Watersheds	299,993	(299,993)	-
V08	1201318	Native Seed Bank	462,813	(462,813)	-
V08	1201319	Otay Mesa Rare Plants	695	(695)	-
V08	1201320	Proctor Valley Vernal Pools	264,338	(264,338)	-
V08	1201321	North County Dunes 2	118,809	(118,809)	-
V08	1201322	SD Thornmint Restoration	58,802	(58,802)	-
V08	1201323	Navajo Canyon	40,889	(40,889)	-
V08	1201325	Elfin Forest	57,687	(57,687)	-
V08	1201326	Otay Mesa Open Space	11,195	(11,195)	-
V08	1201327	D Street	75,400	(75,400)	-
V08	1201328	Cabrillo	7,215	(7,215)	-
V08	1201329	Ramona Grasslands	63,907	(63,907)	-
V08	1201331	Wright's Field	45,019	(45,019)	-
V08	1201332	Boulder Creek	26,948	(26,948)	-
V08	1201333	Rare Plants 2	59,732	(59,732)	-
V08	1201334	Silverwood-Anstine	21,455	(21,455)	-
V08	1201335	Veldt Grass 2	51,325	(51,325)	-
V08	1201336	Invasive Species Management	54,776	(54,776)	-
V08	1201337	San Pasqual Cactus Wren	19,906	(19,906)	-
V08	1201338	Lower Otay Reservoir	21,667	(21,667)	-
V08	1201339	Burrowing Owl	37,584	(37,584)	-
V08	1201340	Mission Bay Park	75,606	(75,606)	-
V08	1201341	Stinknet Removal	47,835	(47,835)	-
		Total V08	5,565,828	(5,565,828)	-
		Total Regional EMP - Pass-Through	176,622,013	(176,622,013)	-

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
<b>Environmental Mitigation Program (EMP):</b>					
V07	12002xx	Biological Mitigation	\$ 165,989,158	\$ (165,989,158)	\$ -
V08	12003xx/ 12001xx	Regional Habitat Conservation Fund	<u>27,296,319</u>	<u>(27,296,319)</u>	<u>-</u>
Total EMP			<u>193,285,477</u>	<u>(193,285,477)</u>	<u>-</u>
<b>BRT/Rail Operations</b>					
SAN80	1130100	Financial ERP System	478,301	(478,301)	-
SAN80	1131600	Human Resources Info System	202,090	(202,090)	-
SAN80	2301300	Data Science and Big Data	166,589	(166,589)	-
SAN80	3102000	SD Forward Regional Plan	3,800,366	(3,800,366)	-
SAN80	3310703	TDM - Program & Svs Delivery	42,354	(42,354)	-
SAN80	3400500	Interregional Planning: Tribal Liaison Program	5,000	(5,000)	-
SAN80	8000103	Office of the Independent Performance Auditor	136,231	(136,231)	-
SAN80	8000180	Information Services	<u>715,841</u>	<u>(715,841)</u>	<u>-</u>
Total BRT/Rail Operations			<u>5,546,772</u>	<u>(5,546,772)</u>	<u>-</u>
<b>Major Corridor - Pass-Through:</b>					
CAL09	1200501	I-5 North Coast	15,024,450	(15,024,450)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	43,372,227	(43,372,227)	-
CAL09	1200509	I-5 San Elijo Bridge Replace	40,582,799	(40,582,799)	-
CAL09	1200510	I-5 HOV Carlsbad	<u>1,163,000</u>	<u>(1,163,000)</u>	<u>-</u>
Total CAL09			<u>100,142,476</u>	<u>(100,142,476)</u>	<u>-</u>
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	22,304,871	(22,304,871)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	<u>27,284,686</u>	<u>(27,284,686)</u>	<u>-</u>
Subtotal Major Corridor - Pass-Through			<u>149,732,033</u>	<u>(149,732,033)</u>	<u>-</u>

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Major Corridor - Pass-Through	\$ 149,732,033	\$ (149,732,033)	\$ -
CAL18B	1201501	I-15 Managed Lanes - South Segment	26,311,032	(26,311,032)	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Station	<u>22,152,257</u>	<u>(22,152,257)</u>	-
