

CALTRANS

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the State of California, Department of Transportation (Caltrans) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. Caltrans' management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|--|---------------------|
| <i>TransNet</i> payments made by SANDAG | \$58,162,953 |
| <i>TransNet</i> revenue recorded by Caltrans | <u>38,314,770</u> |
| Variance | <u>\$19,848,184</u> |

The variance was a result of the following:

| | |
|---|---------------------|
| Paid by SANDAG in 2013 but received in 2012 | (3,203,011) |
| Paid by SANDAG in 2013 but received in 2014 | 23,222,162 |
| Not included on SANDAG list – <i>TransNet</i> BPNS | (256,483) |
| Not included on SANDAG list – <i>TransNet</i> Hwys | 4,005 |
| Not included on SANDAG’s list— <i>TransNet</i> CAL 69 | 7,510 |
| Not included on SANDAG’s list— <i>TransNet</i> Project Office | <u>74,000</u> |
| Variance | <u>\$19,848,183</u> |

- d. We identified the interest income reported for the year ended June 30, 2013.

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

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: Caltrans recorded total expenditures in the amount of \$68,225,981. We selected \$18,846,005 (27.62%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: Indirect costs are allocated to RTIP projects at a rate of 68.50% of direct labor costs associated with each project. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

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

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

- j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project

to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

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

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

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

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

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

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

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

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

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance.

We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for Caltrans.

11. For the cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.

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

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

Results: This procedure is not applicable for Caltrans.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

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

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

Results: This procedure is not applicable for Caltrans.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for Caltrans.

16. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for Caltrans.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: This procedure is not applicable for Caltrans.

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

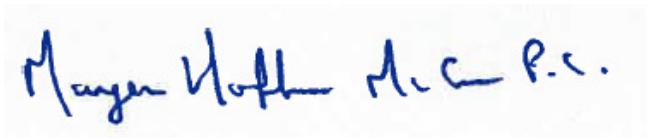
Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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

A handwritten signature in blue ink that reads "Mayer Hoffmann A.C. P.C." The signature is written in a cursive style.

Irvine, California
April 8, 2014

SCHEDULE A

CALTRANS

TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID/ Project Number | Project Name | Project Status June 30, 2012 | Funds Received | Interest Income | Project Expenditures | Caltrans Adjustments (c) | Project Status June 30, 2013 | Notes |
|------------------------------|-----------------------|------------------------------------|-------------------|--------------------|-------------------------|-----------------------------|------------------------------------|-------|
| TransNet: | | | | | | | | |
| Highways: | | | | | | | | |
| CAL01 | Route 5 | \$ (67,026) | \$ - | \$ - | \$ 67,026 | \$ - | \$ - | (a) |
| CAL26 | Route 52 | 1,228,506 | - | - | (21,909) | (1) | 1,206,596 | |
| CAL31 | Route 54/125 | 565,678 | - | - | - | - | 565,678 | |
| CAL31 | SR-125 8 Lane Freeway | 2,148,698 | - | - | (1,412,500) | - | 736,198 | |
| | Total CAL 31 Projects | 2,714,376 | - | - | (1,412,500) | - | 1,301,876 | |
| CAL69 | Noise Barrier | 4,005 | (4,005) | - | - | - | - | (a) |
| | Total Highways | 3,879,861 | (4,005) | - | (1,367,383) | (1) | 2,508,472 | |
| | Total <i>TransNet</i> | \$ 3,879,861 | \$ (4,005) | \$ - | \$ (1,367,383) | \$ (1) | \$ 2,508,472 | |

SCHEDULE A

CALTRANS

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

| MPO ID/ Project Number | Project Name | Project Status June 30, 2012 | Funds Received | Interest Income | Project Expenditures | Caltrans Adjustments (c) | Project Status June 30, 2013 | Notes |
|------------------------------|-------------------------------------|------------------------------------|----------------------|--------------------|-------------------------|-----------------------------|------------------------------------|-------|
| TransNet Extension: | | | | | | | | |
| Major Corridor: | | | | | | | | |
| CAL09 | I-5 North Coast | \$ 4,414,642 | \$ 1,195,474 | \$ - | \$ (6,015,267) | \$ - | \$ (405,151) | (b) |
| CAL09 A/B | I-5 HOV Ext & Lomas Santa Fe | 1,117,540 | (3,397,000) | - | 2,184,723 | - | (94,737) | (b) |
| CAL09 C | I-805 HOV / Carroll Canyon DAR | (166,878) | 459,899 | - | (2,375,392) | - | (2,082,371) | (b) |
| CAL18 | I-15 Managed Lanes - Middle Segment | (12,118,207) | 19,291,503 | - | (8,490,350) | (1) | (1,317,055) | (b) |
| CAL18 A | I-15 Managed Lanes - North Segment | 9,812,701 | (7,736,999) | - | (1,736,721) | 2 | 338,983 | |
| CAL18 B | I-15 Managed Lanes - South Segment | 6,745,007 | 6,237,830 | - | (15,175,956) | 1 | (2,193,118) | (b) |
| CAL26 | SR 52 Freeway E&F | 8,373,757 | (10,714,237) | - | 1,333,485 | - | (1,006,995) | (b) |
| CAL26 A | SR 52 HOV / Managed Lanes | (905,763) | 905,763 | - | - | - | - | |
| CAL26 B | SR 52 Auxiliary Lanes | 300,635 | (273,173) | - | (27,462) | - | - | |
| CAL29 | SR 76 Middle | 5,446,626 | (2,647,369) | - | (3,630,647) | - | (831,390) | (b) |
| CAL29 B | SR 76 East | (2,172,582) | 7,471,200 | - | (9,575,406) | - | (4,276,788) | (b) |
| CAL38 | SR-905 New Freeway | (166,742) | 254,100 | - | (278,607) | - | (191,249) | (b) |
| CAL67 | SR-94 HOV Lanes (I-805 to Downtown) | - | 2,912,000 | - | (3,185,297) | - | (273,297) | (b) |
| CAL69 | Noise Barrier | 7,510 | (7,510) | - | - | - | - | (a) |
| CAL75 | I-5 Genesee | (17,605) | 1,101,000 | - | (1,648,294) | 1 | (564,898) | (b) |
| CAL78 B | I-805 North | 991,228 | (786,396) | - | (192,244) | 1 | 12,589 | |
| CAL78 C | I-805 South | (6,808,880) | 9,217,124 | - | (4,997,905) | - | (2,589,661) | (b) |
| CAL114 | I-5/56 Interchange | - | - | - | (18,681) | - | (18,681) | (b) |
| CAL120 | Aux / Nordahl | 4,727,357 | 5,024,000 | - | (8,060,828) | - | 1,690,529 | |
| CAL277 | I-15/ SR-78 HOV Connectors | - | 400,000 | - | (372,655) | - | 27,345 | |
| CAL278 | SR-78 HOV / Managed Lanes | - | 400,000 | - | (406,596) | - | (6,596) | (b) |
| CAL325 | SR-125/905/11 Connectors | - | - | - | (58,699) | - | (58,699) | (b) |
| SAN04 | I-15 FasTrak | (46,546) | 53,038 | - | (9,469) | (1) | (2,978) | (b) |
| SAN26 | I-15 BRT Stations - North | 15,555 | 342,000 | - | (373,299) | - | (15,744) | (b) |
| SAN26 C | I-15 BRT Stations - South | (66,477) | 828,000 | - | (1,040,707) | - | (279,184) | (b) |
| SAN47 | I-805 BRT | (128,104) | 394,000 | - | (386,126) | - | (120,230) | (b) |
| SAN146 | 805 Imperial BRT Station | - | 1,000 | - | (3,575) | - | (2,575) | (b) |
| 1200100 | Program Office | 74,044 | (74,000) | - | - | - | 44 | |
| Total Major Corridor | | \$ 19,428,818 | \$ 30,851,247 | \$ - | \$ (64,541,975) | \$ 3 | \$ (14,261,907) | |

SCHEDULE A

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

| MPO ID/ Project Number | Project Name | Project Status June 30, 2012 | Funds Received | Interest Income | Project Expenditures | Caltrans Adjustments (c) | Project Status June 30, 2013 | Notes |
|------------------------------|--|------------------------------------|-------------------|--------------------|-------------------------|-----------------------------|------------------------------------|-------|
| | Balance Carried Forward | \$ 19,428,818 | \$ 30,851,247 | \$ - | \$ (64,541,975) | \$ 3 | \$ (14,261,907) | |
| | Major Corridor Environmental Mitigation Program (MC EMP): | | | | | | | |
| V07 | Mitigation Program | (1,521,033) | 4,117,925 | - | (2,830,616) | - | (233,724) | (b) |
| | Total MC EMP | (1,521,033) | 4,117,925 | - | (2,830,616) | - | (233,724) | |
| | TransNet Local Program: | | | | | | | |
| SM47 ESC13 | Aux / Nordahl | \$ - | \$ 2,749,033 | \$ - | \$ (1,948,577) | \$ - | \$ 800,456 | |
| | Aux / Nordahl | (2,923,070) | 344,086 | - | 2,578,984 | - | - | |
| | Total TN-Local | (2,923,070) | 3,093,119 | - | 630,407 | - | 800,456 | |
| | TransNet BPNS Program: | | | | | | | |
| SD191/SAN21 | SR-15 Bike Path | \$ (141,021) | \$ 256,483 | \$ - | \$ (116,414) | \$ - | \$ (952) | (b) |
| | Total BPNS | (141,021) | 256,483 | - | (116,414) | - | (952) | |
| | Subtotal <i>TransNet</i> Extension | 14,843,694 | 38,318,774 | - | (66,858,598) | 3 | (13,696,127) | |
| | Total <i>TransNet, TransNet</i> Extension | \$ 18,723,555 | \$ 38,314,769 | \$ - | \$ (68,225,981) | \$ 2 | \$ (11,187,655) | |

Notes:

- (a) This project will be removed from the FY'14 Schedule A as it is now completed.
- (b) The negative project ending balance will be removed with the next invoice to SANDAG in FY'14.
- (c) All agency adjustments are due to rounding.

SCHEDULE B

CALTRANS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID/ Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | Caltrans Adjustments | Project Status June 30, 2013 |
|------------------------------|-------------------------------------|-------------------|--------------------|-------------------------|-------------------------|------------------------------------|
| TransNet Extension: | | | | | | |
| Major Corridor: | | | | | | |
| CAL09 | I-5 North Coast | \$ 15,754,478 | \$ - | \$ (18,634,629) | \$ 2,475,000 | \$ (405,151) |
| CAL09 A/B | I-5 HOV Ext & Lomas Santa Fe | 17,429,555 | - | (13,083,192) | (4,441,100) | (94,737) |
| CAL09 C | I-805 HOV / Carroll Canyon DAR | 10,845,899 | - | (15,504,870) | 2,576,600 | (2,082,371) |
| CAL18 | I-15 Managed Lanes - Middle Segment | 27,003,303 | - | (28,732,357) | 411,999 | (1,317,055) |
| CAL18 A | I-15 Managed Lanes - North Segment | 18,090,999 | - | (17,752,018) | 2 | 338,983 |
| CAL18 B | I-15 Managed Lanes - South Segment | 42,689,310 | - | (42,564,429) | (2,317,999) | (2,193,118) |
| CAL26 | SR 52 Freeway E&F | 61,980,015 | - | (51,336,344) | (11,650,666) | (1,006,995) |
| CAL26 A | SR 52 HOV / Managed Lanes | 4,622,762 | - | (3,609,477) | (1,013,285) | - |
| CAL26 B | SR 52 Auxiliary Lanes | 31,478,659 | - | (33,229,402) | 1,750,743 | - |
| CAL29 | SR 76 Middle | 20,363,060 | - | (37,633,050) | 16,438,600 | (831,390) |
| CAL29 B | SR 76 East | 13,606,200 | - | (18,482,988) | 600,000 | (4,276,788) |
| CAL38 | SR-905 New Freeway | 665,100 | - | (856,349) | - | (191,249) |
| CAL67 | SR-94 HOV Lanes (I-805 to Downtown) | 2,912,000 | - | (3,185,297) | - | (273,297) |
| CAL69 | Noise Barrier | 1,494,323 | - | (1,225,289) | (269,034) | - |
| CAL 75 | I-5 Genesee | 1,101,000 | - | (1,665,899) | 1 | (564,898) |
| CAL78 B | I-805 North | 7,855,604 | - | (7,843,016) | 1 | 12,589 |
| CAL78 C | I-805 South | 24,085,124 | - | (31,874,785) | 5,200,000 | (2,589,661) |
| CAL114 | I-5/56 Interchange | - | - | (18,681) | - | (18,681) |
| CAL120 | Aux / Nordahl | 12,394,000 | - | (10,703,471) | - | 1,690,529 |
| CAL277 | I-15/ SR-78 HOV Connectors | 400,000 | - | (372,655) | - | 27,345 |
| CAL278 | SR-78 HOV / Managed Lanes | 400,000 | - | (406,596) | - | (6,596) |
| CAL325 | SR-125/905/11 Connectors | - | - | (58,699) | - | (58,699) |
| SAN04 | I-15 FasTrak | 623,009 | - | (536,015) | (89,972) | (2,978) |
| SAN26 | I-15 BRT Stations - North | 569,000 | - | (589,744) | 5,000 | (15,744) |
| SAN26 C | I-15 BRT Stations - South | 1,666,000 | - | (1,945,184) | - | (279,184) |
| SAN47 | I-805 BRT | 641,423 | - | (761,653) | - | (120,230) |
| SAN146 | 805 Imperial BRT Station | 1,000 | - | (3,575) | - | (2,575) |
| 1200100 | Program Office | 186,000 | - | (221,956) | 36,000 | 44 |
| Total Major Corridor | | \$ 318,857,823 | \$ - | \$ (342,831,620) | \$ 9,711,890 | \$ (14,261,907) |

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

| MPO ID/ Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | Caltrans Adjustments | Project Status June 30, 2013 |
|------------------------------|--|-------------------|--------------------|-------------------------|-------------------------|------------------------------------|
| | Balance carried forward | \$ 318,857,823 | \$ - | \$ (342,831,620) | \$ 9,711,890 | \$ (14,261,907) |
| | Major Corridor Environmental Mitigation Program (MC EMP): | | | | | |
| V07 | Mitigation Program | 52,770,897 | - | (40,463,509) | (12,541,112) | (233,724) |
| | Total MC EMP | 52,770,897 | - | (40,463,509) | (12,541,112) | (233,724) |
| | TransNet Local Program: | | | | | |
| SM 47 | Aux / Nordahl | 2,749,033 | - | (1,948,577) | - | 800,456 |
| ESC 13 | Aux / Nordahl | 344,086 | - | (344,086) | - | - |
| | Total TN-Local | 3,093,119 | - | (2,292,663) | - | 800,456 |
| | TransNet BPNS Program: | | | | | |
| SD191/SAN21 | SR-15 Bike Path | 350,001 | - | (350,953) | - | (952) |
| | Total BPNS | 350,001 | - | (350,953) | - | (952) |
| | Completed Projects | | | | | |
| | Major Corridor: | 68,200 | - | (195,044) | 126,844 | - |
| | Total Cumulative <i>TransNet</i> Extension | \$ 375,140,040 | \$ - | \$ (386,133,789) | \$ (2,702,378) | \$ (13,696,127) |

CITY OF CARLSBAD, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Carlsbad, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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: With the exception of Environmental Mitigation Grant (EMG), *TransNet* revenues and expenditures are recorded in a separate fund. The EMG was recorded in the General Fund. For fiscal year 2013 SANDAG has accepted this alternative approach. However, for subsequent fiscal years, the Agencies are required to record EMG in the *TransNet* Fund.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$3,458,654. We selected \$1,639,415 (47.40%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

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

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

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We

determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

ensured that the balances agreed for those projects reported in both Schedules A and B.

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

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

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

| | |
|---|---------------------|
| Fiscal year 2013 apportionment | \$ 2,425,856 |
| Less: debt service payment | <u>-</u> |
| Net estimated apportionment | 2,425,856 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | 727,757 |
| Less: | |
| Local Streets and Roads fund balance | - |
| Local Street Improvement | |
| – Congestion Relief fund balance | (572,948) |
| – Maintenance fund balance | <u>-</u> |
| Total local streets and roads and local Street improvement fund balance | <u>(572,948)</u> |
| Fund balance under apportionment | <u>\$ 1,300,705</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 8,234,600 |
| Less MOE base year requirement | <u>(5,564,996)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 2,669,604</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no expenditures for the year ended June 30, 2013.

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

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

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable as there are no administrative projects included in the RTIP for the year ended June 30, 2013.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: The City had one prior year finding in that City's *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2013, the finding relating to the fund balance exceeding 30% of its annual apportionment has been resolved.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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

A handwritten signature in blue ink, appearing to read "Mayer Hoffman & Co. P.C.", is written in a cursive style.

Irvine, California
March 28, 2014

SCHEDULE A

CITY OF CARLSBAD, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|------------------|--------------------------------------|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| TransNet: | | | | | | | | | |
| Highways: | | | | | | | | | |
| 01-H-004 | 3400000 38141 | College Blvd./Cannon Rd | \$ 1,421,520 | \$ - | \$ 10,577 | \$ - | \$ (1,432,097) | \$ - | (a) |
| | | Total Highways | 1,421,520 | - | 10,577 | - | (1,432,097) | - | |
| Local Streets and Roads: | | | | | | | | | |
| CB17 | 3420000 60143 | Carlsbad Blvd Bridge - Powerplant | 4,638 | - | - | - | (4,638) | - | (b) |
| CB18 | 60163 | Carlsbad Blvd Bridge - Railroad | (4,098) | - | - | - | 4,098 | - | (b) |
| | | Total Local Streets and Roads | 540 | - | - | - | (540) | - | |
| Bikes and Pedestrian: | | | | | | | | | |
| CB15 | 3410000 39601 | Bicycle Master Plan | 2,377 | - | - | - | (2,377) | - | (c) |
| | | Total Bikes and Pedestrian | 2,377 | - | - | - | (2,377) | - | |
| | | GASB 31 Market Value Adjustment | (5,388) | - | (9,001) | - | 14,389 | - | |
| | | Total <i>TransNet</i> | \$ 1,419,049 | \$ - | \$ 1,576 | \$ - | \$ (1,420,625) | \$ - | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| N/A | | Regional Arterial Management Systems | \$ - | \$ 11,700 | \$ - | \$ (11,700) | \$ - | \$ - | |
| | | Total Congestion Relief-Pass Through | - | 11,700 | - | (11,700) | - | - | |
| Congestion Relief: | | | | | | | | | |
| CB04A | 3420000 39572 | ECR Widening - Tamarack to Chestnut | (43,682) | - | 15,280 | (53,031) | - | (81,433) | (d) |
| CB17 | 60143 | Carlsbad Blvd Bridge - Powerplant | - | - | 55 | (2,849) | 4,638 | 1,844 | (b) |
| CB18 | 60163 | Carlsbad Blvd Bridge - Railroad | - | - | 6 | (15,597) | (4,098) | (19,689) | (b)(d) |
| CB20 | 60011 | Pavement Management - Overlay | 86,439 | - | 1,175 | (2,650,850) | - | (2,563,236) | (d) |
| CB36 | 60311 | Carlsbad Boulevard Realignment | 2,489,183 | - | 5,343 | (404,960) | - | 2,089,566 | |
| | | Total Congestion Relief | 2,531,940 | - | 21,859 | (3,127,287) | 540 | (572,948) | |
| | | Subtotal Local Street Improvements | 2,531,940 | 11,700 | 21,859 | (3,138,987) | 540 | (572,948) | |

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

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| | | Balance carried forward | \$ 2,531,940 | \$ 11,700 | \$ 21,859 | \$ (3,138,987) | \$ 540 | \$ (572,948) | |
| | <u>3410000</u> | Bikes and Pedestrian: | | | | | | | |
| CB42 | 60481 | Bike the Village-Bike Racks | - | - | - | (33,000) | - | (33,000) | (g) |
| V02 | 34554 | Coastal Rail Trail | 66,066 | - | 739 | - | 4,990 | 71,795 | (e) |
| | | Total Bikes and Pedestrian | 66,066 | - | 739 | (33,000) | 4,990 | 38,795 | |
| | <u>0013225</u> | Environmental Mitigation: | | | | | | | |
| V08 | 5001324 | Calavera Preserve Planning Area | - | 258,000 | - | (286,667) | - | (28,667) | (f) |
| | | Total Environmental Mitigation | - | 258,000 | - | (286,667) | - | (28,667) | |
| | | Total <i>TransNet</i> Extension | 2,598,006 | 269,700 | 22,598 | (3,458,654) | 5,530 | (562,820) | |
| | | GASB 31 Market Value Adjustment | (14,980) | - | (2,174) | - | - | (17,154) | |
| | | Total <i>TransNet</i> Extension | \$ 2,583,026 | \$ 269,700 | \$ 20,424 | \$ (3,458,654) | \$ 5,530 | \$ (579,974) | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ 4,002,075 | \$ 269,700 | \$ 22,000 | \$ (3,458,654) | \$ (1,415,095) | \$ (579,974) | |

Notes:

- (a) This project is currently on hold in the near term based on Council's approval of updates made to the Traffic Impact Fee program. Funds were returned to SANDAG during FY 2013.
- (b) Funding source for this project was changed in the April 19th, 2013 RTIP Amendment from *TransNet* - Local Streets and Roads (Cash) to *TransNet* - LSI.
- (c) The project was completed during FY 2011. Funds were returned to SANDAG during FY 2013.
- (d) Due to the revision of the city's *TransNet* draw down policy to comply with SANDAG Board Policy No. 031, Section IV, Local Agency Balance Limitations (30% Rule), funds can only be drawn down when the city's cash balance falls below the 30% threshold. Once the city is in compliance with the 30% Rule, a reimbursement request will be submitted to SANDAG for payment. The city met this requirement in July 2013 and a drawdown of funds was requested in August 2013.
- (e) Project is complete and remaining funds will be returned to SANDAG in FY 2014.
- (f) This ongoing project is being added to the audit schedule for the first time in FY 2013. The negative balance due on this grant represents retention amounts withheld by SANDAG which will be paid upon the completion of the project.
- (g) Project expenditures were completed during FY 2013. Final grant reporting requirements and reimbursement requests will be submitted to SANDAG during FY 2014.

CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|--------------------------------------|----------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief-Pass Through | | | | | | | |
| SAN54 | N/A | Regional Arterial Management Systems | 11,700 | - | (11,700) | - | - |
| | | Total Congestion Relief-Pass Through | 11,700 | - | (11,700) | - | - |
| Congestion Relief: | | | | | | | |
| | <u>342000</u> | | | | | | |
| CB04A | 39572 | ECR Widening - Tamarack to Chestnut | (26,152) | 20,686 | (75,967) | - | (81,433) |
| CB17 | 60143 | Carlsbad Blvd Bridge-Powerplant | - | 55 | (2,849) | 4,638 | 1,844 |
| CB18 | 60163 | Carlsbad Blvd Bridge-Railroad | - | 6 | (15,597) | (4,098) | (19,689) |
| CB20 | 60011 | Pavement Management - Overlay | 1,037,954 | 2,563 | (3,637,666) | 33,913 | (2,563,236) |
| CB36 | 60311 | Carlsbad Boulevard Realignment | - | 8,304 | (793,464) | 2,874,726 | 2,089,566 |
| | | Total Congestion Relief | 1,011,802 | 31,614 | (4,525,543) | 2,909,179 | (572,948) |
| Bikes and Pedestrian: | | | | | | | |
| | <u>3410000</u> | | | | | | |
| CB42 | 60481 | Bike the Village-Bike Racks | - | - | (33,000) | - | (33,000) |
| V02 | 34554 | Coastal Rail Trail | 57,725 | 3,605 | (3,910) | 14,375 | 71,795 |
| | | Total Bikes and Pedestrian | 57,725 | 3,605 | (36,910) | 14,375 | 38,795 |
| Environmental Mitigation: | | | | | | | |
| | <u>0013225</u> | | | | | | |
| V08 | 5001324 | Calavera Preserve Planning Area | 258,000 | - | (286,667) | - | (28,667) |
| | | Total Environmental Mitigation | 258,000 | - | (286,667) | - | (28,667) |
| Total Cumulative <i>TransNet</i> Extension | | | \$ 1,339,227 | \$ 35,219 | \$ (4,860,820) | \$ 2,923,554 | \$ (562,820) |

CITY OF CARLSBAD, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | | Notes |
|-------------------------------------|--------------------------|---------------------|---------------|-------------------|----------------------|------------------|---------------------|---------------------|-------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 | |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 411,986 | \$ - | \$ 33,893 | \$ (24,472) | \$ 4,162 | \$ 425,569 | \$ 135,940 | (a) |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 514,405 | - | 41,338 | - | - | 555,743 | 549,142 | |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 580,843 | - | 25,588 | - | - | 606,431 | 599,228 | |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 934,358 | - | 24,484 | - | - | 958,842 | 947,453 | |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | 696,114 | - | 8,368 | - | - | 704,482 | - | |
| Total RTCIP Funds | | \$ 3,137,706 | \$ - | \$ 133,671 | \$ (24,472) | \$ 4,162 | \$ 3,251,067 | \$ 2,231,763 | |

Note:

(a) Cumulative expenditures were arrived at by combining FY 2011 expenditures and refunds received in FY 2012 and FY 2013.

CITY OF CHULA VISTA, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Chula Vista, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$6,545,663. We selected \$3,785,726 (57.84%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City is not in compliance with the 30% requirement. The fund balance was over the apportionment as follows:

| | | |
|---|----------------|---------------------|
| Fiscal year 2013 apportionment | | \$ 4,845,946 |
| Less: debt service payment | | <u>-</u> |
| Net estimated apportionment | | 4,845,946 |
| 30% base | | <u>30%</u> |
| Fiscal year 2013 30% threshold | | 1,453,784 |
| Less: | | |
| Local Streets and Roads fund balance | 1,267,170 | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 769,565 | |
| – Maintenance fund balance | <u>326,575</u> | |
| Total Local Streets and Roads and Local Street Improvement fund balance | | <u>2,363,310</u> |
| Fund balance over apportionment | | <u>\$ (909,526)</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 7,877,361 |
| Less MOE base year requirement | <u>(3,749,587)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 4,127,774</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not have RTCIP expenditures for year ending June 30, 2013.
 - v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

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

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: This procedure is not applicable as there were no prior year findings.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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

A handwritten signature in blue ink that reads "Mayer Hoffman M. C. P. C.".

Irvine, California
March 28, 2014

CITY OF CHULA VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|---------------------------------|-----------------------|--|------------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| CHV06 | STL316 | Pavement Rehabilitation | \$ 2,378,838 | \$ - | \$ - | \$ - | \$ (1,674,650) | \$ 704,188 | (b)(c) |
| CHV06 | STL340 | Pavement Rehabilitation 06/07 | (1,674,650) | - | - | - | 1,674,650 | - | (b) |
| CHV06 | STL355 | Pavement Minor Rehab 09/10 | 41,785 | - | - | - | - | 41,785 | (c) |
| CHV06 | OP219 | Pavement Management System | (242,495) | - | - | (120,717) | 150,000 | (213,212) | (d) |
| | | Total CHV06 Projects | 503,478 | - | - | (120,717) | 150,000 | 532,761 | |
| CHV18 | STL321 | Sidewalk Rehabilitation / Installation | 194,965 | - | - | - | (194,965) | - | (d) |
| CHV19 | STM354 | North Broadway Pavement Reconstruction | 30,599 | - | - | - | (30,599) | - | (e) |
| CHV29 | STL328 | L Street Imprv from Monserate to Nacio | 358,689 | - | - | - | (358,689) | - | (c)(d) |
| CHV33 | TF345 | School Zone Traffic Calming | 77,960 | - | - | (52,781) | - | 25,179 | |
| CHV33 | TF362 | Kids Walk/ Bike to School Phase II | (58,977) | - | - | - | 58,977 | - | (i) |
| | | Total CHV33 Projects | 18,983 | - | - | (52,781) | 58,977 | 25,179 | |
| CHV41 | TF358 | West Side Transportation DIF | 193,689 | - | - | - | - | 193,689 | (c) |
| CHV43 | TF354 | Traffic Congestion Relief Program | 50,100 | - | - | (35,340) | - | 14,760 | |
| | | Subtotal Local Streets and Roads | 1,350,503 | - | - | (208,838) | (375,276) | 766,389 | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-----------|
| | | Balance carried forward | \$ 1,350,503 | \$ - | \$ - | \$ (208,838) | \$ (375,276) | \$ 766,389 | |
| CHV44 | TF356 | Otay Mesa Transportation System | 36,578 | - | - | (21,047) | - | 15,531 | |
| CHV50 | DR180 | Emerg. Storm Drain Replacement | 408,686 | - | - | (15,436) | 92,000 | 485,250 | (d)(e)(j) |
| | | Subtotal Local Streets and Roads | 1,795,767 | - | - | (245,321) | (283,276) | 1,267,170 | |
| | | Unallocated | 495,842 | - | - | - | (495,842) | - | (e) |
| | | Total Local Streets and Roads | 2,291,609 | - | - | (245,321) | (779,118) | 1,267,170 | |
| | | Total <i>TransNet</i> | \$ 2,291,609 | \$ - | \$ - | \$ (245,321) | \$ (779,118) | \$ 1,267,170 | |
| TransNet Extension: | | | | | | | | | |
| Major Corridor Environmental Mitigation | | | | | | | | | |
| V08 | OP218 | Cactus Wren Habitat Rehabilitation | (18,065) | 41,237 | - | (44,969) | - | (21,797) | (h) |
| V08 | OP221 | PMA Otay Tarplant & SD Thornmount | (28,775) | 102,200 | - | (127,981) | - | (54,556) | (h) |
| V08 | OP222 | Coastal Cactus Wren Habitat Restoration | - | 59,851 | - | (78,104) | - | (18,253) | (h) |
| | | Total Major Corridor Environmental Mitigation | (46,840) | 203,288 | - | (251,054) | - | (94,606) | |
| Smart Growth | | | | | | | | | |
| CHV49 | STL362 | Third Ave Streetscape Improvement | \$ (337,825) | \$ - | \$ - | \$ (1,229,334) | \$ - | \$ (1,567,159) | (h) |
| CHV52 | STL361 | Industrial Blvd. Bike Lane & Ped. Imprv. | (248,518) | 248,518 | - | - | - | - | |
| CHV63 | OP217 | Palomar Gateway Specific Plan | (51,447) | 59,712 | - | (94,656) | - | (86,391) | (h) |
| | | Total Smart Growth | (637,790) | 308,230 | - | (1,323,990) | - | (1,653,550) | |
| | | Total Major Corridor & Smart Growth | (684,630) | 511,518 | - | (1,575,044) | - | (1,748,156) | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------------|------------|--|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| CHV08 | STL261 | Willow Street Bridge Widening | - | - | - | - | 75,000 | 75,000 | (e) |
| CHV18 | STL291 | Fourth Ave Sidewalk Improvement | 24,380 | - | - | (30,901) | 25,000 | 18,479 | (e) |
| CHV20 | STM370 | North Fourth Avenue Widening | (7,875) | 8,000 | - | (55) | - | 70 | |
| CHV30 | STM361 | 15 Multi-Modal Corridor Imprv. Study | (25,897) | 70,000 | - | (28,228) | - | 15,875 | |
| CHV37 | STL280 | Palomar Gateway | 4,736 | - | - | - | (4,736) | - | (d) |
| CHV39 | TF350 | Traffic Signal System Optimization | (9,522) | 15,000 | - | (102,048) | - | (96,570) | (f) |
| CHV40 | STL337 | Bayshore Bikeway Segment 7 & 8 | 9,925 | 5,000 | - | (4,058) | - | 10,867 | |
| CHV44 | TF344 | I 805 Direct Access Ramp E H and E Palomar | 80,424 | - | - | (68,729) | - | 11,695 | |
| CHV44 | TF359 | SR 54 Corridor Imprv. Arterial Ops. | 48 | - | - | (105) | - | (57) | (f) |
| | | Total CHV44 Projects | 80,472 | - | - | (68,834) | - | 11,638 | |
| | | Subtotal Congestion Relief | 76,219 | 98,000 | - | (234,124) | 95,264 | 35,359 | |

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

| MPO ID | CIP Number | Project Name | Project Status | Funds | Interest | Project | City | Project Status | Notes |
|--------|------------|--|------------------|------------------|----------|--------------------|----------------|-----------------|-------|
| | | | July 1, 2012 | Received | Income | Expenditures | Adjustments | June 30, 2013 | |
| | | Balance carried forward | \$ 76,219 | \$ 98,000 | \$ - | \$ (234,124) | \$ 95,264 | \$ 35,359 | |
| CHV48 | STL354 | Pavement Major Rehabilitation 09/10 | (581,754) | 583,846 | - | (2,092) | - | - | (a) |
| CHV48 | STL357 | Pavement Major Rehabilitation Prop 1B | (258,519) | 269,403 | - | (10,884) | - | - | |
| CHV48 | STL371 | Major Pavement Rehabilitation | - | 1,064,154 | - | (1,064,154) | - | - | |
| CHV48 | STL372 | Pavement Major Rehabilitation FY11-12 | (13,160) | 2,128,590 | - | (2,115,430) | - | - | |
| CHV48 | STM373 | Pavement Major Rehabilitation FY12-13 | - | 587,079 | - | (26,970) | - | 560,109 | |
| | | Total CHV48 Projects | <u>(853,433)</u> | <u>4,633,072</u> | <u>-</u> | <u>(3,219,530)</u> | <u>-</u> | <u>560,109</u> | |
| CHV51 | STL359 | Naples St. & Oleander Ave. CG/ADA | 3,158 | - | - | (8,114) | - | (4,956) | (f) |
| CHV51 | STL382 | Cross Gutter Rehabilitation | (1,413) | - | - | (13,260) | - | (14,673) | (f) |
| | | Total CHV51 Projects | <u>1,745</u> | <u>-</u> | <u>-</u> | <u>(21,374)</u> | <u>-</u> | <u>(19,629)</u> | |
| CHV52 | STL361 | Industrial Blvd. Bike Ln / Ped Improvement | (62,651) | 75,675 | - | (7,460) | - | 5,564 | |
| CHV54 | STM367 | So Broadway Improv. Main to SthrnCity | 4,695 | - | - | (60,428) | - | (55,733) | (f) |
| CHV55 | STL342 | Second Ave. Improv. Naples-Palomar | (80) | - | - | - | - | (80) | (f) |
| CHV55 | STL304 | Glenhaven Way Any St. Improv. | (2,134) | - | - | (515) | - | (2,649) | (f) |
| | | Total CHV55 Projects | <u>(2,214)</u> | <u>-</u> | <u>-</u> | <u>(515)</u> | <u>-</u> | <u>(2,729)</u> | |
| CHV56 | STL363 | Sidewalk Safety Program I | (16,220) | - | - | - | 16,220 | - | (e) |
| | | Subtotal Congestion Relief | <u>(851,859)</u> | <u>4,806,747</u> | <u>-</u> | <u>(3,543,431)</u> | <u>111,484</u> | <u>522,941</u> | |

SCHEDULE A

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| | | Balance carried forward | \$ (851,859) | \$ 4,806,747 | \$ - | \$ (3,543,431) | \$ 111,484 | \$ 522,941 | |
| CHV58 | STL366 | Moss Street Sidewalk Installation | 5,048 | 15,000 | - | (7,455) | - | 12,593 | |
| CHV58 | STL368 | Oxford Street Sidewalk Installation | 3,088 | 44,997 | - | (48,085) | - | - | |
| CHV58 | STL369 | Palomar Street Sidewalk Installation | 1,534 | 48,698 | - | (998) | - | 49,234 | |
| CHV58 | STL371 | Sidewalk Installation E H Terra Nova | (13,185) | 99,999 | - | (86,814) | - | - | |
| CHV58 | STL378 | Sidewalk Installation So & W of Hilltop & F | (2,606) | 91,306 | - | (88,700) | - | - | |
| | | Total CHV58 Projects | (6,121) | 300,000 | - | (232,052) | - | 61,827 | |
| CHV59 | STL364 | Sidewalk Installation Along Naples | 10,734 | 29,290 | - | (42,092) | 2,068 | - | (m) |
| CHV59 | STL367 | Naples Street Sidewalk Installation | 682 | 54,010 | - | (1,008) | 87,006 | 140,690 | (e)(o) |
| | | Total CHV59 Projects | 11,416 | 83,300 | - | (43,100) | 89,074 | 140,690 | |
| CHV60 | TF316 | Signal Installation 2nd & Quintard | - | 1,500 | - | (196) | - | 1,304 | |
| CHV60 | TF378 | Traffic Signal Mod at 2nd & E Street | 74,874 | 135,000 | - | (209,660) | - | 214 | |
| CHV60 | TF382 | Traffic Signal Mod at Third Ave & Naples St | - | 43,500 | - | (611) | - | 42,889 | |
| | | Total CHV60 Projects | 74,874 | 180,000 | - | (210,467) | - | 44,407 | |
| CHV67 | TF377 | Roadway Improv at Olympic & Brandywine | (336) | 10,000 | - | (9,964) | - | (300) | (f) |
| | | Total Congestion Relief | (772,026) | 5,380,047 | - | (4,039,014) | 200,558 | 769,565 | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|----------------------|------------|--|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| Maintenance: | | | | | | | | | |
| CHV22 | OP202 | CIP Advanced Planning | \$ (35,680) | \$ 70,000 | \$ - | \$ (65,165) | \$ 22,372 | \$ (8,473) | (d) |
| CHV22 | OP208 | CIP Management & Equipment Purchase | 2,172 | - | - | (4,692) | 15,873 | 13,353 | (e)(l) |
| Total CHV22 Projects | | | <u>(33,508)</u> | <u>70,000</u> | <u>-</u> | <u>(69,857)</u> | <u>38,245</u> | <u>4,880</u> | |
| CHV26 | STL323 | Pedestrian Master Plan | 142 | - | - | - | - | 142 | |
| CHV33 | TF361 | Safe Routes 2 School Otay/ Rice Elm | 32,500 | - | - | - | - | 32,500 | (c) |
| CHV33 | TF362 | Kids Walk/Bike to School Phase II | - | 40,000 | - | (19,463) | (58,977) | (38,440) | (f)(i) |
| CHV33 | STL375 | Enhanced Traffic Calming Crosswalk | (195) | - | - | (55,172) | 80,000 | 24,633 | (e) |
| CHV33 | STL389 | Castle Park Middle School - Quintard Street | 35,000 | - | - | - | - | 35,000 | |
| CHV33 | STM368 | Lauderbach Elem. Pedestrian Imprv | (25,480) | 75,480 | - | (50,000) | - | - | (a) |
| Total CHV33 Projects | | | <u>41,825</u> | <u>115,480</u> | <u>-</u> | <u>(124,635)</u> | <u>21,023</u> | <u>53,693</u> | |
| CHV34 | TF327 | Neighborhood Safety Program | (12,509) | 32,509 | - | (20,000) | - | - | |
| CHV35 | TF325 | Transportation Planning Program | - | 3,200 | - | (12,291) | - | (9,091) | (f) |
| CHV35 | TF330 | Traf Mod 4th / Main & 4th / Beyer | 20,445 | - | - | - | (20,445) | - | (b) |
| CHV35 | TF331 | Traffic Signal Mod 3rd / Montgomery | 3,844 | - | - | - | (3,844) | - | (b) |
| CHV35 | TF332 | Signing and Stripping Program | (3,555) | 3,382 | - | (30,701) | 24,289 | (6,585) | (b)(f) |
| CHV35 | TF366 | Traffic Signal & St. Lighting Upgrade / Maint. | (15,651) | 123,408 | - | (107,757) | - | - | |
| CHV35 | TF369 | Three Park Bicycle Facility Improvement | (10) | 10 | - | - | - | - | (a) |
| Total CHV35 Projects | | | <u>5,073</u> | <u>130,000</u> | <u>-</u> | <u>(150,749)</u> | <u>-</u> | <u>(15,676)</u> | |
| Subtotal Maintenance | | | <u>1,023</u> | <u>347,989</u> | <u>-</u> | <u>(365,241)</u> | <u>59,268</u> | <u>43,039</u> | |

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

| MPO ID | CIP Number | Project Name | Project Status | Funds | Interest | Project | City | Project Status | Notes |
|--------|------------|---|----------------|------------|----------|--------------|-------------|----------------|--------|
| | | | July 1, 2012 | Received | Income | Expenditures | Adjustments | June 30, 2013 | |
| | | Balance carried forward | \$ 1,023 | \$ 347,989 | \$ - | \$ (365,241) | \$ 59,268 | \$ 43,039 | |
| CHV45 | STM369 | Bikeway Facilities Gap Project | (3,320) | 32,500 | - | (32,016) | - | (2,836) | (f) |
| CHV45 | TF274 | Traffic Count | (28,248) | 32,500 | - | (6,973) | - | (2,721) | (f) |
| CHV45 | TF321 | Citywide Traffic Count Program | 15,292 | - | - | (31,687) | - | (16,395) | (f) |
| | | Total CHV45 Projects | (16,276) | 65,000 | - | (70,676) | - | (21,952) | |
| CHV46 | TF368 | Harborside Elementary Pedestrian Imprv. | (102,513) | 105,000 | - | (125) | - | 2,362 | |
| CHV47 | TF367 | Urban Core Srvs Level Threshold Study | 15,954 | - | - | (171) | - | 15,783 | |
| CHV50 | DR192 | Emergency Storm Drain Repairs F St. | (153,426) | - | - | (63,718) | 235,000 | 17,856 | (j) |
| CHV50 | DR193 | Storm Drain Pipe Rehab Project For FY2013 | - | 288,000 | - | (11,933) | 85,000 | 361,067 | (e)(k) |
| CHV50 | DR194 | 4th & E St Emrg Srm Drn Rehab | - | - | - | (165,000) | 165,000 | - | (k) |
| | | Total CHV50 Projects | (153,426) | 288,000 | - | (240,651) | 485,000 | 378,923 | |
| CHV61 | DR187 | Box Culvert at Bonita Road/Allen | (5,133) | 10,000 | - | (511) | - | 4,356 | |
| CHV65 | DR190 | Street Drainage Inlet Repair/Replacement | - | - | - | (3,492) | - | (3,492) | (f) |
| CHV66 | DR191 | Drainage Improvement Claire Ave / I St. | (87,027) | - | - | (5,417) | - | (92,444) | (g) |
| | | Total Maintenance | (347,398) | 815,989 | - | (686,284) | 544,268 | 326,575 | |
| | | Total Local Street Improvements | (1,119,424) | 6,196,036 | - | (4,725,298) | 744,826 | 1,096,140 | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------|---------------|---|-----------------------------------|-------------------|--------------------|-------------------------|---------------------|------------------------------------|--------|
| Bike and Pedestrian: | | | | | | | | | |
| CHV56 | STL363 | Sidewalk Safety Program I | \$ (13,956) | \$ - | \$ - | \$ - | \$ (79,224) | \$ (93,180) | (f)(n) |
| | | Total Bike and Pedestrian | (13,956) | - | - | - | (79,224) | (93,180) | |
| | | Total <i>TransNet</i> Extension | (1,818,010) | 6,707,554 | - | (6,300,342) | 665,602 | (745,196) | |
| | | Interest Income | 3,462 | - | 5,155 | - | - | 8,617 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | 477,061 | 6,707,554 | 5,155 | (6,545,663) | (113,516) | 530,591 | |
| | | GASB 31 Fair Market Value Adjustment | 84 | - | (9,295) | - | - | (9,211) | |
| | | Total after GASB 31 Adjustment | \$ 477,145 | \$ 6,707,554 | \$ (4,140) | \$ (6,545,663) | \$ (113,516) | \$ 521,380 | |

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

| <u>MPO ID</u> | <u>CIP Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|---------------|-------------------|---------------------|--|-----------------------|------------------------|-----------------------------|-------------------------|---|--------------|
|---------------|-------------------|---------------------|--|-----------------------|------------------------|-----------------------------|-------------------------|---|--------------|

Notes:

- (a) Project complete.
- (b) Project complete. Transfer within same MPO ID.
- (c) Project complete. The City will reprogram Funds in FY14 RTIP scheduled to go to Council in May.
- (d) City reprogrammed Funds per RESO 2013-087.
- (e) City reprogrammed Funds per RESO 2012-052.
- (f) The City intends to cover project deficit with draw down in FY14.
- (g) The City intends to program an additional \$100,000 in CHV66 in the FY14 RTIP scheduled to go to Council in May.
- (h) The City will cover the deficit with reimbursements by SANDAG (5 Reimbursable Grants).
- (i) Transfer within same MPO ID. Transfer needed to allocate project costs while keeping the integrity of the funding source used (i.e. *TransNet I* vs *TransNet II*).
- (j) City reprogrammed funds to another eligible project per RESO 2012-185.
- (k) City reprogrammed funds to another eligible project per RESO 2013-127.
- (l) City corrected their internal CIP number listed on Schedule A. Prior Year report listed an incorrect number.
- (m) Reimbursement for share of project costs totaling \$2,068 per agreement.
- (n) City corrected fund sources per RESO 2012-194. This is a correction of prior year expenditures for STL363 that were incorrectly recorded in the TDA fund.
- (o) The City will correct the CIP number (referenced in reso 2012-052) from STL365 to STL367 in the FY14 RTIP scheduled to go to Council in May.