		Total CAL18B	<u>48,463,289</u>	<u>(48,463,289)</u>	-
CAL26	1205203	State Route 52 Freeway (E&F)	58,950,735	(58,950,735)	-
CAL29	1207602	SR 76 Middle	41,008,735	(41,008,735)	-
CAL29B	1207606	SR 76 East	50,425,620	(50,425,620)	-
CAL38	1390501	SR-905 New Freeway	667,067	(667,067)	-
CAL68	1212501	SR 94/125 Southbound to Eastbound Connector	274,603	(274,603)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	13,056,000	(13,056,000)	-
CAL78B	1280511	I-805 North: 2HOV	4,281,000	(4,281,000)	-
CAL78C	1280510	I-805 South: 2 HOV and DAR	96,882,031	(96,882,031)	-
CAL78D	1280515	I-805 South Soundwalls - Unit 1	<u>4,502,000</u>	<u>(4,502,000)</u>	-
CAL114	1200503	I-5/SR56 Interchange	210,404	(210,404)	-
CAL114	1200513	SR56 Auxiliary Lane	<u>165,596</u>	<u>(165,596)</u>	-
		Total CAL114	<u>376,000</u>	<u>(376,000)</u>	-
CAL277A	1207803	SR78/I-5 HOV Connector	<u>2,627,478</u>	<u>(2,627,478)</u>	-
		Subtotal Major Corridor - Pass-Through	<u>471,246,591</u>	<u>(471,246,591)</u>	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Major Corridor - Pass-Through	\$ 471,246,591	\$ (471,246,591)	\$ -
SAN23	1257001	Mid-Coast LRT Corridor Project	452,000	(452,000)	-
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	11,685,160	(11,685,160)	-
SAN47	1280504	South Bay BRT	2,924,327	(2,924,327)	-
SAN73	1239806	San Elijo Lagoon Double Track	8,612,894	(8,612,894)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	3,154,106	(3,154,106)	-
SAN183	1239816	Batiquitos Lagoon Double Track	655,365	(655,365)	-
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	65,000	(65,000)	-
V11	1201101	State Route 11	202,000	(202,000)	-
V15	1200508	I-5 Gilman Drive Bridge	109,999	(109,999)	-
V18/CAL369	1200507	I-5/Voigt Drive Direct Access Ramp	688,000	(688,000)	-
	1200100	TransNet Project Office	<u>373,200</u>	<u>(373,200)</u>	-
		Total Major Corridor - Pass-Through	<u>500,168,642</u>	<u>(500,168,642)</u>	-
		<b>Major Corridor:</b>			
CAL09	1200501	I-5 North Coast	15,048,339	(15,048,339)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	(39,998,466)	39,998,466	-
CAL09	1200509	I-5 San Elijo Bridge Replace	63,729,614	(63,729,614)	-
CAL09	1200510	I-5 HOV Carlsbad	<u>336,395</u>	<u>(336,395)</u>	-
		Total CAL09	<u>39,115,882</u>	<u>(39,115,882)</u>	-
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	1,986,857	(1,986,857)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	4,915,162	(4,915,162)	-
		Subtotal Major Corridor	<u>46,017,901</u>	<u>(46,017,901)</u>	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Major Corridor	\$ 46,017,901	\$ (46,017,901)	\$ -
CAL18B	1201501	I-15 Managed Lanes - South Segment	14,618,212	(14,618,212)	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Stations	<u>4,959,808</u>	<u>(4,959,808)</u>	<u>-</u>
		Total CAL18B	<u>19,578,020</u>	<u>(19,578,020)</u>	<u>-</u>
CAL26	1205203	State Route 52 Freeway (E&F)	16,928,102	(16,928,102)	-
CAL29	1207602	SR 76 Middle	7,000,739	(7,000,739)	-
CAL29B	1207606	SR 76 East	(217,846)	217,846	-
CAL38	1390501	SR-905 New Freeway	725,883	(725,883)	-
CAL68	1212501	SR-94-125 Widening	1,560,885	(1,560,885)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	5,505,404	(5,505,404)	-