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|------------|--|----------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Major Corridor Environmental Mitigation | | | | | | | |
| V08 | OP218 | Cactus Wren Habitat Rehabilitation | \$ 279,654 | \$ - | \$ (301,451) | \$ - | \$ (21,797) |
| V08 | OP221 | PMA Otay Tarplant &SD Thornmnt | 167,364 | - | (221,920) | - | (54,556) |
| V08 | OP222 | Coastal Cactus Wren Habitat Restoration | 59,851 | - | (78,104) | - | (18,253) |
| Total Major Corridor Environmental Mitigation | | | 506,869 | - | (601,475) | - | (94,606) |
| Smart Growth | | | | | | | |
| CHV49 | STL362 | Third Ave Streetscape Improvement | 406,096 | - | (1,973,255) | - | (1,567,159) |
| CHV52 | STL361 | Industrial Blvd. Bike Lane & Ped. Imprv. | 283,900 | - | (283,900) | - | - |
| CHV63 | OP217 | Palomar Gateway Specific Plan | 259,898 | - | (346,289) | - | (86,391) |
| Total Smart Growth | | | 949,894 | - | (2,603,444) | - | (1,653,550) |
| Total Major Corridor & Smart Growth | | | 1,456,763 | - | (3,204,919) | - | (1,748,156) |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| CHV08 | STL261 | Willow Street Bridge Widening | - | - | - | 75,000 | 75,000 |
| CHV18 | STL291 | Fourth Ave Sidewalk Improvement | 65,000 | - | (52,608) | 6,087 | 18,479 |
| CVH20 | STM370 | North Fourth Avenue Widening | 193,000 | - | (192,930) | - | 70 |
| Subtotal Congestion Relief | | | 258,000 | - | (245,538) | 81,087 | 93,549 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|------------|--|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 258,000 | \$ - | \$ (245,538) | \$ 81,087 | \$ 93,549 |
| CHV30 | STM361 | 15 Multi-Modal Corridor Improv. Study | 334,500 | - | (329,042) | 10,417 | 15,875 |
| CHV37 | STL280 | Palomar Gateway | 200,000 | 4,132 | (199,396) | (4,736) | - |
| CHV39 | TF350 | Traffic Signal System Optimization | 144,000 | 833 | (241,403) | - | (96,570) |
| CHV40 | STL337 | Bayshore Bikeway Segment 7 & 8 | 130,400 | - | (119,533) | - | 10,867 |
| CHV44 | TF344 | I 805 Direct Access Ramp E H and E Palomar | 198,185 | - | (124,171) | (62,319) | 11,695 |
| CHV44 | TF359 | SR 54 Corridor Improv Arterial Ops. | 1,815 | - | (1,872) | - | (57) |
| | | Total CHV 44 Projects | 200,000 | - | (126,043) | (62,319) | 11,638 |
| CHV48 | STL354 | Pavement Major Rehabilitation 09/10 | 1,648,927 | - | (1,698,168) | 49,241 | - |
| CHV48 | STL357 | Pavement Major Rehabilitation Prop 1B | 543,470 | - | (543,470) | - | - |
| CHV48 | STL371 | Major Pavement Rehabilitation | 1,177,856 | - | (1,177,856) | - | - |
| CHV48 | STL372 | Pavement Major Rehabilitation FY11-12 | 2,128,590 | - | (2,128,590) | - | - |
| CHV48 | STL373 | Pavement Major Rehabilitation FY12-13 | 587,079 | - | (26,970) | - | 560,109 |
| | | Total CHV 48 Projects | 6,085,922 | - | (5,575,054) | 49,241 | 560,109 |
| CHV51 | STL359 | Naples St & Oleander Ave CG/ADA | 13,840 | - | (18,796) | - | (4,956) |
| CHV51 | STL382 | Cross Gutter Rehabilitation | - | - | (14,673) | - | (14,673) |
| | | Total CHV 51 Projects | 13,840 | - | (33,469) | - | (19,629) |
| | | Subtotal Congestion Relief | 7,366,662 | 4,965 | (6,869,478) | 73,690 | 575,839 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 7,366,662 | \$ 4,965 | \$ (6,869,478) | \$ 73,690 | \$ 575,839 |
| CHV52 | STL361 | Industrial Blvd. Bike Ln / Ped Improvement | 145,300 | - | (139,736) | - | 5,564 |
| CHV54 | STM367 | So Broadway Improv Main to SthrnCity | 41,840 | - | (97,573) | - | (55,733) |
| CHV55 | STL342 | Second Ave. Imprv. Naples - Palomar | 24,920 | - | (25,000) | - | (80) |
| CHV55 | STL304 | Glenhaven Way Any St. Improv. | 6,795 | - | (9,444) | - | (2,649) |
| | | Total CHV 55 Projects | 31,715 | - | (34,444) | - | (2,729) |
| CHV56 | STL363 | Sidewalk Safety Program I | - | - | (16,220) | 16,220 | - |
| CHV58 | STL366 | Moss Street Sidewalk Installation | 35,000 | - | (22,407) | - | 12,593 |
| CHV58 | STL368 | Oxford Street Sidewalk Installation | 64,997 | - | (64,997) | - | - |
| CHV58 | STL369 | Palomar Street Sidewalk Installation | 58,698 | - | (9,464) | - | 49,234 |
| CHV58 | STL371 | Sidewalk Installation E H Terra Nova | 99,999 | - | (99,999) | - | - |
| CHV58 | STL378 | Sidewalk Installation So & W of Hilltop & F | 91,306 | - | (91,306) | - | - |
| | | Total CHV 58 Projects | 350,000 | - | (288,173) | - | 61,827 |
| CHV59 | STL364 | Sidewalk Installation Along Naples | 69,290 | - | (74,292) | 5,002 | - |
| CHV59 | STL367 | Naples Street Sidewalk Installation | 64,010 | - | (10,326) | 87,006 | 140,690 |
| | | Total CHV 59 Projects | 133,300 | - | (84,618) | 92,008 | 140,690 |
| | | Subtotal Congestion Relief | 8,068,817 | 4,965 | (7,530,242) | 181,918 | 725,458 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 8,068,817 | \$ 4,965 | \$ (7,530,242) | \$ 181,918 | \$ 725,458 |
| CHV60 | TF316 | Signal Installation 2nd & Quintard | 218,363 | - | (217,059) | - | 1,304 |
| CHV60 | TF378 | Traffic Signal Mod at 2nd & E Street | 243,667 | - | (243,453) | - | 214 |
| CHV60 | TF382 | Traffic Signal Mod at Third Ave & Naples St | 43,500 | - | (611) | - | 42,889 |
| | | Total CHV 60 Projects | 505,530 | - | (461,123) | - | 44,407 |
| CHV67 | TF377 | Roadway Improv at Olympic & Brandywine | 10,000 | - | (10,300) | - | (300) |
| | | Total Congestion Relief | 8,584,347 | 4,965 | (8,001,665) | 181,918 | 769,565 |
| | | Maintenance: | | | | | |
| CHV22 | OP202 | CIP Advanced Planning | \$ 169,000 | \$ - | \$ (255,081) | \$ 77,608 | \$ (8,473) |
| CHV22 | OP208 | CIP Management & Equipment Purchase | 30,000 | - | (37,520) | 20,873 | 13,353 |
| | | Total CHV 22 Projects | 199,000 | - | (292,601) | 98,481 | 4,880 |
| CHV26 | STL323 | Pedestrian Master Plan | 85,000 | - | (129,858) | 45,000 | 142 |
| CHV33 | TF361 | Safe Routes 2 School Otay / Rice Elm | 129,500 | - | (97,000) | - | 32,500 |
| CHV33 | TF362 | Kids Walk/Bike to School Phase II | 105,500 | - | (35,054) | (108,886) | (38,440) |
| CHV33 | STL375 | Enhanced Traffic Calming Crosswalk | - | - | (61,865) | 86,498 | 24,633 |
| CHV33 | STL389 | Castle Park Middle School - Quintard Street | 35,000 | - | - | - | 35,000 |
| CHV33 | STM368 | Lauderbach Elem. Pedestrian Imprv | 75,480 | - | (74,259) | (1,221) | - |
| | | Total CHV 33 Projects | 345,480 | - | (268,178) | (23,609) | 53,693 |
| CHV34 | TF327 | Neighborhood Safety Program | 269,009 | - | (269,009) | - | - |
| | | Subtotal Maintenance | 898,489 | - | (959,646) | 119,872 | 58,715 |

SCHEDULE B

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|------------|--|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 898,489 | \$ - | \$ (959,646) | \$ 119,872 | \$ 58,715 |
| CHV35 | TF325 | Transportation Planning Program | 153,200 | - | (162,291) | - | (9,091) |
| CHV35 | TF330 | Traf Mod 4th / Main & 4th / Beyer | 260,301 | - | (239,856) | (20,445) | - |
| CHV35 | TF331 | Traffic Signal Mod 3rd / Montgomery | 302,000 | - | (298,156) | (3,844) | - |
| CHV35 | TF332 | Signing and Stripping Program | 144,795 | - | (175,669) | 24,289 | (6,585) |
| CHV35 | TF366 | Traffic Signal & St. Lighting Upgrade / Maint. | 483,384 | - | (483,384) | - | - |
| CHV35 | TF369 | Three Park Bicycle Facility Improvement | 1,320 | - | (1,320) | - | - |
| | | Total CHV 35 Projects | 1,345,000 | - | (1,360,676) | - | (15,676) |
| CHV45 | STM369 | Bikeway Facilities Gap Project | 72,500 | - | (75,336) | - | (2,836) |
| CHV45 | TF274 | Traffic Count | 57,279 | - | (60,000) | - | (2,721) |
| CHV45 | TF321 | Citywide Traffic Count Program | 113,221 | - | (129,616) | - | (16,395) |
| | | Total CHV 45 Projects | 243,000 | - | (264,952) | - | (21,952) |
| CHV46 | TF368 | Harborside Elementary Pedestrian Improv. | 255,000 | 556 | (253,194) | - | 2,362 |
| CHV47 | TF367 | Urban Core Srvs Level Threshold Study | 20,000 | 663 | (4,880) | - | 15,783 |
| CHV50 | DR192 | Emergency Storm Darin Repairs F St. | 12,000 | - | (229,144) | 235,000 | 17,856 |
| CHV50 | DR193 | Storm Drain Pipe Rehab Project For FY2013 | 288,000 | - | (11,933) | 85,000 | 361,067 |
| CHV50 | DR194 | 4th & E St Emrg Srm Drn Rehab | - | - | (165,000) | 165,000 | - |
| | | Total CHV 50 Projects | 300,000 | - | (406,077) | 485,000 | 378,923 |
| CHV61 | DR187 | Box Culvert at Bonita Road/Allen | 11,000 | - | (6,644) | - | 4,356 |
| | | Subtotal Maintenance | 3,072,489 | 1,219 | (3,256,069) | 604,872 | 422,511 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------|---------------|--|-------------------|--------------------|-------------------------|---------------------|------------------------------------|
| | | Balance carried forward | \$ 3,072,489 | \$ 1,219 | \$ (3,256,069) | \$ 604,872 | \$ 422,511 |
| CHV65 | DR190 | Street Drainage Inlet Repair/Replacement | - | - | (3,492) | - | (3,492) |
| CHV66 | DR191 | Drainage Improvement Claire Ave / I St. | 250,000 | - | (342,444) | - | (92,444) |
| | | Total Maintenance | 3,322,489 | 1,219 | (3,602,005) | 604,872 | 326,575 |
| | | Total Local Street Improvements | 11,906,836 | 6,184 | (11,603,670) | 786,790 | 1,096,140 |
| | | Bike and Pedestrian: | | | | | |
| CHV56 | STL363 | Sidewalk Safety Prg I St Sdwk | 79,544 | - | (93,500) | (79,224) | (93,180) |
| | | Total Bike and Pedestrian | 79,544 | - | (93,500) | (79,224) | (93,180) |
| | | Total <i>TransNet</i> Extension | 13,443,143 | 6,184 | (14,902,089) | 707,566 | (745,196) |
| | | Completed Projects | | | | | |
| | | Congestion Relief | 3,523,196 | - | (4,032,937) | 509,741 | - |
| | | Total Completed Projects | 3,523,196 | - | (4,032,937) | 509,741 | - |
| | | Interest Income | - | 8,617 | - | - | 8,617 |
| | | Total Cumulative <i>TransNet</i> Extension | \$ 16,966,339 | \$ 14,801 | \$ (18,935,026) | \$ 1,217,307 | \$ (736,579) |

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|--------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 32,818 | \$ - | \$ 1,549 | \$ (54,858) | \$ 180,000 | \$ 159,509 | \$ 159,509 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 28,343 | - | 4,313 | (1,950) | - | 30,706 | 30,706 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 5,467 | - | 1,961 | (16,488) | - | (9,060) | (9,060) |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 39,992 | - | 1,893 | (6,703) | (152,894) | (117,712) | (117,768) |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>67,830</u> | <u>-</u> | <u>186</u> | <u>-</u> | <u>-</u> | <u>68,016</u> | <u>-</u> |
| GASB 31 fair market value adjustment | | <u>-</u> | <u>-</u> | <u>(835)</u> | <u>-</u> | <u>-</u> | <u>(835)</u> | <u>56</u> |
| Total RTCIP Funds | | <u>\$ 174,450</u> | <u>\$ -</u> | <u>\$ 9,067</u> | <u>\$ (79,999)</u> | <u>\$ 27,106</u> | <u>\$ 130,624</u> | <u>\$ 63,443</u> |

CITY OF CORONADO, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$261,033. We selected \$101,248 (38.79%) 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 and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

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

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

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|--|-------------------|
| Fiscal year 2013 apportionment | \$ 523,865 |
| Less: debt service payment | <u>-</u> |
| Net estimated apportionment | 523,865 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | <u>157,160</u> |
| Less: | |
| Local Streets and Roads fund balance | - |
| Local Street Improvement | |
| – Congestion Relief fund balance | (4,583) |
| – Maintenance fund balance | <u>3,399</u> |
| Total local streets and roads and local Street improvement fund balance | <u>(1,184)</u> |
| Fund balance under apportionment | <u>\$ 158,344</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|-------------------|
| Current year local discretionary expenditures | \$ 993,997 |
| Less MOE base year requirement | <u>(778,768)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 215,229</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

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

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

Results: This procedure is not applicable as there were no findings for FY 2013.

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

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

A handwritten signature in blue ink, appearing to read "Morgan H. Hoffman M.C. P.C.", is written across the page.

Irvine, California
March 28, 2014

SCHEDULE A

CITY OF CORONADO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---------------------------------|---------------|--------------------------------|-----------------------------|-------------------|-----------------|----------------------|------------------|------------------------------|---------|
| TransNet Extension: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| COR 07 | 9872-STCRBGTR | Street and Road Rehabilitation | \$ 97,173 | \$ 206,426 | \$ (36) | \$ (208,459) | \$ (99,687) | \$ (4,583) | (b),(c) |
| COR 07 | 9899-12SCG | Street, Curb & Gutter | - | 23,563 | - | (23,563) | - | - | |
| COR 07 | 9894-12002 | Audible Pedestrian Signals | - | 29,011 | - | (29,011) | - | - | |
| Total COR 07 projects | | | <u>97,173</u> | <u>259,000</u> | <u>(36)</u> | <u>(261,033)</u> | <u>(99,687)</u> | <u>(4,583)</u> | |
| Total Congestion Relief | | | <u>97,173</u> | <u>259,000</u> | <u>(36)</u> | <u>(261,033)</u> | <u>(99,687)</u> | <u>(4,583)</u> | |
| Maintenance: | | | | | | | | | |
| COR 04 | 9869-SLRYSEAL | Street and Road Maintenance | <u>3,422</u> | <u>-</u> | <u>27</u> | <u>-</u> | <u>(50)</u> | <u>3,399</u> | (a),(b) |
| Total Maintenance | | | <u>3,422</u> | <u>-</u> | <u>27</u> | <u>-</u> | <u>(50)</u> | <u>3,399</u> | |
| Total <i>TransNet</i> Extension | | | <u>\$ 100,595</u> | <u>\$ 259,000</u> | <u>\$ (9)</u> | <u>\$ (261,033)</u> | <u>(99,737)</u> | <u>\$ (1,184)</u> | |
| Reconciling Item for GASB 31 | | | <u>(3,677)</u> | <u>-</u> | <u>30</u> | <u>-</u> | <u>-</u> | <u>(3,647)</u> | |
| Total after GASB 31 Adjustment | | | <u>\$ 96,918</u> | <u>\$ 259,000</u> | <u>\$ 21</u> | <u>\$ (261,033)</u> | <u>(99,737)</u> | <u>\$ (4,831)</u> | |

Notes:

- (a) *TransNet* and *TransNet* Extension projects are for ongoing street, curb, and gutter maintenance. The section repairs are done on schedule or by priority of maintenance needed.
- (b) City adjustment is for Personnel expenses and Street and Road Maintenance expenditures that were inadvertently omitted from Fiscal Year 2011-12 Schedule A.
- (c) Funding for this program is being maintained by SANDAG of which Coronado is allowed to retain a balance of up to 30% of annual apportionment. Coronado will withdraw the funds in 2014 to offset the negative balance.

CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|---------------|--------------------------------|---------------------|--------------------|-------------------------|---------------------|------------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| COR 07 | 9872-STCRBGTR | Street and Road Rehabilitation | \$ 2,194,651 | \$ 7,491 | \$ (1,927,996) | \$ (278,729) | \$ (4,583) |
| COR 07 | 9899-12SCG | Street, Curb & Gutter | 23,563 | - | (23,563) | - | - |
| COR 07 | 9894-12002 | Audible Pedestrian Signals | 29,011 | - | (29,011) | - | - |
| Total COR 07 Projects | | | <u>2,247,225</u> | <u>7,491</u> | <u>(1,980,570)</u> | <u>(278,729)</u> | <u>(4,583)</u> |
| Total Congestion Relief | | | <u>2,247,225</u> | <u>7,491</u> | <u>(1,980,570)</u> | <u>(278,729)</u> | <u>(4,583)</u> |
| Maintenance: | | | | | | | |
| COR 04 | 9869-SLRYSEAL | Street and Road Maintenance | 70,000 | 287 | (66,838) | (50) | 3,399 |
| Total Maintenance | | | <u>70,000</u> | <u>287</u> | <u>(66,838)</u> | <u>(50)</u> | <u>3,399</u> |
| Total <i>TransNet</i> Extension | | | <u>\$ 2,317,225</u> | <u>\$ 7,778</u> | <u>\$ (2,047,408)</u> | <u>\$ (278,779)</u> | <u>\$ (1,184)</u> |

CITY OF CORONADO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 6,000 | \$ - | \$ 1,374 | \$ - | \$ - | \$ 7,374 | \$ 7,323 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 2,040 | - | 381 | - | - | 2,421 | 2,404 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 16,648 | - | 525 | - | - | 17,173 | 17,032 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 6,369 | - | 153 | - | - | 6,522 | 6,468 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>4,330</u> | <u>-</u> | <u>37</u> | <u>-</u> | <u>-</u> | <u>4,367</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 35,387</u> | <u>\$ -</u> | <u>\$ 2,470</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 37,857</u> | <u>\$ 33,227</u> |
| GASB 31 Market Value Adjustment | | <u>-</u> | <u>-</u> | <u>371</u> | <u>-</u> | <u>-</u> | <u>371</u> | <u>1,328</u> |
| Total RTCIP Funds | | <u>\$ 35,387</u> | <u>\$ -</u> | <u>\$ 2,841</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 38,228</u> | <u>\$ 34,555</u> |

CITY OF DEL MAR, CALIFORNIA

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

Year Ended June 30, 2013



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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Del Mar, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$208,006. We selected \$144,122 (69.29%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there were no indirect costs allocated to the projects for the year ended June 30, 2013.

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

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

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

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

i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | | |
|--|----------------------|----------------------------|
| Fiscal year 2013 apportionment | | \$ 185,449 |
| Less: debt service payment | | <u> -</u> |
| Net estimated apportionment | | 185,449 |
| 30% base | | <u> 30%</u> |
| Fiscal year 2013 30% threshold | | <u> 55,635</u> |
| Less: | | |
| Local streets and roads fund balance | - | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 5,863 | |
| – Maintenance fund balance | <u> 903</u> | |
| Total local streets and roads and local Street improvement fund balance | | <u> 6,766</u> |
| Fund balance under apportionment | | <u> \$ 48,869</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | Street and Road | Specialized Transportation Services | Total |
|---|--------------------|---|-------------------|
| Current year local discretionary expenditures | \$ 834,978 | \$ 21,500 | \$ 856,478 |
| Less MOE base year requirement | (418,597) | (19,288) | (437,885) |
| Excess MOE for the year ended June 30, 2013 | \$ <u>416,381</u> | \$ <u>2,212</u> | \$ <u>418,593</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total expenditures in the amount of \$6,895. We selected \$6,895 (100.00%) for testing. No exceptions were noted as a result of our procedures.

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

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

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with Board Policy No. 031.

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

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

Results: This procedure is not applicable to the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable to the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable to the City.

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

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

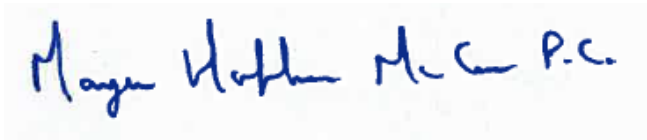
19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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

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

A handwritten signature in blue ink that reads "Mayer Hoffman McCann P.C." The signature is written in a cursive style and is centered within a light gray rectangular box.

Irvine, California
March 28, 2014

CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|--------------|---|--------------------------------|-------------------|-----------------|----------------------|------------------|---------------------------------|
| Local Street Improvements: | | | | | | | | |
| Congestion Relief: | | | | | | | | |
| DM02 | 44.6121.5900 | Local Match to Bridge Retrofit Projects | \$ 18,001 | \$ - | \$ 18 | \$ (12,706) | \$ - | \$ 5,313 |
| DM04 | 44.6124.5900 | Camino Del Mar Major Rehabilitation | 708 | 139,000 | 142 | (139,300) | - | 550 |
| | | Total Congestion Relief | <u>18,709</u> | <u>139,000</u> | <u>160</u> | <u>(152,006)</u> | <u>-</u> | <u>5,863</u> |
| Maintenance: | | | | | | | | |
| DM01 | 44.6101.5900 | Resurfacing and Drainage Project | 94 | 56,750 | 59 | (56,000) | - | 903 |
| | | Total Maintenance | <u>94</u> | <u>56,750</u> | <u>59</u> | <u>(56,000)</u> | <u>-</u> | <u>903</u> |
| | | Total Local Street Improvements | <u>18,803</u> | <u>195,750</u> | <u>219</u> | <u>(208,006)</u> | <u>-</u> | <u>6,766</u> |
| | | Total <i>TransNet</i> Extension | <u>\$ 18,803</u> | <u>\$ 195,750</u> | <u>\$ 219</u> | <u>\$ (208,006)</u> | <u>\$ -</u> | <u>\$ 6,766</u> |
| | | GASB 31 Fair Market Value Adjustment | \$ (9) | \$ - | \$ - | \$ - | \$ - | \$ (9) |
| | | Total after GASB 31 Adjustment | <u>\$ 18,794</u> | <u>\$ 195,750</u> | <u>\$ 219</u> | <u>\$ (208,006)</u> | <u>\$ -</u> | <u>\$ 6,757</u> |

CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|--------------|--|---------------------|-----------------|-----------------------|------------------|------------------------------|
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| DM02 | 44.6121.5900 | Local Match to Bridge Retrofit Projects | \$ 207,060 | \$ 451 | \$ (202,524) | \$ 326 | \$ 5,313 |
| DM04 | 44.6124.5900 | Camino Del Mar Major Rehabilitation | <u>562,000</u> | <u>1,184</u> | <u>(562,634)</u> | <u>-</u> | <u>550</u> |
| | | Total Congestion Relief | <u>769,060</u> | <u>1,635</u> | <u>(765,158)</u> | <u>326</u> | <u>5,863</u> |
| Maintenance: | | | | | | | |
| DM01 | 44.6101.5900 | Resurfacing and Drainage Project | <u>256,750</u> | <u>544</u> | <u>(256,391)</u> | <u>-</u> | <u>903</u> |
| | | Total Maintenance | <u>256,750</u> | <u>544</u> | <u>(256,391)</u> | <u>-</u> | <u>903</u> |
| | | Total Local Street Improvements | <u>1,025,810</u> | <u>2,179</u> | <u>(1,021,549)</u> | <u>326</u> | <u>6,766</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 1,025,810</u> | <u>\$ 2,179</u> | <u>\$ (1,021,549)</u> | <u>\$ 326</u> | <u>\$ 6,766</u> |

CITY OF DEL MAR, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | | Notes |
|--------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|-----------------|-------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 | |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 14,000 | \$ - | \$ 342 | \$ (14,342) | \$ - | \$ - | \$ 6,885 | |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | - | - | - | - | - | - | - | |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | - | - | - | - | - | - | - | |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | - | - | - | - | - | - | - | |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>2,165</u> | <u>-</u> | <u>38</u> | <u>-</u> | <u>-</u> | <u>2,203</u> | <u>-</u> | |
| GASB 31 fair market value adjustment | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Total RTCIP Funds | | <u>\$ 16,165</u> | <u>\$ -</u> | <u>\$ 380</u> | <u>\$ (14,342)</u> | <u>\$ -</u> | <u>\$ 2,203</u> | <u>\$ 6,885</u> | |

CITY OF EL CAJON, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of El Cajon, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$2,852,365. We selected \$1,256,132 (44.04%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2013.

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

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

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

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

i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|-------------------|
| Fiscal year 2013 apportionment | \$2,069,711 |
| Less: debt service payment | <u>-</u> |
| Net estimated apportionment | 2,069,711 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | 620,913 |
| Less: | |
| Local Streets and Roads fund balance | 31,853 |
| Local Street Improvement | |
| – Congestion Relief fund balance | 180,775 |
| – Maintenance fund balance | <u>44,884</u> |
| Total local streets and roads and local street improvement fund balance | <u>257,512</u> |
| Fund balance under apportionment | <u>\$ 363,401</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 7,364,624 |
| Less MOE base year requirement | <u>(1,595,336)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 5,769,288</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: This procedure is not applicable as the City did not have any prior year findings.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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



Irvine, California
March 28, 2014

CITY OF EL CAJON, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013
 (Continued)

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|---------------------------------|--|-----------------------------|------------------|-----------------|----------------------|------------------|------------------------------|-------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| EL18 | PW3435 | Street Lights | \$ 31,853 | \$ - | \$ - | \$ - | \$ - | \$ 31,853 | (a) |
| Total Local Streets and Roads | | | <u>31,853</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,853</u> | |
| Total TransNet | | | <u>\$ 31,853</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 31,853</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| Regional Arterial Management Systems | | | \$ - | \$ 9,700 | \$ - | \$ (9,700) | \$ - | \$ - | |
| Total Congestion Relief Pass Through | | | <u>-</u> | <u>9,700</u> | <u>-</u> | <u>(9,700)</u> | <u>-</u> | <u>-</u> | |
| Congestion Relief: | | | | | | | | | |
| EL03 | PW3340/PW3431/ PW3432 | Overlay Projects | 16,187 | 2,175,000 | - | (2,177,211) | - | 13,976 | |
| EL06 | PW3402/PW3409/ PW3411/PW3436 | Traffic Signal Projects | 11,728 | 20,000 | - | (19,824) | - | 11,904 | |
| EL18 | PW3435 | Street Lights | 100,000 | - | - | - | (100,000) | - | (b) |
| EL27 | PW3432 | Pedestrian Safety Greenfield | - | 40,000 | - | (3,576) | - | 36,424 | |
| EL28 | PW3402 | Intersection Improvement Jamacha & Main. | - | 20,000 | - | (1,529) | 100,000 | 118,471 | (b) |
| Total Congestion Relief | | | <u>127,915</u> | <u>2,255,000</u> | <u>-</u> | <u>(2,202,140)</u> | <u>-</u> | <u>180,775</u> | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|------------|---|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|-------|
| | | Balance carried forward | \$ 127,915 | \$ 2,255,000 | \$ - | \$ (2,202,140) | \$ - | \$ 180,775 | |
| | | Maintenance: | | | | | | | |
| EL11 | PW3405 | Sidewalk | 109,546 | 60,000 | - | (164,452) | - | 5,094 | |
| EL21 | PW3408 | Street Resurfacing | 15,784 | 425,000 | - | (413,061) | 4,796 | 32,519 | (c) |
| EL23 | PW3434 | Traffic Signal Maintenance | 10,819 | 15,000 | - | (21,023) | (4,796) | - | (c) |
| EL25 | PW3375 | Slope Repair Fletcher Pkwy. & Murray Dr. | 9,260 | 40,000 | - | (41,989) | - | 7,271 | |
| | | Total Maintenance | 145,409 | 540,000 | - | (640,525) | - | 44,884 | |
| | | Total Local Street Improvements | 273,324 | 2,804,700 | - | (2,852,365) | - | 225,659 | |
| | | Total <i>TransNet</i> Extension | \$ 273,324 | \$ 2,804,700 | \$ - | \$ (2,852,365) | \$ - | \$ 225,659 | |
| | | Interest Income | 3,060 | - | 1,547 | - | - | 4,607 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ 308,237 | \$ 2,804,700 | \$ 1,547 | \$ (2,852,365) | \$ - | \$ 262,119 | |
| | | GASB 31 Fair Market Value Adjustment | (879) | - | (690) | - | - | (1,569) | |
| | | Total after GASB 31 Adjustment | \$ 307,358 | \$ 2,804,700 | \$ 857 | \$ (2,852,365) | \$ - | \$ 260,550 | |

Notes:

- (a) *TransNet* Local Streets and Roads EL18 Street Lights are done on an as needed basis and had no activity in fiscal year ending June 30, 2013.
- (b) LSI EL18 funds were transferred to EL28 Intersection Improvements Jamacha & Main per RTIP # 12-01.
- (c) EL23 Traffic Signal Maintenance is complete, and the balance was moved to EL21 Street Resurfacing. Resolution No. 111-13 authorized the move between these two MPO IDs.

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|---------------|--|------------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | |
| | | Regional Arterial Management Systems | \$ 9,700 | \$ - | \$ (9,700) | \$ - | \$ - |
| | | Total Congestion Relief Pass Through | <u>9,700</u> | <u>-</u> | <u>(9,700)</u> | <u>-</u> | <u>-</u> |
| Congestion Relief: | | | | | | | |
| EL03 | PW3432 | Various Overlay Projects | 5,075,000 | - | (5,457,642) | 396,618 | 13,976 |
| EL06 | PW3411/PW3436 | Traffic Signal Projects | 230,000 | - | (226,562) | 8,466 | 11,904 |
| EL18 | PW3435 | Street Lights | 100,000 | - | - | (100,000) | - |
| EL27 | PW3432 | Pedestrian Safety Greenfield | 40,000 | - | (3,576) | - | 36,424 |
| EL28 | PW3402 | Intersection Improvement Jamacha & Main. | 20,000 | - | (1,529) | 100,000 | 118,471 |
| | | Total Congestion Relief | <u>5,465,000</u> | <u>-</u> | <u>(5,689,309)</u> | <u>405,084</u> | <u>180,775</u> |
| Maintenance: | | | | | | | |
| EL11 | PW3405 | Sidewalk | 260,000 | - | (255,862) | 956 | 5,094 |
| EL21 | PW3408 | Street Resurfacing | 1,640,000 | - | (1,616,227) | 8,746 | 32,519 |
| EL23 | PW3434 | Traffic Signal Maintenance | 75,000 | - | (70,204) | (4,796) | - |
| EL25 | PW3375 | Slope Repair Fletcher Pkwy & Murry Dr. | 75,000 | - | (67,729) | - | 7,271 |
| | | Total Maintenance | <u>2,050,000</u> | <u>-</u> | <u>(2,010,022)</u> | <u>4,906</u> | <u>44,884</u> |
| | | Total <i>TransNet</i> Extension | <u>7,524,700</u> | <u>-</u> | <u>(7,709,031)</u> | <u>409,990</u> | <u>225,659</u> |

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013
 (Continued)

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|----------------------------|---------------|--|--------------------|--------------------|-------------------------|---------------------|------------------------------------|
| Completed Projects: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| | | Congestion Relief | 1,380,000 | - | (974,916) | (405,084) | - |
| | | Maintenance | <u>132,000</u> | <u>-</u> | <u>(227,855)</u> | <u>95,855</u> | <u>-</u> |
| | | Total Completed Projects | <u>1,512,000</u> | <u>-</u> | <u>(1,202,771)</u> | <u>(309,229)</u> | <u>-</u> |
| | | Interest Income | <u>-</u> | <u>4,607</u> | <u>-</u> | <u>-</u> | <u>4,607</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$9,036,700</u> | <u>\$ 4,607</u> | <u>\$ (8,911,802)</u> | <u>\$ 100,761</u> | <u>\$ 230,266</u> |

CITY OF EL CAJON CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|--------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 2,000 | \$ - | \$ 134 | \$ - | \$ - | \$ 2,134 | \$ 2,124 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 89,760 | - | 3,739 | - | - | 93,499 | 93,062 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 22,891 | - | 538 | - | - | 23,429 | 22,871 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 451 | - | 6 | - | - | 457.00 | 455 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | 19,485 | - | 92 | - | - | 19,577 | - |
| GASB 31 fair market value adjustment | | - | - | (57) | - | - | (57) | 320 |
| Total RTCIP Funds | | \$ 134,587 | \$ - | \$ 4,452 | \$ - | \$ - | \$ 139,039 | \$ 118,832 |

CITY OF ENCINITAS, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$920,552. We selected \$694,638 (75.46%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|---|----------------------|
| Fiscal year 2013 apportionment | \$ 1,483,380 |
| Less: debt service payment | <u> -</u> |
| Net estimated apportionment | 1,483,380 |
| 30% base | <u> 30%</u> |
| Fiscal year 2013 30% threshold | <u> 445,014</u> |
| Less: | |
| Local Streets and Roads fund balance | |
| Local Street Improvement | |
| – Congestion Relief fund balance | 385,359 |
| – Maintenance fund balance | <u>(29,134)</u> |
| Total local streets and roads and local | |
| Street improvement fund balance | <u> 356,225</u> |
| Fund balance under apportionment | <u>\$ 88,789</u> |

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

Results: This procedure is not applicable as there was no commercial paper or bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | Street and Road | Specialized Transportation Services | Total |
|---|--------------------|---|--------------------|
| Current year local discretionary expenditures | \$5,177,831 | \$7,987 | \$5,185,818 |
| Less MOE base year requirement | <u>(1,892,771)</u> | <u>(52)</u> | <u>(1,892,823)</u> |
| Excess MOE for the year ended June 30, 2013 | <u>\$3,285,060</u> | <u>\$7,935</u> | <u>\$3,292,995</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

18. 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.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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



Mayer Hoffman McCann P.C.

Irvine, California
March 28, 2014

CITY OF ENCINITAS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status July 1, 2013 | Notes |
|--|----------------|---|-----------------------------|----------------|-----------------|----------------------|------------------|-----------------------------|--------|
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| ENC 28 | CS02G | Regional Arterial Management Systems | \$ - | \$ 7,400 | \$ - | \$ (7,400) | \$ - | \$ - | |
| Total Congestion Relief - Pass Through | | | - | 7,400 | - | (7,400) | - | - | |
| Congestion Relief: | | | | | | | | | |
| ENC 14A | CS12A | FY 11/12 Annual Street Overlay | 492,272 | - | 1,285 | - | (481,721) | 11,836 | (a) |
| ENC 14A | CS13A | FY 12/13 Annual Street Overlay | - | 410,000 | - | (694,638) | 487,587 | 202,949 | (a)(b) |
| Total ENC 14A Projects | | | 492,272 | 410,000 | 1,285 | (694,638) | 5,866 | 214,785 | |
| ENC 19 | CS02F | Traffic safety and calming | - | 215,000 | - | (18,204) | (215,000) | (18,204) | (a)(c) |
| ENC 19 | CS07C | ENTMP-1 Rubenstein/Summit/West | (163,447) | - | - | (8,970) | 150,984 | (21,433) | (a)(c) |
| ENC 19 | CS12F | Gardendale Traffic Calming & SR2S Project | - | - | - | (54,392) | 64,016 | 9,624 | (a) |
| Subtotal ENC 19 Projects | | | (163,447) | 215,000 | - | (81,566) | - | (30,013) | |
| ENC 20 | CS04D | No. Coast Hwy 101 streetscape | 22,330 | 150,000 | 58 | (38,472) | - | 133,916 | |
| ENC 28 | CS02G | Traffic Signal Modification | 57,307 | 50,000 | 150 | (40,786) | - | 66,671 | |
| ENC 44 | CS09E | Encinitas/NCTD transit parking lot | 5,851 | - | 15 | - | (5,866) | - | (b) |
| Total Congestion Relief | | | 414,313 | 825,000 | 1,508 | (855,462) | - | 385,359 | |

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

| MPO ID | Project Number | Project Name | Project | Funds | Interest | Project | City | Project | Notes |
|---|----------------|--|------------------|---------------------|-----------------|---------------------|-------------|-------------------|--------|
| | | | Status | Received | Income | Expenditures | Adjustments | Status | |
| | | | July 1, 2012 | | | | | July 1, 2013 | |
| Balance carried forward <i>TransNet</i> Extension | | | \$ 414,313 | \$ 825,000 | \$ 1,508 | \$ (855,462) | - | \$ 385,359 | |
| Maintenance: | | | | | | | | | |
| ENC 17 | CS01E | Safe Route to Schools-Phase II | - | 440,284 | - | (360) | (440,283) | (359) | (a)(c) |
| ENC 17 | CS10E | Melba Road (South Side) | - | - | - | (35,955) | 35,955 | - | (a) |
| ENC 17 | CS11B | Downtown Sidewalk Improvements | (404,328) | - | - | - | 404,328 | - | (a) |
| ENC 17 | CS13B | Intersection Improvements Hwy 101 & K Street | - | - | - | (2,782) | - | (2,782) | (c) |
| ENC 17 | CS13D | Enc Let's Move Pedestrian Travel & SR2S Plan | - | - | - | (3,525) | - | (3,525) | (c) |
| ENC 17 | CS13E | Encinitas Blvd SR2S Improvements | - | - | - | (53) | - | (53) | (c) |
| ENC 17 | CS07B | Santa Fe Dr/I-5 MacKinnon Improvements | - | - | - | (22,415) | - | (22,415) | (c) |
| Total ENC 17 Projects | | | <u>(404,328)</u> | <u>440,284</u> | <u>-</u> | <u>(65,090)</u> | <u>-</u> | <u>(29,134)</u> | |
| Total Maintenance | | | <u>(404,328)</u> | <u>440,284</u> | <u>-</u> | <u>(65,090)</u> | <u>-</u> | <u>(29,134)</u> | |
| Total Local Street Improvements | | | <u>9,985</u> | <u>1,265,284</u> | <u>1,508</u> | <u>(920,552)</u> | <u>-</u> | <u>356,225</u> | |
| Total <i>TransNet</i> Extension | | | <u>\$ 9,985</u> | <u>\$ 1,265,284</u> | <u>\$ 1,508</u> | <u>\$ (920,552)</u> | <u>-</u> | <u>\$ 356,225</u> | |

Notes:

- (a) Adjustments made as an interproject (MPOID) transfer.
- (b) Project ENC 44A is complete. The remaining balance was transferred to ENC 14A per City Council Resolution #2014-14.
- (c) Funding will be requested in Fiscal Year 2014 to remove deficit.

CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status July 1, 2013 |
|--|----------------|---|------------------|-----------------|----------------------|------------------|-----------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | |
| ENC 28 | CS02G | Regional Arterial Management Systems | \$ 7,400 | \$ - | \$ (7,400) | \$ - | \$ - |
| | | Total Congestion Relief - Pass Through | <u>7,400</u> | <u>-</u> | <u>(7,400)</u> | <u>-</u> | <u>-</u> |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| ENC 14A | CS12A | FY 11/12 Annual Street Overlay | 350,000 | 1,307 | (145,044) | (194,427) | 11,836 |
| ENC 14A | CS13A | FY 12/13 Annual Street Overlay | <u>410,000</u> | <u>-</u> | <u>(694,638)</u> | <u>487,587</u> | <u>202,949</u> |
| | | Subtotal ENC 14A Projects | <u>760,000</u> | <u>1,307</u> | <u>(839,682)</u> | <u>293,160</u> | <u>214,785</u> |
| ENC 19 | CS02F | Traffic safety and calming | 665,000 | 129 | (68,872) | (614,461) | (18,204) |
| ENC 19 | CS07C | ENTMP-1 Rubenstein/Summit/West | - | - | (542,427) | 520,994 | (21,433) |
| ENC 19 | CS12F | Gardendale Traffic Calming & SR2S Project | <u>-</u> | <u>-</u> | <u>(83,843)</u> | <u>93,467</u> | <u>9,624</u> |
| | | Subtotal ENC 19 Projects | <u>665,000</u> | <u>129</u> | <u>(695,142)</u> | <u>-</u> | <u>(30,013)</u> |
| ENC 20 | CS04D | No. Coast Hwy 101 streetscape | <u>810,000</u> | <u>525</u> | <u>(676,609)</u> | <u>-</u> | <u>133,916</u> |
| ENC 28 | CS02G | Traffic signal modification | <u>250,000</u> | <u>241</u> | <u>(174,608)</u> | <u>(8,962)</u> | <u>66,671</u> |
| ENC 44 | CS09E | Encinitas/NCTD transit parking lot | <u>1,280,000</u> | <u>366</u> | <u>(1,193,693)</u> | <u>(86,673)</u> | <u>-</u> |
| | | Total Congestion Relief | <u>3,765,000</u> | <u>2,568</u> | <u>(3,579,734)</u> | <u>197,525</u> | <u>385,359</u> |
| | | Subtotal <i>TransNet</i> Extension | <u>3,772,400</u> | <u>2,568</u> | <u>(3,587,134)</u> | <u>197,525</u> | <u>385,359</u> |

CITY OF ENCINITAS, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project
(Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status July 1, 2013 | Notes |
|--------|----------------|---|---------------------|------------------|-----------------------|-------------------|-----------------------------|-------|
| | | Balance carried forward <i>TransNet</i> Extension | \$ 3,772,400 | \$ 2,568 | \$ (3,587,134) | \$ 197,525 | \$ 385,359 | |
| | | Maintenance: | | | | | | |
| ENC 17 | CS01E | Safe Route to Schools - Phase II | 640,284 | - | (27,677) | (612,966) | (359) | |
| ENC 17 | CS10E | Melba Road (South Side) | 1,159 | - | (37,589) | 36,430 | - | |
| ENC 17 | CS11B | Downtown Sidewalk Improvements | - | - | (464,400) | 464,400 | - | |
| ENC 17 | CS13B | Intersection Improvements Hwy 101 & K Street | - | - | (2,782) | - | (2,782) | |
| ENC 17 | CS13D | Enc Let's Move Pedestrian Travel & SR2S Plan | - | - | (3,525) | - | (3,525) | |
| ENC 17 | CS13E | Encinitas Blvd SR2S Improvements | - | - | (53) | - | (53) | |
| ENC 17 | CS07B | Santa Fe Dr/I-5 MacKinnon Improvements | - | - | (22,415) | - | (22,415) | |
| | | Subtotal ENC 17 Projects | <u>641,443</u> | <u>-</u> | <u>(558,441)</u> | <u>(112,136)</u> | <u>(29,134)</u> | |
| | | Total Maintenance | <u>641,443</u> | <u>-</u> | <u>(558,441)</u> | <u>(112,136)</u> | <u>(29,134)</u> | |
| | | Completed Projects: | | | | | | |
| | | Local Street Improvements: | | | | | | |
| | | Congestion Relief | 921,102 | 4 | (892,943) | (28,163) | - | |
| | | Maintenance | <u>198,841</u> | <u>-</u> | <u>(332,882)</u> | <u>134,041</u> | <u>-</u> | |
| | | Total Local Street Improvement | <u>1,119,943</u> | <u>4</u> | <u>(1,225,825)</u> | <u>105,878</u> | <u>-</u> | |
| | | Environmental Mitigation Grant | <u>-</u> | <u>52,744</u> | <u>(52,744)</u> | <u>-</u> | <u>-</u> | (a) |
| | | Total Completed Projects | <u>1,119,943</u> | <u>52,748</u> | <u>(1,278,569)</u> | <u>105,878</u> | <u>-</u> | |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 5,533,786</u> | <u>\$ 55,316</u> | <u>\$ (5,424,144)</u> | <u>\$ 191,267</u> | <u>\$ 356,225</u> | |

Notes:

(a) Prior to Fiscal Year 2013 the Environmental Mitigation Grant (EMG) was reporting as pass-through in the SANDAG schedule. In Fiscal year 2013 EMG was reported in the City schedule.

CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 34,680 | - | 310 | - | - | 34,990 | 34,904 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 206,214 | - | 1,390 | - | - | 207,604 | 207,095 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 138,651 | - | 510 | - | - | 139,161 | 138,819 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>123,111</u> | <u>-</u> | <u>304</u> | <u>-</u> | <u>-</u> | <u>123,415</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 502,656</u> | <u>\$ -</u> | <u>\$ 2,514</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 505,170</u> | <u>\$ 380,818</u> |

CITY OF ESCONDIDO, CALIFORNIA

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

Year Ended June 30, 2013



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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Escondido was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$2,759,878. We selected \$1,567,347 (56.79%) 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 determine if the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: We identified expenditures in the amount of \$13,950 which were not eligible costs in accordance with the *TransNet* Extension Ordinance and Expenditure Plan. See Finding Number 1 in the Finding and Recommendations section of this report.

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

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

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

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

g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another

TransNet-eligible project. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

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

congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

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

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

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

| | | |
|---|-------------|------------------|
| Fiscal year 2013 apportionment | | \$3,079,638 |
| Less: debt service payment | | _____ |
| Net estimated apportionment | | 3,079,638 |
| 30% base | | _____ 30% |
| Fiscal year 2012 30% threshold | | _____ 923,891 |
| Less: | | |
| Local Streets and Roads fund balance | 3,145,466 | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 418,957 | |
| – Maintenance fund balance | (2,897,086) | |
| Total local streets and roads and local street improvement fund balance | | _____ 667,337 |
| Fund balance under apportionment | | \$ _____ 256,554 |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 5,105,272 |
| Less MOE base year requirement | <u>(2,880,601)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 2,224,671</u> |

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

Results: This procedure is not applicable for the City.

13. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

- c. We obtained the RTCIP schedule, which included the beginning balance, exactions collected, interest earned, expenditures incurred and the ending balance, from SANDAG. We agreed the ending balance per the prior year schedule to the beginning balance for the fiscal year ended June 30, 2013, or footnoted any restatements.

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not record any RTCIP expenditures for the year ended June 30, 2013.

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

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

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we performed the following additional procedures per Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We determined that the total administrative expenditures do not exceed one percent of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and determined whether they were expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following additional procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: This procedure is not applicable for the City.

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

Results: The City had two prior year findings. Finding # 1 was relating to the City maintaining a balance of more than 30 percent of its annual apportionment. As of June 30, 2013 the City is in compliance with the 30% requirement. Finding # 2 was relating to the City not collecting the minimum Regional Transportation Congestion Improvement Program (RTCIP) exaction fee. As of June 30, 2013 the City complied with the RCTIP requirements.

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

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

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

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

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



Irvine, California
March 28, 2014

CITY OF ESCONDIDO, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2013

(1) **Need to Only Include Eligible Costs in Accordance with *TransNet* Extension Ordinance.**

As of June 30, 2013, total expenditures charged to *TransNet* program were \$2,759,878. Of this amount, we noted \$13,950 of ineligible costs consisting of video surveillance equipment and Holiday decorations.

TransNet Extension Ordinance and Expenditure Plan Section 2(C) 1 states, in part:

“...revenues provided for local street and road purposes should be used to fund direct expenditures for construction of new or expanded facilities, major road rehabilitation, and reconstruction of roadways, traffic signal coordination and related traffic operations improvements, transportation-related community infrastructure improvements to support smart growth development, capital improvements needed to facilitate transit services and facilities, and operating support for local shuttle and circulatory routes and other services.”

Recommendation

We recommend that the City review invoices to only include eligible costs in accordance with *TransNet* Extension Ordinance and Expenditure Plan Requirements.

Management Response

The City moved the ineligible costs of \$13,950 out of the *TransNet* fund as of July 1, 2013. In addition, the guidelines for *TransNet* Extension Ordinance were reviewed with staff to help ensure that only allowable expenditures are charged to *TransNet* in the future.

CITY OF ESCONDIDO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Project Status June 30, 2012 | Funds Received | Interest Income (k) | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------------|------------|--|---------------------------------|----------------|---------------------|----------------------|------------------|---------------------------------|---------------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| ESC05 | 690319 | El Norte Pkwy/La Honda to Washington Ave | \$ 40,386 | \$ - | \$ - | \$ - | \$ (40,386) | \$ - | (a) |
| ESC06 | 691706 | El Norte Pkwy Bridge at Escondido Creek | 1,553,690 | - | (411) | (9,490) | 95,377 | 1,639,166 | (b) |
| ESC08 | 690309 | Felecita & Juniper/Escondido to Chestnut | 291,447 | - | (51) | - | - | 291,396 | (c) |
| ESC13 | 690329 | SR78 Bridge Widening at Nordahl | 304,591 | - | (53) | (33,667) | - | 270,871 | |
| ESC17 | 697401 | Neighborhood Projects | 18,227 | - | - | - | (18,227) | - | (d) |
| ESC24 | 690029 | Centre City/Highway 78 to Mission Ave | 331,014 | - | (58) | (10,775) | - | 320,181 | |
| ESC29 | 691704 | Citracado/Interstate 15 to West Valley | <u>625,163</u> | <u>-</u> | <u>(109)</u> | <u>(1,202)</u> | <u>-</u> | <u>623,852</u> | |
| Total Local Streets and Roads | | | <u>\$ 3,164,518</u> | <u>\$ -</u> | <u>\$ (682)</u> | <u>\$ (55,134)</u> | <u>\$ 36,764</u> | <u>\$ 3,145,466</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| ESC02 | 690219 | Bear Valley/East Valley/Valley Center | \$ (1,568,636) | \$ - | \$ - | \$ (18,846) | \$ 15,000 | \$ (1,572,482) | (e), (f) |
| ESC02A | 691705 | East Valley/Valley Center Road | - | - | (60) | (23,119) | 345,713 | 322,534 | (g) |
| ESC03 | 690239 | Citracado Pkwy/Don Lee to Quail Hill | 574,737 | - | - | - | (574,737) | - | (g) |
| ESC04 | 691101 | Citracado/Harmony Grove to W Valley Pkwy | (50) | - | (172) | (150,314) | 987,637 | 837,101 | (a), (d), (g) |
| ESC05 | 690319 | El Norte Pkwy Ph IV | 700,000 | - | - | - | (700,000) | - | (a) |
| ESC06 | 691706 | El Norte Pkwy Bridge at Escondido Creek | - | - | - | - | 808,084 | 808,084 | (h) |
| ESC27 | 694101 | Maple Street Pedestrian Plaza | 258,035 | 272,629 | (45) | (520,849) | 13,950 | 23,720 | (i) |
| ESC30 | 697903 | El Norte Parkway-Street Rehabilitation | <u>808,084</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(808,084)</u> | <u>-</u> | (h) |
| Total Congestion Relief | | | <u>772,170</u> | <u>272,629</u> | <u>(277)</u> | <u>(713,128)</u> | <u>87,563</u> | <u>418,957</u> | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income (k) | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|------------|--------------------------------|--------------------------------|----------------|---------------------|----------------------|------------------|---------------------------------|-------|
| Maintenance: | | | | | | | | | |
| ESC11 | 697402 | Street Maintenance | (851,589) | 896,000 | - | (1,527,203) | - | (1,482,792) | (e) |
| ESC11 | 697001 | Street Maintenance - ARRA | (1,150,430) | 200,000 | - | (463,864) | - | (1,414,294) | (e) |
| Total ESC11 Project | | | (2,002,019) | 1,096,000 | - | (1,991,067) | - | (2,897,086) | |
| ESC20 | 690339 | Ash Street Undercrossing Study | - | 15,295 | - | (334) | (14,961) | - | (j) |
| Total Maintenance | | | (2,002,019) | 1,111,295 | - | (1,991,401) | (14,961) | (2,897,086) | |
| Total Local Street Improvements | | | \$ (1,229,849) | \$ 1,383,924 | \$ (277) | \$ (2,704,529) | \$ 72,602 | \$ (2,478,129) | |
| Bikes and Pedestrian: | | | | | | | | | |
| ESC20 | 690339 | Ash Street Undercrossing Study | (14,961) | - | - | - | 14,961 | - | (j) |
| ESC21 | 698501 | Master Plan-Bicycle Facilities | 8,308 | - | (1) | (215) | - | 8,092 | |
| Total Bikes and Pedestrian | | | (6,653) | - | (1) | (215) | 14,961 | 8,092 | |
| Total <i>TransNet</i> Extension | | | \$ (1,236,502) | \$ 1,383,924 | \$ (278) | \$ (2,704,744) | \$ 87,563 | \$ (2,470,037) | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension | | | \$ 1,928,016 | \$ 1,383,924 | \$ (960) | \$ (2,759,878) | \$ 124,327 | \$ 675,429 | |
| Non-TransNet: | | | | | | | | | |
| US Department of Transportation Grant | | | \$ 760,242 | \$ - | \$ - | \$ - | \$ - | \$ 760,242 | |
| Total Non- <i>TransNet</i> | | | \$ 760,242 | \$ - | \$ - | \$ - | \$ - | \$ 760,242 | |
| Total <i>TransNet</i> , <i>TransNet</i> Extension and Non- <i>TransNet</i> | | | \$ 2,688,258 | \$ 1,383,924 | \$ (960) | \$ (2,759,878) | \$ 124,327 | \$ 1,435,671 | |

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

| MPO ID | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|--------------|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
|--------|--------------|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|

Notes:

- (a) In accordance with SANDAG Board Policy No. 31, Rule #17, Section III, ESC05 is complete and the City transferred remaining funds received to ESC04 with council action in March 2013 and RTIP amendment 12-05.
- (b) The adjustment to ESC 06 is a refund of a prior period expense. Money was paid to SDG&E for undergrounding, and funding was returned until project is ready to move forward.
- (c) ESC 08 has not had any expenditures because additional funding is needed in order to move forward with the project. The project is currently on hold.
- (d) ESC 17 is one of the City's annual capital improvement programs, where specific projects are to be determined. Future funding for this project will include only local funds and the remaining funds were reprogrammed to ESC04 with council action in March 2013 and RTIP amendment 12-05.
- (e) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), additional funding was not requested during FY13.
- (f) The adjustment to ESC 02 is a return of a deposit held by the court of San Diego for Eminent Domain on a property for the Bear Valley project.
- (g) In accordance with SANDAG Board Policy No. 31, Rule #17, Section III, ESC03 is complete and the City transferred remaining funds received to ESC04 and ESC02A with council action in March 2013 and RTIP amendment 12-05.
- (h) In accordance with SANDAG Board Policy No. 31, Rule #17, Section III, ESC30 is complete and the City transferred remaining funds received to ESC06 with council action in March 2013 and RTIP amendment 12-05.
- (i) Auditor adjustment due to expenditures charged which were not in accordance with Transnet Extension Ordinance.
- (j) ESC 20 expenditures for FY 12 should have been shown as LSI Maintenance not Bikes and Pedestrians. The project had multiple funding sources but remaining funding was LSI Maintenance, therefore prior year expenditures were moved to the LSI Maintenance section and project was completed in FY 13.
- (k) Interest allocated to projects is based upon a 6 month average cash balance. The fund had negative cash while adjustments were made to Project Track to transfer remaining funds from completed projects to ongoing projects. The reversal of interest accrual from the prior year was greater than interest allocated for the current year which resulted in negative interest.

CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------------|------------|--|------------------|-----------------|----------------------|------------------|------------------------------|-------|
| TransNet Extension: | | | | | | | | |
| Local Street Improvements: | | | | | | | | |
| Congestion Relief: | | | | | | | | |
| ESC02 | 690219 | Bear Valley/East Valley/Valley Center | \$ - | \$ - | \$ (1,546,882) | \$ (25,600) | \$ (1,572,482) | (a) |
| ESC02A | 691705 | East Valley/Valley Center Road | - | (60) | (23,119) | 345,713 | 322,534 | (a) |
| ESC03 | 690239 | Citracado Pkwy/Don Lee to Quail Hill | 1,600,000 | - | (1,070,018) | (529,982) | - | |
| ESC04 | 691101 | Citracado/Harmony Grove to W Valley Pkwy | - | (172) | (150,364) | 987,637 | 837,101 | |
| ESC05 | 690319 | El Norte Pkwy Ph IV | 700,000 | - | - | (700,000) | - | |
| ESC06 | 691706 | El Norte Pkwy Bridge at Escondido Creek | - | - | - | 808,084 | 808,084 | |
| ESC27 | 694101 | Maple Street Pedestrian Plaza | 272,629 | (45) | (828,127) | 579,263 | 23,720 | |
| ESC30 | 697903 | El Norte Parkway-Street Rehabilitation | 837,765 | - | (16,782) | (820,983) | - | |
| Total Congestion Relief | | | <u>3,410,394</u> | <u>(277)</u> | <u>(3,635,292)</u> | <u>644,132</u> | <u>418,957</u> | |
| Maintenance: | | | | | | | | |
| ESC11 | 697402 | Street Maintenance | 1,772,700 | - | (3,163,313) | (92,179) | (1,482,792) | |
| ESC11 | 697001 | Street Maintenance - ARRA | 800,000 | - | (2,214,294) | - | (1,414,294) | |
| Total ESC11 Project | | | <u>2,572,700</u> | <u>-</u> | <u>(5,377,607)</u> | <u>(92,179)</u> | <u>(2,897,086)</u> | |
| ESC20 | 690339 | Ash Street Undercrossing Study | 15,295 | - | (334) | (14,961) | - | |
| Total Maintenance | | | <u>2,587,995</u> | <u>-</u> | <u>(5,377,941)</u> | <u>(107,140)</u> | <u>(2,897,086)</u> | |
| Total Local Street Improvements | | | <u>5,998,389</u> | <u>(277)</u> | <u>(9,013,233)</u> | <u>536,992</u> | <u>(2,478,129)</u> | |
| Bikes and Pedestrian: | | | | | | | | |
| ESC20 | 690339 | Ash Street Undercrossing Study | 747,657 | 3,878 | (796,496) | 44,961 | - | |
| ESC21 | 698501 | Master Plan-Bicycle Facilities | 56,274 | 336 | (48,518) | - | 8,092 | |
| Total Bikes and Pedestrian | | | <u>803,931</u> | <u>4,214</u> | <u>(845,014)</u> | <u>44,961</u> | <u>8,092</u> | |

CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013
 (Continued)

| <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>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|--|-------------------|----------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
| Completed Projects: | | | | | | | | |
| Local Street Improvements: | | | | | | | | |
| | | Congestion Relief Pass Through | 344,086 | - | - | (344,086) | - | |
| | | Bikes and Pedestrian Maintenance | - | 413 | (177,976) | 177,563 | - | |
| | | | - | - | (105,078) | 105,078 | - | |
| | | Total Completed Projects | <u>344,086</u> | <u>413</u> | <u>(283,054)</u> | <u>(61,445)</u> | - | |
| Total Cumulative <i>TransNet</i> Extension | | | <u>\$ 7,146,406</u> | <u>\$ 4,350</u> | <u>\$ (10,141,301)</u> | <u>\$ 492,608</u> | <u>\$ (2,497,937)</u> | |

Notes:

- (a) Per SANDAG's approved RTIP, MPO ID ESC02 corresponds to the project description for 690219 and MPO ID ESC02A corresponds with the description for 691705. MPO ID ESC02A should have been shown as ESC02 in prior years audit schedules.

CITY OF ESCONDIDO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | Cumulative Status | |
|-------------------------------------|--------------------------|-------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 18,000 | \$ 2,842 | \$ - | \$ - | \$ 20,842 | \$ 20,384 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 63,120 | 5,510 | - | - | 68,630 | 67,116 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 24,767 | 1,391 | - | - | 26,158 | 25,580 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 21,351 | 766 | - | - | 22,117 | 21,631 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>43,384</u> | <u>980</u> | <u>-</u> | <u>-</u> | <u>44,364</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 170,622</u> | <u>\$ 11,489</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 182,111</u> | <u>\$ 134,711</u> |

CITY OF IMPERIAL BEACH, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

Results: We noted that Street Maintenance project did not have an identifying recipient agency project number. This project consisted of numerous small projects, and as such, Public Works department uses work requests rather than project numbers. In fiscal year 2013, there were 126 work requests for maintenance. No exceptions were noted as a result of our procedures.

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

- 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.

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$964,792. We selected \$373,927 (38.76%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

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

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

g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We

determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

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

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

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

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

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

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

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

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

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

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

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

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

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental

mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

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

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

Results: The City is not in compliance with the 30% requirement. The fund balance was under the apportionment as follows:

| | | |
|---|------------------|----------------------|
| Fiscal year 2013 apportionment | | \$ 635,649 |
| Less: debt service payment | | <u> -</u> |
| | | |
| Net estimated apportionment | | 635,649 |
| 30% base | | <u> 30%</u> |
| | | |
| Fiscal year 2012 30% threshold | | <u>190,695</u> |
| | | |
| Less: | | |
| Local Streets and Roads fund balance | - | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 743,484 | |
| – Maintenance fund balance | <u>(369,515)</u> | |
| Total local streets and roads and local street improvement fund balance | | <u>373,969</u> |
| | | |
| Fund balance over apportionment | | <u>\$ 183,274</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|-------------------|
| Current year local discretionary expenditures | \$ 898,563 |
| Less MOE base year requirement | <u>(247,546)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 651,017</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: The City had one prior year finding in that its *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2013, the City's *TransNet* fund balance also exceeded 30% of its annual apportionment.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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



Irvine, California
March 28, 2014

CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|---------------|--------------------------------|--------------------------------------|------------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
| | | TransNet Extension: | | | | | | | |
| | | Local Street Improvements: | | | | | | | |
| | | Congestion Relief: | | | | | | | |
| IB12 | S05104/S12104 SP1309/S11101 | Major Street Improvements | \$ 888,040 | \$ 492,000 | \$ 3,303 | \$ (639,859) | \$ - | \$ 743,484 | |
| | | Total Congestion Relief | 888,040 | 492,000 | 3,303 | (639,859) | - | 743,484 | |
| | | Maintenance: | | | | | | | |
| IB02 | N/A | Street Maintenance - Operations | (101,582) | 57,000 | - | (324,933) | - | (369,515) | (a)(b) |
| | | Total Maintenance | (101,582) | 57,000 | - | (324,933) | - | (369,515) | |
| | | Total <i>TransNet</i> Extension | \$ 786,458 | \$ 549,000 | \$ 3,303 | \$ (964,792) | \$ - | \$ 373,969 | |
| | | GASB 31 Fair Market Value Adjustment | 292 | - | - | - | - | 292 | |
| | | Total after GASB 31 Adjustment | \$ 786,750 | \$ 549,000 | \$ 3,303 | \$ (964,792) | \$ - | \$ 374,261 | |

- Notes:
- (a) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), no additional funding will be requested until the City is in compliance.
 - (b) This project consists of numerous small projects funded, and as such, Public Works Department uses work requests rather than project numbers. In fiscal year 2013, there were 126 work requests for maintenance.

CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| <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>City Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|--------------------------------|--|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension: | | | | | |
| | | Local Street Improvements: | | | | | |
| | | Congestion Relief: | | | | | |
| | S05104/S12104 SP1309/S11101 | | | | | | |
| IB12 | | Major Street Improvements | \$ 2,163,979 | \$ 21,058 | \$ (1,995,789) | \$ 554,236 | \$ 743,484 |
| | | Total Congestion Relief | <u>2,163,979</u> | <u>21,058</u> | <u>(1,995,789)</u> | <u>554,236</u> | <u>743,484</u> |
| | | Maintenance: | | | | | |
| IB02 | N/A | Street Maintenance - Operations | <u>772,945</u> | - | <u>(1,142,460)</u> | - | <u>(369,515)</u> |
| | | Total Maintenance | <u>772,945</u> | - | <u>(1,142,460)</u> | - | <u>(369,515)</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 2,936,924</u> | <u>\$ 21,058</u> | <u>\$ (3,138,249)</u> | <u>\$ 554,236</u> | <u>\$ 373,969</u> |

CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 4,000 | \$ - | \$ 177 | \$ - | \$ - | \$ 4,177 | \$ 4,163 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 8,160 | - | 140 | - | - | 8,300 | 8,272 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | - | - | - | - | - | - | - |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 10,615 | - | 89 | - | - | 10,704 | 10,667 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>6,495</u> | <u>-</u> | <u>22</u> | <u>-</u> | <u>-</u> | <u>6,517</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 29,270</u> | <u>\$ -</u> | <u>\$ 428</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,698</u> | <u>\$ 23,102</u> |

CITY OF LA MESA, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$1,740,825. We selected \$864,174 (49.64%) 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 and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

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

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

Results: Indirect costs are allocated to the projects at 48.2% of hourly salary rates and 87.11% of hourly salary plus benefits associated with each project. No exceptions were noted as a result of this procedure.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

| | | |
|---|-----------------|------------------|
| Fiscal year 2013 apportionment | | \$ 1,350,000 |
| Less: debt service payment | | <u>(484,265)</u> |
| Net estimated apportionment | | 865,735 |
| 30% base | | <u>30%</u> |
| Fiscal year 2013 30% threshold | | 259,721 |
| Less: | | |
| Local Streets and Roads fund balance | 49,231 | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 240,010 | |
| – Maintenance fund balance | <u>(43,440)</u> | |
| Total Local Street Improvement fund balance | | <u>245,801</u> |
| Fund balance under apportionment | | <u>\$ 13,920</u> |

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

Results: The results are summarized below:

| | Balance July 1, 2012 | Additions | Principal Payments | Balance June 30, 2013 | Interest Payments |
|------------------|-------------------------|-----------|-----------------------|--------------------------|----------------------|
| Commercial Paper | \$ 890,300 | 1,579,000 | (464,799) | 2,004,501 | 19,466 |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 4,845,889 |
| Less MOE base year requirement | <u>(1,738,723)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | \$ <u>3,107,166</u> |

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

Results: This procedure did not apply to the City.

13. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total RTCIP expenditures in the amount of \$22,784. We selected \$14,199 (62.32%) for testing. No exceptions were noted as a result of our procedures.

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

Results: The City did not provide its full monetary contribution. See Finding Number 1 in the Findings and Recommendations section of this report.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation

methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: This procedure is not applicable as the City did not have any prior year findings.

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

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

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

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

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



Irvine, California
March 28, 2014

CITY OF LA MESA

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

Findings and Recommendations

Year Ended June 30, 2013

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

Per review of the City's exaction fee collections as of June 30, 2013, the City was not in compliance with the required exaction amount. In six of the twenty-three instances, the City collected an incorrect amount. The City collected \$2,102 during FY12-13 for a building application dated April 2012. The City should have collected the FY11-12 rate of \$2,123. This resulted in an under-collection of the exaction fee in the amount of \$126.

SANDAG Board recommendations as of February 25, 2011 and subsequent approval states, in part:

“...The Board of Directors is asked to approve a 2 percent adjustment to the Regional Transportation Congestion Improvement Program (RTCIP), raising the minimum fee from \$2,081 to \$2,123 beginning July 1, 2011...”

Additionally, Board Policy 031, Rule #23 B.5. states, in part:

“...If, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year following the year that was the subject of the audit will be retroactively owed to the Commission...”

Recommendation

We recommend that the City recover the under-collection of exaction fees in the amount of \$126. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

Management Response

In fiscal year 2011-2012, the RTCIP fee was not updated at the beginning of the year with the other fee updates. As a result, a developer was charged the incorrect fee on his permit invoice. This happened because staff failed to double check that all new fees were correctly entered into the permitting software. In order to prevent this from happening again, a second staff member will review the permitting software to confirm that the correct RTCIP is programmed in the software. Once the error was discovered, the City sent out an invoice requesting reimbursement. The City expects to receive the \$126 within the next 30 days. If payment is not received, the City will transfer the funds to the RTCIP account from the developer's deposit on hand.

CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| <u>MPO ID</u> | <u>CIP Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income (i)</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|--|-------------------|--|------------------------------------|-----------------------|----------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| LAM11 | 302057TR | Street Lights - Overhead Undergrounding | \$ 12,696 | \$ - | \$ - | \$ - | \$ - | \$ 12,696 | |
| LAM20 | 302074TR | Curb, Gutter, S/W RPL 07 | 3,618 | - | - | - | - | 3,618 | |
| LAM21 | 302064TR | Street Lights - Overhead Undergrounding 06 | 32,917 | - | - | - | - | 32,917 | |
| Total Local Streets and Roads | | | 49,231 | - | - | - | - | 49,231 | |
| Total <i>TransNet</i> | | | \$ 49,231 | \$ - | \$ - | \$ - | \$ - | \$ 49,231 | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| Regional Arterial Management Systems | | | \$ - | \$ 7,400 | \$ - | \$ (7,400) | \$ - | \$ - | |
| Total Congestion Relief Pass Through | | | - | 7,400 | - | (7,400) | - | - | |
| Congestion Relief: | | | | | | | | | |
| LAM17 | 302072TR | Street Surfacing 07 | - | - | - | (4,649) | 4,649 | - | (a) |
| LAM17 | 302110TR | Street Reconstruction 11 | (294,196) | - | - | - | 294,196 | - | (b),(c),(d) |
| LAM17 | 302120TR | Street Reconstruction 12 | (20,275) | - | - | - | 20,275 | - | (b),(c) |
| LAM17 | 302091TR | Commercial - Paper St Resurfacing | (1,387,562) | 1,579,000 | - | (124,376) | (67,062) | - | (d),(b) |
| Total LAM17 Projects | | | (1,702,033) | 1,579,000 | - | (129,025) | 252,058 | - | |
| LAM21 | 302094TR | St Lights - Overhead Util Underground 09 | 38,183 | - | - | - | (1,177) | 37,006 | (e) |
| Subtotal Congestion Relief | | | (1,663,850) | 1,579,000 | - | (129,025) | 250,881 | 37,006 | |

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

| MPO ID | CIP Number | Project Name | Project Status | Funds | Interest | Project | City | Project Status | Notes |
|--------|------------|--|-----------------------|---------------------|-------------|---------------------|-------------------|------------------|-------|
| | | | July 1, 2012 | Received | Income (i) | Expenditures | Adjustments | June 30, 2013 | |
| | | Balance Carried Forward | <u>\$ (1,663,850)</u> | <u>\$ 1,579,000</u> | <u>\$ -</u> | <u>\$ (129,025)</u> | <u>\$ 250,881</u> | <u>\$ 37,006</u> | |
| LAM28 | 302099TR | Downtown Village Streetscape Improvement Project | <u>-</u> | <u>50,000</u> | <u>-</u> | <u>(3,596)</u> | <u>-</u> | <u>46,404</u> | |
| LAM34 | 302138TR | Street Lights OH Utility Undergrounding | <u>-</u> | <u>1,663</u> | <u>-</u> | <u>(2,840)</u> | <u>1,177</u> | <u>-</u> | (e) |
| LAM37 | 302076TR | Traffic Signal Improvement 07 | <u>(81,804)</u> | <u>84,701</u> | <u>-</u> | <u>(2,897)</u> | <u>-</u> | <u>-</u> | (b) |
| LAM37 | 302085TR | Traffic Signal Improvement 08 | <u>(92,587)</u> | <u>178,574</u> | <u>-</u> | <u>(86,068)</u> | <u>-</u> | <u>(81)</u> | (f) |
| LAM37 | 302114TR | Traffic Signal Upgrades 11 | <u>(3,708)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,708)</u> | (f) |
| LAM37 | 302133TR | Traffic Signal Upgrades 13 | <u>22,615</u> | <u>-</u> | <u>-</u> | <u>(83,557)</u> | <u>-</u> | <u>(60,942)</u> | (f) |
| | | Total LAM37 Projects | <u>(155,484)</u> | <u>263,275</u> | <u>-</u> | <u>(172,522)</u> | <u>-</u> | <u>(64,731)</u> | |
| LAM40 | 302130TR | Street Construction 13 | <u>135,884</u> | <u>205,884</u> | <u>-</u> | <u>(14,400)</u> | <u>(252,058)</u> | <u>75,310</u> | (a) |
| LAM44 | 304080TR | To Storm Drain Assessment & Replacement 08 | <u>(53,253)</u> | <u>53,253</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | (b) |
| LAM44 | 304090TR | Roadway Drainage Improvements 09 | <u>169,849</u> | <u>-</u> | <u>-</u> | <u>(27,584)</u> | <u>-</u> | <u>142,265</u> | |
| LAM44 | 304110TR | Roadway Drainage Improvements 11 | <u>(189,686)</u> | <u>198,506</u> | <u>-</u> | <u>(8,820)</u> | <u>-</u> | <u>-</u> | |
| LAM44 | 304120TR | Roadway Drainage Improvements 12 | <u>(49,422)</u> | <u>78,819</u> | <u>-</u> | <u>(29,397)</u> | <u>-</u> | <u>-</u> | |
| LAM44 | 304130TR | Roadway Drainage Improvements 13 | <u>-</u> | <u>479,422</u> | <u>-</u> | <u>(475,666)</u> | <u>-</u> | <u>3,756</u> | |
| | | Total LAM44 Projects | <u>(122,512)</u> | <u>810,000</u> | <u>-</u> | <u>(541,467)</u> | <u>-</u> | <u>146,021</u> | |
| | | Commercial Paper Debt Service | <u>-</u> | <u>484,265</u> | <u>-</u> | <u>(484,265)</u> | <u>-</u> | <u>-</u> | |
| | | Total Congestion Relief | <u>(1,805,962)</u> | <u>3,394,087</u> | <u>-</u> | <u>(1,348,115)</u> | <u>-</u> | <u>240,010</u> | |

SCHEDULE A

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income (i) | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---------------------------------|--------------|------------------------------------|--------------------------------|----------------|---------------------|----------------------|------------------|---------------------------------|---------|
| Maintenance: | | | | | | | | | |
| LAM31 | General Fund | Street Maintenance | (158,281) | 358,281 | - | - | (300,000) | (100,000) | (f),(g) |
| LAM32 | 302073TR | Pavement Management Program 07 | (3,717) | - | - | - | 3,717 | - | (b),(c) |
| LAM32 | 302082TR | Pavement Management Program 08 | (25,000) | 18,336 | - | - | 6,664 | - | (b),(c) |
| LAM32 | 302092TR | Update Pavement Management Prgm 09 | (1,664) | 1,664 | - | - | - | - | (b),(c) |
| LAM32 | 302101TR | Pavement Management Program 10 | (2,958) | - | - | - | - | (2,958) | |
| LAM32 | 302131TR | Pavement Management 13 | 18,201 | - | - | - | (10,381) | 7,820 | (c) |
| Total LAM 32 Projects | | | (15,138) | 20,000 | - | - | - | 4,862 | |
| LAM33 | 302102TR | Curb, Gutter, S/W RPL 10 | (10,323) | 10,323 | - | - | - | - | (b) |
| LAM33 | 302112TR | Curb, Gutter, S/W RPL 11 | (94,837) | 95,382 | - | (545) | 110 | 110 | (c) |
| LAM33 | 302122TR | Curb, Gutter, Sidewalk 12 | (55,273) | 104,823 | - | (49,550) | - | - | (b) |
| LAM33 | 302132TR | Curb, Gutter, Sidewalk 13 | 57,729 | 42,499 | - | (100,228) | - | - | |
| LAM33 | 302080TR | Install Pedestrian Ramps 08 | (40,769) | 40,769 | - | - | - | - | (b) |
| LAM33 | 302124TR | Install Pedestrian Ramps 12 | (50,000) | 50,110 | - | - | (110) | - | (b),(c) |
| Total LAM 31 Projects | | | (193,473) | 343,906 | - | (150,323) | - | 110 | |
| LAM39 | 302077TR | Traffic Calming Program 07 | (2,360) | - | - | - | 2,360 | - | (b),(c) |
| LAM39 | 302086TR | Traffic Calming Program 08 | - | - | - | (21,610) | - | (21,610) | |
| LAM39 | 302096TR | Traffic Calming Program 09 | 51,409 | - | - | (25,000) | (2,360) | 24,049 | (c) |
| LAM39 | 302105TR | Traffic Calming 10 | - | 1,871 | - | (1,871) | - | - | |
| LAM39 | 302135TR | Traffic Calming 13 | 845 | 50,624 | - | (2,320) | - | 49,149 | |
| Total LAM 39 Projects | | | 49,894 | 52,495 | - | (50,801) | - | 51,588 | |
| Total Maintenance | | | (316,998) | 774,682 | - | (201,124) | (300,000) | (43,440) | |
| Total Local Street Improvements | | | (2,122,960) | 4,176,169 | - | (1,556,639) | (300,000) | 196,570 | |

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

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income (i) | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---|------------|--------------------------------|--------------------------------|---------------------|---------------------|-----------------------|---------------------|---------------------------------|-------|
| Bikes and Pedestrians: | | | | | | | | | |
| LAM 29 | 302108OT | Spring St. trolley Ped Acc Imp | 88,000 | - | - | - | (88,000) | - | (h) |
| LAM 29 | 30210AOT | La Mesa/EI Cajon Blvd Ped Imp | 361,000 | - | - | - | (361,000) | - | (h) |
| Total bikes and Pedestrians | | | 449,000 | - | - | - | (449,000) | - | |
| Senior Mini-Grants: | | | | | | | | | |
| LAM 27 | 212001 | La Mesa Rides4Neighbors | 75,910 | 77,647 | - | (184,186) | - | (30,629) | (f) |
| Total Senior Mini-Grants | | | 75,910 | 77,647 | - | (184,186) | - | (30,629) | |
| Total <i>TransNet</i> Extension | | | <u>\$ (1,598,050)</u> | <u>\$ 4,253,816</u> | <u>\$ -</u> | <u>\$ (1,740,825)</u> | <u>\$ (749,000)</u> | <u>\$ 165,941</u> | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension | | | <u>\$ (1,548,819)</u> | <u>\$ 4,253,816</u> | <u>\$ -</u> | <u>\$ (1,740,825)</u> | <u>\$ (749,000)</u> | <u>\$ 215,172</u> | |

Notes:

- (a) The City created new LAM numbers for FY12-13. LAM 17 directly relates to the "Street Construction" LAM and therefore it's ending balance was moved to LAM 40.
- (b) Project has been completed in FY 12-13 and will be closed.
- (c) Moving ending balances of closed project to other CIP project numbers within the same MPO.
- (d) Revenue for LAM17 was received in 2010. It was assigned to wrong project number under LAM17. CIP 302091TR is only Commercial Paper
- (e) The City created new LAM numbers for FY12-13. LAM 34 directly relates to the "Street Construction" LAM and therefore it's ending balance was moved to LAM 21.
- (f) Funding will be requested in FY13-14.
- (g) FY11-12 transaction that was not included on Schedule A last year (FY11-12).
- (h) This project was fully expensed and reimbursed in prior years. The expenditures were not included and accounted for in the prior year's Schedule A. Correcting and adjusting the prior year's expenditures as a City Adjustment in order to not to overstate the current year's expenditure amount.
- (i) Neither positive nor negative interest was earned in FY 12-13. This was due to the timing of funds being requested and funds being expended.

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|---------------------------------------|------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through | | | | | | | |
| | | Regional Arterial Management Systems | \$ 7,400 | \$ - | \$ (7,400) | \$ - | \$ - |
| | | Total Congestion Relief Pass Through | 7,400 | - | (7,400) | - | - |
| Congestion Relief: | | | | | | | |
| LAM17 | 302072TR | Street Surfacing 07 | 143,967 | - | (148,616) | 4,649 | - |
| LAM17 | 302110TR | Street Reconstruction 11 | 205,804 | - | (500,000) | 294,196 | - |
| LAM17 | 302120TR | Street Reconstruction 12 | - | - | (20,275) | 20,275 | - |
| LAM17 | 302091TR | Commercial - Paper St Resurfacing | 2,566,664 | - | (2,499,602) | (67,062) | - |
| | | Total LAM17 Projects | 2,916,435 | - | (3,168,493) | 252,058 | - |
| LAM21 | 302094TR | St Lights - Overhead Util Underground 09 | 38,337 | - | (154) | (1,177) | 37,006 |
| LAM28 | 302099TR | Downtown Village Streetscape Improvement Proj | 50,000 | - | (3,596) | - | 46,404 |
| LAM34 | 302138TR | Street Lights OH Utility Undergrounding | 1,663 | - | (2,840) | 1,177 | - |
| | | Subtotal Congestion Relief | 3,006,435 | - | (3,175,083) | 252,058 | 83,410 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|--------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 3,006,435 | \$ - | \$ (3,175,083) | \$ 252,058 | \$ 83,410 |
| LAM37 | 302133TR | Traffic Signal Improvement 07 | 84,701 | - | (2,897) | (81,804) | - |
| LAM37 | 302076TR | Traffic Signal Improvement 08 | 178,574 | - | (86,068) | (92,587) | (81) |
| LAM37 | 302085TR | Traffic Signal Upgrades 11 | - | - | - | (3,708) | (3,708) |
| LAM37 | 302114TR | Traffic Signal Upgrades 13 | - | - | (83,557) | 22,615 | (60,942) |
| | | Total LAM 37 Projects | 263,275 | - | (172,522) | (155,484) | (64,731) |
| LAM40 | 302130TR | Street Construction 13 | 205,884 | - | (14,400) | (116,174) | 75,310 |
| LAM44 | 304080TR | Storm Drain Assessment & Replacement 08 | 53,253 | - | - | (53,253) | - |
| LAM44 | 304090TR | Roadway Drainage Improvements 09 | - | - | (27,584) | 169,849 | 142,265 |
| LAM44 | 304110TR | Roadway Drainage Improvements 11 | 198,506 | - | (8,820) | (189,686) | - |
| LAM44 | 304120TR | Roadway Drainage Improvements 12 | 78,819 | - | (29,397) | (49,422) | - |
| LAM44 | 304130TR | Roadway Drainage Improvements 13 | 479,422 | - | (475,666) | - | 3,756 |
| | | Total LAM 44 Projects | 810,000 | - | (541,467) | (122,512) | 146,021 |
| | | Commercial Paper Debt Service | 520,590 | - | (520,590) | - | - |
| | | Total Congestion Relief | 4,806,184 | - | (4,424,062) | (142,112) | 240,010 |
| | | Maintenance: | | | | | |
| LAM31 | General Fund | Street Maintenance | 358,281 | - | (300,000) | (158,281) | (100,000) |
| | | Subtotal Maintenance | 358,281 | - | (300,000) | (158,281) | (100,000) |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|------------|--------------------------------------|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance Carried Forward | \$ 358,281 | \$ - | \$ (300,000) | \$ (158,281) | \$ (100,000) |
| LAM32 | 302131TR | Pavement Management Program 07 | - | - | - | - | - |
| LAM32 | 302073TR | Pavement Management Program 08 | 18,336 | - | - | (18,336) | - |
| LAM32 | 302082TR | Update Pavement Management Prgm 09 | 1,664 | - | - | (1,664) | - |
| LAM32 | 302092TR | Pavement Management Program 10 | - | - | - | (2,958) | (2,958) |
| LAM32 | 302101TR | Pavement Management 13 | - | - | - | 7,820 | 7,820 |
| | | Total LAM 32 Projects | 20,000 | - | - | (15,138) | 4,862 |
| LAM33 | 302102TR | Curb, Gutter, S/W RPL 10 | 10,323 | - | - | (10,323) | - |
| LAM33 | 302112TR | Curb, Gutter, S/W RPL 11 | 95,382 | - | (545) | (94,727) | 110 |
| LAM33 | 302122TR | Curb, Gutter, Sidewalks 12 | 104,823 | - | (49,550) | (55,273) | - |
| LAM33 | 302132TR | Curb and Gutter, SW and Ped Ramps 13 | 42,499 | - | (100,228) | 57,729 | - |
| LAM33 | 302080TR | Install Pedestrian Ramps 08 | 40,769 | - | - | (40,769) | - |
| LAM33 | 302124TR | Install Pedestrian Ramps 12 | 50,110 | - | - | (50,110) | - |
| | | Total LAM 33 Projects | 343,906 | - | (150,323) | (193,473) | 110 |
| LAM39 | 302086TR | Traffic Calming Program 07 | - | - | - | - | - |
| LAM39 | 302086TR | Traffic Calming Program 08 | - | - | (21,610) | - | (21,610) |
| LAM39 | 302096TR | Traffic Calming Program 09 | - | - | (25,000) | 49,049 | 24,049 |
| LAM39 | 302105TR | Traffic Calming 10 | 1,871 | - | (1,871) | - | - |
| LAM39 | 302135TR | Traffic Calming 13 | 50,624 | - | (2,320) | 845 | 49,149 |
| | | Total LAM 39 Projects | 52,495 | - | (50,801) | 49,894 | 51,588 |
| | | Total Maintenance | 774,682 | - | (501,124) | (316,998) | (43,440) |
| | | Total Local Street Improvements | 5,588,266 | - | (4,932,586) | (459,110) | 196,570 |

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

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|---------------|--------------------------------|---------------------|--------------------|-------------------------|---------------------|------------------------------------|
| Bikes and Pedestrians: | | | | | | | |
| LAM 29 | 302108OT | Spring St. trolley Ped Acc Imp | 88,000 | - | - | (88,000) | - |
| LAM 29 | 30210AOT | La Mesa/EI Cajon Blvd Ped Imp | <u>361,000</u> | - | - | <u>(361,000)</u> | - |
| Total bikes and Pedestrians | | | <u>449,000</u> | - | - | <u>(449,000)</u> | - |
| Senior Mini-Grants: | | | | | | | |
| LAM 27 | 212001 | La Mesa Rides4Neighbors | <u>153,557</u> | - | <u>(184,186)</u> | - | <u>(30,629)</u> |
| Total Senior Mini-Grants | | | <u>153,557</u> | - | <u>(184,186)</u> | - | <u>(30,629)</u> |
| Completed Projects: | | | | | | | |
| Local Street Improvements | | | | | | | |
| Congestion Relief | | | 1,353,561 | - | (1,652,042) | 298,481 | - |
| Maintenance | | | <u>1,068,342</u> | - | <u>(1,462,402)</u> | <u>394,060</u> | - |
| Total Completed Projects | | | <u>2,421,903</u> | - | <u>(3,114,444)</u> | <u>692,541</u> | - |
| Total Cumulative <i>TransNet</i> Extension | | | <u>\$ 8,612,726</u> | <u>\$ -</u> | <u>\$ (8,231,216)</u> | <u>\$ (215,569)</u> | <u>\$ 165,941</u> |

CITY OF LA MESA CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|--------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 2,020 | \$ - | \$ - | \$ (2,020) | \$ - | \$ - | \$ 2,020 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | - | - | - | - | - | - | - |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | - | - | - | - | - | - | - |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 35,774 | - | - | (20,764) | - | 15,010 | 35,774 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>49,417</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>49,417</u> | <u>-</u> |
| GASB 31 fair market value adjustment | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 87,211</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (22,784)</u> | <u>\$ -</u> | <u>\$ 64,427</u> | <u>\$ 37,794</u> |

CITY OF LEMON GROVE, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$914,946. We selected \$333,446 (36.44%) 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 whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

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

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

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2013.

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

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

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

Results: This procedure is not applicable as there were no completed projects as of June 30, 2013.

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

Results: This procedure is not applicable as there were no completed projects as of June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

| | |
|--|----------------------|
| Fiscal year 2013 apportionment | \$ 622,325 |
| Less: debt service payment | <u> -</u> |
| Net estimated apportionment | 622,325 |
| 30% base | <u> 30%</u> |
| Fiscal year 2013 30% threshold | <u>186,698</u> |
| Less: | |
| Local streets and roads fund balance | - |
| Local Street Improvement | |
| – Congestion Relief fund balance | (396,273) |
| – Maintenance fund balance | <u>(199,467)</u> |
| Total local streets and roads and local Street improvement fund balance | <u>(595,740)</u> |
| Fund balance under apportionment | <u>\$ 782,438</u> |

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|------------------|
| Current year local discretionary expenditures | \$ 259,583 |
| Less MOE base year requirement | <u>(167,474)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | \$ <u>92,109</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.
 - v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

18. 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.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

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

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

Mayer Hoffmann M.C. P.C.

Irvine, California
March 28, 2014

CITY OF LEMON GROVE, CALIFORNIA

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------------|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| LG16 | 8403 | Storm Drain Rehabilitation - Congestion Relief | \$ 3,066 | \$ 123,883 | \$ - | \$ (130,680) | \$ - | \$ (3,731) | (a) |
| LG18 | 8500 | Traffic Improvements - Congestion Relief | - | 25,117 | - | (34,073) | - | (8,956) | (a) |
| | 8200/8306 | | | | | | | | |
| | 8307/8308 | | | | | | | | |
| LG20 | 8312 | Street Improvements - Congestion Relief | (91,458) | 106,695 | - | (398,826) | 3 | (383,586) | (a)(b) |
| | | Total Congestion Relief | (88,392) | 255,695 | - | (563,579) | 3 | (396,273) | |
| Maintenance: | | | | | | | | | |
| LG14 | 8510 | Traffic Improvements - Preventive Maintenance | (87,682) | 151,235 | - | (126,239) | - | (62,686) | (a) |
| LG15 | 8400 | Storm Drain Rehabilitation - Preventive Maintenance | (71,513) | 127,708 | - | (100,994) | - | (44,799) | (a) |
| LG17 | 8034 | Street Improvements - Preventive Maintenance | (24,297) | 56,449 | - | (124,134) | - | (91,982) | (a) |
| | | Total Maintenance | (183,492) | 335,392 | - | (351,367) | - | (199,467) | |
| | | Total Local Street Improvements | (271,884) | 591,087 | - | (914,946) | 3 | (595,740) | |
| | | Interest Income | 11 | - | - | - | - | 11 | |
| | | Total <i>TransNet</i> Extension | \$ (271,873) | \$ 591,087 | \$ - | \$ (914,946) | \$ 3 | \$ (595,729) | |

Notes:

- (a) The City expects to receive reimbursement from SANDAG in FY 14 for funds expended in FY 13.
- (b) Adjust the final ending balance due to rounding issues.

CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| LG16 | 8403 | Storm Drain Rehabilitation - Congestion Relief | \$ 285,740 | \$ 2,858 | \$ (255,662) | \$ (36,667) | \$ (3,731) |
| LG18 | 8500 | Traffic Improvements - Congestion Relief | 68,733 | 308 | (62,132) | (15,865) | (8,956) |
| | 8200/8306 | | | | | | |
| | 8307/8308 | | | | | | |
| LG20 | 8312 | Street Improvements - Congestion Relief | 327,702 | - | (716,960) | 5,672 | (383,586) |
| | | Total Congestion Relief | 682,175 | 3,166 | (1,034,754) | (46,860) | (396,273) |
| Maintenance: | | | | | | | |
| LG14 | 8510 | Traffic Improvements - Preventative Maintenance | 180,316 | - | (331,335) | 88,333 | (62,686) |
| LG15 | 8400 | Storm Drain Rehabilitation - Preventative Maintenance | 145,531 | 60 | (193,177) | 2,787 | (44,799) |
| LG17 | 8034 | Street Improvements - Preventative Maintenance | 78,109 | 49 | (218,633) | 48,493 | (91,982) |
| | | Total Maintenance | 403,956 | 109 | (743,145) | 139,613 | (199,467) |
| | | Interest Income | - | 11 | - | - | 11 |
| | | Total Cumulative <i>TransNet</i> Extension | \$ 1,086,131 | \$ 3,286 | \$ (1,777,899) | \$ 92,753 | \$ (595,729) |

CITY OF LEMON GROVE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 8,000 | \$ - | \$ 240 | \$ - | \$ 50 | \$ 8,290 | \$ 8,270 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 4,080 | - | 50 | - | 25 | 4,155 | 4,146 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 8,324 | - | 101 | - | 51 | 8,476 | 8,457 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 6,369 | - | 38 | - | - | 6,407 | 6,392 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | 6,495 | - | 16 | - | - | 6,511 | - |
| Total RTCIP Funds | | \$ 33,268 | \$ - | 445 | \$ - | \$ 126 | \$ 33,839 | \$ 27,265 |

CITY OF NATIONAL CITY, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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

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

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

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

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

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

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

- d. We identified the interest income reported for the year ended June 30, 2013.

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

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

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

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

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

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

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

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

Results: The City recorded total expenditures in the amount of \$1,801,970. We selected \$560,658 (31.11%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City is not in compliance with the 30% requirement. The fund balance was over the apportionment as follows:

| | |
|---|---------------------|
| Fiscal year 2013 apportionment | \$ 1,189,035 |
| Less: debt service payment | <u>(384,554)</u> |
| Net estimated apportionment | 804,481 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | <u>241,344</u> |
| Less: | |
| Local Streets and Roads fund balance | 678,639 |
| Local Street Improvement | |
| – Congestion Relief fund balance | 116,901 |
| – Maintenance fund balance | <u> -</u> |
| Total local streets and roads and local Street improvement fund balance | <u>795,540</u> |
| Fund balance over apportionment | <u>\$ (554,196)</u> |

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

Results: The results are summarized below:

| | <u>Balance</u> <u>July 1, 2012</u> | <u>Additions</u> | <u>Principal</u> <u>Payments</u> | <u>Balance</u> <u>June 30, 2013</u> | <u>Interest</u> <u>Payments</u> |
|---------------|---------------------------------------|------------------|-------------------------------------|--|------------------------------------|
| 2010 Series A | \$2,510,226 | \$0 | (\$285,848) | \$2,224,378 | (\$98,706) |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|---------------------|
| Current year local discretionary expenditures | \$ 4,190,600 |
| Less MOE base year requirement | <u>(1,658,957)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 2,531,643</u> |

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

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

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

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

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

Results: The City had one prior year finding in that the City's *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2013, the City still has exceeded 30% of its annual apportionment.

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

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

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

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

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



Irvine, California
March 28, 2014

CITY OF NATIONAL CITY, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2013

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

Per review of the City's exaction fee collections as of June 30, 2013, the City is not in compliance with the required exaction amount of \$2,165. In 1 out of 37 instances, the City collected the prior year's approved amount of \$2,123 instead of the current year approved amount of \$2,165. This resulted in an under-collection of the exaction fee in the amount of \$42.

SANDAG Board recommendations as of February 24, 2012 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 \$2,123 to \$2,165 beginning July 1, 2012."

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 \$42. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

Management Response

The City is in process of collecting the under-collected exaction fees in the amount of \$42 and will ensure that any revised fees are updated every time a change occurs to assure compliance with the RTCIP fees.

SCHEDULE A

CITY OF NATIONAL CITY, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|--|-----------------------|--------------------------------------|------------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| NC 01 | 6569 | Plaza Blvd. Widening | \$ 523,861 | \$ - | \$ 2,465 | \$ (251,925) | \$ - | \$ 274,401 | |
| NC 04 | 6558 | Traffic Signal Install/Upgrade | <u>438,834</u> | <u>-</u> | <u>2,065</u> | <u>(135,465)</u> | <u>98,804</u> | <u>404,238</u> | (a) |
| Total Local Streets and Roads | | | <u>962,695</u> | <u>-</u> | <u>4,530</u> | <u>(387,390)</u> | <u>98,804</u> | <u>678,639</u> | |
| Total TransNet | | | <u>\$ 962,695</u> | <u>\$ -</u> | <u>\$ 4,530</u> | <u>\$ (387,390)</u> | <u>\$ 98,804</u> | <u>\$ 678,639</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| NC 04 | 6558 | Regional Arterial Management Systems | \$ - | \$ 8,000 | \$ - | \$ (8,000) | \$ - | \$ - | |
| Total Congestion Relief - Pass Through | | | <u>-</u> | <u>8,000</u> | <u>-</u> | <u>(8,000)</u> | <u>-</u> | <u>-</u> | |
| Congestion Relief: | | | | | | | | | |
| NC 01 | 6569 | Plaza Blvd. Widening | 541,250 | - | 2,547 | - | - | 543,797 | (c) |
| NC 03 | 6035 | Street Resurfacing Project | (938,069) | - | - | (686,052) | (98,804) | (1,722,925) | (a), (b) |
| NC 04 | 6558 | Traffic Signal Install/Upgrade | 920,026 | - | 4,328 | - | - | 924,354 | (d) |
| NC 14 | 6181 | 4th Street Community Corridor Tax | 203,336 | - | 957 | (115,891) | - | 88,402 | |
| NC 15 | 6166 | Citywide Safe Routes to School Tax | 500,999 | - | 2,357 | (220,083) | - | 283,273 | |
| 2010 Series A Bonds Debt Service | | | <u>-</u> | <u>384,554</u> | <u>-</u> | <u>(384,554)</u> | <u>-</u> | <u>-</u> | |
| Total Congestion Relief | | | <u>1,227,542</u> | <u>384,554</u> | <u>10,189</u> | <u>(1,406,580)</u> | <u>(98,804)</u> | <u>116,901</u> | |

CITY OF NATIONAL CITY, CALIFORNIA

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2013

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| | | Bike and Pedestrian: | | | | | | | |
| NC 11 | 1013 | Sweetwater River Bike Path | (686) | 686 | - | - | - | - | (e) |
| | | Total Bikes & Pedestrians | (686) | 686 | - | - | - | - | |
| | | Total <i>TransNet</i> Extension | \$ 1,226,856 | \$ 393,240 | \$ 10,189 | \$ (1,414,580) | \$ (98,804) | \$ 116,901 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ 2,189,551 | \$ 393,240 | \$ 14,719 | \$ (1,801,970) | \$ - | \$ 795,540 | |

Notes:

- (a) Auditor adjustment due to incorrect recording of expenditure.
- (b) As of the Fiscal Year ended June 30, 2013, the City was not in compliance with the SANDAG 30% Rule. Currently, activities related to projects NC03-6035 and NC04-6558 are underway. The City will ensure compliance with the SANDAG 30% Rule for the 2013-2014 fiscal year and will request funds once in compliance.
- (c) The right of way acquisition phase was completed in October 2013. At this time, San Diego gas and electric (SDGE) is working on utility undergrounding. Once complete, construction will begin. The anticipated start date is November 2014.
- (d) The City was notified by CalTrans in November 2013 that Highway Safety Improvement (HSIP) funding was awarded. Project design will start in February 2014. Construction is anticipated to begin in November 2014.
- (e) Project was completed in December 2010.

CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|---|---------------------|------------------|-----------------------|--------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| NC 01 | 6569 | Plaza Blvd Widening | \$ 539,364 | \$ 4,433 | \$ - | \$ - | \$ 543,797 |
| NC 03 | 6035 | Street Resurfacing Project | 4,851,954 | 432 | (6,476,507) | (98,804) | (1,722,925) |
| NC 04 | 6558 | Traffic Signal Install/Upgrade | 919,682 | 9,747 | (5,075) | - | 924,354 |
| NC 14 | 6181 | 4th Street Community Corridor Tax | 202,627 | 1,666 | (115,891) | - | 88,402 |
| NC 15 | 6166 | Citywide Safe Routes to School Tax | 500,000 | 4,106 | (220,833) | - | 283,273 |
| | | Commercial Paper Debt Service | 27,890 | - | (27,890) | - | - |
| | | 2010 Series A Bonds Debt Service | 1,130,648 | - | (1,130,648) | - | - |
| | | Total Congestion Relief | <u>8,172,165</u> | <u>20,384</u> | <u>(7,976,844)</u> | <u>(98,804)</u> | <u>116,901</u> |
| Congestion Relief Pass Through: | | | | | | | |
| NC 04 | 6558 | Regional Arterial Management Systems | \$ 8,000 | \$ - | \$ (8,000) | \$ - | \$ - |
| | | Total Congestion Relief - Pass Through | <u>8,000</u> | <u>-</u> | <u>(8,000)</u> | <u>-</u> | <u>-</u> |
| | | Total Local Street Improvements | <u>8,180,165</u> | <u>20,384</u> | <u>(7,984,844)</u> | <u>(98,804)</u> | <u>116,901</u> |
| Bikes & Pedestrian | | | | | | | |
| NC 11 | 1013 | Sweetwater River Bike Path | 6,860 | - | (6,860) | - | - |
| | | Total Bikes and Pedestrian | <u>6,860</u> | <u>-</u> | <u>(6,860)</u> | <u>-</u> | <u>-</u> |
| | | Total Cumulative TransNet Extension | <u>\$ 8,187,025</u> | <u>\$ 20,384</u> | <u>\$ (7,991,704)</u> | <u>\$ (98,804)</u> | <u>\$ 116,901</u> |

CITY OF NATIONAL CITY, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | Cumulative Status | |
|-------------------------------------|--------------------------|-------------------|------------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 16,000 | \$ 307 | \$ - | \$ - | \$ 16,307 | \$ 16,207 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 359,560 | 6,890 | - | - | 366,450 | 364,213 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 39,699 | 761 | - | - | 40,460 | 40,213 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 152,903 | 1,713 | - | - | 154,616 | 153,672 |
| For Fiscal Year ended June 30, 2013 | June 30, 2019 | 102,133 | 627 | - | - | 102,760 | - |
| Total RTCIP Funds | | \$ 670,295 | \$ 10,298 | \$ - | \$ - | \$ 680,593 | \$ 574,305 |

CITY OF OCEANSIDE, CALIFORNIA

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

Year Ended June 30, 2013



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

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$2,113,663. We selected \$822,667 (38.92%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is not in compliance with the 30% requirement. The fund balance was over the apportionment as follows:

| | |
|---|----------------------|
| Fiscal year 2013 apportionment | \$ 4,133,410 |
| Less: debt service payment | <u>-</u> |
| Net estimated apportionment | 4,133,410 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | <u>1,240,023</u> |
| Less: | |
| Local Streets and Roads fund balance | 1,224,506 |
| Local Street Improvement | |
| – Congestion Relief fund balance | 4,324,709 |
| – Maintenance fund balance | <u>(1,577,888)</u> |
| Total Local Streets and Roads and Local Street Improvement fund balance | <u>3,971,327</u> |
| Fund balance over apportionment | <u>\$(2,731,304)</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement for the City.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.

- b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
- c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
- d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City had an outstanding unmet MOE requirement for the year ending June 30, 2010 in the amount of \$1,310,184. In the City's response to the finding, the City had indicated that it would satisfy the unmet MOE over a three-year period. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | |
|---|---------------------|
| Current year local discretionary expenditures | \$ 4,732,630 |
| Less MOE base year requirement | <u>(2,638,484)</u> |
| Excess MOE for fiscal year ended June 30, 2013 ¹ | <u>\$ 2,094,146</u> |

¹ Calculation of remaining MOE deficit:

| <u>Fiscal Year</u> <u>Ended June 30</u> | <u>Additional MOE</u> | <u>MOE</u> <u>Deficit Balance</u> |
|--|-----------------------|--------------------------------------|
| 2010 | \$ - | \$(1,310,184) |
| 2011 | 581,317 | (728,867) |
| 2012 | 426,273 | (302,594) |
| 2013 | 2,094,146 | N/A |

- 12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

- 13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
 - i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$402,690. We selected \$305,091 (75.76%) for testing. No exceptions were noted as a result of our procedures.
 - v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.
 - vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.
14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

18. 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.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink, appearing to read "Mayor Hoffman McCon". The signature is written in a cursive style and is centered on a light-colored rectangular background.

Irvine, California
March 28, 2014

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|----------------|--|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| O06 | 901122200561 | Melrose Dr. Extension | \$ 297,143 | \$ - | \$ - | \$ - | \$ (297,143) | \$ - | (a) |
| O14 | 914560900212 | No Coast Hwy Bridge Seismic Retro | 694,427 | - | - | (13,504) | - | 680,923 | |
| O14 | 914560800212 | Douglas Dr. Bridge Seismic Retro | 557,087 | - | - | (13,504) | - | 543,583 | |
| | | Total O14 Projects | 1,251,514 | - | - | (27,008) | - | 1,224,506 | |
| | | Total Local Streets and Roads | 1,548,657 | - | - | (27,008) | (297,143) | 1,224,506 | |
| | | Total <i>TransNet</i> | \$ 1,548,657 | \$ - | \$ - | \$ (27,008) | \$ (297,143) | \$ 1,224,506 | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| SAN 54 | N/A | Regional Arterial Management Systems | \$ - | \$ 11,200 | \$ - | \$ (11,200) | \$ - | \$ - | |
| | | Total Congestion Relief - Pass Through | - | 11,200 | - | (11,200) | - | - | |
| Congestion Relief: | | | | | | | | | |
| O17 | 905120100212 | Loma Alta Creek Detention Basins | 847,869 | 100,000 | - | (120,634) | - | 827,235 | |
| O23 | 914755700212 | College Bridge Widen @ SLR | 17,723 | - | - | - | (17,723) | - | (a) |
| | | Subtotal Congestion Relief | 865,592 | 100,000 | - | (120,634) | (17,723) | 827,235 | |

CITY OF OCEANSIDE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---------------------|----------------|----------------------------------|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| | | Balance carried forward | \$ 865,592 | \$ 100,000 | \$ - | \$ (120,634) | \$ (17,723) | \$ 827,235 | |
| O24 | 902754200212 | Street Restoration | 817,211 | 3,550,000 | - | (566,536) | - | 3,800,675 | |
| O25 | 902111200212 | Adp Signal TMC Traffic Mgmt Ctr | (214,242) | 400,000 | - | (461,968) | - | (276,210) | (b)(g) |
| O26 | 902111800212 | SR76 Thru Lanes | (26,991) | - | - | - | - | (26,991) | (b) |
| O27 | 902111500212 | Coast Hwy Roundabout | 19,493 | - | - | - | (19,493) | - | (c) |
| | | Total Congestion Relief | 1,461,063 | 4,050,000 | - | (1,149,138) | (37,216) | 4,324,709 | |
| Maintenance: | | | | | | | | | |
| O18 | 902522600212 | Cribwall @ Oblvd & ECR | 8,330 | - | - | - | (8,330) | - | (d) |
| O18 | 425425212 | Misc Sidewalks/ADA | 56,950 | 120,743 | - | (177,693) | - | - | |
| O18 | 425411212 | Misc Traffic Markings | (25,144) | 59,895 | - | (34,751) | - | - | |
| O18 | 425425212 | Misc Street Projects | (1,102,438) | 348,624 | - | (348,624) | - | (1,102,438) | (b) |
| O18 | 425418212 | Neighborhood Traffic Improvement | (41,697) | 87,190 | - | (45,493) | - | - | |
| O18 | 902754200212 | Street Restoration | (1,228,295) | 527,118 | - | - | - | (701,177) | (b) |
| | | Subtotal Maintenance | (2,332,294) | 1,143,570 | - | (606,561) | (8,330) | (1,803,615) | |

CITY OF OCEANSIDE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status | Funds | Interest | Project | City | Project Status | Notes |
|--------|----------------|---|---------------------|---------------------|------------------|-----------------------|---------------------|---------------------|--------|
| | | | July 1, 2012 | Received | Income | Expenditures | Adjustments | June 30, 2013 | |
| | | Balance carried forward | \$ (2,332,294) | \$ 1,143,570 | \$ - | \$ (606,561) | \$ (8,330) | \$ (1,803,615) | |
| O18 | 90112600212 | Street Monumentation | - | 55,430 | - | (55,430) | - | - | |
| O18 | 902113000212 | Downtown Intersection | <u>311,088</u> | - | - | <u>(85,361)</u> | - | <u>225,727</u> | |
| | | Total O18 Projects | <u>(2,021,206)</u> | <u>1,199,000</u> | <u>-</u> | <u>(747,352)</u> | <u>(8,330)</u> | <u>(1,577,888)</u> | |
| O20 | 902522700212 | Oceanside Blvd Bus Stop ADA Upgd | <u>(17,923)</u> | - | - | - | <u>17,923</u> | - | (e) |
| | | Total Maintenance | <u>(2,039,129)</u> | <u>1,199,000</u> | <u>-</u> | <u>(747,352)</u> | <u>9,593</u> | <u>(1,577,888)</u> | |
| | | Total Local Street Improvements | <u>(578,066)</u> | <u>5,260,200</u> | <u>-</u> | <u>(1,907,690)</u> | <u>(27,623)</u> | <u>2,746,821</u> | |
| | | Senior Mini-Grant: | | | | | | | |
| O21 | 917113500212 | Senior Shuttle | (68,825) | 113,748 | - | (44,923) | - | - | (f)(h) |
| O21 | 917113600212 | Senior Taxi | 14,868 | 33,008 | - | (47,876) | - | - | (f)(h) |
| O21 | 917113700212 | Solutions for Seniors Volunteer Dr | <u>(18,937)</u> | <u>30,339</u> | <u>-</u> | <u>(11,402)</u> | <u>-</u> | <u>-</u> | (f)(h) |
| | | Total Senior Mini-Grant | <u>(72,894)</u> | <u>177,095</u> | <u>-</u> | <u>(104,201)</u> | <u>-</u> | <u>-</u> | |
| | | Total <i>TransNet</i> Extension | \$ <u>(650,960)</u> | \$ <u>5,437,295</u> | \$ <u>-</u> | \$ <u>(2,011,891)</u> | \$ <u>(27,623)</u> | \$ <u>2,746,821</u> | |
| | | Interest Income | <u>39,299</u> | <u>-</u> | <u>54,405</u> | <u>-</u> | <u>-</u> | <u>93,704</u> | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ <u>936,996</u> | \$ <u>5,437,295</u> | \$ <u>54,405</u> | \$ <u>(2,038,899)</u> | \$ <u>(324,766)</u> | \$ <u>4,065,031</u> | |
| | | GASB 31 Market Value Adjustment | <u>6,490</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,490</u> | |
| | | Total after GASB 31 Adjustment | \$ <u>943,486</u> | \$ <u>5,437,295</u> | \$ <u>54,405</u> | \$ <u>(2,038,899)</u> | \$ <u>(324,766)</u> | \$ <u>4,071,521</u> | |

CITY OF OCEANSIDE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---|----------------|------------------------------------|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| Non-TransNet: | | | | | | | | | |
| O21 | 7113500212 | Senior Shuttle | - | 39,668 | - | (39,668) | - | - | (f) |
| O21 | 7113600212 | Senior Taxi | - | 2,306 | - | (2,306) | - | - | (f) |
| O21 | 7113700212 | Solutions for Seniors Volunteer Dr | - | 32,790 | - | (32,790) | - | - | (f) |
| Total Non-TransNet | | | \$ - | \$ 74,764 | \$ - | \$ (74,764) | \$ - | \$ - | |
| Total TransNet, TransNet Extension and Non-TransNet | | | \$ 943,486 | \$ 5,512,059 | \$ 54,405 | \$ (2,113,663) | \$ (324,766) | \$ 4,071,521 | |

Notes:

- (a) Work on this project is continuing using non-TransNet funds. The remaining balance was amended as "cash" to another project in the RTIP Amendment process, and approved by the City Council on February 27, 2013, Resolution No. 13-R0117-1.
- (b) City will request a drawdown in FY15 to remove the deficit.
- (c) Work on this project is complete. The remaining balance was amended as "cash" to another project in the RTIP Amendment process, and approved by the City Council on February 27, 2013, Resolution No. 13-R0117-1.
- (d) An adjusting entry of \$8,330, to zero out this completed project was made in FY12.
- (e) Remaining balance re-allocated to other TransNet projects by RTIP amendment approved by the City Council on February 27, 2013, Resolution No. 13-R0117-1.
- (f) Project is complete. Non-TransNet funding source (taxi script revenue) was used towards the senior mini-grant programs to remove the deficit.
- (g) City will submit a request in RTIP Amendment 14 by June 6, 2014 to allow a sufficient draw in FY15 to remove the deficit.
- (h) Beginning balance was adjusted to account for amount received that was not reported on prior year's Schedule A.

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|---------------------------------------|----------------|--------------------------------------|-------------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through | | | | | | | |
| SAN 54 | N/A | Regional Arterial Management Systems | \$ 11,200 | \$ - | \$ (11,200) | \$ - | \$ - |
| | | Total Congestion Relief Pass Through | <u>11,200</u> | <u>-</u> | <u>(11,200)</u> | <u>-</u> | <u>-</u> |
| Congestion Relief: | | | | | | | |
| O17 | 905120100212 | Loma Alta Creek Detention Basins | <u>2,100,000</u> | <u>-</u> | <u>(1,272,765)</u> | <u>-</u> | <u>827,235</u> |
| O23 | 914755700212 | College Bridge Widen @ SLR | <u>125,000</u> | <u>-</u> | <u>(107,277)</u> | <u>(17,723)</u> | <u>-</u> |
| O24 | 902754200212 | Street Restoration | <u>9,009,236</u> | <u>-</u> | <u>(5,208,561)</u> | <u>-</u> | <u>3,800,675</u> |
| O25 | 902111200212 | Adp Signal TMC Traffic Mgmt Ctr | <u>1,250,000</u> | <u>-</u> | <u>(1,526,210)</u> | <u>-</u> | <u>(276,210)</u> |
| O26 | 902111800212 | SR76 Thru Lanes | <u>50,000</u> | <u>-</u> | <u>(76,991)</u> | <u>-</u> | <u>(26,991)</u> |
| O27 | 902111500212 | Coast Hwy Roundabout | <u>50,000</u> | <u>-</u> | <u>(30,507)</u> | <u>(19,493)</u> | <u>-</u> |
| | | Total Congestion Relief | <u>12,584,236</u> | <u>-</u> | <u>(8,222,311)</u> | <u>(37,216)</u> | <u>4,324,709</u> |
| | | Subtotal Local Street Improvements | <u>12,595,436</u> | <u>-</u> | <u>(8,233,511)</u> | <u>(37,216)</u> | <u>4,324,709</u> |

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------|-------------------|------------------------------------|----------------------|--------------------|-------------------------|---------------------|------------------------------------|
| | | Balance carried forward | \$ 12,595,436 | \$ - | \$ (8,233,511) | \$ (37,216) | \$ 4,324,709 |
| | | Maintenance: | | | | | |
| O18 | 902522600212 | Cribwall @ Oblvd & ECR | 228,356 | - | (224,191) | (4,165) | - |
| O18 | 425425212 | Misc Sidewalks/ADA | 733,534 | 220 | (733,754) | - | - |
| O18 | 425411212 | Misc Traffic Markings | 143,251 | - | (143,251) | - | - |
| O18 | 425425212 | Misc Street Projects | 2,550,833 | - | (3,653,271) | - | (1,102,438) |
| O18 | 425418212 | Neighborhood Traffic Improvement | 387,190 | - | (387,190) | - | - |
| O18 | 902754200212 | Street Restoration | 910,867 | - | (1,612,044) | - | (701,177) |
| O18 | 90112600212 | Street Monumentation | 55,430 | - | (55,430) | - | - |
| O18 | 902113000212 | Downtown Intersection | 528,000 | - | (302,273) | - | 225,727 |
| | | Total O18 Projects | <u>5,537,461</u> | <u>220</u> | <u>(7,111,404)</u> | <u>(4,165)</u> | <u>(1,577,888)</u> |
| O20 | 902522700212 | Oblvd Bus Stop ADA Upgd | 180,000 | - | (197,923) | 17,923 | - |
| | | Total Maintenance | <u>5,717,461</u> | <u>220</u> | <u>(7,309,327)</u> | <u>13,758</u> | <u>(1,577,888)</u> |
| | | Total Local Street Improvements | <u>18,312,897</u> | <u>220</u> | <u>(15,542,838)</u> | <u>(23,458)</u> | <u>2,746,821</u> |
| | | Subtotal <i>TransNet</i> Extension | <u>\$ 18,312,897</u> | <u>\$ 220</u> | <u>\$ (15,542,838)</u> | <u>\$ (23,458)</u> | <u>\$ 2,746,821</u> |

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------|-------------------|--|----------------------|--------------------|-------------------------|---------------------|------------------------------------|
| | | Balance carried forward | \$ 18,312,897 | \$ 220 | \$ (15,542,838) | \$ (23,458) | \$ 2,746,821 |
| | | Senior Mini-Grant: | | | | | |
| O21 | 917113500212 | Senior Shuttle | 292,451 | 9 | (292,460) | - | - |
| O21 | 917113600212 | Senior Taxi | 141,233 | 4 | (141,237) | - | - |
| O21 | 917113700212 | Solutions for Seniors Volunteer Dr | 77,403 | - | (77,403) | - | - |
| | | Total Senior Mini-Grant | <u>511,087</u> | <u>13</u> | <u>(511,100)</u> | <u>-</u> | <u>-</u> |
| | | Completed Projects: | | | | | |
| | | Local Street Improvements: | | | | | |
| | | Congestion Relief | 265,764 | - | (1,383,263) | 1,117,499 | - |
| | | Maintenance | 661,539 | - | (616,817) | (44,722) | - |
| | | Total Completed Projects | <u>927,303</u> | <u>-</u> | <u>(2,000,080)</u> | <u>1,072,777</u> | <u>-</u> |
| | | Interest Income | <u>-</u> | <u>93,704</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 19,751,287</u> | <u>\$ 93,937</u> | <u>\$ (18,054,018)</u> | <u>\$ 1,049,319</u> | <u>\$ 2,746,821</u> |

CITY OF OCEANSIDE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|---------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 8,120 | \$ - | \$ - | \$ (8,120) | \$ - | \$ - | \$ - |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 199,920 | - | 6,999 | (206,919) | - | - | - |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 118,617 | - | 1,199 | (119,816) | - | - | - |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 169,688 | - | - | (169,688) | - | - | - |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | 402,690 | - | - | (402,690) | - | - | - |
| Total RTCIP Funds | | <u>\$ 899,035</u> | <u>\$ -</u> | <u>\$ 8,198</u> | <u>\$ (907,233)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

CITY OF POWAY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$2,126,409. We selected \$1,099,455 (51.70%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

f. We determined that any amounts reported in the "adjustments" column is explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

| | | |
|---|--------------------|-------------------------|
| Fiscal year 2013 apportionment | | \$1,350,649 |
| Less: debt service payment | | <u> -</u> |
| Net estimated apportionment | | 1,350,649 |
| 30% base | | <u> 30%</u> |
| Fiscal year 2013 30% threshold | | <u> 405,195</u> |
| Less: | | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 20,772 | |
| – Maintenance fund balance | <u> 3,411</u> | |
| Total local streets and roads and local street improvement fund balance | | <u> 24,183</u> |
| Fund balance under apportionment | | <u> \$ 381,012</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | |
|---|--------------------|
| Current year local discretionary expenditures | \$1,172,804 |
| Less MOE base year requirement | <u>(1,005,319)</u> |
| Excess MOE for the year ended June 30, 2013 | \$ <u>167,485</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures of \$12,122. We selected \$3,560 (29.37%) for testing. No exceptions were noted as a result of our procedures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013 and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

18. 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.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings.

Results: This procedure is not applicable as there were no findings for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California
March 28, 2014

CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income (a) | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|--|-----------------------------|----------------|---------------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | | |
| Local Street Improvements: | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | |
| | | Regional Arterial Management Systems | \$ - | \$ 7,300 | \$ - | \$ (7,300) | \$ - | \$ - |
| | | Total Congestion Relief Pass Through | - | 7,300 | - | (7,300) | - | - |
| Congestion Relief: | | | | | | | | |
| POW 01A | 0411-4320B | Citywide major reconstruction | 4,691 | - | - | (4,691) | - | - |
| POW 10 | 0411-4320B | Road construction and overlay projects | 7,170 | - | - | (7,170) | - | - |
| POW 16 | 0411-4320B | Annual street overlay & reconstruction | - | 1,201,000 | - | (1,180,228) | - | 20,772 |
| | | Total Congestion Relief | 11,861 | 1,201,000 | - | (1,192,089) | - | 20,772 |
| Maintenance: | | | | | | | | |
| POW 14 | 0411-4320C | Annual street maintenance program | 3,411 | - | - | (3,411) | - | - |
| POW 26 | 0411-4320C | Street maintenance project | - | 927,020 | - | (923,609) | - | 3,411 |
| | | Total Maintenance | 3,411 | 927,020 | - | (927,020) | - | 3,411 |
| | | Total Local Street Improvement | 15,272 | 2,135,320 | - | (2,126,409) | - | 24,183 |
| | | Total <i>TransNet</i> Extension | 15,272 | 2,135,320 | - | (2,126,409) | - | 24,183 |
| | | GASB 31 market value adjustment | 18 | - | (39) | - | - | (21) |
| | | Total <i>TransNet</i> Extension | \$ 15,290 | \$ 2,135,320 | \$ (39) | \$ (2,126,409) | \$ - | \$ 24,162 |

Notes

(a) The expenditures for the City's Congestion Relief and Maintenance programs are substantially made during the first part of the fiscal year, however, due to cash flow constraints *TransNet* funds are received more evenly throughout the fiscal year. This resulted in an average negative cash balance for the fiscal year, and therefore the funds received no interest allocation.

CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|--|---------------------|-----------------|-----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | |
| | | Regional Arterial Management Systems | \$ 7,300 | \$ - | \$ (7,300) | \$ - | \$ - |
| | | Total Congestion Relief Pass Through | <u>7,300</u> | <u>-</u> | <u>(7,300)</u> | <u>-</u> | <u>-</u> |
| Congestion Relief: | | | | | | | |
| POW 01A | 0411-4320B | Citywide major reconstruction | 946,000 | 4,723 | (950,723) | - | - |
| POW 10 | 0411-4320B | Road construction and overlay projects | 1,813,170 | 562 | (1,813,732) | - | - |
| POW 16 | 0411-4320B | Annual street overlay & reconstruction | <u>1,201,000</u> | <u>-</u> | <u>(1,180,228)</u> | <u>-</u> | <u>20,772</u> |
| | | Total Congestion Relief | <u>3,960,170</u> | <u>5,285</u> | <u>(3,944,683)</u> | <u>-</u> | <u>20,772</u> |
| Maintenance: | | | | | | | |
| POW 14 | 0411-4320C | Annual street maintenance program | 478,680 | 691 | (479,371) | - | - |
| POW 26 | 0411-4320C | Street maintenance project | <u>927,020</u> | <u>-</u> | <u>(923,609)</u> | <u>-</u> | <u>3,411</u> |
| | | Total Maintenance | <u>1,405,700</u> | <u>691</u> | <u>(1,402,980)</u> | <u>-</u> | <u>3,411</u> |
| Completed Projects: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| | | Congestion Relief | 987,000 | - | (987,000) | - | - |
| | | Maintenance | <u>750,000</u> | <u>3,953</u> | <u>(753,953)</u> | <u>-</u> | <u>-</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 7,110,170</u> | <u>\$ 9,929</u> | <u>\$ (7,095,916)</u> | <u>\$ -</u> | <u>\$ 24,183</u> |

SCHEDULE C

CITY OF POWAY CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|--------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 78,000 | \$ - | \$ 4,933 | \$ (12,122) | \$ - | \$ 70,811 | \$ 77,099 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 10,295 | - | 524 | - | - | 10,819 | 10,769 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 158,156 | - | 3,307 | - | - | 161,463 | 160,724 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 6,369 | - | 79 | - | - | 6,448 | 6,419 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>30,310</u> | <u>-</u> | <u>138</u> | <u>-</u> | <u>-</u> | <u>30,448</u> | <u>-</u> |
| Total RTCIP Funds | | <u>283,130</u> | <u>-</u> | <u>8,981</u> | <u>(12,122)</u> | <u>-</u> | <u>279,989</u> | <u>255,011</u> |
| GASB 31 fair market value adjustment | | <u>-</u> | <u>-</u> | <u>(247)</u> | <u>-</u> | <u>-</u> | <u>(247)</u> | <u>299</u> |
| Total RTCIP Funds | | <u>\$ 283,130</u> | <u>\$ -</u> | <u>\$ 8,734</u> | <u>\$ (12,122)</u> | <u>\$ -</u> | <u>\$ 279,742</u> | <u>\$ 255,310</u> |

CITY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Diego, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$26,092,215. We selected \$7,015,241 (26.89%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, nine city departments charge labor and applied indirect costs to projects in the RTIP. The indirect cost rates are charged by department, and were based on a 5-year average for each department, which varied between 6.0% and 132.2% of total direct salaries and wages. No exceptions were noted as a result of our procedures.

f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows.

| | |
|--|------------------------------|
| Fiscal year 2013 apportionment | \$28,060,409 |
| Less: debt service payment | <u> -</u> |
| Net estimated apportionment | 28,060,409 |
| 30% base | <u> 30%</u> |
| Fiscal year 2013 30% threshold | 8,418,123 |
| Less: | |
| Local streets and roads Fund Balance | 7,962,290 |
| Local streets improvement Fund Balance | |
| – Congestion Relief Fund Deficit | (1,289,156) |
| – Maintenance Fund Deficit | <u>(1,936,006)</u> |
| Total local streets and roads and local streets improvement fund balance | <u>4,737,128</u> |
| Fund balance under apportionment | <u>\$3,680,995</u> |

- 9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement for the City.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | Streets and Roads | Specialized Transportation Services | Transit Bus Subsidies | Total |
|--|----------------------|---|--------------------------|---------------------|
| Current year local discretionary expenditures | \$22,733,821 | \$181,102 | \$976,504 | \$23,891,427 |
| Less MOE base year Requirement | <u>(22,027,565)</u> | <u>(162,992)</u> | <u>(877,451)</u> | <u>(23,068,008)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 706,256</u> | <u>\$ 18,110</u> | <u>\$ 99,053</u> | <u>\$ 823,419</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
 - a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The City recorded total expenditures in the amount of \$102,453. We selected \$36,632 (35.75%) for testing. No exceptions were noted as a result of our procedures.

- v. We reviewed to ensure that recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensure that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. 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.

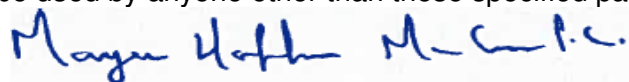
18. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Mayer Hoffmann M. C. P. C." The signature is written in a cursive style.

Irvine, California
March 28, 2014

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---------------------------------|----------------|--|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-----------|
| TransNet: | | | | | | | | | |
| Highways: | | | | | | | | | |
| CAL 28 | 524632 | SR 56/Black Mountain Road | \$ 2,480,665 | \$ - | \$ - | \$ - | \$ - | \$ 2,480,665 | (p) |
| | | Total Highways | <u>2,480,665</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,480,665</u> | |
| Local Streets and Roads: | | | | | | | | | |
| SD01 | 527130 | Alvarado Canyon Rd Realignment | <u>121,732</u> | <u>-</u> | <u>-</u> | <u>(262)</u> | <u>-</u> | <u>121,470</u> | |
| SD05 | 526990 | Euclid Avenue | <u>93,867</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(93,867)</u> | <u>-</u> | (a)(b) |
| SD06 | 525920 | Aldine Drive and Fairmount Ave. Slope Restoration | <u>(108,324)</u> | <u>-</u> | <u>-</u> | <u>(795)</u> | <u>111,603</u> | <u>2,484</u> | (a)(c) |
| SD09 | 527150 | New Walkways | <u>-</u> | <u>-</u> | <u>-</u> | <u>(12,155)</u> | <u>329,932</u> | <u>317,777</u> | (d) |
| SD09 | 590020 | Sidewalk Replacement and Repair - AA | <u>329,932</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(329,932)</u> | <u>-</u> | (d)(e) |
| | | Total SD09 Projects | <u>329,932</u> | <u>-</u> | <u>-</u> | <u>(12,155)</u> | <u>-</u> | <u>317,777</u> | |
| SD15 | 612031 | Imperial Ave Streetlight btwn 61st and 69th | <u>-</u> | <u>-</u> | <u>-</u> | <u>153</u> | <u>(153)</u> | <u>-</u> | (d)(f) |
| SD15 | 522930 | Street Light Installation | <u>225,169</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>153</u> | <u>225,322</u> | (d) |
| SD15 | 680120 | Install Street Lights in High Crime Areas - AA | <u>465,429</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(465,429)</u> | <u>-</u> | (a)(b) |
| | | Total SD15 Projects | <u>690,598</u> | <u>-</u> | <u>-</u> | <u>153</u> | <u>(465,429)</u> | <u>225,322</u> | |
| SD16A | 620020 | Minor Signal Improvements - AA | <u>1,631,127</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>161,199</u> | <u>1,792,326</u> | (d)(g)(h) |
| SD16A | 630020 | Traffic Signal Controllers - AA | <u>859,956</u> | <u>-</u> | <u>-</u> | <u>(16,992)</u> | <u>(841,919)</u> | <u>1,045</u> | (d) |
| SD16A | 680010 | Cooperative Projects - AA | <u>1,950</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>82,961</u> | <u>84,911</u> | (d) |
| SD16A | 680100 | Construct top 10-15 Prioritized Traffic Signals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(15,107)</u> | <u>18,862</u> | <u>3,755</u> | (d) |
| SD16A | 680110 | Modernize top 5-10 Prioritized Traffic Signals | <u>-</u> | <u>-</u> | <u>-</u> | <u>(115,131)</u> | <u>578,897</u> | <u>463,766</u> | (d) |
| | | Total SD16A Projects | <u>2,493,033</u> | <u>-</u> | <u>-</u> | <u>(147,230)</u> | <u>-</u> | <u>2,345,803</u> | |
| | | Subtotal Local Streets and Roads | <u>3,620,838</u> | <u>-</u> | <u>-</u> | <u>(160,289)</u> | <u>(447,693)</u> | <u>3,012,856</u> | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| | | Balance carried forward | \$ 3,620,838 | \$ - | \$ - | \$ (160,289) | \$ (447,693) | \$ 3,012,856 | |
| SD17 | 680060 | Guard Rails - AA | 74,357 | - | - | (275,923) | - | (201,566) | (h) |
| SD18 | 610010 | Signal Installation - AA | 303,476 | - | - | (55,316) | - | 248,160 | |
| SD19 | 525880 | Streamview Drive | 262,560 | - | - | - | - | 262,560 | |
| SD21 | 530550 | Seismic Retro - Bridge W Mission Bay Dr | 36,806 | - | - | - | - | 36,806 | (g)(h) |
| SD23 | 130050 | Emergency Drainage Projects - AA | (647,690) | - | - | (114,318) | 762,008 | - | (i) |
| SD24 | 525450 | Coastal Erosion - AA | 8,410 | - | - | - | (8,410) | - | (a) |
| SD29 | 524090 | 43rd Street Widening - Logan Avenue to I-805 | 391,228 | - | - | - | - | 391,228 | |
| SD38 | 525550 | Georgia Street Bridge/University Ave Separation Replacement | 1,373,293 | - | - | - | - | 1,373,293 | (o) |
| SD49 | 524060 | Thorn Street Median Improvements | 2,888,220 | - | - | - | (2,888,220) | - | (a)(e) |
| SD65 | 526740 | Torrey Pines Road Slope Reconstruction | 374,975 | - | - | - | - | 374,975 | (g)(h) |
| SD70 | 526430 | West Mission Bay Drive Bridge Over San Diego | 182,379 | - | - | (37,763) | - | 144,616 | |
| SD83 | 524550 | SR 163 @ Friars Road | 127,758 | - | - | - | - | 127,758 | |
| SD92 | 392163 | Washington St and India | 5,148 | - | - | - | - | 5,148 | (e) |
| | | Subtotal Local Streets and Roads | 9,001,758 | - | - | (643,609) | (2,582,315) | 5,775,834 | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| | | Balance carried forward | \$ 9,001,758 | \$ - | \$ - | \$ (643,609) | \$ (2,582,315) | \$ 5,775,834 | |
| SD97 | 623370 | Florence Griffith Joyner Elem Safe Route to School | - | - | - | (1,551) | 1,753 | 202 | (d) |
| SD97 | 680170 | Annual Allocation - Install City St Lights in High Crime Areas | 379,442 | - | - | - | (1,753) | 377,689 | (e)(d) |
| | | Total SD97 Projects | 379,442 | - | - | (1,551) | - | 377,891 | |
| SD99 | 525190 | Bridge rails - AA | 123,398 | - | - | 175 | - | 123,573 | (f) |
| SD101 | 525540 | First Avenue Bridge Over Maple Canyon Rehabilitation | 332,577 | - | - | - | - | 332,577 | |
| SD102 | 526821 | Otay Mesa Truck Route Phase 3 | (339,895) | - | - | - | 339,895 | - | (a)(b) |
| SD104 | 392330 | Paradise Hill Revitalization | 32,602 | - | - | - | (32,602) | - | (a)(b) |
| SD106 | 527190 | Mission Beach Boardwalk | 100,475 | - | - | (10,933) | - | 89,542 | |
| SD111 | 525330 | Via De la Valle Bike Lane | 106,665 | - | - | - | (106,665) | - | (a)(b) |
| SD112 | 524790 | Via de La Valle, San Andreas Rd to El Camino Real | 31,820 | - | - | (507) | - | 31,313 | |
| SD114 | 581470 | Rose Creek Bikeway | 217,784 | - | - | - | - | 217,784 | (e) |
| SD120 | 581910 | San Diego River Multi-use Bicycle and Pe | (96,576) | - | - | - | 96,576 | - | (a) |
| SD127 | 540120 | Shoal Creek Pedestrian Bridge - Phase I | 20,091 | - | - | - | - | 20,091 | |
| | | Subtotal Local Streets and Roads | 9,910,141 | - | - | (656,425) | (2,285,111) | 6,968,605 | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|-----------------------------|----------------|---------------|-----------------|----------------------|------------------|------------------------------|-----------|
| | | Balance carried forward | \$ 9,910,141 | \$ - | \$ - | \$ - | \$ (656,425) | \$ (2,285,111) | \$ 6,968,605 | |
| SD129 | 527660 | University Ave Mobility Study | (17,479) | - | - | - | (8,803) | 26,282 | - | (a)(c) |
| SD130 | 527630 | Skyline Drive - Street Enhancement | 222,651 | - | - | - | (17,373) | - | 205,278 | |
| SD132 | 527170 | Bird Rock Coastal Traffic Flow Improvement | (16,267) | - | - | - | - | 32,534 | 16,267 | (a)(c)(g) |
| SD133 | 526760 | Vista Sorrento Pkwy @I-805 Modification | 415,245 | - | - | - | (5,214) | - | 410,031 | |
| SD134 | 527430 | Euclid Avenue Corridor | 200,691 | - | - | - | - | (200,691) | - | (a)(b) |
| SD135 | 530381 | North Harbor Drive Bridge over Navy Estuary | 75,394 | - | - | - | - | - | 75,394 | (e) |
| SD137 | 527640 | Palm Avenue/SR 75 Concept Study | 177,272 | - | - | - | - | 2,656 | 179,928 | (e) |
| SD139 | 530610 | Laurel Street Bridge Over | 191,513 | - | - | - | (13,577) | - | 177,936 | |
| SD154 | 527800 | La Jolla Mesa Drive Sidewalk | 47,633 | - | - | - | (39,100) | - | 8,533 | |
| SD155 | 527750 | Old Otay Mesa Road Sidewalk | 213,330 | - | - | - | - | (213,330) | - | (a)(b) |
| SD156 | 527740 | 35th & 34th @Madison | 2,940 | - | - | - | - | - | 2,940 | (e) |
| SD157 | 527730 | Cherokee Street Improvements | 1,253 | - | - | - | - | - | 1,253 | (e) |
| SD160 | 527780 | 62nd to 65th Street Channel | 4,621 | - | - | - | - | (4,621) | - | (a)(b) |
| SD161 | 590230 | Preliminary Engineering for Congestion Relief Projects | 639,989 | - | - | - | - | - | 639,989 | (e) |
| | | Subtotal Local Streets and Roads | 12,068,927 | - | - | - | (740,492) | (2,642,281) | 8,686,154 | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | |
|--------|----------------|-------------------------------------|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|-----------|
| | | Balance carried forward | \$ 12,068,927 | \$ - | \$ - | \$ (740,492) | \$ (2,642,281) | \$ 8,686,154 | |
| SD162 | 298650 | Home Avenue Improvements | 266,662 | - | - | - | - | 266,662 | (e)(h) |
| SD164 | 526790 | Miramar Road | 858,597 | - | - | (63,733) | - | 794,864 | |
| SD165 | 580010 | New Developments | 159,998 | - | - | - | (159,998) | - | (a)(b) |
| SD166 | 582040 | Minor Bicycle Facilities | 536 | - | - | (85) | - | 451 | |
| SD167 | 527770 | Potomac Street Improvement | 84,899 | - | - | 1,724 | (84,899) | 1,724 | (a)(f)(h) |
| SD168 | 296920 | Public Roads Supporting Park Access | 199,181 | - | - | - | (199,181) | - | (a)(b) |
| SD169 | 527810 | San Diego River Path Study | 2,505 | - | - | - | (2,505) | - | (a)(b) |
| SD170 | 527790 | Skyline @ Cardiff Improvement | 556 | - | - | 17,373 | - | 17,929 | (f)(g)(h) |
| SD171 | 582030 | Taylor St Bikeway | 247,126 | - | - | - | - | 247,126 | (e) |
| SD172 | 590210 | Transportation Grant Matches | 446,025 | - | - | - | (43,343) | 402,682 | (c)(e) |
| SD173 | 527820 | 38th Improvements | 5,995 | - | - | - | - | 5,995 | |
| SD174 | 296800 | Windan Sea Erosion control | 8,471 | - | - | - | (8,471) | - | (a)(b) |
| SD175 | 135010 | Talbot Street Slope restoration | 185,609 | - | - | (10,307) | - | 175,302 | |
| SD178 | 526960 | Pershing Drive/Redwood | 46,051 | - | - | - | (46,051) | - | (a)(b) |
| | | Subtotal Local Streets and Roads | 14,581,138 | - | - | (795,520) | (3,186,729) | 10,598,889 | |