CAL78B	1280511	I-805 North: 2 HOV	2,604,077	(2,604,077)	-
CAL78C	1280510	I-805 South: 2 HOV & DAR	9,096,723	(9,096,723)	-
CAL78D	1280515	I-805 S Soundwalls	<u>641,629</u>	<u>(641,629)</u>	<u>-</u>
CAL114	1200503	I-5/SR 56 Interchange	50,029	(50,029)	-
CAL114	1200513	SR56 Auxiliary Lane	<u>28</u>	<u>(28)</u>	<u>-</u>
		Total CAL114	<u>50,057</u>	<u>(50,057)</u>	<u>-</u>
CAL277	1207802	I-15/SR78 HOV Connectors	44,418	(44,418)	-
CAL277A	1207803	SR78/I-5 HOV Connector	<u>11</u>	<u>(11)</u>	<u>-</u>
		Subtotal Major Corridor	<u>109,536,003</u>	<u>(109,536,003)</u>	<u>-</u>

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2020</u>
		Balance carried forward - Major Corridor	\$ 109,536,003	\$ (109,536,003)	\$ -
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	4,531,346	(4,531,346)	-
CAL399	1200508	I-5/Gilman Drive Bridge	155,804	(155,804)	-
CAL502	1280516	I-805 North Construct Operational Improvements	7,258	(7,258)	-
CAL550	1605201	CMCP - Sea to Santee (SR52)	49,870	(49,870)	-
CAL552	1680501	CMCP - San Ysidro to Sorrento Corridor	104,726	(104,726)	-
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	49,819	(49,819)	-
CAL554	1600502	CMCP - Blue Line Express/I-5 South	47,015	(47,015)	-
SAN04	1201504	I-15 FasTrak®	25,555,517	(25,555,517)	-
SAN23	1257001	Mid-Coast Corridor Transit Project	754,649,840	(754,649,840)	-
SAN26B	1201509	Downtown BRT Stations	20,742,125	(20,742,125)	-
SAN26C	1201507	I-15 BRT Transit Stations - South	<u>26,371,997</u>	<u>(26,371,997)</u>	-
SAN27	1300601	San Ysidro Intermodal Freight Facility	4,639,778	(4,639,778)	-
SAN27	1300602	South Line Rail Freight Capacity	<u>5,977,614</u>	<u>(5,977,614)</u>	-
		Total SAN27	<u>10,617,392</u>	<u>(10,617,392)</u>	-
SAN29	1239801	Sorrento to Miramar Double Track/Realign	31,160,357	(31,160,357)	-
SAN29	1239812	Sorrento to Miramar Phase 2	<u>4,732,658</u>	<u>(4,732,658)</u>	-
		Total SAN29	<u>35,893,015</u>	<u>(35,893,015)</u>	-
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	4,856,414	(4,856,414)	-
SAN31	1142300	Escondido Maintenance Facility	206,239	(206,239)	-
SAN36	1144000	Bus/Rail Signal & Communications Equipment	<u>541,239</u>	<u>(541,239)</u>	-
		Subtotal Major Corridor	<u>993,915,619</u>	<u>(993,915,619)</u>	-



**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Major Corridor	\$ 993,915,619	\$ (993,915,619)	\$ -
SAN46	1041502	<i>SuperLoop</i>	33,067,056	(33,067,056)	-
SAN47	1280504	South Bay BRT	<u>97,876,794</u>	<u>(97,876,794)</u>	-
SAN54	3310500	511 Advanced Traveler Information System (511 ATIS)	1,024,328	(1,024,328)	-
SAN54	3311000	ITS Operations	11,418,091	(11,418,091)	-
SAN54	3311100	Regional ITS Program Management	2,861,902	(2,861,902)	-
SAN54	3311800	Connected Vehicle Development Program	668,014	(668,014)	-
SAN54	3330700	TSM-Integrated Corridor Management Program	310,145	(310,145)	-
SAN54	3331200	RTS Mgt & Op Plan	<u>45,895</u>	<u>(45,895)</u>	-
		Total SAN54	<u>16,328,375</u>	<u>(16,328,375)</u>	-
SAN64	1239809	Eastbrook to Shell Double Track	3,409,132	(3,409,132)	-
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	15,263,328	(15,263,328)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	1,219,001	(1,219,001)	-