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|-------------------|--|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| | | Balance carried forward | \$ 14,581,138 | \$ - | \$ - | \$ (795,520) | \$ (3,186,729) | \$ 10,598,889 | |
| SD181 | 528050 | Soldedad Mtn Road Emergency | (504,456) | - | - | - | - | (504,456) | (g)(h) |
| SD215 | S12030 | FY12 Asphalt Overlay Group 1 | (1,791,871) | - | - | (4,232,230) | 3,882,370 | (2,141,731) | (g)(h) |
| SD216 | S12031 | FY12 Asphalt Overlay Group 2 | (33,542) | - | - | (1,546) | 37,762 | 2,674 | (a) |
| SD219 | S10130 | Stockton Street Lights | - | - | - | (34,159) | - | (34,159) | (h) |
| | | Interest Earnings | 147,331 | - | - | - | - | 147,331 | |
| | | Total Local Streets and Roads | 12,398,600 | - | - | (5,063,455) | 733,403 | 8,068,548 | |
| | | GASB 31 Market Value Adjustment | (75,357) | - | (30,901) | - | - | (106,258) | |
| | | Total Local Streets and Roads with GASB 31 Market Value Adjustment | 12,323,243 | - | (30,901) | (5,063,455) | 733,403 | 7,962,290 | |
| | | Bikes and Pedestrian: | | | | | | | |
| SAN21 | 581420 | San Diego Bike Path Design | 35,957 | - | 197 | - | - | 36,154 | (j) |
| SD14 | 581270 | State Route 15 Bikeway Study | 56,029 | - | 307 | - | - | 56,336 | |
| SD108 | 285036/ 581400 | Bayshore Bikeway Feasibility Study (Non CIP) | 30,797 | - | 169 | - | - | 30,966 | (e) |
| SD114 | 581470 | Rose Creek / Pedestrian Bridge | 118,814 | - | 652 | - | - | 119,466 | (e) |
| | | Subtotal Bikes and Pedestrian | 241,597 | - | 1,325 | - | - | 242,922 | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|-------------------|---|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| | | Balance carried forward | \$ 241,597 | \$ - | \$ 1,325 | \$ - | \$ - | \$ 242,922 | |
| SD120 | 581910 | San Diego River Multi-Use | 4,317 | - | 24 | - | - | 4,341 | (e) |
| SD121 | 581880 | Balboa Avenue / Tierrasanta Blvd Bikeway | 139,714 | - | 767 | (33,103) | - | 107,378 | |
| SD122 | 524631/ 581710 | State Route 56 Bike Path | 184,952 | - | 1,016 | (13,196) | 26,573 | 199,345 | (d) |
| SD122 | 581760 | Darkwood Canyon Connector Study | 26,573 | - | 146 | - | (26,573) | 146 | (d) |
| | | Total SD122 Projects | 211,525 | - | 1,162 | (13,196) | - | 199,491 | |
| SD141 | 580890 | Poway Road Bike Path | 464,801 | - | 2,552 | (38,271) | - | 429,082 | |
| SD143 | 581990 | Rancho Bernardo Bikeway | 197,717 | - | 1,086 | (5,054) | - | 193,749 | |
| SD145 | 582020 | Safety in Traffic Education Program | 1,621 | - | 9 | (4,150) | 2,520 | - | (d) |
| SD145 | 127004 | Prop A Bicycle Safety Education | 36,402 | - | 200 | - | (2,520) | 34,082 | (d)(j) |
| | | Total SD145 Projects | 38,023 | - | 209 | (4,150) | - | 34,082 | |
| V02 | 581620 | Coastal Rail Trail | 123,467 | - | 678 | - | - | 124,145 | (e) |
| | | Interest Earnings Bicycle and Pedestrians | 15,386 | - | - | - | - | 15,386 | |
| | | Total Bikes and Pedestrian | 1,436,547 | - | 7,803 | (93,774) | - | 1,350,576 | |
| | | GASB 31 Market Value Adjustment | (7,520) | - | (3,506) | - | - | (11,026) | |
| | | Total Bikes and Pedestrian with GASB 31 Market Value Adjustment | 1,429,027 | - | 4,297 | (93,774) | - | 1,339,550 | |
| | | Total <i>TransNet</i> | 16,315,812 | - | 7,803 | (5,157,229) | 733,403 | 11,899,789 | |

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| Non-TransNet (Fund Deficits Covered by 'Other Revenues') | | | | | | | | | |
| Additional TransNet activity - Non Project Specific | | | | | | | | | |
| OTHER | Other | Other Revenues | \$ 121,647 | \$ - | \$ - | \$ - | \$ - | \$ 121,647 | |
| | | Total Non Project Specific Activity | <u>121,647</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>121,647</u> | |
| Other (Non-TransNet) Streets and Roads: | | | | | | | | | |
| SD107 | 524710 | North Torrey Pines Road at Genesee | 4,907 | - | - | (1,840) | - | 3,067 | |
| SD136 | 581560 | Ocean Beach / Hotel Circle | 2,656 | - | - | - | (2,656) | - | (g)(k) |
| | | Total Other (Non-TransNet) Streets and Roads | <u>7,563</u> | <u>-</u> | <u>-</u> | <u>(1,840)</u> | <u>(2,656)</u> | <u>3,067</u> | |
| | | Total Non-TransNet (Fund Deficits Covered By "Other Revenue") | <u>129,210</u> | <u>-</u> | <u>-</u> | <u>(1,840)</u> | <u>(2,656)</u> | <u>124,714</u> | |
| TransNet Extension: | | | | | | | | | |
| Major Corridor: | | | | | | | | | |
| SD108 | 581400 | Bayshore Bikeway | \$ 346,627 | \$ - | \$ 1,846 | \$ (28,451) | \$ - | \$ 320,022 | |
| | | Total Major Corridor | <u>346,627</u> | <u>-</u> | <u>1,846</u> | <u>(28,451)</u> | <u>-</u> | <u>320,022</u> | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | | | |
| SD16A | N/A | Regional Arterial Management Systems | - | 67,600 | - | (67,600) | - | - | |
| | | Total Congestion Relief Pass Through | <u>-</u> | <u>67,600</u> | <u>-</u> | <u>(67,600)</u> | <u>-</u> | <u>-</u> | |
| Congestion Relief: | | | | | | | | | |
| SD01 | 527130 | Alvarado Road Realignment | 61,618 | - | - | (179) | - | 61,439 | |
| SD06 | 525920 | Aldine Drive Slope Reconstruction | 860,937 | - | - | 597,677 | (3,279) | 1,455,335 | (c)(f) |
| | | Subtotal Congestion Relief | <u>922,555</u> | <u>-</u> | <u>-</u> | <u>597,498</u> | <u>(3,279)</u> | <u>1,516,774</u> | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|-------|
| | | Balance carried forward | \$ 922,555 | \$ - | \$ - | \$ 597,498 | \$ (3,279.00) | \$ 1,516,774 | |
| SD09 | 370640 | Americans with Disabilities Improvements (ARRA) | - | 95,734 | - | (138,063) | - | (42,329) | (I) |
| SD09 | A-IK.00001 | New Walkways (ARRA) | - | 404,938 | - | (489,664) | - | (84,726) | (I) |
| SD09 | 527150 | No. & So. Side Ridgehaven Ct Sidewalk | 47,562 | - | - | - | - | 47,562 | |
| SD09 | 527150 | New Walkways | (218,665) | 409,036 | - | (211,396) | - | (21,025) | (I) |
| | | Total SD09 Projects | (171,103) | 909,708 | - | (839,123) | - | (100,518) | |
| SD14 | 581270 | SR 15 Bikeway | 23,142 | - | - | (2,290) | - | 20,852 | |
| SD14 | 581271 | 40th St. Promenade - Mid City Urban Trail | - | - | - | - | - | - | |
| | | Total SD14 Projects | 23,142 | - | - | (2,290) | - | 20,852 | |
| SD15 | 522930 | Street Lights - Smart Growth Areas | 94,282 | - | - | (57,771) | - | 36,511 | |
| SD16A | 623310 | Traffic Signal Interconnect Projects | - | - | - | - | - | - | |
| SD16A | 630020 | Traffic Signals - Replace Obsolete Controllers | 64,756 | - | - | (6,777) | - | 57,979 | |
| SD16A | 680010 | Cooperative Signal Projects | 37,261 | - | - | (3,318) | - | 33,943 | |
| SD16A | 680100 | Traffic Signals - Citywide | - | 174,170 | - | (172,138) | - | 2,032 | |
| SD16A | 680110 | Traffic Signals - Modifications/Modernization | - | 1,020,453 | - | (1,214,404) | - | (193,951) | (I) |
| SD16A | 680110 | Traffic Signals - Modifications/Modernization (ARRA) | - | 25,544 | - | - | - | 25,544 | |
| | | Total SD16A Projects | 102,017 | 1,220,167 | - | (1,396,637) | - | (74,453) | |
| SD18 | 610010 | Traffic Control/Calming Measures - Smart Growth Areas | 26,398 | 200,000 | - | (219,900) | - | 6,498 | |
| SD19 | 525880 | Streamview Drive | 100,676 | - | - | (101,628) | - | (952) | (I) |
| SD23 | 130050 | Z St Natural Storm Drain | 124,371 | 722,071 | - | (7,827) | (762,008) | 76,607 | (I) |
| | | Subtotal Congestion Relief | 1,222,338 | 3,051,946 | - | (2,027,678) | (765,287) | 1,481,319 | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
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 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|--------|
| | | Balance carried forward | \$ 1,222,338 | \$ 3,051,946 | \$ - | \$ (2,027,678) | \$ (765,287) | \$ 1,481,319 | |
| SD29 | 524090 | 43rd Street Widening | (2,210,420) | 2,390,320 | - | (168,890) | - | 11,010 | |
| SD31 | 525170 | Carmel Valley Road | (111,657) | 111,657 | - | (18,163) | - | (18,163) | (h) |
| SD32 | 523920 | Carroll Cnyn Rd Sorrento Valley Rd to I-805 | (5,758,357) | 5,650,989 | - | 112,315 | - | 4,947 | |
| SD34 | 524790 | El Camino Real Road and Bridge Widening | 16,299 | 134,405 | - | (63,400) | - | 87,304 | |
| SD38 | 525550 | Georgia St Bridge & University Ave | (28,153) | 163,521 | - | (126,416) | - | 8,952 | |
| SD49 | 524060 | Thorn Street Median Improvements (ARRA) | 7,982 | 6,001 | - | (1,101) | - | 12,882 | |
| SD49 | 528080 | Median Installation | 14,644 | 86,375 | - | (111,828) | 533 | (10,276) | (d)(l) |
| SD49 | 528081 | Balboa Ave and Hathaway St Left Turn | 533 | - | - | - | (533) | - | (d)(g) |
| | | Total SD49 Projects | 23,159 | 92,376 | - | (112,929) | - | 2,606 | |
| SD51 | 530500 | North Torrey Pines Road Bridge over Los Penasquitos Creek | 280,815 | - | - | (142,178) | - | 138,637 | |
| SD70 | 526430 | West Mission Bay Drive Bridge over San Diego River | (72,015) | 269,735 | - | (180,158) | - | 17,562 | |
| SD83 | 524550 | State Route 163 and Friars Road, Phase I | 365,518 | 320,721 | - | (447,652) | - | 238,587 | |
| SD86 | 121520 | Famosa Slough Salt Marsh Restoration | (2,974) | 20,000 | - | (14,088) | - | 2,938 | |
| SD90 | 527450 | Clairemont Mesa/SR163 | (5,981,012) | 1,055,084 | - | (41,252) | - | (4,967,180) | (l) |
| | | Subtotal Congestion Relief | (12,256,459) | 13,260,754 | - | (3,230,489) | (765,287) | (2,991,481) | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
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 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|-----------------------------|----------------------|-----------------|-----------------------|---------------------|------------------------------|--------|
| | | Balance carried forward | <u>\$ (12,256,459)</u> | <u>\$ 13,260,754</u> | <u>\$ -</u> | <u>\$ (3,230,489)</u> | <u>\$ (765,287)</u> | <u>\$ (2,991,481)</u> | |
| SD92 | 390861 | Azalea Park Artistic Enhancement | (51,540) | 60,000 | - | (19,298) | 47,621 | 36,783 | (d) |
| SD92 | 390860 | Azalea Park Rdway Improvements and Neighborhood ID | <u>47,621</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(47,621)</u> | <u>-</u> | (e)(d) |
| | | Total SD92 Projects | <u>(3,919)</u> | <u>60,000</u> | <u>-</u> | <u>(19,298)</u> | <u>-</u> | <u>36,783</u> | |
| SD97 | S-11058 | Bicycle Loop Detectors | - | 790 | - | (790) | - | - | |
| SD97 | 680170 | School Traffic Safety Improvements | 187,996 | 9,210 | - | (57,365) | - | 139,841 | |
| SD97 | 622670 | Central Elementary School-Safe Route to School | 30,485 | - | - | - | - | 30,485 | (g)(h) |
| SD97 | L-10010 | Safe Route to School Sidewalks Nestor Berry | <u>-</u> | <u>15,000</u> | <u>-</u> | <u>(14,220)</u> | <u>-</u> | <u>780</u> | |
| | | Total SD97 Projects | <u>218,481</u> | <u>25,000</u> | <u>-</u> | <u>(72,375)</u> | <u>-</u> | <u>171,106</u> | |
| SD99 | 525190 | Bridge Rehabilitation | <u>63,323</u> | <u>-</u> | <u>-</u> | <u>(175)</u> | <u>-</u> | <u>63,148</u> | |
| SD102 | 526821 | Otay Mesa Truck Route Phase 3 | <u>(22,674)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(22,674)</u> | (b)(h) |
| SD102A | S11060 | Otay Mesa Truck Route Phase 4 | <u>713,758</u> | <u>-</u> | <u>-</u> | <u>(129,592)</u> | <u>-</u> | <u>584,166</u> | |
| SD113 | 527650 | Sorrento valley Rd & I-5 Interchange | <u>-</u> | <u>154,778</u> | <u>-</u> | <u>(142,163)</u> | <u>-</u> | <u>12,615</u> | |
| SD114 | 581470 | Rose Creek Bikeway (ARRA) | <u>5,322</u> | <u>53,640</u> | <u>-</u> | <u>(63,911)</u> | <u>-</u> | <u>(4,949)</u> | (l) |
| SD120 | 581910 | San Diego River Multi-Use Bicycle & Pedestrian Path | <u>89,746</u> | <u>-</u> | <u>-</u> | <u>(129,128)</u> | <u>-</u> | <u>(39,382)</u> | (l) |
| SD120A | 581910 | Hazard Center Road Bike Path Study at SR 163 | <u>-</u> | <u>25,363</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,363</u> | |
| | | Subtotal Congestion Relief | <u>(11,192,422)</u> | <u>13,579,535</u> | <u>-</u> | <u>(3,787,131)</u> | <u>(765,287)</u> | <u>(2,165,305)</u> | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
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 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------------|-----------------|-----------------------|---------------------|---------------------------------|--------|
| | | Balance carried forward | <u>\$ (11,192,422)</u> | <u>\$ 13,579,535</u> | <u>\$ -</u> | <u>\$ (3,787,131)</u> | <u>\$ (765,287)</u> | <u>\$ (2,165,305)</u> | |
| SD127 | 540120 | Shoal Creek Pedestrian Bridge | 539 | - | - | - | - | 539 | |
| SD127 | 540120 | Shoal Creek Pedestrian Bridge (ARRA) | <u>(12,280)</u> | <u>286,127</u> | <u>-</u> | <u>(403,077)</u> | <u>-</u> | <u>(129,230)</u> | (l) |
| | | Total SD127 Projects | <u>(11,741)</u> | <u>286,127</u> | <u>-</u> | <u>(403,077)</u> | <u>-</u> | <u>(128,691)</u> | |
| SD129 | 527660 | University Avenue Mobility Project | 99,525 | - | - | (45,000) | (8,803) | 45,722 | (c) |
| SD129 | 527660 | University Avenue Mobility Project (ARRA) | <u>19,454</u> | <u>-</u> | <u>-</u> | <u>(64,302)</u> | <u>-</u> | <u>(44,848)</u> | (l) |
| | | Total SD129 Projects | <u>118,979</u> | <u>-</u> | <u>-</u> | <u>(109,302)</u> | <u>(8,803)</u> | <u>874</u> | |
| SD130 | 527630 | Skyline Drive Imp from Sears Ave to 58th St. | (349,638) | 1,275,000 | - | (920,636) | - | 4,726 | |
| SD130 | 527630 | Skyline Drive Imp from Sears Ave to 58th St. (ARRA) | <u>(106,559)</u> | <u>325,000</u> | <u>-</u> | <u>(215,427)</u> | <u>-</u> | <u>3,014</u> | |
| | | Total SD130 Projects | <u>(456,197)</u> | <u>1,600,000</u> | <u>-</u> | <u>(1,136,063)</u> | <u>-</u> | <u>7,740</u> | |
| SD132 | 527170 | Bird Rock Coastal Traffic Flow Improvements | <u>16,088</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>16,088</u> | (g)(h) |
| SD133 | 526760 | Mira Sorrento Place (Biological Monitoring) | <u>43,488</u> | <u>-</u> | <u>-</u> | <u>(1,136)</u> | <u>-</u> | <u>42,352</u> | |
| SD136 | 581560 | Ocean Beach / Hotel Circle | <u>(22,214)</u> | <u>20,190</u> | <u>-</u> | <u>-</u> | <u>2,024</u> | <u>-</u> | (a)(g) |
| SD137 | 527640 | Palm Avenue Roadway Improvements | <u>(28,548)</u> | <u>156,214</u> | <u>-</u> | <u>(113,746)</u> | <u>-</u> | <u>13,920</u> | |
| SD139 | 530610 | Laurel Street (Cabrillo) Bridge over Highway 163 | <u>49,204</u> | <u>-</u> | <u>-</u> | <u>(35,610)</u> | <u>-</u> | <u>13,594</u> | |
| | | Subtotal Congestion Relief | <u>(11,483,363)</u> | <u>15,642,066</u> | <u>-</u> | <u>(5,586,065)</u> | <u>(772,066)</u> | <u>(2,199,428)</u> | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
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 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|--------|
| | | Balance carried forward | \$ (11,483,363) | \$ 15,642,066 | \$ - | \$ (5,586,065) | \$ (772,066) | \$ (2,199,428) | |
| SD150 | 392160 | Washington / Goldfinch Intersection Improv. | (120,791) | 20,000 | - | - | 100,791 | - | (m) |
| SD153 | 623320 | 25th Street Renaissance Project | 2,174 | 81,236 | - | (85,896) | - | (2,486) | (l) |
| SD156 | 527740 | 34th & 35th at Madison Improvements | 7,000 | 6,825 | - | (16,515) | - | (2,690) | (l) |
| SD157 | 527730 | Cherokee Street Improvements | (175,919) | 70,080 | - | 106,796 | - | 957 | |
| SD161 | 590230 | Five Year CIP Programming | 566,801 | - | - | - | - | 566,801 | (e) |
| SD162 | 298650 | Home Avenue Street Improvements | - | 60,291 | - | (54,810) | - | 5,481 | |
| SD166 | 582040 | Minor Bicycle Facilities | 12,831 | - | - | (2,764) | - | 10,067 | |
| SD168 | S-01057 | Ocean Beach CDC - North Ocean Beach | - | 32,433 | - | (32,433) | - | - | |
| SD172 | 590210 | Transportation Grant Match | 4,096 | - | - | (23,954) | 43,343 | 23,485 | (c) |
| SD173 | 527820 | 38th Street Improvements | 35,710 | - | - | - | - | 35,710 | |
| SD173 | 527820 | 38th Street Improvements (ARRA) | (258,365) | 325,703 | - | (87,264) | - | (19,926) | (l) |
| | | Total SD173 Projects | (222,655) | 325,703 | - | (87,264) | - | 15,784 | |
| SD175 | 135010 | Talbot Street Slope Reconstruction | 3,087 | 2,938 | - | (5,203) | - | 822 | |
| SD178 | 526960 | Pershing/Redwood Drive Improvements | 4,264 | - | - | - | (4,264) | - | (a)(b) |
| SD179 | 527540 | Linda Vista Road and Genesee Avenue | - | 26,693 | - | (28,328) | - | (1,635) | (l) |
| | | Subtotal Congestion Relief | (11,402,475) | 16,268,265 | - | (5,816,436) | (632,196) | (1,582,842) | |

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 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|-----------------------------|----------------------|-----------------|-----------------------|---------------------|------------------------------|--------|
| | | Balance carried forward | <u>\$ (11,402,475)</u> | <u>\$ 16,268,265</u> | <u>\$ -</u> | <u>\$ (5,816,436)</u> | <u>\$ (632,196)</u> | <u>\$ (1,582,842)</u> | |
| SD180 | 528100 | Hollister St Widening | <u>(2,240)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,240</u> | <u>-</u> | (a)(b) |
| SD186 | 002000 | Administrative Expenses - Comptrollers | <u>(128,096)</u> | <u>197,375</u> | <u>-</u> | <u>(62,533)</u> | <u>(3,995)</u> | <u>2,751</u> | (d) |
| SD186 | 002150 | Administrative Expenses - Engineering | <u>(134,289)</u> | <u>310,683</u> | <u>-</u> | <u>(180,389)</u> | <u>3,995</u> | <u>-</u> | (d) |
| | | Total SD186 Projects | <u>(262,385)</u> | <u>508,058</u> | <u>-</u> | <u>(242,922)</u> | <u>-</u> | <u>2,751</u> | |
| SD188 | 003710 | Congestion Relief /Traffic Signal Operations | <u>2,441</u> | <u>1,200,000</u> | <u>-</u> | <u>(1,200,000)</u> | <u>-</u> | <u>2,441</u> | |
| SD196 | S-00613 | Torrey Pines Improvements Phase I (ARRA) | <u>11,422</u> | <u>67,296</u> | <u>-</u> | <u>(77,755)</u> | <u>-</u> | <u>963</u> | |
| SD198 | 581272 | Cherokee Traffic Calming | <u>3,119</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,119</u> | |
| SD205 | S11054 | Park Blvd and Essex Street | <u>(31,020)</u> | <u>96,000</u> | <u>-</u> | <u>(47,608)</u> | <u>-</u> | <u>17,372</u> | |
| SD206 | S11055 | Fourth Ave and Quince Street | <u>(8,545)</u> | <u>43,000</u> | <u>-</u> | <u>(30,486)</u> | <u>-</u> | <u>3,969</u> | |
| SD207 | S-11056 | Fourth Ave/Fifth Avenue & Nutmeg St | <u>-</u> | <u>20,000</u> | <u>-</u> | <u>(17,846)</u> | <u>-</u> | <u>2,154</u> | |
| SD209 | 526740 | Torrey Pines Road Slope Reconstruction | <u>(34,428)</u> | <u>127,474</u> | <u>-</u> | <u>(104,533)</u> | <u>-</u> | <u>(11,487)</u> | (l) |
| SD210 | 392160 | Washington/Goldfinch Intersection Improvements | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(100,791)</u> | <u>(100,791)</u> | (l)(m) |
| SD210 | 392163 | Washington St @ India St Median Improvement | <u>(47,264)</u> | <u>60,582</u> | <u>-</u> | <u>(12,512)</u> | <u>-</u> | <u>806</u> | |
| | | Total SD210 Projects | <u>(47,264)</u> | <u>60,582</u> | <u>-</u> | <u>(12,512)</u> | <u>(100,791)</u> | <u>(99,985)</u> | |
| SD213 | 581950 | Ruffin Rd/ Murphy Cyn Rd Bikeway (ARRA) | <u>(9,054)</u> | <u>15,000</u> | <u>-</u> | <u>(1,196)</u> | <u>-</u> | <u>4,750</u> | |
| SD215 | S-12030 | FY12 Asphalt Group 1 | <u>(92,809)</u> | <u>2,592,054</u> | <u>-</u> | <u>(2,336,076)</u> | <u>-</u> | <u>163,169</u> | |
| SD216 | S-12031 | FY12 Asphalt Group 2 | <u>(46,509)</u> | <u>2,380,902</u> | <u>-</u> | <u>(2,146,641)</u> | <u>-</u> | <u>187,752</u> | |
| SD216 | S-12031 | FY12 Asphalt Group 2 (ARRA) | <u>(151,727)</u> | <u>335,617</u> | <u>-</u> | <u>(167,172)</u> | <u>-</u> | <u>16,718</u> | |
| | | Total SD216 Projects | <u>(198,236)</u> | <u>2,716,519</u> | <u>-</u> | <u>(2,313,813)</u> | <u>-</u> | <u>204,470</u> | |
| | | Total Congestion Relief | <u>(12,071,474)</u> | <u>23,714,248</u> | <u>-</u> | <u>(12,201,183)</u> | <u>(730,747)</u> | <u>(1,289,156)</u> | |

SCHEDULE A

CITY OF SAN DIEGO, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|----------------|--------------------------------------|-----------------------------|----------------------|------------------|------------------------|------------------|------------------------------|-------|
| Maintenance: | | | | | | | | | |
| SD176 | 002500 | Maintenance | (2,891,520) | 9,014,677 | - | (8,059,163) | - | (1,936,006) | (l) |
| SD176 | 002500 | Maintenance (ARRA) | (3,689,588) | 3,689,588 | - | - | - | - | |
| Total Maintenance | | | (6,581,108) | 12,704,265 | - | (8,059,163) | - | (1,936,006) | |
| Interest Earnings 70% Congestion Relief | | | (83,816) | - | 15,466 | - | - | (68,350) | |
| Interest Earnings 30% Maintenance | | | (26,469) | - | 6,628 | - | - | (19,841) | |
| Total Local Street Improvements | | | (18,762,867) | 36,486,113 | 22,094 | (20,327,946) | (730,747) | (3,313,353) | |
| Smart Growth: | | | | | | | | | |
| SD201 | 1000275-2010 | Smart Growth - BRT | (52,578) | - | - | (22,486) | - | (75,064) | (n) |
| SD202 | 1000274-2010 | Smart Growth - Chollas | (28,475) | - | - | (41,820) | - | (70,295) | (n) |
| SD203 | 1000293-2010 | SGIP Euclid & Market | (44,654) | 33,454 | - | (119,074) | - | (130,274) | (n) |
| SD204 | 1000294-2010 | SGIP Comm & Imperial | (47,035) | 23,782 | - | (47,699) | - | (70,952) | (n) |
| SD205 | 1000310-2010 | Park Blvd and Essex Street | (44,997) | - | - | (179,003) | - | (224,000) | (n) |
| SD206 | 1000310-2010 | Fourth Ave and Quince Street | (42,350) | - | - | (89,900) | - | (132,250) | (n) |
| SD207 | 1000310-2010 | Fourth Ave/Fifth Ave & Nutmeg Street | (39,736) | - | - | (78,607) | - | (118,343) | (n) |
| Total Smart Growth | | | (299,825) | 57,236 | - | (578,589) | - | (821,178) | |
| Total <i>TransNet</i> Extension | | | (18,716,065) | 36,543,349 | 23,940 | (20,934,986) | (730,747) | (3,814,509) | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension | | | (2,400,253) | 36,543,349 | 31,743 | (26,092,215) | 2,656 | 8,085,280 | |
| GASB 31 Market Value Adjustment | | | (37,139) | - | (8,926) | - | - | (46,065) | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension with GASB 31 Market Value Adjustment | | | <u>\$ (2,437,392)</u> | <u>\$ 36,543,349</u> | <u>\$ 22,817</u> | <u>\$ (26,092,215)</u> | <u>\$ 2,656</u> | <u>\$ 8,039,215</u> | |

CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

Notes:

- (a) The City obtained council approval R-308008 authorizing transfer between projects:
 \$465,429 from SD15 to four projects - \$339,895 to SD102, \$108,324 to SD06, \$16,267 to SD132, and \$943 to SD120; \$93,867 from SD05 to SD120;
 \$2,505 from SD169 to two projects - \$1,766 to SD120, \$739 to SD129 ; \$32,602 from SD104 to two projects - \$16,740 to SD129, to \$15,862 SD132;
 \$4,621 from SD160 to two projects - \$405 to SD132, \$4,216 to SD215; \$8,410 from SD24 to SD215; \$106,665 from SD 111 to SD215;
 \$200,691 from SD 134 to SD215; \$213,330 from SD155 to SD215; \$159,998 from SD165 to SD215; \$84,899 from SD167 to SD215;
 \$199,181 from SD168 to SD215; \$8,471 from SD174 to SD215; \$2,888,220 from SD49 to two project - \$2,850,458 to SD215, and \$37,762 to SD216;
 \$46,051 from SD178 to SD215; \$4,264 from SD178 to two projects - \$2,240 to SD180, and \$2,024 to SD136.
- (b) City project completed in Fiscal Year 2012.
- (c) Transfer funds between *TransNet* and *TransNet* Ext LSI within same project.
- (d) Transfer expenditures between projects within the same MPOID.
- (e) Estimated completion dates for projects:
 SD09(590020) 6/30/2014; SD49 6/30/2014; SD92(392163) 6/30/2014; SD97(680170) funds expended as needed in Annual project;
 SD114(581470) 6/30/2015; SD135 6/30/2015; SD137 6/30/2015; SD156 6/30/2016; SD157 6/30/2016; SD161 6/30/2014; SD162 6/30/2015;
 SD171 6/30/2015; SD172 funds expended as needed in Annual projects; SD108 6/30/2018; SD120 6/30/2016; V02 6/30/2017;
 SD92(390860) 6/30/2014; SD161 6/30/2014.
- (f) Prior Year *TransNet* expenditures transferred to other project funding source in FY 2013.
- (g) City project completed in Fiscal Year 2013. Remaining Funds to be transferred to other RTIP projects in Fiscal Year 2014.
- (h) The City will obtain council approval for RTIP amendment and/or council report to transfer *TransNet* funds by 2014.
- (i) The City drew down *TransNet* Ext. LSI funds in SD23 during Fiscal Year 2013 to transfer between *TransNet* and *TransNet* Ext LSI.
- (j) Return Bike Lane funds to SANDAG.
- (k) Transfer funds between *TransNet* and Other (Non-*TransNet*) within the same project MPOID.
- (l) Draw-down of funds in FY 2014 will be requested in compliance with the 30% Rule.
- (m) Move City Project Washington Goldfinch from SD150 in FY12 to SD210 Washington Five Points in FY13 to receive funds per R-308507.
- (n) Smart Growth projects to be reimbursed per grant agreements.
- (o) SD38 CIP S00863 is actively expending other non-Transnet funding sources, including Federal Grant during Fiscal Year 2013.
- (p) CAL28 SR56 project is estimated to close 6/30/2014.

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Major Corridor: | | | | | | | |
| SD108 | 581400 | Bayshore Bikeway | 3,774,000 | 252,758 | (3,706,736) | - | 320,022 |
| | | Total Major Corridor | 3,774,000 | 252,758 | (3,706,736) | - | 320,022 |
| Local Street Improvements: | | | | | | | |
| Congestion Relief Pass Through: | | | | | | | |
| | | Regional Arterial Management Systems | 67,000 | - | (67,000) | - | - |
| | | Total Congestion Relief Pass Through | 67,000 | - | (67,000) | - | - |
| Congestion Relief: | | | | | | | |
| SD01 | 527130 | Alvarado Road Realignment | 100,000 | (425) | (38,136) | - | 61,439 |
| SD06 | 525920 | Aldine Drive Slope Reconstruction | 2,123,201 | (27,850) | (636,737) | (3,279) | 1,455,335 |
| SD09 | 370640 | Americans with Disabilities Improvements (ARRA) | 405,118 | (5,108) | (518,073) | 75,734 | (42,329) |
| SD09 | A-IK.00001 | New Walkways (ARRA) | 1,501,002 | (8,383) | (1,634,129) | 56,784 | (84,726) |
| SD09 | 527150 | No. & So. Side Ridgehaven Ct Sidewalk | 232,767 | (2,757) | (298,609) | 116,161 | 47,562 |
| SD09 | 527150 | New Walkways | 491,113 | - | (584,172) | 72,034 | (21,025) |
| | | Total SD09 Projects | 2,630,000 | (16,248) | (3,034,983) | 320,713 | (100,518) |
| SD14 | 581270 | SR 15 Bikeway | 108,663 | (178) | (87,633) | - | 20,852 |
| SD14 | 581271 | 40th St. Promenade - Mid City Urban Trail | 51,337 | - | (51,337) | - | - |
| | | Total SD 14 Projects | 160,000 | (178) | (138,970) | - | 20,852 |
| SD15 | 522930 | Street Lights - Smart Growth Areas | 311,000 | (4,702) | (269,787) | - | 36,511 |
| | | Subtotal Congestion Relief | 5,324,201 | (49,403) | (4,118,613) | 317,434 | 1,473,619 |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 5,324,201 | \$ (49,403) | \$ (4,118,613) | \$ 317,434 | \$ 1,473,619 |
| SD16A | 630020 | Traffic Signals - Replace Obsolete Controllers | 75,000 | (1,193) | (15,828) | - | 57,979 |
| SD16A | 680010 | Cooperative Signal Projects | 200,000 | (3,179) | (12,138) | (150,740) | 33,943 |
| SD16A | 680100 | Traffic Signals - Citywide | 589,170 | (4,826) | (847,365) | 265,053 | 2,032 |
| SD16A | 680110 | Traffic Signals - Modifications/Modernization | 1,720,453 | (3,471) | (1,861,373) | (49,560) | (193,951) |
| SD16A | 680110 | Traffic Signals - Modifications/Modernization (ARRA) | 51,639 | - | (26,095) | - | 25,544 |
| | | Total SD16A Projects | 2,636,262 | (12,669) | (2,762,799) | 64,753 | (74,453) |
| SD18 | 610010 | Traffic Control/Calming Measures - Smart Growth Areas | 508,291 | (2,224) | (499,569) | - | 6,498 |
| SD19 | 525880 | Streamview Drive | 180,000 | (2,862) | (178,090) | - | (952) |
| SD23 | 130050 | Z St Natural Storm Drain | 2,550,564 | (1,690) | (173,776) | (2,298,491) | 76,607 |
| SD29 | 524090 | 43rd Street Widening | 2,390,320 | - | (2,379,310) | - | 11,010 |
| SD31 | 525170 | Carmel Valley Road | 281,657 | 3,761 | (171,473) | (132,108) | (18,163) |
| SD32 | 523920 | Carroll Cnyn Rd Sorrento Valley Rd to I-805 | 10,029,761 | 20,855 | (10,195,577) | 149,908 | 4,947 |
| SD34 | 524790 | El Camino Real Road and Bridge Widening | 625,000 | 2,965 | (540,851) | 190 | 87,304 |
| SD38 | 525550 | Georgia St Bridge & University Ave | 163,521 | 916 | (278,774) | 123,289 | 8,952 |
| | | Subtotal Congestion Relief | 24,689,577 | (40,351) | (21,298,832) | (1,775,025) | 1,575,369 |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 24,689,577 | \$ (40,351) | \$ (21,298,832) | \$ (1,775,025) | \$ 1,575,369 |
| SD49 | 528080 | Thorn Street Median Improvements (ARRA) | 210,000 | - | (197,118) | - | 12,882 |
| SD49 | 528080 | Median Installation | 386,375 | (4,375) | (392,809) | 533 | (10,276) |
| SD49 | 258081 | Balboa Ave and Hathaway St Left Turn | - | - | 533 | (533) | - |
| | | Total SD49 Projects | 596,375 | (4,375) | (589,394) | - | 2,606 |
| SD51 | 530500 | North Torrey Pines Road Bridge over Los Penasquitos Creek | 427,318 | 1,817 | (234,013) | (56,485) | 138,637 |
| SD70 | 526430 | West Mission Bay Drive Bridge over San Diego River | 369,735 | (1,394) | (350,779) | - | 17,562 |
| SD83 | 524550 | State Route 163 and Friars Road, Phase I | 2,320,721 | (27,402) | (1,994,889) | (59,843) | 238,587 |
| SD86 | 121520 | Famosa Slough Salt Marsh Restoration | 69,000 | 483 | (82,753) | 16,208 | 2,938 |
| SD90 | 527450 | Clairemont Mesa/SR163 | 2,550,907 | (10,234) | (7,005,617) | (502,236) | (4,967,180) |
| SD92 | 390861 | Azalea Park Artistic Enhancement | 60,000 | - | (70,838) | 47,621 | 36,783 |
| SD92 | 390860 | Azalea Park Rdway Improvements and Neighborhood ID | 150,000 | 317 | (15,766) | (134,551) | - |
| | | Total SD92 Projects | 210,000 | 317 | (86,604) | (86,930) | 36,783 |
| SD97 | S-11058 | Bicycle Loop Detectors | 790 | - | (9,735) | 8,945 | - |
| SD97 | 680170 | School Traffic Safety Improvements | 339,110 | (4,126) | (155,713) | (39,430) | 139,841 |
| SD97 | 680170 | Central Elementary School-Safe Route to School | 30,485 | - | (30,485) | 30,485 | 30,485 |
| SD97 | L-10010 | Safe Route to School Sidewalks Nestor Berry | 15,000 | - | (14,220) | - | 780 |
| | | Total SD97 Projects | 385,385 | (4,126) | (210,153) | - | 171,106 |
| | | Subtotal Congestion Relief | 31,619,018 | (85,265) | (31,853,034) | (2,464,311) | (2,783,592) |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 31,619,018 | \$ (85,265) | \$ (31,853,034) | \$ (2,464,311) | \$ (2,783,592) |
| SD99 | 525190 | Bridge Rehabilitation | 100,000 | (492) | (35,581) | (779) | 63,148 |
| SD102 | 526821 | Otay Mesa Truck Route Phase 3 | 283,093 | - | (305,767) | - | (22,674) |
| SD102A | S11060 | Otay Mesa Truck Route Phase 4 | 733,093 | - | (148,927) | - | 584,166 |
| SD113 | 527650 | Sorrento valley Rd & I-5 Interchange | 154,778 | - | (142,163) | - | 12,615 |
| SD114 | 581470 | Rose Creek Bikeway (ARRA) | 3,817,968 | (2,321) | (3,890,636) | 70,040 | (4,949) |
| SD120 | 581910 | San Diego River Multi-Use Bicycle & Pedestrian Path | 564,414 | 3,187 | (606,394) | (589) | (39,382) |
| SD120A | 581910 | Hazard Center Road Bike Path Study at SR 163 | 25,363 | - | - | - | 25,363 |
| SD127 | 540120 | Shoal Creek Pedestrian Bridge | 30,000 | 539 | (30,000) | - | 539 |
| SD127 | 540120 | Shoal Creek Pedestrian Bridge (ARRA) | 531,050 | (2,543) | (657,737) | - | (129,230) |
| | | Total SD127 Projects | 561,050 | (2,004) | (687,737) | - | (128,691) |
| SD129 | 527660 | University Avenue Mobility Project | 593,619 | (1,380) | (384,431) | (162,086) | 45,722 |
| SD129 | 527660 | University Avenue Mobility Project (ARRA) | 41,706 | - | (86,554) | - | (44,848) |
| | | Total SD129 Projects | 635,325 | (1,380) | (470,985) | (162,086) | 874 |
| SD130 | 527630 | Skyline Drive Imp from Sears Ave to 58th St. | 1,675,000 | 2,675 | (1,672,949) | - | 4,726 |
| SD130 | 527630 | Skyline Drive Imp from Sears Ave to 58th St. (ARRA) | 325,000 | - | (321,986) | - | 3,014 |
| | | Total SD130 Projects | 2,000,000 | 2,675 | (1,994,935) | - | 7,740 |
| SD132 | 527170 | Bird Rock Coastal Traffic Flow Improvements | - | 15,522 | (769,434) | 770,000 | 16,088 |
| SD133 | 526760 | Mira Sorrento Place (Biological Monitoring) | 60,000 | (926) | (16,722) | - | 42,352 |
| SD136 | 581560 | Ocean Beach / Hotel Circle | 429,074 | - | (456,400) | 27,326 | - |
| SD137 | 527640 | Palm Avenue Roadway Improvements | 672,989 | (1,627) | (657,442) | - | 13,920 |
| | | Subtotal Congestion Relief | 41,656,165 | (72,631) | (42,036,157) | (1,760,399) | (2,213,022) |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|----------------|--|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 41,656,165 | \$ (72,631) | \$ (42,036,157) | \$ (1,760,399) | \$ (2,213,022) |
| SD139 | 530610 | Laurel Street (Cabrillo) Bridge over Highway 163 | 50,000 | (796) | (35,610) | - | 13,594 |
| SD150 | 392160 | Washington / Goldfinch Intersection Improv. | 20,000 | 2,047 | (50,000) | 27,953 | - |
| SD153 | 623320 | 25th Street Renaissance Project | 364,915 | (1,201) | (366,200) | - | (2,486) |
| SD156 | 527740 | 34th & 35th at Madison Improvements | 172,344 | (1,241) | (173,793) | - | (2,690) |
| SD157 | 527730 | Cherokee Street Improvements | 304,801 | (321) | (303,523) | - | 957 |
| SD161 | 590230 | Five Year CIP Programming | 575,956 | (9,155) | - | - | 566,801 |
| SD162 | 298650 | Home Avenue Street Improvements | 60,291 | - | (54,810) | - | 5,481 |
| SD166 | 582040 | Minor Bicycle Facilities | 15,000 | (171) | (4,762) | - | 10,067 |
| SD168 | 296920 | Public Roads Supporting Park Access | 32,433 | - | (99,456) | 67,023 | - |
| SD172 | 290210 | Transportation Grant Match | 56,657 | - | (76,515) | 43,343 | 23,485 |
| SD173 | | 38th Street Improvements | - | - | - | 35,710 | 35,710 |
| SD173 | 527820 | 38th Street Improvements (ARRA) | 325,703 | (1,183) | (344,446) | - | (19,926) |
| | | Total SD173 Projects | 325,703 | (1,183) | (344,446) | 35,710 | 15,784 |
| SD175 | 135010 | Talbot Street Slope Reconstruction | 66,819 | 579 | (66,576) | - | 822 |
| SD178 | 526960 | Pershing/Redwood Drive Improvements | 160,915 | 2,438 | (159,089) | (4,264) | - |
| SD179 | 527540 | Linda Vista Road and Genesee Avenue | 117,589 | (483) | (118,741) | - | (1,635) |
| SD180 | 528100 | Hollister St Widening | 200,000 | (3,109) | (2,068) | (194,823) | - |
| | | Subtotal Congestion Relief | 44,179,588 | (85,227) | (43,891,746) | (1,785,457) | (1,582,842) |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--------|----------------|--|----------------|-----------------|----------------------|------------------|------------------------------|
| | | Balance carried forward | \$ 44,179,588 | \$ (85,227) | \$ (43,891,746) | \$ (1,785,457) | \$ (1,582,842) |
| SD186 | 002000 | Administrative Expenses - Comptrollers | 385,375 | 2,320 | (380,949) | (3,995) | 2,751 |
| SD186 | 002150 | Administrative Expenses - Engineering | 848,299 | 431 | (852,725) | 3,995 | - |
| | | Total SD186 Projects | 1,233,674 | 2,751 | (1,233,674) | - | 2,751 |
| SD188 | 003710 | Congestion Relief /Traffic Signal Operations | 6,766,496 | 39,944 | (6,803,999) | - | 2,441 |
| SD196 | S-00613 | Torrey Pines Improvements Phase I (ARRA) | 334,694 | (1,997) | (331,734) | - | 963 |
| SD198 | 581272 | Cherokee Traffic Calming | 260,000 | - | (256,881) | - | 3,119 |
| SD205 | S11054 | Park Blvd and Essex Street | 96,000 | - | (78,628) | - | 17,372 |
| SD206 | S11055 | Fourth Ave and Quice Street | 43,000 | - | (39,031) | - | 3,969 |
| SD207 | S-11056 | Fourth Ave/Fifth Avenu & Nutmeg St | 20,000 | - | (17,846) | - | 2,154 |
| SD209 | 526740 | Torrey Pines Road Slope Reconstruction | 127,474 | - | (138,961) | - | (11,487) |
| SD210 | 392160 | Washington/Goldfinch Intersection Improvements | - | - | - | (100,791) | (100,791) |
| SD210 | 392163 | Washington St @ India St Median Improvement | 60,582 | - | (59,776) | - | 806 |
| | | Total SD210 Projects | 60,582 | - | (59,776) | (100,791) | (99,985) |
| SD213 | 581950 | Ruffin Rd/ Murphy Cyn Rd Bikeway (ARRA) | 15,000 | - | (10,250) | - | 4,750 |
| SD215 | S-12030 | FY12 Asphalt Group 1 | 2,592,054 | - | (2,428,885) | - | 163,169 |
| SD216 | S-12031 | FY12 Asphalt Group 2 | 2,380,902 | - | (2,193,150) | - | 187,752 |
| SD216 | S-12031 | FY12 Asphalt Group 2 (ARRA) | 335,617 | - | (318,899) | - | 16,718 |
| | | Total SD216 Projects | 2,716,519 | - | (2,512,049) | - | 204,470 |
| | | Total Congestion Relief | 58,445,081 | (44,529) | (57,803,460) | (1,886,248) | (1,289,156) |

SCHEDULE B

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|--------------------------------------|----------------|-----------------|----------------------|------------------|------------------------------|
| Maintenance: | | | | | | | |
| SD176 | 002500 | Maintenance | 35,546,260 | (61,556) | (37,420,710) | - | (1,936,006) |
| SD176 | 002500 | Maintenance (ARRA) | 6,050,400 | - | (6,050,400) | - | - |
| Total Maintenance | | | 41,596,660 | (61,556) | (43,471,110) | - | (1,936,006) |
| Interest Earnings 70% Congestion Relief | | | - | (68,350) | - | - | (68,350) |
| Interest Earnings 30% Maintenance | | | - | (19,841) | - | - | (19,841) |
| Total Local Street Improvements | | | 100,041,741 | (106,085) | (101,274,570) | (1,886,248) | (3,225,162) |
| Smart Growth Improvement | | | | | | | |
| SD201 | | Smart Growth - BRT | 148,093 | - | (223,157) | - | (75,064) |
| SD202 | | Smart Growth - Chollas | 65,277 | - | (135,572) | - | (70,295) |
| SD203 | | SGIP Euclid & Market | 267,006 | - | (397,280) | - | (130,274) |
| SD204 | | SGIP Comm & Imperial | 311,381 | - | (382,333) | - | (70,952) |
| SD205 | | Park Blvd and Essex Street | - | - | (224,000) | - | (224,000) |
| SD206 | | Fourth Ave and Quince Street | - | - | (132,250) | - | (132,250) |
| SD207 | | Fourth Ave/Fifth Ave & Nutmeg Street | - | - | (118,343) | - | (118,343) |
| Total Smart Growth Improvement | | | 791,757 | - | (1,612,935) | - | (821,178) |
| Completed Projects: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | 1,894,508 | 11,801 | (633,814) | (1,272,495) | - |
| Total Cumulative <i>TransNet</i> Extension | | | \$ 106,502,006 | \$ 70,283 | \$ (107,228,055) | \$ (3,158,743) | \$ (3,814,509) |

SCHEDULE C

CITY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|---------------------|---------------|-------------------|----------------------|------------------|---------------------|---------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 562,279 | \$ - | \$ 28,720 | \$ (216,364) | \$ - | \$ 374,635 | \$ 475,967 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 862,805 | - | 31,203 | - | - | 894,008 | 891,213 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 1,189,183 | - | 24,315 | - | - | 1,213,498 | 1,209,645 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 2,403,483 | - | 23,404 | - | - | 2,426,887 | 2,419,100 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>2,952,916</u> | <u>-</u> | <u>9,568</u> | <u>-</u> | <u>-</u> | <u>2,962,484</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 7,970,666</u> | <u>\$ -</u> | <u>\$ 117,210</u> | <u>\$ (216,364)</u> | <u>\$ -</u> | <u>\$ 7,871,512</u> | <u>\$ 4,995,925</u> |

CITY OF SAN MARCOS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Marcos, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on 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 for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$8,413,495. We selected \$2,519,287 (29.94%) 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 were charged and determined whether the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects included in the RTIP for the year ended June 30, 2013.

f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance over the apportionment is as follows.

| | | |
|---|---------------|--------------------|
| Fiscal year 2013 apportionment | | \$1,791,114 |
| Less: debt service payment | | <u>(1,097,055)</u> |
| Net estimated apportionment | | 694,059 |
| 30% base | | <u>30%</u> |
| Fiscal year 2013 30% threshold | | <u>208,218</u> |
| Less: | | |
| Local Streets and Roads fund balance | 622,777 | |
| Local Street Improvement – Congestion Relief fund balance | (1,543,627) | |
| – Maintenance fund balance | <u>92,103</u> | |
| Total Local Streets and Roads and Local Street Improvement fund balance | | <u>(828,747)</u> |
| Fund balance over apportionment | | <u>\$1,036,965</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

| | Balance <u>July 1, 2012</u> | <u>Additions</u> | Principal <u>Payments</u> | Balance <u>June 30, 2013</u> | Interest <u>Payments</u> |
|---------------|--------------------------------|------------------|------------------------------|---------------------------------|-----------------------------|
| 2010 Series A | \$30,000,000 | \$ - | \$ - | \$30,000,000 | \$1,097,055 |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | |
|---|---------------------|
| Current year local discretionary expenditures | \$5,500,780 |
| Less MOE base year requirement | <u>(4,323,369)</u> |
| Excess MOE for the year ended June 30, 2013 | <u>\$ 1,177,411</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. We reviewed and documented the status of any prior year findings and recommendations.

Results: The city had one prior year finding in that its *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2013, this finding has been resolved.

18. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City’s response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We were not engaged to, and did not perform an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Mayer H. H. M. Co. P.C.

Irvine, California
March 28, 2014

CITY OF SAN MARCOS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---|----------------|--|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|-------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| SM28 | 88198 | Twin Oaks Valley Road Street Widening and Improvements | \$ 622,777 | \$ - | \$ - | \$ - | \$ - | \$ 622,777 | (a) |
| SM30 | 88205 | San Marcos Blvd. Street Improvement Project | (38,926) | - | - | - | 38,926 | - | (b) |
| Total Local Streets and Roads | | | 583,851 | - | - | - | 38,926 | 622,777 | |
| Total <i>TransNet</i> | | | 583,851 | - | - | - | 38,926 | 622,777 | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| SM23 | 88163 | Barham Drive Widening | \$ 16,318 | \$ - | \$ - | \$ - | \$ - | \$ 16,318 | (c) |
| SM25 | 88165 | Borden Road Street Improvement and Bridge Construction | (15,108) | 3,558,226 | - | (5,229,870) | (107,233) | (1,793,985) | (d) |
| SM28 | 88198 | Twin Oaks Valley Rd. Street Widening and Improvements | 21,192 | - | - | - | - | 21,192 | (c) |
| SM30 | 88205 | San Marcos Blvd. Street Improvement Project | - | 38,926 | - | - | (38,926) | - | (b) |
| SM31 | 88265 | Discovery Street Improvements | (439,462) | 811,401 | - | (328,997) | (95,458) | (52,516) | (d) |
| SM36 | 88213 | Rock Springs-Richland/Woodland | 311,292 | - | - | - | - | 311,292 | (c) |
| SM47 | 88150 | Nordahl Bridge at SR 78 | 89,899 | 2,026 | - | (18,014) | (74,693) | (782) | (d) |
| SM48 | 88505 | SM Creek Specific Plan | (441,674) | 654,849 | - | (232,989) | (25,332) | (45,146) | (d) |
| | | 2010 Series A Bonds Debt Service | - | 1,097,055 | - | (1,097,055) | - | - | |
| Total Congestion Relief | | | (457,543) | 6,162,483 | - | (6,906,925) | (341,642) | (1,543,627) | |
| Maintenance: | | | | | | | | | |
| SM38 | | Local Streets and Roads Maintenance | 1,598,673 | - | - | (1,506,570) | - | 92,103 | |
| Total Maintenance | | | 1,598,673 | - | - | (1,506,570) | - | 92,103 | |
| Bikes and Pedestrian: | | | | | | | | | |
| V01 | 88162 | Bike Path/Rail Trail Phase II | 60,688 | - | - | - | (60,688) | - | (e) |
| Total Bikes and Pedestrian | | | 60,688 | - | - | - | (60,688) | - | |
| Interest Income | | | 8,901 | - | 8,464 | - | - | 17,365 | |
| Total <i>TransNet</i> Extension | | | 1,210,719 | 6,162,483 | 8,464 | (8,413,495) | (402,330) | (1,434,159) | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension | | | \$ 1,794,570 | \$ 6,162,483 | \$ 8,464 | \$ (8,413,495) | \$ (363,404) | \$ (811,382) | |

CITY OF SAN MARCOS, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013
 (Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Project Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>City Adjustments</u> | <u>Project Status June 30, 2013</u> | <u>Notes</u> |
|---------------|-----------------------|---------------------|------------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|
|---------------|-----------------------|---------------------|------------------------------------|-----------------------|------------------------|-----------------------------|-------------------------|-------------------------------------|--------------|

Notes

- (a) Project remains on hold due to other funding constraints. Possibly will request to reprogram to other eligible project in FY 14.
- (b) Transfer occurred within the same MPOID.
- (c) Project is complete, City will look to reprogram to other eligible project in FY 14.
- (d) Funding has been requested in FY 14 to remove deficit.
- (e) Project is complete. City returned funds to SANDAG in FY13.

SCHEDULE B

CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|----------------|--|----------------------|------------------|------------------------|---------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| SM23 | 88163 | Barham Drive Widening | \$ 1,000,000 | 148 | \$ (983,830) | - | 16,318 |
| SM25 | 88165 | Borden Road Street Improvement and Bridge Construction | 6,504,051 | - | (8,190,804) | (107,232) | (1,793,985) |
| SM28 | 88198 | Twin Oaks Valley Rd. Street Widening and Improvements | 21,000 | 192 | - | - | 21,192 |
| SM30 | 88205 | San Marcos Blvd. Street Improvement Project | 38,926 | - | - | (38,926) | - |
| SM31 | 88265 | Discovery Street Improvements | 1,600,273 | - | (1,557,331) | (95,458) | (52,516) |
| SM36 | 88213 | Rock Springs-Richland/Woodland | 1,389,000 | - | (1,077,708) | - | 311,292 |
| SM47 | 88150 | Nordahl Bridge at SR 78 | 546,169 | - | (472,258) | (74,693) | (782) |
| SM48 | 88505 | SM Creek Specific Plan | 1,030,256 | - | (1,050,070) | (25,332) | (45,146) |
| | | 2010 Series A Bonds Debt Service | 3,167,786 | - | (3,167,786) | - | - |
| | | Total Congestion Relief | 15,297,461 | 340 | (16,499,787) | (341,641) | (1,543,627) |
| Maintenance: | | | | | | | |
| SM38 | | Local Streets and Roads Maintenance | 1,598,673 | - | (1,506,570) | - | 92,103 |
| | | Total Maintenance | 1,598,673 | - | (1,506,570) | - | 92,103 |
| Bikes and Pedestrian: | | | | | | | |
| V01 | 88162 | Bike Path/Rail Trail Phase II | 132,414 | 1,668 | (73,394) | (60,688) | - |
| | | Total Bikes and Pedestrian | 132,414 | 1,668 | (73,394) | (60,688) | - |
| Completed projects: | | | | | | | |
| SM37 | 88244 | Barham Dr.-Twin Oaks Valley Rd to La Moree | 700,000 | - | (700,000) | - | - |
| | | Total Completed Projects | 700,000 | - | (700,000) | - | - |
| | | Interest Income | - | 17,365 | - | - | 17,365 |
| | | Total TransNet Extension | \$ 17,728,548 | \$ 19,373 | \$ (18,779,751) | \$ (402,329) | \$ (1,434,159) |

CITY OF SAN MARCOS, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|---------------------|---------------|-----------------|----------------------|----------------------|---------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments (a) | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 14,000 | \$ - | \$ 673 | \$ - | \$ 148 | \$ 14,821 | \$ 14,619 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 2,040 | - | 67 | - | 33 | 2,140 | 2,073 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 93,760 | - | 2,136 | - | 551 | 96,447 | 95,294 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 82,797 | - | 1,131 | - | 463 | 84,391 | 83,420 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>1,155,830</u> | <u>-</u> | <u>616</u> | <u>-</u> | <u>-</u> | <u>1,156,446</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 1,348,427</u> | <u>\$ -</u> | <u>\$ 4,623</u> | <u>\$ -</u> | <u>\$ 1,195</u> | <u>\$ 1,354,245</u> | <u>\$ 195,406</u> |

Notes

(a) Adjustments are related to restating prior year interest revenues applied to RTCIP amounts.

CITY OF SANTEE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Santee, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$3,192,564. We selected \$916,768 (28.72%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 29.5% of direct salary and benefits costs associated with each project. No exceptions were noted as a result of our procedures.

f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that

includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

| | |
|---|-------------------|
| Fiscal year 2013 apportionment | \$1,296,869 |
| Less: debt service payment | <u>(592,618)</u> |
| Net estimated apportionment | 704,251 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | 211,275 |
| Less: | |
| Local Streets and Roads fund balance | - |
| Local Street Improvement | |
| – Congestion Relief fund balance | 17,522 |
| – Maintenance fund deficit | <u>(1,903)</u> |
| Total local streets and roads and local street improvement fund | <u>15,619</u> |
| Fund balance under apportionment | <u>\$ 195,656</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

| | Balance <u>July 1, 2012</u> | <u>Additions</u> | Principal <u>Payments</u> | Balance <u>June 30, 2013</u> | Interest <u>Payments</u> |
|---------------|--------------------------------|------------------|------------------------------|---------------------------------|-----------------------------|
| 2010 Series B | 7,364,774 | - | (296,651) | 7,068,123 | (295,967) |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|-------------------|
| Current year local discretionary expenditures | \$ 885,994 |
| Less MOE base year requirement | <u>(551,186)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | \$ <u>334,808</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure did not apply to the City.

13. For the cities and County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the fiscal year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for the City.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for the City.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

18. 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.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Maya Hoffman M. C. P. C.

Irvine, California
March 28, 2014

SCHEDULE A

CITY OF SANTEE, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--------------------------------------|------------|---|--------------------------------|---------------------|-----------------|-----------------------|------------------|---------------------------------|---------|
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| SNT04 | 2011-01 | Citywide Pavement Repair & Rehab Phase 1 | \$ (141,492) | \$ 1,948,283 | \$ 515 | \$ (1,701,132) | \$ 88,036 | \$ 194,210 | (a) (b) |
| SNT04 | 2011-05 | Citywide Pavement Repair & Rehab Other Phases | - | 694,479 | - | (610,377) | (88,036) | (3,934) | (a) |
| SNT04 | 2013-21 | Carlton Hills Storm Drain Improvements | - | 37,303 | - | (193,062) | - | (155,759) | (c) |
| Total SNT04 | | | <u>(141,492)</u> | <u>2,680,065</u> | <u>515</u> | <u>(2,504,571)</u> | <u>-</u> | <u>34,517</u> | |
| SNT12 | 2009-06 | Pavement Repair/Rehabilitation | 1,117 | - | 10 | - | - | 1,127 | (d) |
| SNT17 | 2013-05 | Pavement Condition Report | - | - | - | (18,122) | - | (18,122) | (c) |
| | | 2010 Series B Bonds Debt Service | - | 592,618 | - | (592,618) | - | - | |
| Total Congestion Relief | | | <u>(140,375)</u> | <u>3,272,683</u> | <u>525</u> | <u>(3,115,311)</u> | <u>-</u> | <u>17,522</u> | |
| Maintenance: | | | | | | | | | |
| SNT07 | 2009-02 | Santee Slurry Seal/Minor Repair Work | (26,742) | 26,802 | - | - | - | 60 | (d) |
| SNT15 | 2011-11 | Traffic Signal LED Light Replacement | 143 | - | 1 | - | - | 144 | (d) |
| SNT16 | 2012-10 | Illuminated Street Sign Replacement | - | 75,000 | 146 | (77,253) | - | (2,107) | (c) |
| Total Maintenance | | | <u>(26,599)</u> | <u>101,802</u> | <u>147</u> | <u>(77,253)</u> | <u>-</u> | <u>(1,903)</u> | |
| Total Local Street Improvements | | | <u>(166,974)</u> | <u>3,374,485</u> | <u>672</u> | <u>(3,192,564)</u> | <u>-</u> | <u>15,619</u> | |
| Total TransNet Extension: | | | <u>\$ (166,974)</u> | <u>\$ 3,374,485</u> | <u>\$ 672</u> | <u>\$ (3,192,564)</u> | <u>\$ -</u> | <u>\$ 15,619</u> | |
| GASB 31 Fair Market Value Adjustment | | | <u>(225)</u> | <u>-</u> | <u>225</u> | <u>-</u> | <u>-</u> | <u>-</u> | |
| Total TransNet Extension: | | | <u>\$ (167,199)</u> | <u>\$ 3,374,485</u> | <u>\$ 897</u> | <u>\$ (3,192,564)</u> | <u>\$ -</u> | <u>\$ 15,619</u> | |

Notes:

- (a) The adjustment reflects prior year expenditures incurred for CIP 2011-05 which was previously combined with CIP 2011-01 as SNT-04
- (b) Project is complete. The City will transfer the remaining balance within the same MPOID in FY14
- (c) The City will draw down funds during FY14
- (d) The Project is Complete. Funding will be transferred to another project in the next RTIP Amendment

SCHEDULE B

CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Status June 30, 2013 |
|--|------------|---|----------------------|-----------------|-----------------------|-----------------------|----------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| SNT04 | 2011-01 | Citywide Pavement Repair & Rehab Phase 1 | \$ 3,554,123 | \$ 515 | \$ (3,640,767) | \$ 280,339 | \$ 194,210 |
| SNT04 | 2011-05 | Citywide Pavement Repair & Rehab Other Phases | 694,479 | - | (610,377) | (88,036) | (3,934) |
| SNT04 | 2013-21 | Carlton Hills Storm Drain Improvements | 37,303 | - | (193,062) | - | (155,759) |
| Total SNT04 | | | <u>4,285,905</u> | <u>515</u> | <u>(4,444,206)</u> | <u>192,303</u> | <u>34,517</u> |
| SNT12 | 2009-06 | Pavement Repair/Rehabilitation | 918,000 | 107 | (916,980) | - | 1,127 |
| SNT17 | 2013-05 | Pavement Condition Report | - | - | (18,122) | - | (18,122) |
| | | 2010 Series B Bonds Debt Service | 1,753,496 | - | (1,753,496) | - | - |
| Total Congestion Relief | | | <u>6,957,401</u> | <u>622</u> | <u>(7,132,804)</u> | <u>192,303</u> | <u>17,522</u> |
| Maintenance: | | | | | | | |
| SNT07 | 2009-02 | Santee Slurry Seal/Minor Repair Work | 326,802 | 416 | (327,159) | 1 | 60 |
| SNT15 | 2011-11 | Traffic Signal LED Light Replacement | 110,000 | 144 | (110,000) | - | 144 |
| SNT16 | 2012-10 | Illuminated Street Sign Replacement | 75,000 | 146 | (77,253) | - | (2,107) |
| Total Maintenance | | | <u>511,802</u> | <u>706</u> | <u>(514,412)</u> | <u>1</u> | <u>(1,903)</u> |
| Total Local Street Improvements | | | <u>7,469,203</u> | <u>1,328</u> | <u>(7,647,216)</u> | <u>192,304</u> | <u>15,619</u> |
| Completed Projects | | | | | | | |
| Local Street Improvements: | | | | | | | |
| | | Congestion Relief | 4,261,293 | - | (311,292) | (3,950,001) | - |
| | | Commercial Paper Debt Service | 3,979,674 | - | (29,674) | (3,950,000) | - |
| | | Bikes and Pedestrian | 30,200 | - | - | (30,200) | - |
| Total Completed Projects | | | <u>8,271,167</u> | <u>-</u> | <u>(340,966)</u> | <u>(7,930,201)</u> | <u>-</u> |
| Total Cumulative <i>TransNet</i> Extension | | | <u>\$ 15,740,370</u> | <u>\$ 1,328</u> | <u>\$ (7,988,182)</u> | <u>\$ (7,737,897)</u> | <u>\$ 15,619</u> |

SCHEDULE C

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|---------------------|---------------|------------------|----------------------|----------------------|-------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments (a) | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 270,000 | \$ - | \$ 2,181 | \$ (117,111) | \$ 612 | \$ 155,682 | \$ 156,712 |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 316,200 | - | 4,442 | - | 1,248 | 321,890 | 319,272 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 124,860 | - | 1,745 | - | 490 | 127,095 | 125,444 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 173,607 | - | 2,418 | - | 679 | 176,704 | 173,798 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>204,965</u> | <u>-</u> | <u>2,861</u> | <u>-</u> | <u>-</u> | <u>207,826</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 1,089,632</u> | <u>\$ -</u> | <u>\$ 13,647</u> | <u>\$ (117,111)</u> | <u>\$ 3,029</u> | <u>\$ 989,197</u> | <u>\$ 775,226</u> |

Notes

(a) City adjustments represent a correction to interest income reported in the prior fiscal year.

CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Solana Beach, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$5,578,475. We selected \$2,490,382 (44.64%) 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 and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable, as there are no indirect costs allocated to the projects for the year ended June 30, 2013.

f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that

includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- 7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance was under the apportionment as follows:

| | |
|---|---------------------|
| Fiscal year 2013 apportionment | \$ 394,556 |
| Less: debt service payment | <u>(206,265)</u> |
| Net estimated apportionment | 188,291 |
| 30% base | <u>30%</u> |
| Fiscal year 2013 30% threshold | <u>56,487</u> |
| Less: | |
| Local streets and roads fund balance | |
| Local Street Improvement | |
| – Congestion Relief fund balance | (5,161,551) |
| – Maintenance fund balance | <u>-</u> |
| Total local streets and roads and Local Street Improvement fund balance | <u>(5,161,551)</u> |
| Fund balance under apportionment | <u>\$ 5,218,038</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

| | Balance <u>July 1, 2012</u> | <u>Additions</u> | <u>Principal Payments</u> | Balance <u>June 30, 2013</u> | <u>Interest Payments</u> |
|---------------------|--------------------------------|------------------|-------------------------------|---------------------------------|------------------------------|
| 2010 Series A Bonds | \$ 5,499,999 | \$ - | \$ - | \$5,499,999 | \$(206,265) |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City is in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the fiscal year ended June 30, 2013, is summarized as follows:

| | |
|--|-------------------|
| Current year local discretionary expenditures | \$ 1,016,915 |
| Less MOE base year requirement | <u>(472,898)</u> |
| Excess MOE for fiscal year ended June 30, 2013 | <u>\$ 544,017</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the City.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We determined that the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as the City did not have interest related to RTCIP.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the

TransNet Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the City.

17. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the City.

18. We reviewed and documented the status of any prior year findings and recommendations.

Results: The City had one prior year finding in that City's *TransNet* fund balance exceeded 30% of its annual apportionment. As of June 30, 2013, the finding relating to the fund balance exceeding 30% of its annual apportionment has been resolved.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the recipient agency's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California
March 28, 2014

CITY OF SOLANA BEACH, CALIFORNIA
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|-----------------------------------|----------------|---------------------------------------|--------------------------------|---------------------|-----------------|--------------------------|-----------------------|---------------------------------|--------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| SB07 | 9386 | Highway 101 Streetscaping | \$ 277,488 | \$ - | \$ - | \$ (361,631) | \$ 84,143 | \$ - | (a)(b) |
| SB08 | 9357 | Marine View Street Improvements | 6,748 | - | - | - | (6,748) | - | (b)(f) |
| Total Local Streets and Roads | | | <u>284,236</u> | <u>-</u> | <u>-</u> | <u>(361,631)</u> | <u>77,395</u> | <u>-</u> | |
| Total <i>TransNet</i> | | | <u>\$ 284,236</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (361,631)</u> | <u>\$ 77,395</u> | <u>\$ -</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| SB07 | 9386 | Highway 101 Streetscaping | \$ (1,394) | \$ - | \$ - | \$ (4,359,926) | \$ (73,626) | \$ (4,434,946) | (a)(e) |
| SB09 | 9859 | El Viento at Granados | (36,404) | - | - | (206,972) | - | (243,376) | (c)(f) |
| SB10 | 9362 | Annual Pavement Management | (1,510) | - | - | (142,637) | - | (144,147) | (c)(f) |
| SB11 | 9321 | Traffic Calming Improvements | 14,015 | - | - | (457) | - | 13,558 | |
| SB12 | 9344 | Highland/Lomas Santa Fe Intersection | (66,650) | - | - | (299,137) | - | (365,787) | (c)(f) |
| SB13 | 9323 | Pavement Management / Software Update | 5,219 | - | - | (1,450) | (3,769) | - | (b)(f) |
| SB14 | 9510 | Traffic Signal Maintenance & Upgrades | 13,147 | - | - | - | - | 13,147 | (d) |
| | | 2010 Series A Bonds | - | 206,265 | - | (206,265) | - | - | |
| Total Congestion Relief | | | <u>\$ (73,577.00)</u> | <u>\$206,265.00</u> | <u>\$ -</u> | <u>\$ (5,216,844.00)</u> | <u>\$ (77,395.00)</u> | <u>\$ (5,161,551.00)</u> | |

CITY OF SOLANA BEACH, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status | Funds | Interest | Project | City | Project Status | Notes |
|--------|----------------|---|----------------|------------|----------|----------------|-------------|----------------|-------|
| | | | July 1, 2012 | Received | Income | Expenditures | Adjustments | June 30, 2013 | |
| | | Balance carried forward | \$ (73,577) | \$ 206,265 | \$ - | \$ (5,216,844) | \$ (77,395) | \$ (5,161,551) | |
| | | Total <i>TransNet</i> Extension | \$ (73,577) | \$ 206,265 | \$ - | \$ (5,216,844) | \$ (77,395) | \$ (5,161,551) | |
| | | Interest Income | 3,250 | - | 243 | - | - | 3,493 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ 213,909 | \$ 206,265 | \$ 243 | \$ (5,578,475) | \$ - | \$ (5,158,058) | |
| | | GASB 31 Fair Market Value Adjustment | (1,222) | - | (424) | - | - | (1,646) | |
| | | Total after GASB 31 Adjustment | \$ 212,687 | \$ 206,265 | \$ (181) | \$ (5,578,475) | \$ - | \$ (5,159,704) | |

Notes:

- (a) Excess expenditures in project SB07 in *TransNet* were transferred to SB07 in *TransNet* Extension per City Council Resolution #2014-006.
- (b) Remaining funds from completed projects SB08 and SB13 were transferred to SB07 per City Council Resolution #2014-006.
- (c) To remain in compliance with SANDAG Board Policy No. 031, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), additional funding was not requested during FY 2013. Additional funding will be requested in FY2014 once the City is in compliance with the 30% Rule.
- (d) Project SB14 had no activity in FY2013 and is expected to be completed in FY2014.
- (e) The City will be drawing down bond funds in FY2014 for project SB07.
- (f) Project is complete.

CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|-----------------------------------|----------------|--|-------------------|-----------------|-----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| SB07 | 9386 | Highway 101 Streetscaping | \$ - | \$ - | \$ (4,361,320) | \$ (73,626) | \$ (4,434,946) |
| SB09 | 9859 | El Viento at Granados | - | - | (279,376) | 36,000 | (243,376) |
| SB10 | 9362 | Annual Pavement Management | - | - | (144,147) | - | (144,147) |
| SB11 | 9321 | Traffic Calming Improvements | - | - | (1,942) | 15,500 | 13,558 |
| SB12 | 9344 | Highland/Lomas Santa Fe Intersection | - | - | (365,787) | - | (365,787) |
| SB13 | 9323 | Pavement Management / Software Update | - | - | (25,231) | 25,231 | - |
| SB14 | 9510 | Traffic Signal Maintenance & Upgrades | - | - | - | 13,147 | 13,147 |
| | | 2010 Series A Bonds | <u>619,254</u> | <u>-</u> | <u>(619,254)</u> | <u>-</u> | <u>-</u> |
| | | Total Congestion Relief | <u>619,254</u> | <u>-</u> | <u>(5,797,057)</u> | <u>16,252</u> | <u>(5,161,551)</u> |
| Completed Projects: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| | | Congestion Relief | \$ 50,000 | \$ 422 | \$ (23,226) | \$ (27,196) | \$ - |
| | | Maintenance/Non Congestion Relief | <u>-</u> | <u>-</u> | <u>(20,090)</u> | <u>20,090</u> | <u>-</u> |
| | | Total Completed Projects | <u>50,000</u> | <u>422</u> | <u>(43,316)</u> | <u>(7,106)</u> | <u>-</u> |
| | | Interest Income | <u>-</u> | <u>3,493</u> | <u>-</u> | <u>-</u> | <u>3,493</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 669,254</u> | <u>\$ 3,915</u> | <u>\$ (5,840,373)</u> | <u>\$ 9,146</u> | <u>\$ (5,158,058)</u> |

CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
 RTCIP Fund
 Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | | Notes |
|--------------------------------------|--------------------------|------------------|---------------|-----------------|----------------------|------------------|-------------------|-----------------|-------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 | |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 3,544 | \$ - | \$ 7 | \$ - | \$ - | \$ 3,551 | \$ 3,551 | |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | - | - | - | - | - | - | - | |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | - | - | - | - | - | - | - | |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 3,623 | - | - | - | - | 3,623 | 3,623 | |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>3,623</u> | - | - | - | - | <u>3,623</u> | - | (a) |
| GASB 31 fair market value adjustment | | - | - | - | - | - | - | - | |
| Total RTCIP Funds | | <u>\$ 10,790</u> | <u>\$ -</u> | <u>\$ 7</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 10,797</u> | <u>\$ 7,174</u> | |

Note:

(a) Interest was not allocated to RTCIP because City does not allocate interest to balances under \$10,000.

CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Vista, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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: With the exception of the Senior Mini Grants, *Transnet* revenues and expenditures are recorded in a separate fund. The Senior Mini Grants were recorded in the General Fund.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.
 - i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: The City did not allocate interest to the *TransNet* fund during FY13 because fund balance was negative.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

- i. We reviewed the total project expenditures reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total expenditures in the amount of \$2,004,119. We selected \$712,019 (35.53%) 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 whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable to the City, as there are no indirect costs allocated to projects for the year ended June 30, 2013.

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any

remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

| | | |
|---|------------------|----------------------|
| Fiscal year 2013 apportionment | | \$1,986,103 |
| Less: debt service payment | | <u> -</u> |
| Net estimated apportionment | | 1,986,103 |
| 30% base | | <u> 30%</u> |
| Fiscal year 2013 30% threshold | | 595,831 |
| Less: | | |
| Local streets and roads fund balance | 118,399 | |
| Local streets improvement | | |
| – Congestion Relief fund balance | (205,531) | |
| – Maintenance fund deficit | <u>(408,180)</u> | |
| Total local streets and roads and local street improvement fund balance | | <u>(495,312)</u> |
| Fund balance under apportionment | | <u>\$1,091,143</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance.

We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the City.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
- a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: The City was not in compliance with the MOE requirement. The City did not have an unmet MOE requirement from the prior year. See Finding Number 1 in the Findings and Recommendations section of this report. MOE activity for the year ended June 30, 2013, is summarized as follows:

| | |
|---|--------------------|
| Current year local discretionary expenditures | \$ 2,328,025 |
| Less MOE base year requirement | <u>(2,385,097)</u> |
| Excess MOE for the year ended June 30, 2013 | \$ <u>(57,072)</u> |

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the City.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.
- a. We obtained a general ledger for the RTCIP fund from the recipient agency.
- Results: No exceptions were noted as a result of our procedures.
- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.
- Results: No exceptions were noted as a result of our procedures.
- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.
- i. We determined that the recipient agency is using the most current approved fee amount.
- Results: No exceptions were noted as a result of our procedures.
- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
- Results: No exceptions were noted as a result of our procedures.
- iii. We determined whether all exaction fees have been expended within seven years of collection.
- Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.
- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
- Results: The City recorded total expenditures in the amount of \$78,815. We selected \$58,312 (73.99%) for testing. No exceptions were noted as a result of our procedures.
- v. We reviewed and ensured that the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. Inquired of management and ensured that procedures exist to ensure all qualified properties are included in the program.
- Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the City.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable to the City.

17. For SANDAG only, we performed the following additional procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

- b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable to the City.

18. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2012.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the City's response to the findings, if applicable.

Results: See the Findings and Recommendations section of this report.

The City's written response to the recommendations identified in the procedures performed is described in the accompanying Findings and Recommendations section of this report. We did not perform additional agreed-upon procedures related to the City's response and express no opinion on it.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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 28, 2014

CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2013

(1) Need to Meet Maintenance of Effort (MOE) Requirement

The City was not able to meet its MOE requirement for Streets and Roads by \$57,072 for the year ended June 30, 2013. The City's Streets and Roads discretionary expenditures were \$2,328,025 and the City's MOE requirement was \$2,385,097.

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

Management agrees with the finding and has taken steps to ensure that the Maintenance of Effort (MOE) requirement amount will be met in future periods. Specifically, the City will request from the Commission the allowance of two years or until June 30, 2015 to expend \$57,072 over and above the regular MOE threshold to make up the shortfall. The City is meeting with the appropriate Boards during the month of March.

The request was approved on the following dates:

| | |
|--|----------------|
| Independent Taxpayer Oversight Committee | March 12, 2014 |
| SANDAG Transportation Committee | March 21, 2014 |
| SANDAG Board of Directors | March 28, 2014 |

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|--|----------------|---|--------------------------------|----------------|-----------------|----------------------|------------------|---------------------------------|---------|
| TransNet: | | | | | | | | | |
| Local Streets and Roads: | | | | | | | | | |
| VISTA 07 | 7456 | SR-78 Corridor Enhancement | \$ 9,544 | \$ - | \$ - | \$ (1,596) | \$ - | \$ 7,948 | |
| VISTA 19 | 8030 | Maryland Drive Sidewalks (Maryland Dr-Phase II) | 116,530 | - | - | (3,111) | (2,968) | 110,451 | (a) |
| VISTA 29 | 8152 | La Mirada Dr. & Poinsettia Ave. Sig | (2,968) | - | - | - | 2,968 | - | (a) (b) |
| Total Local Streets and Roads | | | <u>123,106</u> | <u>-</u> | <u>-</u> | <u>(4,707)</u> | <u>-</u> | <u>118,399</u> | |
| Total <i>TransNet</i> | | | <u>\$ 123,106</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (4,707)</u> | <u>\$ -</u> | <u>\$ 118,399</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| VISTA 08A | 8191 | W. Vista Way Widening Construction - Phase 1 | \$ (220,994) | \$ - | \$ - | \$ (1,012) | \$ 222,006 | \$ - | (c) (i) |
| VISTA 12 | 8054 | East Vista Way Street Improvements | 13,324 | - | - | - | (13,324) | - | (b) (c) |
| VISTA 22 | 8088 | Inland Rail Trail Bike Lane Facility (Bikeway) | 997 | - | - | (997) | - | - | |
| VISTA 27 | 8141 | Foothill Overlay & Improvements | 90 | - | - | (90) | - | - | |
| VISTA 34 | 8155 | Street Rehab & Resurface | 1,735,524 | - | - | (1,699,904) | (208,683) | (173,063) | (c) (h) |
| VISTA 45 | 8197 | Bobolink Storm Drain | 2,999 | - | - | (19,104) | - | (16,105) | (g) |
| VISTA 46 | 8225 | Street Construction/Overlay-Annual | - | - | - | (2,138) | - | (2,138) | (g) |
| VISTA 47 | 8242 | Melrose Dr/Hacienda Dr Turn Lane | - | - | - | (14,225) | - | (14,225) | (g) |
| Total Congestion Relief | | | <u>1,531,940</u> | <u>-</u> | <u>-</u> | <u>(1,737,470)</u> | <u>(1)</u> | <u>(205,531)</u> | |
| Congestion Relief Pass Through: | | | | | | | | | |
| SAN54 | N/A | Regional Arterial Management Systems | - | 8,800 | - | (8,800) | - | - | |
| Total Congestion Relief-Pass Through | | | <u>-</u> | <u>8,800</u> | <u>-</u> | <u>(8,800)</u> | <u>-</u> | <u>-</u> | |

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 | Notes |
|---|----------------|--|-----------------------------|----------------|-----------------|----------------------|------------------|------------------------------|-------------|
| Maintenance: | | | | | | | | | |
| VISTA 17 | 8018 | Grapevine Road Street Improvements | 41,154 | - | - | - | (41,154) | - | (b) (d) |
| VISTA 25 | 7650 | Roadway Rehab (Street Rehab/Curbs & Gutters) | (26,731) | 45,000 | - | (110,380) | - | (92,111) | (g) |
| VISTA 28 | 8151 | Thibido Road Curb & Landscape | (246,823) | 210,187 | - | - | 36,636 | - | (b) (d) |
| VISTA 30 | 8154 | Street Rehab & Maintenance - FY2007-08 | (1,659,138) | 1,356,138 | - | - | 4 | (302,996) | (e) (f) (i) |
| VISTA 42 | 8218 | Bobier Drive Storm Drain Rehabilitation | (4,518) | - | - | - | 4,518 | - | (b) (d) |
| VISTA 43 | 8219 | Pavement and Sidewalk Management Systems | (23,592) | 62,000 | - | (51,481) | - | (13,073) | (g) |
| Total Maintenance | | | (1,919,648) | 1,673,325 | - | (161,861) | 4 | (408,180) | |
| Total Local Street Improvements | | | (387,708) | 1,682,125 | - | (1,908,131) | 3 | (613,711) | |
| Bikes and Pedestrians: | | | | | | | | | |
| VISTA 22 | 8088 | Inland Rail Trail Bike Lane Facility (Bikeway) | (6,280) | 9,376 | - | (3,095) | (1) | - | (b) (i) |
| VISTA 39 | 8187 | Longhorn Dr. Sidewalk Improvement Project | (5,063) | 5,065 | - | - | (2) | - | (b) (i) |
| Total Bikes and Pedestrians | | | (11,343) | 14,441 | - | (3,095) | (3) | - | |
| Senior Mini-Grants: | | | | | | | | | |
| VISTA 44 | | Out & About Vista | (13,246) | 57,607 | - | (88,186) | - | (43,825) | (j) |
| Total Senior Mini-Grants | | | (13,246) | 57,607 | - | (88,186) | - | (43,825) | |
| Total <i>TransNet</i> Extension | | | \$ (412,297) | \$ 1,754,173 | \$ - | \$ (1,999,412) | \$ - | \$ (657,536) | |
| Total <i>TransNet</i> and <i>TransNet</i> Extension | | | \$ (289,191) | \$ 1,754,173 | \$ - | \$ (2,004,119) | \$ - | \$ (539,137) | |

CITY OF VISTA, CALIFORNIA
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Name | Project | Funds | Interest | Project | City | Project | Notes |
|--------|--------------|--------------|-------|----------|---------|------|---------------|-------|
| | | Status | | | | | Received | |
| | | July 1, 2012 | | | | | June 30, 2013 | |

Notes:

- (a) Council Resolution number 2013-34 authorized the transfer from VISTA 19 to VISTA 29 to eliminate negative balance.
- (b) Project is complete.
- (c) Council Resolution number 2013-34 authorized the transfer from VISTA 34 and VISTA 12 to VISTA 08A to eliminate negative balance. In FY 2013, VISTA 08A was cancelled due to issues with CalTrans.
- (d) Council Resolution number 2013-34 authorized the transfer from VISTA 17 to VISTA 42 and VISTA 28 to eliminate negative balances.
- (e) \$100,000 of programmed funding will be drawn down in March 2014. VISTA 30 is a completed project that was removed from the RTIP before funds were drawn down. City adjustment to go to City Council in Spring 2014 to program carryover funds in RTIP and then draw down to eliminate negative balance.
- (f) TransNet funded portion completed FY 2013.
- (g) City to request draw down of programmed funding in March 2014 to eliminate negative balances.
- (h) Amendment to programmed funding to go to City Council in Spring 2014, and then funds will be drawn down to eliminate negative balances.
- (i) Adjustments of immaterial remaining amounts ranging from \$1 to \$2 have been transferred from projects VISTA 08A, 22, and 39 and have been added to VISTA 30 in the "City Adjustments" column.
- (j) Received payments from SANDAG totaling \$43,825 in July and August 2013.