SAN78	1240001	Mid-City Rapid Bus	21,380,387	(21,380,387)	-
SAN79	1142500	Centralized Train Control	905,456	(905,456)	-
SAN116	1239803	Oceanside Station Stub Tracks	20,860,259	(20,860,259)	-
SAN117	1239805	Poinsettia Run Through Track	16,194,480	(16,194,480)	-
SAN119	1239807	Sorrento Valley Double Track	3,603,104	(3,603,104)	-
SAN123	1143200	UTC Transit Center	870	(870)	-
SAN129	1201514	Downtown Layover Facility	<u>18,025,453</u>	<u>(18,025,453)</u>	-
		Subtotal Major Corridor	<u>1,242,049,314</u>	<u>(1,242,049,314)</u>	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance carried forward - Major Corridor	\$ 1,242,049,314	\$ (1,242,049,314)	\$ -
SAN130	1239810	Carlsbad Village Double Track	2,346,592	(2,346,592)	-
SAN131	1201511	Mira Mesa Blvd. BRT Priority Treatments	3,401,806	(3,401,806)	-
SAN132	1239811	Elvira to Morena Double Track	35,474,962	(35,474,962)	-
SAN149	1239814	Coaster PE	1,149,026	(1,149,026)	-
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	4,989,087	(4,989,087)	-
SAN172	1210030	Blue Line Station Rehabilitation	32,809,883	(32,809,883)	-
SAN173	1210040	Blue Line Rail Infrastructure	15,378,438	(15,378,438)	-
SAN182	1239815	San Diego River Bridge	10,905,264	(10,905,264)	-
SAN183	1239816	Batiquitos Lagoon Double Track	4,246,214	(4,246,214)	-
SAN201	1145500	Airport Connection	1,077,009	(1,077,009)	-
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	1,653,668	(1,653,668)	-
SAN224	1280513	I-805/SR 94 Bus on Shoulder Demonstration Project	7,612,621	(7,612,621)	-
SAN253	1600501	CMCP - Central Mobility Hub	159,228	(159,228)	-
SAN258	1149000	Central Mobility Station	4,618,531	(4,618,531)	-
SAN261	1210091	Palomar Street Rail Grade Separation	169	(169)	-
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	5,000	(5,000)	-
SAN269	1600101	CMCP - Region Wide Plan	132,598	(132,598)	-
SAN274	1239819	Carlsbad Village Double Track Trench	6,069	(6,069)	-
V11	1201101	State Route 11	6,210,233	(6,210,233)	-
V15	1200508	I-5/Gilman Drive Bridge	12,202,437	(12,202,437)	-
V18	1200507	I-5/Voigt Drive Improvements	9,290,113	(9,290,113)	-
		Total Major Corridor	<u>1,395,718,262</u>	<u>(1,395,718,262)</u>	<u>-</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>2,414,236,276</u>	<u>(2,414,105,876)</u>	<u>130,400</u>

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2020

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2020
		Balance Carried Forward - Subtotal <i>TransNet</i> Extension	\$ 2,414,236,276	\$ (2,414,105,876)	\$ 130,400
		<b>Completed Projects</b>			
		Bike, Pedestrians & Neighborhood Safety (BPNS):	17,724,638	(17,724,638)	-
		Senior Services	5,009,758	(5,009,758)	-
		Smart Growth	24,263,670	(24,263,670)	-
		Transit Systems Improvement	11,000,000	(11,000,000)	-
		Local Street Improvements	3,271,619	(3,271,619)	-
		Regional Environmental Mitigation Program	12,399,827	(12,399,827)	-
		Major Corridor	<u>475,246,521</u>	<u>(475,246,521)</u>	<u>-</u>
		Total Completed Projects	<u>548,916,033</u>	<u>(548,916,033)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	\$ <u>2,963,152,309</u>	\$ <u>(2,963,021,909)</u>	\$ <u>130,400</u>