SCHEDULE B

CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|--|------------------|-----------------|----------------------|------------------|------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief: | | | | | | | |
| VISTA 08A | 8191 | W. Vista Way Widening Construction - Phase 1 | \$ 250,000 | \$ 474 | \$ (240,988) | \$ (9,486) | \$ - |
| VISTA 12 | 8054 | East Vista Way Street Improvements | - | - | (409,145) | 409,145 | - |
| VISTA 22 | 8088 | Inland Rail Trail Bike Lane Facility | 146,035 | - | (142,585) | (3,450) | - |
| VISTA 27 | 8141 | Foothill Overlay & Improvements | 1,704,645 | 696 | (1,350,965) | (354,376) | - |
| VISTA 34 | 8155 | Street Rehab & Maintenance - Annual | 578,542 | - | (2,172,903) | 1,421,298 | (173,063) |
| VISTA 45 | 8197 | Bobolink Storm Drain | - | - | (30,125) | 14,020 | (16,105) |
| VISTA 46 | 8225 | Street Construction/Overlay-Annual | - | - | (2,138) | - | (2,138) |
| VISTA 47 | 8242 | Melrose Dr/Hacienda Dr Turn Lane | - | - | (14,225) | - | (14,225) |
| Total Congestion Relief | | | <u>2,679,222</u> | <u>1,170</u> | <u>(4,363,074)</u> | <u>1,477,151</u> | <u>(205,531)</u> |
| Congestion Relief Pass Through: | | | | | | | |
| SAN54 | N/A | Regional Arterial Management Systems | - | 8,800 | - | (8,800) | - |
| Total Congestion Relief-Pass Through | | | <u>-</u> | <u>8,800</u> | <u>-</u> | <u>(8,800)</u> | <u>-</u> |
| Maintenance: | | | | | | | |
| VISTA 17 | 8018 | Grapevine Road Street Improvements | 45,000 | 63 | (3,909) | (41,154) | - |
| VISTA 25 | 7650 | Roadway Rehab & Upgrade | 95,000 | 7 | (187,117) | - | (92,110) |
| VISTA 28 | 8151 | Thibido Road Curb & Landscape | 210,187 | - | (246,823) | 36,636 | - |
| VISTA 30 | 8154 | Street Rehab & Maintenance - FY2007-08 | 2,536,429 | - | (2,839,429) | 4 | (302,996) |
| VISTA 42 | 8218 | Bobier Drive Storm Drive & Street Rehabilitation | 2,000 | - | (5,577) | 3,577 | - |
| VISTA 43 | 8219 | Pavement & Sidewalk Management System | 62,000 | - | (75,074) | - | (13,074) |
| Total Maintenance | | | <u>2,950,616</u> | <u>70</u> | <u>(3,357,929)</u> | <u>(937)</u> | <u>(408,180)</u> |

CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | City Adjustments | Project Status June 30, 2013 |
|--|----------------|---|----------------|-----------------|----------------------|------------------|------------------------------|
| Bikes and Pedestrians: | | | | | | | |
| VISTA 22 | 8088 | Inland Rail Trail Bike Lane Facility | 27,939 | - | (7,313) | (20,626) | - |
| VISTA 39 | 8187 | Longhorn Dr. Sidewalk Improvement Project | 45,770 | - | (50,647) | 4,877 | - |
| Total Bikes and Pedestrians | | | 73,709 | - | (57,960) | (15,749) | - |
| Senior Mini-Grants: | | | | | | | |
| VISTA 44 | | Out & About Vista | 57,607 | - | (101,432) | - | (43,825) |
| Total Senior Mini-Grants | | | 57,607 | - | (101,432) | - | (43,825) |
| Completed Projects: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| | | Congestion Relief | 404,000 | 3,595 | (75,768) | (331,827) | - |
| | | Bikes and Pedestrian | 151,723 | - | (146,844) | (4,879) | - |
| | | Senior Mini Grants | 75,848 | - | (75,848) | - | - |
| Total Completed Projects | | | 631,571 | 3,595 | (298,460) | (336,706) | - |
| Total Cumulative <i>TransNet</i> Extension | | | \$ 6,392,725 | \$ 13,635 | \$ (8,178,855) | \$ 1,114,959 | \$ (657,536) |

CITY OF VISTA, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|-------------------|---------------|-----------------|----------------------|------------------|-------------------|-------------------|
| | | Funds Received | Other Revenue | Interest Income | Project Expenditures | City Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 32,000 | \$ - | \$ 346 | \$ (32,346) | \$ - | \$ - | \$ - |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 69,360 | - | 1,543 | (70,903) | - | - | 65,171 |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 101,969 | - | 2,348 | (13,644) | - | 90,673 | 104,343 |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 186,824 | - | 2,288 | - | - | 189,112 | 189,165 |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | <u>43,762</u> | <u>-</u> | <u>(12)</u> | <u>-</u> | <u>-</u> | <u>43,750</u> | <u>-</u> |
| Total RTCIP Funds | | <u>\$ 433,915</u> | <u>\$ -</u> | <u>\$ 6,513</u> | <u>\$ (116,893)</u> | <u>\$ -</u> | <u>\$ 323,535</u> | <u>\$ 358,679</u> |

COUNTY OF SAN DIEGO

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the County of San Diego, California (County) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The County's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The County recorded total expenditures in the amount of \$3,478,727. We selected \$2,193,237 (63.05%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect costs are allocated to RTIP projects at a rate of 17% of direct salary and benefit costs associated with each project. No exceptions were noted as a result of our procedures.

f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project with the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The County is in compliance with the 30% requirement. The fund balance was under the apportionment as follows:

| | | |
|---|--------------------|---------------------|
| Fiscal year 2013 apportionment | | \$13,137,666 |
| Less: debt service payment | | <u>(1,121,143)</u> |
| Net estimated apportionment | | <u>12,016,523</u> |
| 30% base | | 30% |
| Fiscal year 2013 30% threshold | | <u>3,604,957</u> |
| Less: | | |
| Local streets and roads fund balance | 405,362 | |
| Local Street Improvement | | |
| – Congestion Relief fund balance | 1,704,324 | |
| – Maintenance fund balance | <u> -</u> | |
| Total Local streets and roads and Local Street Improvement fund balance | | <u>2,109,686</u> |
| Fund balance under apportionment | | <u>\$ 1,495,271</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: The results are summarized below:

| | Balance July 1, 2012 | Additions | Principal Payments | Balance June 30, 2013 | Interest Payments |
|------------|-------------------------|-----------|-----------------------|--------------------------|----------------------|
| 2008 Bonds | \$15,034,654 | \$ - | \$ 118,946 | \$15,153,600 | \$(622,762) |
| 2012 Bonds | 5,525,913 | - | (577,721) | 4,948,192 | (39,604) |

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for the County.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.
 - a. We obtained the current MOE requirements for each recipient agency from SANDAG.
 - b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
 - c. We identified the excess (deficiency) of discretionary expenditures over (under) the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
 - d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and report a roll forward schedule.

Results: These procedures are not necessary as the MOE requirement for the County is \$0.

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for the County.

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the County.

Results: No exceptions were noted as a result of our procedures.

- c. Obtain the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, cumulative ending balance, and prior year cumulative ending balance.

- i. We ensured the recipient agency is using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

- ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

- iii. We determined whether all exaction fees have been expended within seven years of collection.

Results: This procedure is not applicable as seven years have not yet passed since the *TransNet* Extension Ordinance has been in effect.

- iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the current year expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.

Results: The County recorded total RTCIP expenditures in the amount of \$423,488. We selected \$101,413 (23.95%) for testing. No exceptions were noted as a result of our procedures.

- v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

Results: No exceptions were noted as a result of our procedures.

- vi. We identified interest income for the year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for the County.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: This procedure is not applicable for the County.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for the County.

18. We reviewed and documented any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. If applicable, we have included the County's response to the findings.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the County's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Mayer Hoffman McLean P.C." The signature is written in a cursive, flowing style.

Irvine, California
March 28, 2014

SCHEDULE A

COUNTY OF SAN DIEGO
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | County Adjustments | Project Status June 30, 2013 | Notes |
|--|----------------|--|--------------------------------|----------------|-----------------|----------------------|--------------------|---------------------------------|---------|
| TransNet: | | | | | | | | | |
| Highways: | | | | | | | | | |
| CNTY 14 | 1003303 | South Santa Fe - North | \$ 844,580 | \$ - | \$ - | \$ (844,580) | \$ - | \$ - | (a) |
| | | Total Highways | <u>844,580</u> | <u>-</u> | <u>-</u> | <u>(844,580)</u> | <u>-</u> | <u>-</u> | |
| Local Streets and Roads: | | | | | | | | | |
| CNTY 24 | 1003046 | Cole Grade - High School | 411,744 | - | 1,449 | (7,831) | - | 405,362 | |
| | | Total Local Streets and Roads | <u>411,744</u> | <u>-</u> | <u>1,449</u> | <u>(7,831)</u> | <u>-</u> | <u>405,362</u> | |
| | | Total <i>TransNet</i> | <u>\$ 1,256,324</u> | <u>\$ -</u> | <u>\$ 1,449</u> | <u>\$ (852,411)</u> | <u>\$ -</u> | <u>\$ 405,362</u> | |
| TransNet Extension: | | | | | | | | | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief - Pass Through: | | | | | | | | | |
| SAN 54 | | Regional Arterial Management Systems | \$ - | \$ 12,500 | \$ - | \$ (12,500) | \$ - | \$ - | (b) |
| | | Total Congestion Relief - Pass Through | <u>-</u> | <u>12,500</u> | <u>-</u> | <u>(12,500)</u> | <u>-</u> | <u>-</u> | |
| Local Street Improvements: | | | | | | | | | |
| Congestion Relief: | | | | | | | | | |
| CNTY 14 | 1003303 | South Santa Fe - North | - | 635,000 | 1,456 | (1,100,000) | - | (463,544) | (c) |
| CNTY 14A | 1010123 | South Santa Fe - South | 2 | - | - | - | - | 2 | |
| CNTY 21 | 1003030 | Bradley Avenue | 4 | 85,000 | 53 | (44,401) | - | 40,656 | |
| CNTY 33 | 1009578 | Via De La Santa | 73 | - | - | - | (73) | - | (d) |
| CNTY 34 | 1009589 | Dye Road Extension | <u>87</u> | <u>5,000</u> | <u>-</u> | <u>(30,649)</u> | <u>-</u> | <u>(25,562)</u> | (a) (c) |
| | | Subtotal Congestion Relief | <u>166</u> | <u>725,000</u> | <u>1,509</u> | <u>(1,175,050)</u> | <u>(73)</u> | <u>(448,448)</u> | |

SCHEDULE A

COUNTY OF SAN DIEGO
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | County Adjustments | Project Status June 30, 2013 | Notes |
|---|----------------|---|-----------------------------|----------------|-----------------|----------------------|--------------------|------------------------------|-----------|
| | | Subtotal Congestion Relief balance carried forward | \$ 166 | \$ 725,000 | \$ 1,509 | \$ (1,175,050) | \$ (73) | \$ (448,448) | |
| CNTY 35 | 1009591 | Ramona Street Extension | 57 | 50,000 | 2 | (48,682) | - | 1,377 | |
| CNTY 36 | 1009592 | San Vicente Road South I | 55 | 1,889,000 | 1,419 | (771,041) | - | 1,119,433 | |
| CNTY 38 | 1009758 | Rancho Santa Fe Roundabouts | 10,000 | - | 12 | (10,000) | - | 12 | |
| CNTY 39 | 1010404 | Bear Valley Parkway | 489,489 | 500,000 | 2,555 | (144,481) | 73 | 847,636 | (d) |
| CNTY 42 | 1009690 | Otay Mesa Road | 2,000 | - | 4 | (893) | - | 1,111 | |
| CNTY 66 | 1003111 | Lonestar Road | 17 | 51,000 | 179 | (1,075) | - | 50,121 | |
| CNTY 76 | 1013679 | Jamacha Blvd. Phase 1 & 2 | 653 | 100,000 | 78 | (80,844) | - | 19,887 | |
| CNTY 78 | 1013677 | Inland Rail Trail | 124,000 | - | 418 | (11,223) | - | 113,195 | |
| | | Total Congestion Relief | 626,437 | 3,315,000 | 6,176 | (2,243,289) | - | 1,704,324 | |
| | | Total Local Street Improvements | 626,437 | 3,327,500 | 6,176 | (2,255,789) | - | 1,704,324 | |
| TransNet Environmental Mitigation Program: | | | | | | | | | |
| Competitive Land Management Grant: | | | | | | | | | |
| V08 | 5001133 | Saltcreek Recovery | - | 84,573 | - | (84,573) | - | - | (e) |
| V08 | 5001587 | Lusardi Creek | - | 43,901 | - | (48,779) | - | (4,878) | (e)(f) |
| V08 | 5001589 | Lakeside Linkage | - | 107,503 | - | (122,981) | - | (15,478) | (e)(f) |
| V08 | 5001592 | Invasive Control Pepper Weed | - | 31,193 | - | (43,444) | - | (12,251) | (e)(f)(g) |
| V08 | 5000788 | Lakeside Linkages | - | 70,750 | - | (70,750) | - | - | (e)(g) |
| | | Total Competitive Land Management Grant | - | 337,920 | - | (370,527) | - | (32,607) | |
| | | Total <i>TransNet</i> Extension | \$ 626,437 | \$ 3,665,420 | \$ 6,176 | \$ (2,626,316) | \$ - | \$ 1,671,717 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ 1,882,761 | \$ 3,665,420 | \$ 7,625 | \$ (3,478,727) | \$ - | \$ 2,077,079 | |

COUNTY OF SAN DIEGO
TransNet and *TransNet* Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | County Adjustments | Project Status June 30, 2013 | Notes |
|-----------|-------------------|-----------------|-----------------------------------|-------------------|--------------------|-------------------------|-----------------------|------------------------------------|-------|
|-----------|-------------------|-----------------|-----------------------------------|-------------------|--------------------|-------------------------|-----------------------|------------------------------------|-------|

Notes:

- (a) The County expended the balance before interest was earned and allocated.
- (b) 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 where all local jurisdiction funding is in lump-sum project SAN54.
- (c) Expenditures are still within the two year program and cash will be drawn down in FY 13-14.
- (d) Project CNTY33 Via De La Santa is complete; Remaining funds under CNTY33 of (\$73) were transferred to CNTY39 Bear Valley Parkway. The County will pass a resolution to amend the RTIP in January 2014 to approve the transfer.
- (e) *TransNet* Environmental Mitigation Program - Competitive Land Management Grant is an on-going program that was not reported in prior Agreed Upon Procedures for *TransNet*. FY12-13 is the first year this program is being reported. SANDAG and ITOC Audit Subcommittee agreed to report all prior year and current year balances in Schedule A.
- (f) Negative project status balance is due to retention withheld by SANDAG. Retention will be released upon project completion.
- (g) Project 5001592 Invasive Control Pepper Weed and Project 5000788 Lakeside Linkages are complete.

COUNTY OF SAN DIEGO
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | County Adjustments | Project Status June 30, 2013 |
|--|-------------------|--|-------------------|--------------------|-------------------------|-----------------------|------------------------------------|
| TransNet Extension: | | | | | | | |
| Local Street Improvements: | | | | | | | |
| Congestion Relief - Pass Through: | | | | | | | |
| SAN54 | | Regional Arterial Management Systems | \$ 12,500 | \$ - | \$ (12,500) | \$ - | \$ - |
| | | Total Congestion Relief - Pass Through | <u>12,500</u> | <u>-</u> | <u>(12,500)</u> | <u>-</u> | <u>-</u> |
| Congestion Relief: | | | | | | | |
| CNTY 14 | 1003303 | South Santa Fe - North | 7,368,117 | 2,339 | (7,834,000) | - | (463,544) |
| CNTY 14A | 1010123 | South Santa Fe - South | 985,300 | 2,456 | (987,754) | - | 2 |
| CNTY 21 | 1003030 | Bradley Avenue | 1,492,000 | 53,478 | (1,446,822) | (58,000) | 40,656 |
| CNTY 33 | 1009578 | Via De La Santa | 650,777 | 210 | (650,914) | (73) | - |
| CNTY 34 | 1009589 | Dye Road Extension | 863,405 | 722 | (889,689) | - | (25,562) |
| CNTY 35 | 1009591 | Ramona Street Extension | 724,330 | 18,843 | (741,796) | - | 1,377 |
| CNTY 36 | 1009592 | San Vicente Road South I | 3,845,086 | 1,606 | (2,727,259) | - | 1,119,433 |
| CNTY 38 | 1009758 | Rancho Santa Fe Roundabouts | 516,000 | 3,608 | (414,507) | (105,089) | 12 |
| CNTY 39 | 1010404 | Bear Valley Parkway | 4,971,835 | 8,169 | (4,507,876) | 375,508 | 847,636 |
| CNTY 42 | 1009690 | Otay Mesa Road | 20,000 | 68 | (10,893) | (8,064) | 1,111 |
| CNTY 66 | 1033111 | Lonestar Road | 233,865 | 715 | (184,459) | - | 50,121 |
| CNTY 76 | 1013679 | Jamacha Blvd. Phase 1 & 2 | 4,163,810 | 4,567 | (4,148,490) | - | 19,887 |
| CNTY 78 | 1013677 | Inland Rail Trail | 426,380 | 1,111 | (314,296) | - | 113,195 |
| | | Total Congestion Relief | <u>26,260,905</u> | <u>97,892</u> | <u>(24,858,755)</u> | <u>204,282</u> | <u>1,704,324</u> |
| | | Total Local Street Improvements | <u>26,273,405</u> | <u>97,892</u> | <u>(24,871,255)</u> | <u>204,282</u> | <u>1,704,324</u> |

COUNTY OF SAN DIEGO
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Interest Income | Project Expenditures | County Adjustments | Project Status June 30, 2013 |
|---|----------------|---|----------------------|---------------------|------------------------|---------------------|------------------------------|
| | | Total Local Street Improvements balance carried forward | \$ 26,273,405 | \$ 97,892 | \$ (24,871,255) | \$ 204,282 | \$ 1,704,324 |
| TransNet Environmental Mitigation Program: | | | | | | | |
| Competitive Land Management Grant: | | | | | | | |
| V08 | 5001133 | Saltcreek Recovery | 84,573 | - | (84,573) | - | - |
| V08 | 5001587 | Lusardi Creek | 43,901 | - | (48,779) | - | (4,878) |
| V08 | 5001589 | Lakeside Linkage | 107,503 | - | (122,981) | - | (15,478) |
| V08 | 5001592 | Invasive Control Pepper Weed | 31,193 | - | (43,444) | - | (12,251) |
| V08 | 5000788 | Lakeside Linkages | <u>70,750</u> | <u>-</u> | <u>(70,750)</u> | <u>-</u> | <u>-</u> |
| | | Total Competitive Land Management Grant | <u>337,920</u> | <u>-</u> | <u>(370,527)</u> | <u>-</u> | <u>(32,607)</u> |
| Completed Projects: | | | | | | | |
| | | Local Street Improvements: | | | | | |
| | | Congestion Relief | 29,328,225 | 619,391 | (33,835,991) | 3,888,375 | - |
| | | Maintenance | 10,280,776 | 778,444 | (9,930,997) | (1,128,223) | - |
| | | Bikes and Pedestrians | <u>125,000</u> | <u>-</u> | <u>(125,000)</u> | <u>-</u> | <u>-</u> |
| | | Total Cumulative <i>TransNet</i> Extension | <u>\$ 66,345,326</u> | <u>\$ 1,495,727</u> | <u>\$ (69,133,770)</u> | <u>\$ 2,964,434</u> | <u>\$ 1,671,717</u> |

COUNTY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2013

| Project Year | Last Date to Spend funds | Cumulative | | | | | Cumulative Status | |
|-------------------------------------|--------------------------|---------------------|---------------|------------------|-----------------------|--------------------|-------------------|---------------|
| | | Funds Received (1) | Other Revenue | Interest Income | Project Expenditures | County Adjustments | June 30, 2013 | June 30, 2012 |
| For Fiscal Year ended June 30, 2009 | June 30, 2016 | \$ 785,479 | \$ - | \$ 8,081 | \$ (793,560) | \$ - | \$ - | \$ - |
| For Fiscal Year ended June 30, 2010 | June 30, 2017 | 815,447 | - | 2,064 | (867,910) | 50,399 | - | - |
| For Fiscal Year ended June 30, 2011 | June 30, 2018 | 1,120,191 | - | 2,461 | (1,122,652) | - | - | - |
| For Fiscal Year ended June 30, 2012 | June 30, 2019 | 1,253,969 | - | 2,601 | (1,256,570) | - | - | - |
| For Fiscal Year ended June 30, 2013 | June 30, 2020 | 699,665 | - | 799 | (423,488) | - | 276,976 | - |
| Total RTCIP Funds | | \$ 4,674,751 | \$ - | \$ 16,006 | \$ (4,464,180) | \$ 50,399 | \$ 276,976 | \$ - |

Note:

- (1) The County of San Diego does not have a specific RTCIP fee. The County's Transportation Impact Fee (TIF) program is the mechanism for complying with the Regional Transportation Congestion Implementation Program (RTCIP). Under the TIF program, the County collects regional residential fees for compliance with the RTCIP.

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program Spreadsheet from SANDAG.

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: This procedure is not applicable for ITOC.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: This procedure is performed as part of procedure 14 of this report for ITOC.

6. We obtained the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).
- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.
- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.
- d. We identified the interest income reported for the year ended June 30, 2013.
 - i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.
 - ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.
- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.
 - i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.
 - ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.
- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.
- f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.
- g. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.
 - i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.
- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.
- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.
- j. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.
- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: These procedures are not applicable for ITOC.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
 - a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.
 - b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are reported in the current year's Schedule B completed section by category.

Results: These procedures are not applicable for ITOC.

8. We determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: This procedure is not applicable for ITOC.

9. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for ITOC.

10. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable for ITOC.

11. For the cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.

Results: This procedure is not applicable for ITOC.

12. We reviewed transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for ITOC.

13. We obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) for the year ended June 30, 2013 from SANDAG.

- a. We obtained a general ledger for the RTCIP fund from the ITOC.
- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the ITOC.
- c. We obtained the RTCIP schedule, which included the cumulative exactions collected, cumulative interest earned, cumulative expenditures, and cumulative ending balance.
 - i. We determined that the ITOC is using the most current approved fee amount.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
 - v. We determined whether the ITOC provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.
 - vi. We identified interest income for the fiscal year ended June 30, 2013 and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: These procedures are not applicable as the RTCIP does not apply to ITOC.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: ITOC recorded total expenditures in the amount of \$83,071. We selected \$51,367 (61.84%) for testing. No exceptions were noted as a result of our procedures.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for ITOC.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for ITOC.

17. For SANDAG only, we performed the following additional procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for ITOC.

18. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included the ITOC's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the fiscal year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on ITOC's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California
March 28, 2014

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet Extension Activities

Schedule of Status of Funds

Year Ended June 30, 2013

| <u>Project Name</u> | <u>Status July 1, 2012</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>Committee Adjustments</u> | <u>Status June 30, 2013</u> |
|--|--------------------------------|---------------------------|----------------------------|---------------------------------|----------------------------------|---------------------------------|
| <i>TransNet</i> Extension: | | | | | | |
| Independent Taxpayer Oversight Committee | \$ 532,421 | \$ - | \$ 4,565 | \$ (83,071) | \$ - | \$ 453,915 |
| Total ITOC | 532,421 | - | 4,565 | (83,071) | - | 453,915 |
| Total <i>TransNet</i> Extension | \$ 532,421 | \$ - | \$ 4,565 | \$ (83,071) | \$ - | \$ 453,915 |

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet Extension Activities
 Cumulative Schedule of Status of Funds
 Year Ended June 30, 2013

| <u>Project Name</u> | <u>Funds Received</u> | <u>Interest Income</u> | <u>Project Expenditures</u> | <u>Committee Adjustments</u> | <u>Status June 30, 2013</u> |
|--|-----------------------|------------------------|-----------------------------|------------------------------|-----------------------------|
| <i>TransNet</i> Extension: | | | | | |
| Independent Taxpayer Oversight Committee | \$ 1,348,842 | \$ 16,633 | \$ (911,560) | \$ - | \$ 453,915 |
| Total ITOC | <u>1,348,842</u> | <u>16,633</u> | <u>(911,560)</u> | <u>-</u> | <u>453,915</u> |
| Total Cumulative <i>TransNet</i> Extension | <u>\$ 1,348,842</u> | <u>\$ 16,633</u> | <u>\$ (911,560)</u> | <u>\$ -</u> | <u>\$ 453,915</u> |

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Metropolitan Transit System (MTS) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. MTS' management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 management, *TransNet* revenues and expenditures are not recorded in a separate fund, but MTS maintains separate accountability for all *TransNet* activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted the MTS' alternative approach.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: MTS recorded total expenditures in the amount of \$38,166,940. We selected \$9,769,365 (25.60%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: MTS allocates their personnel wage costs at a fringe benefit rate of 40% to MTS33A and MTS23A. No exceptions noted as a result of our procedures.

- f. We determined that any amounts reported in the "adjustments" columns are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We

determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.
 - a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and

ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: MTS is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

| | <u>Sr. & Disabled</u> | <u>Transit</u> |
|----------------------------------|---------------------------|---------------------|
| Fiscal year 2013 apportionment | \$709,697 | \$26,755,580 |
| Less: debt service payment | _____ - | _____ - |
| Net estimated apportionment | 709,697 | 26,755,580 |
| 30% base | _____ <u>30%</u> | _____ <u>30%</u> |
| Fiscal year 2013 30% threshold | 212,909 | 8,026,674 |
| Less: Fund Balance | _____ - | _____ - |
| Fund balance under apportionment | \$ <u>212,909</u> | \$ <u>8,026,674</u> |

- 9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

- 10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for MTS.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.

Results: This procedure is not applicable as MTS is not subject to MOE requirements.

12. We reviewed transit operator eligibility for receipt of funds.

- a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.
- b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year.
- c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

Results: The growth rate in the total operating cost per vehicle hour for bus services and the growth rate for total rail operating cost per revenue mile exceeded the increase in the CPI. However, MTS submitted to the SANDAG Board, a request to calculate the requirement based upon the average over the previous three fiscal years, as allowed per Section 4(C)5 of the *TransNet* Extension Ordinance (04-01). The SANDAG Board of Directors approved MTS' request. Therefore, we have calculated the increase in operating cost per revenue vehicle hour for bus and operating cost per revenue vehicle mile for rail services based upon the average, and the growth rates are now in compliance with the requirements.

Operating Cost per Revenue Vehicle Hour for Bus Services

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>3-Year Average Growth Rate</u> |
|--|---------------|---------------|---------------|---------------|---|
| Operating cost for bus services | \$161,801,667 | \$151,951,288 | \$140,008,751 | \$142,314,150 | |
| Revenue vehicle hours | 1,747,714 | 1,689,974 | 1,680,436 | 1,733,857 | |
| Total operating cost per revenue vehicle hours | \$92.58 | \$89.91 | \$83.32 | \$82.08 | |
| Consumer Price Index | 227.028 | 229.775 | 222.913 | 198.572 | |
| Increase/ (Decrease) in CPI | (1.2)% | 3.1% | 12.3% | | 4.7% |
| Increase/ (Decrease) in Ratio | 3.0% | 7.9% | 1.5% | | 4.1% |

Operating Cost per Revenue Vehicle Mile for Rail Services

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>3-Year Average Growth Rate</u> |
|---|--------------|--------------|--------------|--------------|---|
| Operating cost for rail services | \$66,350,716 | \$63,839,409 | \$60,815,846 | \$61,127,104 | |
| Revenue vehicle miles | 7,758,089 | 7,544,239 | 7,518,512 | 7,848,443 | |
| Total operating cost per revenue vehicle mile | \$8.55 | \$8.46 | \$8.09 | \$7.79 | |
| Consumer Price Index | 227.028 | 229.775 | 222.913 | 198.572 | |
| Increase/ (Decrease) in CPI | (1.2)% | 3.1% | 12.3% | | 4.7% |
| Increase/ (Decrease) in Ratio | 1.0% | 4.6% | 3.9% | | 3.2% |

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as MTS.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding

the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program.”

Results: This procedure is not applicable for MTS.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: These procedures are not applicable for MTS.

16. For SANDAG only, we reviewed SANDAG’s administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for MTS.

17. For SANDAG only, we performed the following procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
 - b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for MTS.

18. 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.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included MTS' response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on MTS' receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than this specified party.



Irvine, California
March 28, 2014

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Project Status July 1, 2012 | Funds Received | Interest Income | Project Expenditures | MTS Adjustments | Project Status June 30, 2013 |
|----------------------------|------------|--|--------------------------------|----------------|-----------------|----------------------|-----------------|---------------------------------|
| TransNet Extension: | | | | | | | | |
| Capital: | | | | | | | | |
| | | Major Corridor: | | | | | | |
| SAN 67 | 47120 | Blue Line Rehab | \$ - | \$ 7,675,466 | \$ - | \$ (7,675,466) | \$ - | \$ - |
| | | Total Capital | - | 7,675,466 | - | (7,675,466) | - | - |
| Operating: | | | | | | | | |
| | | Senior and Disabled Transportation: | | | | | | |
| MTS 33A | 47130 | MTS Access | - | 710,531 | - | (710,531) | - | - |
| | | Total Senior and Disabled Transportation | - | 710,531 | - | (710,531) | - | - |
| | | Transit and Trolley: | | | | | | |
| MTS 23A | 47110 | MTS Operating Support | - | 26,849,599 | - | (26,849,599) | - | - |
| | | Major Transit Corridor Operations: | | | | | | |
| SAN 80 | 47150 | Bus Rapid Transit | - | 283,988 | - | (283,988) | - | - |
| SAN 80 | 47140 | SuperLoop | - | 2,647,356 | - | (2,647,356) | - | - |
| | | Total Major Transit Corridor Operations | - | 2,931,344 | - | (2,931,344) | - | - |
| | | Total Transit and Trolley | - | 29,780,943 | - | (29,780,943) | - | - |
| | | Total Operating | - | 30,491,474 | - | (30,491,474) | - | - |
| | | Total <i>TransNet</i> Extension | \$ - | \$ 38,166,940 | \$ - | \$ (38,166,940) | \$ - | \$ - |

SAN DIEGO METROPOLITAN TRANSIT SYSTEM

TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 Year Ended June 30, 2013

| MPO ID | CIP Number | Project Name | Funds Received | Interest Income | Project Expenditures | MTS Adjustments | Status June 30, 2013 |
|---------------------------|------------|---|----------------|-----------------|----------------------|-----------------|----------------------|
| TransNet Extension | | | | | | | |
| Capital: | | | | | | | |
| SAN 67 | 47120 | Major Corridor: Blue Line Rehab | \$ 50,985,873 | - | \$ (50,985,873) | \$ - | - |
| | | Total Capital | 50,985,873 | - | (50,985,873) | - | - |
| Operating: | | | | | | | |
| MTS 33A | 47130 | Senior and Disabled Transportation: MTS Access | 3,203,407 | - | (3,203,407) | - | - |
| | | Total Senior and Disabled Transportation: | 3,203,407 | - | (3,203,407) | - | - |
| MTS 23A | 47110 | Transit and Trolley MTS Operating Support | 109,917,091 | - | (109,917,091) | - | - |
| SAN 80 | 47150 | Major Transit Corridor Operations: Bus Rapid Transit | 546,835 | - | (546,835) | - | - |
| SAN 80 | 47140 | SuperLoop | 8,120,091 | - | (8,120,091) | - | - |
| | | Total Major Transit Corridor Operations | 8,666,926 | - | (8,666,926) | - | - |
| | | Total Transit and Trolley | 118,584,017 | - | (118,584,017) | - | - |
| | | Total Operating | 121,787,424 | - | (121,787,424) | - | - |
| | | Total Cumulative <i>TransNet</i> Extension | \$ 172,773,297 | \$ - | \$ (172,773,297) | \$ - | \$ - |

**NORTH COUNTY TRANSIT DISTRICT
OCEANSIDE, CALIFORNIA**

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the North County Transit District, Oceanside, California (NCTD), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. NCTD's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 NCTD management, *TransNet* revenues and expenditures are not recorded in a separate fund. However, since NCTD is an enterprise fund, it does maintain separate accountability for all *TransNet* activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted NCTD's alternative approach.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the Ordinance and Board Policy No, 031.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

- i. We reviewed the total project expenditures reported on Schedule A and agreed them to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: NCTD recorded total expenditures in the amount of \$12,444,879. We selected \$3,516,983 (28.26%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged and determined whether the MPO ID is included in the RTIP (see procedure 2) and that the individual expenditure is an eligible cost per the *TransNet* and *TransNet* Extension Ordinances and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: This procedure is not applicable as there are no indirect costs allocated to the projects for the year ended June 30, 2013.

- f. We determined that any amounts reported in the "adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same program or related program. We determined that projects identified as completed in the previous fiscal year are not presented in Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's fiscal year annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: NCTD is in compliance with the 30% requirement. The fund balance under the apportionment is as follows:

| | <u>Sr. & Disabled</u> | <u>Transit</u> |
|----------------------------------|---------------------------|---------------------|
| Fiscal year 2013 apportionment | \$ 290,532 | \$10,953,064 |
| Less: debt service payment | <u> -</u> | <u>(234,241)</u> |
| Net estimated apportionment | 290,532 | 10,718,823 |
| 30% base | <u> 30%</u> | <u> 30%</u> |
| Fiscal year 2013 30% threshold | 87,160 | 3,215,647 |
| Less: Fund Balance | <u> -</u> | <u> -</u> |
| Fund balance under apportionment | <u>\$ 87,160</u> | <u>\$ 3,215,647</u> |

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: NCTD has \$31,775,000 in outstanding commercial paper. However, it does not use *TransNet* funds for the payment of principal and interest. For the year ended June 30, 2013, NCTD paid \$234,241 in interest on commercial paper, which represents the cost of being in the commercial paper program.

10. For SANDAG 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 year financing costs to SANDAG records.

Results: This procedure is not applicable for NCTD.

11. For the cities and the County of San Diego only, we reviewed the MOE requirement.

Results: This procedure is not applicable as NCTD is not subject to MOE requirements.

12. We reviewed transit operator eligibility for receipt of funds.

- a. We calculated and reported the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services for the current year and the prior year.
- b. We obtained the increase in the Consumer Price Index for San Diego County (CPI) over the same period of the prior year from SANDAG.
- c. We reviewed and reported the increase in total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services in excess of the increase in the CPI.

Results: The increase in the total operating cost per revenue vehicle hour for bus services was lower than the increase in the CPI. However, the growth rate for rail total operating cost per revenue vehicle mile exceeded the increase in the CPI. NCTD submitted to the SANDAG Board, a request to calculate the requirement based on the average over the previous three fiscal years, as allowed for in Section 4(C)5 of the *TransNet* Extension Ordinance (04-01), as well as a request to exclude certain increased operating costs due to an unusual shutdown of the SPRINTER service which was beyond the control of NCTD. The SANDAG Board of Directors approved NCTD's request. Therefore, we have calculated the operating cost per revenue vehicle mile based on the average, and the growth rate is now in compliance with the requirements.

Operating Cost per Revenue Vehicle Hour for Bus Services

| | <u>2013</u> | <u>2012</u> | <u>Growth Rate</u> |
|--|--------------|--------------|------------------------|
| Operating cost for bus services | \$45,490,584 | \$44,760,253 | |
| Revenue vehicle hours | 516,882 | 454,558 | |
| Total operating cost per revenue vehicle hour | \$88.01 | \$98.47 | (10.62)% |
| Consumer Price Index | 227.028 | 229.75 | (1.20)% |

Operating Cost per Revenue Vehicle Mile for Rail Services

| | <u>2013</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>3-Year Average Growth Rate</u> |
|---|--------------|--------------|--------------|--------------|---|
| Operating cost for rail services | \$33,517,569 | \$31,433,211 | \$28,912,425 | \$28,197,382 | |
| Revenue vehicle miles | 795,561 | 791,558 | 761,909 | 740,828 | |
| Total operating cost per revenue vehicle mile | \$42.13 | \$39.71 | \$37.95 | \$38.06 | |
| Consumer Price Index | 227.028 | 229.775 | 222.913 | 198.572 | |
| Increase/ (Decrease) in CPI | (1.2)% | 3.1% | 12.3% | | 4.7% |
| Increase/ (Decrease) in Ratio | 6.1% | 4.6% | (0.3)% | | 3.5% |

13. For the cities and the County of San Diego only, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the fiscal year ended June 30, 2013.

Results: The RTCIP is a requirement for local jurisdictions that have newly constructed residential housing units. Therefore, these procedures are not applicable to transit operators such as NCTD.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: This procedure is not applicable for NCTD.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for NCTD.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.

- a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
- b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: These procedures are not applicable for NCTD.

17. For SANDAG only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.
- b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: These procedures are not applicable for NCTD.

18. 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.

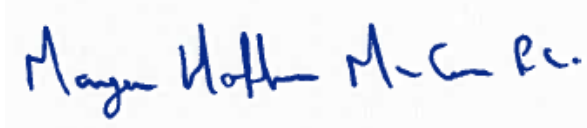
19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included NCTD's response to the findings, if applicable.

Results: This procedure is not applicable, as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on NCTD's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Mayor Hoffman M-Council P.C.

Irvine, California
June 10, 2014

**SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA**

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2013



Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Association of Governments (SANDAG) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2013. SANDAG's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the 1987 Proposition A San Diego Transportation Improvement Plan (*TransNet* Ordinance and Expenditure Plan), the 2004 Proposition A (*TransNet* Extension Ordinance and Expenditure Plan), and SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules compliance requirements (SANDAG Board Policy No. 031).

Results: No exceptions were noted as a result of our procedures.

2. We obtained the applicable approved Regional Transportation Improvement Program (RTIP) from SANDAG.

Results: No exceptions were noted as a result of our procedures.

3. We obtained the *TransNet* Grant Program spreadsheet from SANDAG.

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 the Schedule of Status of Funds by Project (Schedule A) from the recipient agency and determined that it included a beginning balance, *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG and compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- d. We identified the interest income reported for the year ended June 30, 2013.

- i. We reviewed the interest income reported on Schedule A and agreed it to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

e. We identified the total *TransNet* expenditures for the year ended June 30, 2013.

i. We reviewed the total project expenditures reported on Schedule A and agreed them to the *TransNet* general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures for testing that comprised at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: SANDAG recorded total expenditures in the amount of \$209,607,294. We selected \$56,481,355 (26.95%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determine if the MPO ID is included in the RTIP (see step 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. Inquire of management whether indirect costs are allocated to the projects included in the RTIP. If so, document the indirect cost rate allocated and the basis of allocation.

Results: Indirect cost is allocated to RTIP projects at a rate of 51.7% of salaries. No exceptions were noted as a result of our procedures.

f. We determined that any amounts reported in the “adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

g. We obtained a list of completed projects from the recipient agency that is reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project. We determined that projects identified as completed in the previous fiscal year are not presented in the Schedule A for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project has not been transferred to another *TransNet*-eligible project, we ensured that a footnote is presented that

includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- h. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A is included with the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We determined whether projects which have had no activity over the past two years, other than interest earnings, are closed out or that the recipient agency has presented a footnote as to the status of the project, including when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- j. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- k. We determined whether the recipient agency reported non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained the Cumulative Schedule of Status of Funds by Project (Schedule B) from the recipient agency and determined that it included cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures incurred, interest income, adjustments and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects are properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedules A and B.

Results: No exceptions were noted as a result of our procedures.

- b. We identified completed projects reported in the prior year's schedule A and ensured that all completed projects are 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 determined that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment did not exceed 30% of the recipient agency's current year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service payments (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and excess balance over the threshold.

Results: This procedure is not applicable as the 30% balance threshold applies to *TransNet* recipients that receive an annual apportionment per the Ordinance. SANDAG is not a recipient of an annual apportionment.

9. For SANDAG 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 year financing costs to SANDAG records.

Results: The schedule of bond financing costs related to Highway and transit capital projects, are summarized below. The total cost of \$24,577,909 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, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance as of June 30, 2013</u> |
|----------------------|------------------------------------|--------------------|------------------|--|
| Commercial Paper | \$ 1,428,374 | \$ 577,486 | \$ - | \$ 2,005,860 |
| 2008 Bonds | 14,805,038 | 2,590,789 | - | 17,395,827 |
| 2010 Bonds | 2,864,732 | 9,300 | - | 2,874,032 |
| 2012 Bonds | <u>2,300,290</u> | <u>1,900</u> | <u>-</u> | <u>2,302,190</u> |
| Total | <u>\$21,398,434</u> | <u>\$3,179,475</u> | <u>\$ -</u> | <u>\$24,577,909</u> |

10. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt, additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2013.

11. For cities and the County of San Diego only, we reviewed the maintenance of effort (MOE) requirement.

Results: This procedure is not applicable for SANDAG.

12. We reviewed the transit operator eligibility for receipt of funds.

Results: This procedure is not applicable for SANDAG.

13. For the cities and the County of San Diego, we obtained the approved Regional Transportation Congestion Improvement Program (RTCIP) from SANDAG for the year ended June 30, 2013.

- a. We obtained a general ledger for the RTCIP fund from the recipient agency.
- b. We obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program from the recipient agency.
- c. We obtained the RTCIP schedule, which included the beginning balance, exactions collected, interest earned, expenditures incurred and the ending balance, from SANDAG. We agreed the ending balance per the prior year schedule to the beginning balance for the fiscal year ended June 30, 2013, or footnoted any restatements.
 - i. We determined that the recipient agency is using the most current approved fee amount.
 - ii. We inquired of management as to whether procedures are in place to track each exaction fee paid by development.
 - iii. We determined whether all exaction fees have been expended within seven years of collection.
 - iv. We obtained a list of RTCIP-approved regional arterial system projects from SANDAG and tested at least 10% of the expenditures to ensure that the expenditures are for projects on the approved regional arterial system project list.
 - v. We determined whether the recipient agency provided its full monetary contribution required by Section 9(A) of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures exist to ensure all qualified properties are included in the program.

- vi. We identified interest income for the fiscal year ended June 30, 2013, and determined whether the interest income reported on the RTCIP schedule agrees to the RTCIP general ledger. We reviewed the interest allocation methodology for reasonableness.

Results: These procedures are not applicable as SANDAG is not a local agency as identified in Section 9 of the Extension Ordinance.

14. For ITOC only, we reviewed at least 25% of ITOC expenditures to determine whether they are reasonable and necessary in carrying out ITOC's responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: These procedures are not applicable for SANDAG.

15. For the cities and the County of San Diego only, we reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects are included in the RTIP, we ensured that administrative cost included in Local Street improvement is no more than 1% of the annual apportionment.

Results: This procedure is not applicable for SANDAG.

16. For SANDAG only, we reviewed SANDAG's administrative expenditures to determine whether they complied with Section 12 of the *TransNet* Extension Ordinance and Expenditure Plan.
 - a. We reviewed and ensured that the total administrative expenditures do not exceed one percent of annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.
 - b. We reviewed at least 25% of the administrative expenditures and ensured that they are expended by SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: No exceptions were noted as a result of our procedures.

17. For SANDAG only, we performed the following additional procedures:
 - a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed the fiscal year 2013 *TransNet* Local Street Improvements Allocation Schedule and determined whether at least 70% of the revenues provided for local street improvement purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

Results: No exceptions were noted as a result of our procedures.

18. We reviewed any prior year findings and recommendations and determined whether they were adequately addressed.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

19. We prepared findings and recommendations as a result of performing these agreed-upon procedures. We have included SANDAG's response to the findings, if applicable.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2013.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on SANDAG's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California
March 28, 2014

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | TransNet: | | | | | | |
| | | Transit: | | | | | | |
| | 1095400 | LFV Station Platform Retrofit | \$ - | \$ 12,914 | \$ (12,914) | \$ - | \$ - | |
| | | Total Transit | - | 12,914 | (12,914) | - | - | |
| | | Total <i>TransNet</i> | - | 12,914 | (12,914) | - | - | |
| | | TransNet Extension: | | | | | | |
| | | Administration: | | | | | | |
| | | SANDAG 1% Administration | - | 2,428,258 | (2,428,258) | - | - | (a) |
| | | Total Administration | - | 2,428,258 | (2,428,258) | - | - | |
| | | Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through: | | | | | | |
| SD191 | 1223008 | Bicycle Detection Signalized Intersection | - | 5,790 | (5,790) | - | - | |
| SD191 | 1223014 | SR - 15 Bike Path Design/Environmental Docs | - | 119,055 | (119,055) | - | - | |
| | | Total SD191 | - | 124,845 | (124,845) | - | - | |
| V01 | 1223002 | Inland Rail Trail | - | 3,095 | (3,095) | - | - | |
| SAN40 | 3300300 | TDA/TN Bike, Ped, Neighborhood | - | 20,000 | (20,000) | - | - | |
| | | Total BPNS - Pass Through | - | 147,940 | (147,940) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 2,576,198 | (2,576,198) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------------|----------------|---|--------------------------------|-------------------|-------------------------|-----------------------|------------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 2,576,198 | \$ (2,576,198) | \$ - | \$ - | |
| BPNS: | | | | | | | | |
| SAN102 | 1144300 | Bayshore Bikeway - Segments 7 & 8 | - | 81,009 | (81,009) | - | - | |
| SAN144 | 1143700 | Bayshore Bikeway - Segments 4 & 5 | - | 920 | (920) | - | - | |
| SAN150 | 3300200 | Nonmotorized Trans Planning | - | 271,079 | (271,079) | - | - | |
| SAN150 | 3300201 | Regional Bike Plan - Data, Model | - | 17,372 | (17,372) | - | - | |
| SAN150 | 3300202 | Regional Bike Plan - Safe Routes | - | 13,704 | (13,704) | - | - | |
| SAN150 | 3300203 | Regional Bike Plan - Wayfinding | - | 470 | (470) | - | - | |
| SAN150 | 3300204 | Regional Bike Plan - Bicycle Par | - | 282 | (282) | - | - | |
| | | Total SAN150 | - | 302,907 | (302,907) | - | - | |
| SAN152 | 1223024 | Coastal Rail Trail Phase 2B - Oceanside | - | 86,923 | (86,923) | - | - | |
| SAN154 | 1129900 | Bayshore Bikeway Segment 8B | - | 4,359 | (4,359) | - | - | |
| SAN158 | 1223020 | Bicycle Facilities - La Mesa to North Park | - | 369,565 | (369,565) | - | - | |
| SAN160 | 1223022 | Bicycle Facilities - Old Town to San Diego | - | 415,113 | (415,113) | - | - | |
| SAN161 | 1144500 | Sweetwater Bikeway - Plaza Bonita Segment | - | 88,569 | (88,569) | - | - | |
| SAN169 | 1223025 | Regional Bikeway Program PE | - | 349,993 | (349,993) | - | - | |
| | | Total BPNS | - | 1,699,358 | (1,699,358) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 4,275,556 | (4,275,556) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and *TransNet* Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|---------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 4,275,556 | \$ (4,275,556) | \$ - | \$ - | |
| | | Senior Services - Pass Through: | | | | | | |
| LAM27 | 1270400 | La Mesa - Rides4Neighbors | - | 130,040 | (130,040) | - | - | |
| NCTD34A | 1270100 | NCTD - Mobility/Travel Training Program | - | 22,121 | (22,121) | - | - | |
| O21 | 1270500 | Oceanside - Solutions for Seniors on the Go | - | 178,965 | (178,965) | - | - | |
| SAN87 | 1270700 | Elderhelp - Volunteer Driver Program | - | 69,806 | (69,806) | - | - | |
| SAN88 | 1270800 | FACT - Reimbursement | - | 113,953 | (113,953) | - | - | |
| SAN90 | 1271100 | Peninsula Shepherd Senior Center - Volunteer Driver | - | 1,520 | (1,520) | - | - | |
| SAN91 | 1271200 | Redwood Elderlink | - | 85,978 | (85,978) | - | - | |
| SAN92 | 1271300 | Travelers Aid Society - SeniorRide | - | 95,364 | (95,364) | - | - | |
| SAN139 | 1271500 | FACT MedAccessRide | - | 14,359 | (14,359) | - | - | |
| SAN140 | 1270800 | FACT MedRide | - | 15,154 | (15,154) | - | - | |
| SAN141 | 1271000 | Jewish Family Services | - | 217,578 | (217,578) | - | - | |
| SAN142 | 1271400 | Friends of Adult Day Care | - | 55,306 | (55,306) | - | - | |
| SAN143 | 1271600 | Redwood Senior Nutrition Program | - | 14,850 | (14,850) | - | - | |
| VISTA44 | 1270600 | City of Vista - Out and About | - | 88,186 | (88,186) | - | - | |
| | | Total Senior Services - Pass Through | - | 1,103,180 | (1,103,180) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 5,378,736 | (5,378,736) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 5,378,736 | \$ (5,378,736) | \$ - | \$ - | |
| | | Senior Services: | | | | | | |
| SAN40 | 3320100 | S/R Transit Svc Activities | - | 42,000 | (42,000) | - | - | |
| | | Total Senior Services | - | 42,000 | (42,000) | - | - | |
| | | Smart Growth - Pass Through: | | | | | | |
| CHV49 | 1224013 | 3rd Ave. Streetscape Implementation | - | 1,344,153 | (1,344,153) | - | - | |
| CHV52 | 1224012 | Industrial Blvd. Bicycle and Pedestrian Facilities | - | 18,344 | (18,344) | - | - | |
| CHV63 | 1224002 | Palomar Gateway District Specific Plan and EIR | - | 18,727 | (18,727) | - | - | |
| LG19 | 1224008 | Lemon Grove Trolley Plaza | - | 637,490 | (637,490) | - | - | |
| SD201 | 1224004 | Mid + City SR15 BRT Station Area Planning Study | - | 3,177 | (3,177) | - | - | |
| SD202 | 1224005 | Chollas Triangle Master Plan | - | 5,089 | (5,089) | - | - | |
| SD203 | 1224006 | Euclid and Market Village Master Plan | - | 32,542 | (32,542) | - | - | |
| SD204 | 1224007 | Imperial Ave and Commercial St Corridor Plan | - | 36,204 | (36,204) | - | - | |
| SD205 | 1224009 | Park Blvd/Essex St Pedestrian Crossing and Traffic Calming | - | 156,247 | (156,247) | - | - | |
| SD206 | 1224011 | Fourth Ave/Quince Pedestrian Crossing and Traffic Calming | - | 53,731 | (53,731) | - | - | |
| SD207 | 1224014 | 4th and 5th Ave/Nutmeg Ped Crossing and Traffic Calming | - | 35,039 | (35,039) | - | - | |
| SD214 | 1224010 | Park Blvd/City College/San Diego High | - | 4,836 | (4,836) | - | - | |
| | | Total Smart Growth - Pass Through | - | 2,345,579 | (2,345,579) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 7,766,315 | (7,766,315) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 7,766,315 | \$ (7,766,315) | \$ - | \$ - | |
| | | Smart Growth: | | | | | | |
| SAN40 | 3300100 | <i>TransNet</i> Smart Growth Incentive Program | - | 20,000 | (20,000) | - | - | |
| | | Total Smart Growth | - | 20,000 | (20,000) | - | - | |
| | | Local Street Improvements: | | | | | | |
| CHV39 | 3311000 | Traffic Signal System Optimization | - | 15,500 | (15,500) | - | - | |
| EL06 | 3311000 | Traffic Signals Project | - | 9,700 | (9,700) | - | - | |
| ENC28 | 3311000 | Traffic Signal Modifications | - | 7,400 | (7,400) | - | - | |
| LAM37 | 3311000 | Traffic Signal Upgrades | - | 7,400 | (7,400) | - | - | |
| NC04 | 3311000 | Traffic Signal Install/Upgrade | - | 8,000 | (8,000) | - | - | |
| SAN54 | 3311000 | ITS Operating | - | 137,300 | (137,300) | - | - | |
| SM47 | 1201510 | Nordahl Road Bridge @ SR78 | - | 2,749,033 | (2,749,033) | - | - | |
| | | Total Local Street Improvements | - | 2,934,333 | (2,934,333) | - | - | |
| | | Program (EMP) - Pass Through: | | | | | | |
| V07 | 12002xx | Caltrans | - | 2,975,000 | (2,975,000) | - | - | |
| | | Subtotal Regional EMP - Pass Through | - | 2,975,000 | (2,975,000) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 13,695,648 | (13,695,648) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 13,695,648 | \$ (13,695,648) | \$ - | \$ - | |
| | | Program (EMP) - Pass Through balance carried forward | - | 2,975,000 | (2,975,000) | - | - | |
| V08 | 1200311 | Gnatcatcher/Cactus Wren - Chula Vista | - | 38,072 | (38,072) | - | - | |
| V08 | 1200320 | Mission Resource Conversation District | - | 78,119 | (78,119) | - | - | |
| V08 | 1200321 | San Dieguito River Park - JPA | - | 59,409 | (59,409) | - | - | |
| V08 | 1200326 | SD County Salt Creek Recovery | - | 12,449 | (12,449) | - | - | |
| V08 | 1200333 | Calavera Preserve | - | 16,013 | (16,013) | - | - | |
| V08 | 1200334 | Wild Animal Park | - | 75,352 | (75,352) | - | - | |
| V08 | 1200336 | San Dieguito River Valley Conservancy | - | 52,796 | (52,796) | - | - | |
| V08 | 1200337 | Rancho La Costa/TET/Meadowlark | - | 4,310 | (4,310) | - | - | |
| V08 | 1200340 | CA Invasive Plant Council | - | 43,407 | (43,407) | - | - | |
| V08 | 1200344 | River Habitat San Diego River | - | 137,714 | (137,714) | - | - | |
| V08 | 1200345 | Daley Preserve | - | 21,889 | (21,889) | - | - | |
| V08 | 1200347 | Lusardi Creek | - | 19,779 | (19,779) | - | - | |
| V08 | 1200348 | San Pasqual Valley Weed | - | 23,288 | (23,288) | - | - | |
| V08 | 1200349 | South County Grassland | - | 143,672 | (143,672) | - | - | |
| V08 | 1200351 | Lakeside Linkage | - | 39,024 | (39,024) | - | - | |
| V08 | 1200352 | Chula Vista Tarplant-Thornmint | - | 100,495 | (100,495) | - | - | |
| V08 | 1200353 | Crest Canyon Invasive Removal | - | 17,371 | (17,371) | - | - | |
| V08 | 1200354 | Invasive Control Pepper Weed | - | 22,937 | (22,937) | - | - | |
| V08 | 1200358 | Carlsbad Hydrologic Unit | - | 64,913 | (64,913) | - | - | |
| V08 | 1200359 | Audubon Mission Bay Park | - | 18,899 | (18,899) | - | - | |
| V08 | 1200360 | Proctor Valley Vernal Pools | - | 89,313 | (89,313) | - | - | |
| V08 | 1200361 | Brachypodium Removal | - | 107,038 | (107,038) | - | - | |
| V08 | 1200362 | Tijuana River Valley SWIA | - | 43,688 | (43,688) | - | - | |
| | | Subtotal V08 | - | 1,229,947 | (1,229,947) | - | - | |
| | | Subtotal Regional EMP - Pass Through | - | 4,204,947 | (4,204,947) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 14,925,595 | (14,925,595) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|-----------------------------|----------------|----------------------|--------------------|------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 14,925,595 | \$ (14,925,595) | \$ - | \$ - | |
| | | Program (EMP) - Pass Through balance carried forward | - | 4,204,947 | (4,204,947) | - | - | |
| V08 | 1200363 | Groundwork Radio - Encanto | - | 85,084 | (85,084) | - | - | |
| V08 | 1200365 | San Pasqual Valley Zoo | - | 95,022 | (95,022) | - | - | |
| V08 | 1200366 | City of Chula Vista Salt Creek | - | 86,782 | (86,782) | - | - | |
| V08 | 1200367 | USGS Western Pond Turtle | - | 30,810 | (30,810) | - | - | |
| V08 | 1200368 | CNLM Acanthomintha | - | 5,960 | (5,960) | - | - | |
| V08 | 1200369 | USFWS Golden Eagle | - | 14,321 | (14,321) | - | - | |
| V08 | 1200370 | Proctor Valley Missing Link Barriers | - | 14,548 | (14,548) | - | - | |
| V08 | 1200371 | County Community Outreach | - | 69,399 | (69,399) | - | - | |
| V08 | 1200372 | Mission Valley Preserve | - | 71,097 | (71,097) | - | - | |
| | | Total V08 | - | 1,702,970 | (1,702,970) | - | - | |
| | | Total Regional EMP - Pass Through | - | 4,677,970 | (4,677,970) | - | - | |
| | | Environmental Mitigation (EMP): | | | | | | |
| V07 | 12002xx | Biological Mitigation | - | 3,254,244 | (3,254,244) | - | - | |
| V08 | 12003xx | Regional Habitat Conservation Fund | - | 1,950,700 | (1,950,700) | - | - | |
| | | Total EMP | - | 5,204,944 | (5,204,944) | - | - | |
| | | Major Corridor - Pass Through: | | | | | | |
| CAL09 | 1200501 | I-5 North Coast | - | 2,448,900 | (2,448,900) | - | - | |
| CAL09 | 1200504 | I-5 North Coast: 2 HOV Lanes | - | 2,563,000 | (2,020,574) | (542,426) | - | |
| | | Total CAL09 | - | 5,011,900 | (4,469,474) | (542,426) | - | |
| | | Subtotal Major Corridor - Pass Through | - | 5,011,900 | (4,469,474) | (542,426) | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 25,615,462 | (25,073,036) | (542,426) | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 25,615,462 | \$ (25,073,036) | \$ (542,426) | \$ - | |
| | | Major Corridor - Pass Through balance carried forward | - | 5,011,900 | (4,469,474) | (542,426) | - | |
| CAL09A | 1200502 | I-5 Lomas Santa Fe Interchange/HOV Lanes | - | 219,000 | 3,178,000 | (3,397,000) | - | (c) |
| CAL09C | 1280505 | I-805 Direct Access Ramp and HOV at Carroll Canyon | - | 1,661,500 | (1,588,400) | (73,100) | - | (c) |
| CAL18 | 1201502 | I-15 Managed Lanes-Middle Segment | - | 7,510 | (20,756,503) | 20,748,993 | - | (c) |
| CAL18A | 1201503 | I-15 Managed Lanes-North Segment | - | 222,000 | 7,736,999 | (7,958,999) | - | (c) |
| CAL18B | 1201501 | I-15 ML+S. Segment and Mira Mesa Transit Center | - | 1,025,000 | (861,000) | (164,000) | - | (c) |
| CAL18B | 1201506 | I-15 Mira Mesa DAR and Transit Station | - | 9,877,830 | (9,265,830) | (612,000) | - | |
| | | Total CAL18B | - | 10,902,830 | (10,126,830) | (776,000) | - | |
| CAL26 | 1205203 | State Route 52 Freeway (E&F) | - | 1,127,000 | 9,587,237 | (10,714,237) | - | (c) |
| CAL26A | 1205201 | SR 52 HOV/Managed lanes | - | 905,763 | (905,763) | - | - | |
| CAL26B | 1205202 | SR52 Aux Lanes, Truck Lane, and Inside Widening | - | - | 273,173 | (273,173) | - | (c) |
| CAL29 | 1207602 | SR 76 Middle | - | - | 2,988,369 | (2,988,369) | - | (c) |
| CAL29B | 1207606 | SR 76 East | - | 14,205,000 | (11,996,000) | (2,209,000) | - | (c) |
| CAL38 | 1390501 | SR-905 New Freeway | - | 458,000 | (458,000) | - | - | |
| | | Subtotal Major Corridor - Pass Through | - | 34,720,503 | (26,537,192) | (8,183,311) | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 55,324,065 | (47,140,754) | (8,183,311) | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|-------------------|-------------------------|-----------------------|------------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 55,324,065 | \$ (47,140,754) | \$ (8,183,311) | \$ - | |
| | | Major Corridor - Pass Through balance carried forward | - | 34,720,503 | (26,537,192) | (8,183,311) | - | |
| CAL67 | 1280508 | SR 94 Widening | - | 2,450,000 | (2,912,000) | 462,000 | - | (c) |
| CAL75 | 1200506 | I-5 Genessee Interchange and Widening | - | 1,901,000 | (1,901,000) | - | - | |
| CAL78B | 1280503 | I-805 HOV/Managed Lanes + North | - | 20,331 | (44,604) | 24,273 | - | (c) |
| CAL78B | 1280511 | I-805 North: 2 HOV | - | - | 834,000 | (834,000) | - | (c) |
| | | Total CAL78B | - | 20,331 | 789,396 | (809,727) | - | |
| CAL78C | 1280501 | I-805 HOV/Managed Lanes + South | - | 134,124 | 392,876 | (527,000) | - | (c) |
| CAL78C | 1280510 | I-805 South: 2HOV & DAR | - | 5,334,000 | (14,944,000) | 9,610,000 | - | (c) |
| CAL78C | 1280514 | I-805/SR15 Interchange | - | 614,000 | (614,000) | - | - | |
| | | Total CAL78C | - | 6,082,124 | (15,165,124) | 9,083,000 | - | |
| CAL114 | 1200503 | I-5/SR56 Interchange | - | - | (201,000) | 201,000 | - | (c) |
| CAL120 | 1201510 | SR 78 Auxiliary Lanes | - | 5,134,000 | (3,704,000) | (1,430,000) | - | (c) |
| CAL277 | 1207802 | I-15/SR-78 HOV Connectors | - | - | (400,000) | 400,000 | - | (c) |
| CAL278 | 1207801 | SR78 HOV/Managed Lanes | - | 400,000 | (400,000) | - | - | |
| | | Subtotal Major Corridor - Pass Through | - | 50,707,958 | (50,430,920) | (277,038) | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 71,311,520 | (71,034,482) | (554,076) | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 71,311,520 | \$ (71,034,482) | \$ (554,076) | \$ - | |
| | | Major Corridor - Pass Through balance carried forward | - | 50,707,958 | (50,430,920) | (277,038) | - | |
| SAN04 | 1201504 | I-15 Managed Lane/Value Pricing | - | 4,962 | (58,000) | 53,038 | - | (c) |
| SAN26 | 1201505 | I-15 BRT Transit Stations | - | 321,000 | (456,000) | 135,000 | - | (c) |
| SAN26C | 1201507 | I-15 BRT Mid-City In-Line Bus Rapid Transit Stations | - | 714,000 | (876,000) | 162,000 | - | (c) |
| SAN47 | 1280504 | South Bay BRT | - | 614,000 | (614,000) | - | - | |
| SAN146 | 1280512 | I-805 Imperial BRT Station | - | 3,000 | (4,000) | 1,000 | - | (c) |
| | 1200100 | <i>TransNet</i> EAP Program Management | - | - | 74,000 | (74,000) | - | (c) |
| | | Total Major Corridor - Pass Through | - | 52,364,920 | (52,364,920) | - | - | |
| | | Major Corridor: | | | | | | |
| CAL09 | 1200501 | I-5 North Coast | - | 2,174,819 | (2,174,819) | - | - | |
| CAL09 | 1200504 | I-5 North Coast: 2 HOV Lanes | - | 429,781 | (429,781) | - | - | |
| CAL09 | 3310708 | TDM - North Coast Corridor | - | 135,270 | (135,270) | - | - | |
| | | Total CAL09 | - | 2,739,870 | (2,739,870) | - | - | |
| CAL09A | 1200502 | I-5 Lomas Santa Fe Interchange/HOV Lanes | - | 392,643 | (392,643) | - | - | |
| | | Subtotal Major Corridor | - | 3,132,513 | (3,132,513) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 76,100,995 | (76,100,995) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 76,100,995 | \$ (76,100,995) | \$ - | \$ - | |
| | | Major Corridor balance carried forward | - | 3,132,513 | (3,132,513) | - | - | |
| CAL09C | 1280505 | I-805 Direct Access Ramp and HOV at Carroll Canyon | - | 179,613 | (179,613) | - | - | |
| CAL18 | 1201502 | I-15 Managed Lanes-Middle Segment | - | 50,323 | (50,323) | - | - | |
| CAL18A | 1201503 | I-15 Managed Lanes-North Segment | - | 1,064,882 | (1,064,882) | - | - | |
| CAL18B | 1201501 | I-15 Managed Lanes-South Segment | - | 71,180 | (71,180) | - | - | |
| CAL18B | 1201506 | I-15 Mira Mesa DAR and Transit Station | - | 316,889 | (316,889) | - | - | |
| | | Total CAL18B | - | 388,069 | (388,069) | - | - | |
| CAL26 | 1205203 | State Route 52 Freeway (E&F) | - | 16,565 | (16,565) | - | - | |
| CAL29 | 1207602 | SR 76 Middle | - | 727,089 | (727,089) | - | - | |
| CAL29B | 1207606 | SR 76 East | - | 3,184,846 | (3,184,846) | - | - | |
| CAL38 | 1390501 | SR-905 New Freeway | - | 4,731 | (4,731) | - | - | |
| CAL67 | 1280508 | SR 94 Widening | - | 659,468 | (659,468) | - | - | |
| CAL68 | 1212501 | SR94-125 Widening | - | 501,081 | (501,081) | - | - | |
| | | Subtotal Major Corridor | - | 9,909,180 | (9,909,180) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 82,877,662 | (82,877,662) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 82,877,662 | \$ (82,877,662) | \$ - | \$ - | |
| | | Major Corridor balance carried forward | - | 9,909,180 | (9,909,180) | - | - | |
| CAL75 | 1200506 | I-5 Genessee interchange and Widening | - | 1,065,952 | (1,065,952) | - | - | |
| CAL77 | 1200505 | I-5/I-8 Connector | - | 7,618 | (7,618) | - | - | |
| CAL78B | 1280511 | I-805 North: 2 HOV | - | 380,358 | (380,358) | - | - | |
| CAL78C | 1280510 | I-805 South: 2 HOV & DAR | - | 976,186 | (976,186) | - | - | |
| CAL78C | 1280514 | I-805/SR15 Interchange | - | 1,453 | (1,453) | - | - | |
| | | Total CAL78C | - | 977,639 | (977,639) | - | - | |
| CAL114 | 1200503 | I-5/SR56 Interchange | - | 20,542 | (20,542) | - | - | |
| CAL120 | 1201510 | SR 78 Auxiliary Lanes | - | 531,674 | (531,674) | - | - | |
| CAL277 | 1207802 | I-15/SR-78 HOV Connectors | - | 2,053 | (2,053) | - | - | |
| CAL278 | 1207801 | SR78 HOV/Managed Lanes | - | 2,246 | (2,246) | - | - | |
| SAN04 | 1201504 | I-15 Managed Lane/Value Pricing | - | 1,469,886 | (1,469,886) | - | - | |
| SAN04 | 3310400 | I-15 Violation Enforcement System Study | - | 8,829 | (8,829) | - | - | |
| | | Total SAN04 | - | 1,478,715 | (1,478,715) | - | - | |
| | | Subtotal Major Corridor | - | 14,375,977 | (14,375,977) | - | - | |
| | | Subtotal <i>TransNet</i> Extension | - | 87,344,459 | (87,344,459) | - | - | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 87,344,459 | \$ (87,344,459) | \$ - | \$ - | |
| | | Major Corridor balance carried forward | - | 14,375,977 | (14,375,977) | - | - | |
| SAN23 | 1041501 | Mid-Coast Corridor Project | - | (661) | 661 | - | - | |
| SAN23 | 1257001 | Mid-Coast Corridor Transit Project | - | 18,815,465 | (18,815,465) | - | - | |
| | | Total SAN23 | - | 18,814,804 | (18,814,804) | - | - | |
| SAN26 | 1201505 | I-15 BRT Transit Stations | - | 3,384,539 | (3,384,539) | - | - | |
| SAN26A | 1201508 | I-15 BRT Operations and Vehicles | - | 82,314 | (82,314) | - | - | |
| SAN26B | 1201509 | Downtown BRT Stations | - | 635,820 | (635,820) | - | - | |
| SAN26C | 1201507 | I-15 BRT Transit Stations - South | - | 3,378,532 | (3,378,532) | - | - | |
| SAN27 | 1300601 | San Ysidro Intermodal Freight Facility | - | 1,100,579 | (1,100,579) | - | - | |
| SAN27 | 1300602 | South Line Rail Freight Capacity | - | 988,048 | (988,048) | - | - | |
| | | Total SAN27 | - | 2,088,627 | (2,088,627) | - | - | |
| SAN29 | 1239801 | Sorrento to Miramar Double Track/Realign | - | 11,548,937 | (11,548,937) | - | - | |
| SAN29 | 1239812 | Sorrento to Miramar Phase 2 | - | 1,427,028 | 884,188 | - | 2,311,216 | (b) |
| | | Total SAN29 | - | 12,975,965 | (10,664,749) | - | 2,311,216 | |
| | | Subtotal Major Corridor | - | 55,736,578 | (53,425,362) | - | 2,311,216 | |
| | | Subtotal <i>TransNet</i> Extension | - | 128,705,060 | (126,393,844) | - | 2,311,216 | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|--|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 128,705,060 | \$ (126,393,844) | \$ - | \$ 2,311,216 | |
| | | Major Corridor balance carried forward | - | 55,736,578 | (53,425,362) | - | 2,311,216 | |
| SAN30 | 1239813 | San Dieguito Lagoon Double Track and Platform | - | 2,045,990 | (99,752) | - | 1,946,238 | (b) |
| SAN46 | 1041502 | <i>SuperLoop</i> | - | 3,925,082 | (3,925,082) | - | - | |
| SAN47 | 1280504 | Otay BRT | - | 3,500,810 | (3,500,810) | - | - | |
| SAN54 | 2301500 | Multimodal TSM/TDM Model Tool | - | 15,898 | (15,898) | - | - | |
| SAN54 | 3310709 | TDM Vanpool & Carpool Market Analysis | - | 2,391 | (2,391) | - | - | |
| SAN54 | 3311000 | ITS Operations | - | 700,858 | (700,858) | - | - | |
| SAN54 | 3311100 | Regional ITS Program Management | - | 343,160 | (343,160) | - | - | |
| SAN54 | 3311800 | Connected Vehicle Development Program | - | 16,339 | (16,339) | - | - | |
| SAN54 | 3311900 | Arterial Detection System Development | - | 112,342 | (112,342) | - | - | |
| | | Total SAN54 | - | 1,190,988 | (1,190,988) | - | - | |
| SAN64 | 1239809 | Eastbrook to Shell Double Track | - | 2,045,062 | 402,015 | - | 2,447,077 | (b) |
| SAN67 | 1210080 | Low Floor Vehicles | - | 8,306,858 | (8,306,858) | - | - | |
| SAN68 | 1280507 | Vehicle Assist and Automation/Bus on Shoulder Serv | - | 10,156 | (10,156) | - | - | |
| SAN73 | 1239806 | San Elijo Lagoon (Cardiff to Craven) Double Track | - | 91,970 | (91,970) | - | - | |
| SAN73 | 3310708 | TDM - North Coast Corridor | - | 135,271 | (135,271) | - | - | |
| | | Total SAN73 | - | 227,241 | (227,241) | - | - | |
| | | Subtotal Major Corridor | - | 76,988,765 | (70,284,234) | - | 6,704,531 | |
| | | Subtotal <i>TransNet</i> Extension | - | 149,957,247 | (143,252,716) | - | 6,704,531 | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 149,957,247 | \$ (143,252,716) | \$ - | \$ 6,704,531 | |
| | | Major Corridor balance carried forward | - | 76,988,765 | (70,284,234) | - | 6,704,531 | |
| SAN74 | 1143300 | Escondido Bus Rapid Transit | - | 147,907 | (147,907) | - | - | |
| SAN78 | 1240001 | Mid-City Rapid Bus | - | 139,475 | (139,475) | - | - | |
| SAN79 | 1142500 | Centralized Train Control | - | 1,065,919 | (1,065,919) | - | - | |
| SAN79 | 1143401 | TLSP-At Grade Xing | - | 18,777 | (18,777) | - | - | |
| | | Total SAN79 | - | 1,084,696 | (1,084,696) | - | - | |
| SAN116 | 1239803 | Oceanside Station Stub Tracks | - | 1,021,398 | (1,021,398) | - | - | |
| SAN117 | 1239805 | Poinsettia Run Through Track | - | 80,795 | (80,795) | - | - | |
| SAN119 | 1239807 | Sorrento Valley Double Track | - | 225,744 | (225,744) | - | - | |
| SAN120 | 1239808 | Tecolote-Washington Crossovers | - | 838,890 | (838,890) | - | - | |
| SAN121 | 1239804 | Carlsbad Double Track | - | 3,886 | (3,886) | - | - | |
| SAN123 | 1143200 | University Town Center (UTC) Transit Center | - | 55 | (55) | - | - | |
| SAN128 | 1201512 | I-15 BRT Sabre Springs Parking Structure | - | 4,047,003 | (4,047,003) | - | - | |
| | | Subtotal Major Corridor | - | 84,578,614 | (77,874,083) | - | 6,704,531 | |
| | | Total <i>TransNet</i> Extension | - | 157,547,096 | (150,842,565) | - | 6,704,531 | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet and TransNet Extension Activities
 Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 157,547,096 | \$ (150,842,565) | \$ - | \$ 6,704,531 | |
| | | Major Corridor balance carried forward | - | 84,578,614 | (77,874,083) | - | 6,704,531 | |
| SAN129 | 1201514 | Downtown Layover Facility | - | 279,614 | (279,614) | - | - | |
| SAN130 | 1239810 | Carlsbad Village Double Track | - | 609,104 | (609,104) | - | - | |
| SAN131 | 1201511 | Mira Mesa Blvd. BRT Priority Treatments | - | 269,975 | (269,975) | - | - | |
| SAN132 | 1239811 | Elvira to Morena Double Track | - | 760,772 | (760,772) | - | - | |
| SAN133 | 1201513 | South Bay BRT Maintenance Facility | - | 5,066,991 | (5,066,991) | - | - | |
| SAN145 | 1143800 | Encinitas Grade-Separated Pedestrian Crossing | - | 2,377,167 | (2,377,167) | - | - | |
| SAN146 | 1280512 | I-805 Imperial BRT Station | - | 364,237 | (364,237) | - | - | |
| SAN149 | 1239814 | Coaster PE | - | 233,270 | (233,270) | - | - | |
| SAN170 | 1210010 | Orange and Blue Line Project Management | - | 4,678,543 | (4,678,543) | - | - | |
| SAN171 | 1210020 | Blue Line Crossovers and Signals | - | 5,499,123 | (5,499,123) | - | - | |
| SAN172 | 1210030 | Blue Line Station Rehabilitation | - | 13,086,042 | (13,086,042) | - | - | |
| | | Subtotal Major Corridor | - | 117,803,452 | (111,098,921) | - | 6,704,531 | |
| | | Total <i>TransNet</i> Extension | - | 190,771,934 | (184,067,403) | - | 6,704,531 | |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Project Status July 1, 2012 | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 | Notes |
|--------|----------------|---|--------------------------------|----------------|----------------------|--------------------|---------------------------------|-------|
| | | <i>TransNet</i> Extension balance carried forward | \$ - | \$ 190,771,934 | \$ (184,067,403) | \$ - | \$ 6,704,531 | |
| | | Major Corridor balance carried forward | - | 117,803,452 | (111,098,921) | - | 6,704,531 | |
| SAN173 | 1210040 | Blue Line Rail Infrastructure | - | 5,576,273 | (5,576,273) | - | - | |
| SAN174 | 1210050 | Blue Line Communications Upgrades | - | 3,110,310 | (3,110,310) | - | - | |
| SAN176 | 1210070 | System Station Platforms | - | 16,742,535 | (16,742,535) | - | - | |
| SAN182 | 1239815 | San Diego River Bridge | - | 60,843 | (60,843) | - | - | |
| SAN183 | 1239816 | Batiquitos Lagoon Double Track | - | 37,016 | (37,016) | - | - | |
| | | Total Major Corridor | - | 143,330,429 | (136,625,898) | - | 6,704,531 | |
| | | Total <i>TransNet</i> Extension | - | 216,298,911 | (209,594,380) | - | 6,704,531 | |
| | | Total <i>TransNet</i> and <i>TransNet</i> Extension | \$ - | \$ 216,311,825 | \$ (209,607,294) | \$ - | \$ 6,704,531 | |

Notes:

- (a) SANDAG 1% Administration includes Overall Work Program Planning efforts.
- (b) *TransNet* funds will be returned once State revenue is received in FY14.
- (c) Major Corridor + Pass through agency adjustment per Caltrans. Distribute excess cash on hand to balance projects. See Caltrans *TransNet* audit report for detail.

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2013

| MPO ID | Project Number | Project Name | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 |
|--|----------------|--|----------------|----------------------|--------------------|------------------------------|
| TransNet Extension: | | | | | | |
| Administration: | | | | | | |
| | | SANDAG 1% Administration | \$ 10,917,473 | \$ (10,917,473) | \$ - | \$ - |
| | | Total Administration | 10,917,473 | (10,917,473) | - | - |
| Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through: | | | | | | |
| CHV56 | 1223006 | Sidewalk Safety Program | 79,544 | (79,544) | - | - |
| ESC20 | 1223010 | Escondido Creek Bikeway Ash St Undercrossing | 457,357 | (457,357) | - | - |
| LAM29 | 1223012 | Spring St. Trolley Ped Acc Improvements | 88,000 | (88,000) | - | - |
| LAM29 | 1223013 | La Mesa/El Cajon Blvd Ped Improvements | 361,000 | (361,000) | - | - |
| | | Total LAM29 | 449,000 | (449,000) | - | - |
| NC11 | 1223001 | SWater River Bike Path Gap | 6,860 | (6,860) | - | - |
| SD191 | 1223008 | Bicycle Detection Signalized Intersection | 71,512 | (71,512) | - | - |
| SD191 | 1224014 | SR-15 Bike Path Design/Environmental Docs | 350,000 | (350,000) | - | - |
| | | Total SD191 | 421,512 | (421,512) | - | - |
| SM37 | 1223007 | Barham Dr. Urban Trail Improvements | 700,000 | (700,000) | - | - |
| SNT30 | 1223005 | Carlton Oaks Dr. Bike Lanes | 30,200 | (30,200) | - | - |
| V01 | 1223002 | Inland Rail Trail | 27,938 | (27,938) | - | - |
| VISTA36 | 1223004 | Boys & Girls Club Sidewalk | 146,844 | (146,844) | - | - |
| VISTA39 | 1223003 | Pedestrian Improvements | 50,649 | (50,649) | - | - |
| | | Total BPNS - Pass Through | 2,369,904 | (2,369,904) | - | - |
| | | Subtotal <i>TransNet</i> Extension | 13,287,377 | (13,287,377) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| MPO ID | Project Number | Project Name | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 |
|--------|----------------|--|----------------|----------------------|--------------------|------------------------------|
| | | Balance carried forward | \$ 13,287,377 | \$ (13,287,377) | \$ - | \$ - |
| | | BPNS: | | | | |
| ESC32 | 1223011 | Escondido Creek Bike Path/ECBP Lighting and Restriping | 1,603 | (1,603) | - | - |
| NC11 | 1223001 | Swater River Bike Path Gap | 123,012 | (123,012) | - | - |
| SAN40 | 3300300 | <i>TransNet</i> Bike, Ped, Neighborhood | 77,000 | (77,000) | - | - |
| SAN50 | 3310706 | Regional Bicycle Locker Program | 15,039 | (15,039) | - | - |
| SAN81 | 75067 | Bayshore Bikeway - Main to 32nd | 34,807 | (34,807) | - | - |
| SAN81 | 11437 | Bayshore Bikeway - Seg. 4 & 5 | 380,386 | (415,193) | 34,807 | - |
| | | Total SAN81 | 415,193 | (450,000) | 34,807 | - |
| SAN93 | 1143700 | Bayshore Bikeway Extension | 34,807 | - | (34,807) | - |
| SAN102 | 1143700 | Bayshore Bikeway - Segments 4 & 5 | 196,587 | 128,034 | (324,621) | - |
| SAN102 | 1144300 | Bayshore Bikeway - Segments 7 & 8a | 95,413 | (420,034) | 324,621 | - |
| | | Total SAN102 | 292,000 | (292,000) | - | - |
| SAN144 | 1143700 | Bayshore Bikeway - Segments 4 & 5 | 920 | (920) | - | - |
| SAN145 | 1143800 | Encinitas Grade - Separated Pedestrian Crossing | 200,000 | (200,000) | - | - |
| SAN150 | 3300200 | Nonmotorized Trans Planning | 271,079 | (271,079) | - | - |
| SAN150 | 3300201 | Regional Bike Plan - Data, Model | 17,372 | (17,372) | - | - |
| SAN150 | 3300202 | Regional Bike Plan - Safe Routes | 13,704 | (13,704) | - | - |
| SAN150 | 3300203 | Regional Bike Plan - Wayfinding | 470 | (470) | - | - |
| SAN150 | 3300204 | Regional Bike Plan - Bicycle Par | 282 | (282) | - | - |
| SAN150 | 3300601 | Regional Bike Plan - Data | 40,141 | (40,141) | - | - |
| SAN150 | 3300602 | Regional Bike Plan - Transit | 50,989 | (50,989) | - | - |
| SAN150 | 3300603 | Regional Bike Plan - Wayfinding | 10,831 | (10,831) | - | - |
| | | Total SAN150 | 404,868 | (404,868) | - | - |
| | | Subtotal BPNS | 1,564,442 | (1,564,442) | - | - |
| | | Subtotal <i>TransNet</i> Extension | 14,851,819 | (14,851,819) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 |
|--------|----------------|---|----------------|----------------------|--------------------|------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 14,851,819 | \$ (14,851,819) | \$ - | \$ - |
| | | BPNS balance carried forward | 1,564,442 | (1,564,442) | - | - |
| SAN152 | 1223024 | Coastal Rail Trail Phase 2B - Oceanside | 304,480 | (304,480) | - | - |
| SAN154 | 1129900 | Bayshore Bikeway Segment 8B | 4,359 | (4,359) | - | - |
| SAN157 | 1223019 | San Diego River Trail | 2,478 | (2,478) | - | - |
| SAN158 | 1223020 | Bicycle Facilities - La Mesa to North Park | 396,732 | (396,732) | - | - |
| SAN159 | 1223021 | Bicycle Facilities - Normal Heights to Balboa Park | 8,868 | (8,868) | - | - |
| SAN160 | 1223022 | Bicycle Facilities - Old Town to San Diego | 443,571 | (443,571) | - | - |
| SAN161 | 1144500 | Sweetwater Bikeway - Plaza Bonita Segment | 88,569 | (88,569) | - | - |
| SAN169 | 1223025 | Regional Bikeway Program PE | 349,993 | (349,993) | - | - |
| | | Total BPNS | 3,163,492 | (3,163,492) | - | - |
| | | Senior Services - Pass Through: | | | | |
| LAM27 | 1270400 | La Mesa - Rides4Neighbors | 424,186 | (424,186) | - | - |
| NCTD34 | 1270100 | NCTD - Mobility/Travel Training Program | 161,100 | (161,100) | - | - |
| O21 | 1270500 | Oceanside - Solutions for Seniors on the Go | 637,157 | (637,157) | - | - |
| SAN70 | 1271000 | Jewish Family Services - Rides & Smiles | 228,773 | (228,773) | - | - |
| SAN85 | 1270200 | All Congregations Together - ComLink Transportation | 378,843 | (378,843) | - | - |
| | | Subtotal Senior Services - Pass Through | 1,830,059 | (1,830,059) | - | - |
| | | Subtotal <i>TransNet</i> Extension | 18,280,928 | (18,280,928) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 18,280,928 | \$ (18,280,928) | \$ - | \$ - |
| | | Senior Services - Pass Through balance carried forward | 1,830,059 | (1,830,059) | - | - |
| SAN86 | 1270300 | Alpha Project - Senior Transportation Program | 587,416 | (587,416) | - | - |
| SAN87 | 1270700 | Elderhelp - Volunteer Driver Program | 380,643 | (380,643) | - | - |
| SAN88 | 1270800 | FACT - Reimbursement | 126,406 | (126,406) | - | - |
| SAN89 | 1270900 | Independent Transportation Network San Diego | 75,000 | (75,000) | - | - |
| SAN90 | 1271100 | Peninsula Shepherd Senior Center - Volunteer Driver | 130,001 | (130,001) | - | - |
| SAN91 | 1271200 | Redwood Elderlink | 252,856 | (252,856) | - | - |
| SAN92 | 1271300 | Travelers Aid Society - SeniorRide | 330,110 | (330,110) | - | - |
| SAN139 | 1271500 | FACT MedAccessRide | 14,359 | (14,359) | - | - |
| SAN140 | 1270800 | FACT MedRide | 15,154 | (15,154) | - | - |
| SAN141 | 1271000 | Jewish Family Services | 315,485 | (315,485) | - | - |
| SAN142 | 1271400 | Friends of Adult Day Care | 55,306 | (55,306) | - | - |
| SAN143 | 1271600 | Redwood Senior Nutrition Program | 14,850 | (14,850) | - | - |
| VISTA35 | 1270600 | Out & About Vista | 75,847 | (75,847) | - | - |
| VISTA44 | 1270600 | City of Vista + Out and About | 101,432 | (101,432) | - | - |
| | | Total Senior Services - Pass Through | 4,304,924 | (4,304,924) | - | - |
| | | Senior Services: | | | | |
| SAN40 | 3320100 | Short Range Transit Svc Activities | 168,000 | (168,000) | - | - |
| SAN85 | 3320800 | New Freedom Match Pass Through | 10,919 | (10,919) | - | - |
| | | Total Senior Services | 178,919 | (178,919) | - | - |
| | | Subtotal <i>TransNet</i> Extension | 20,934,712 | (20,934,712) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE B

TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 20,934,712 | \$ (20,934,712) | \$ - | \$ - |
| | | Smart Growth - Pass Through: | | | | |
| CHV49 | 1224013 | 3rd Ave. Streetscape Implementation | 2,000,000 | (2,000,000) | - | - |
| CHV52 | 1224012 | Industrial Blvd. Bicycle and Pedestrian Facilities | 283,900 | (283,900) | - | - |
| CHV63 | 1224002 | Palomar Gateway Spec Plan | 306,947 | (306,947) | - | - |
| LG19 | 1224008 | Lemon Grove Trolley Plaza | 1,895,000 | (1,895,000) | - | - |
| SD201 | 1224004 | Mid-City SR15 BRT Station Area Planning Study | 187,034 | (187,034) | - | - |
| SD202 | 1224005 | Chollas Triangle Master Plan | 113,788 | (113,788) | - | - |
| SD203 | 1224006 | Euclid and Market Village Master Plan | 329,214 | (329,214) | - | - |
| SD204 | 1224007 | Imperial Ave and Commercial St Corridor Plan | 382,183 | (382,183) | - | - |
| SD205 | 1224009 | Park Blvd/Essex St Pedestrian Crossing and Traffic Calming | 195,006 | (195,006) | - | - |
| SD206 | 1224011 | Fourth Ave/Quince Pedestrian Crossing and Traffic Calming | 90,139 | (90,139) | - | - |
| SD207 | 1224014 | 4th and 5th Ave/Nutmeg Ped Crossing and Traffic Calming | 69,958 | (69,958) | - | - |
| SD214 | 1224010 | Park Blvd/City College/San Diego High | 47,983 | (47,983) | - | - |
| | | Total Smart Growth - Pass Through | 5,901,152 | (5,901,152) | - | - |
| | | Smart Growth: | | | | |
| SAN40 | 3300100 | <i>TransNet</i> Smart Growth Incentive Program | 110,000 | (110,000) | - | - |
| | | Total Smart Growth | 110,000 | (110,000) | - | - |
| | | Transit System Improvements - Pass Through: | | | | |
| SAN43A | | Reduced Price Subsidy - Pass Through | 11,000,000 | (11,000,000) | - | - |
| | | Total Transit System Improvements - Pass Through | 11,000,000 | (11,000,000) | - | - |
| | | Subtotal <i>TransNet</i> Extension | 37,945,864 | (37,945,864) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE B

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 37,945,864 | \$ (37,945,864) | \$ - | \$ - |
| | | Local Street Improvements | | | | |
| CHV39 | 3311000 | Traffic Signal System Optimization | 15,500 | (15,500) | - | - |
| EL06 | 3311000 | Traffic Signals Project | 9,700 | (9,700) | - | - |
| ENC28 | 3311000 | Traffic Signal Modifications | 7,400 | (7,400) | - | - |
| ESC13 | 1201510 | Nordahl Road Bridge @ SR78 | 344,086 | (344,086) | - | - |
| LAM37 | 3311000 | Traffic Signal Upgrades | 7,400 | (7,400) | - | - |
| NC04 | 3311000 | Traffic Signal Install/Upgrade | 8,000 | (8,000) | - | - |
| SAN54 | 3311000 | ITS Operating | 137,300 | (137,300) | - | - |
| SM47 | 1201510 | Nordahl Road Bridge @ SR78 | 2,749,033 | (2,749,033) | - | - |
| | | Total Local Street Improvements | 3,278,419 | (3,278,419) | - | - |
| | | Regional Environmental Mitigation Program (EMP) - Pass Through: | | | | |
| V07 | 12002xx | Caltrans | 41,945,785 | (58,068,785) | 16,123,000 | - |
| V08 | 1200303 | Properties w/Vernal Pool Rscs | 263,912 | (263,912) | - | - |
| V08 | 1200304 | Lakeside Linkage | 70,750 | (70,750) | - | - |
| V08 | 1200305 | Shinohara Parcel Vernal Pools | 373,214 | (373,214) | - | - |
| V08 | 1200306 | Manchester Habitat Conser Area | 52,744 | (52,744) | - | - |
| | | Subtotal - Project V08 | 760,620 | (760,620) | - | - |
| | | Subtotal - Regional Environmental Mitigation Program (EMP) - Pass Through: | 42,706,405 | (58,829,405) | 16,123,000 | - |
| | | Subtotal <i>TransNet</i> Extension | 83,930,688 | (100,053,688) | 16,123,000 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE B

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 83,930,688 | \$ (100,053,688) | \$ 16,123,000 | \$ - |
| | | Regional EMP Pass Through Carried Forward: | \$ 42,706,405 | \$ (58,829,405) | \$ 16,123,000 | \$ - |
| | | Project V08 Carried Forward | \$ 760,620 | \$ (760,620) | \$ - | \$ - |
| V08 | 1200307 | N. Shore Lake Hodges | 50,000 | (50,000) | - | - |
| V08 | 1200308 | Wright's Field MSCP Preserve | 38,995 | (38,995) | - | - |
| V08 | 1200309 | Crest Canyon | 16,414 | (16,414) | - | - |
| V08 | 1200310 | Indian Head Canyon Area | 142,500 | (142,500) | - | - |
| V08 | 1200311 | Gnatcatcher/Cactus Wren - Groundwork San Diego | 238,998 | (238,998) | - | - |
| V08 | 1200311 | Gnatcatcher/Cactus Wren - US Fish & Wildlife | 118,876 | (118,876) | - | - |
| V08 | 1200311 | Gnatcatcher/Cactus Wren - Chula Vista | 301,664 | (301,664) | - | - |
| V08 | 1200320 | Mission Resource Conversation District | 354,280 | (354,280) | - | - |
| V08 | 1200321 | San Dieguito River Park - JPA | 324,253 | (324,253) | - | - |
| V08 | 1200322 | SD Water Dept Proctor Valley | 234,728 | (234,728) | - | - |
| V08 | 1200323 | SW Wetlands Interpretive Assoc | 148,866 | (148,866) | - | - |
| V08 | 1200324 | San Elijo Lagoon Foundation | 279,950 | (279,950) | - | - |
| V08 | 1200325 | USGS Pond Turtles Restoration | 151,463 | (151,463) | - | - |
| V08 | 1200326 | SD County Salt Creek Recovery | 84,573 | (84,573) | - | - |
| V08 | 1200327 | Fallbrook Land Conservancy | 16,299 | (16,299) | - | - |
| V08 | 1200328 | San Pasqual River Restoration | 44,527 | (44,527) | - | - |
| V08 | 1200333 | Calavera Preserve | 286,667 | (286,667) | - | - |
| V08 | 1200334 | Wild Animal Park | 325,290 | (325,290) | - | - |
| V08 | 1200335 | Rancho Jamul Fencing | 392,751 | (392,751) | - | - |
| V08 | 1200336 | San Dieguito River Valley Conservancy | 266,099 | (266,099) | - | - |
| V08 | 1200337 | Rancho La Costa/TET/Meadowlark | 55,010 | (55,010) | - | - |
| V08 | 1200338 | Batiquitos Lagoon/Mitsuuchi | 13,245 | (13,245) | - | - |
| V08 | 1200339 | Wright's Field MSCP Preserve | 11,334 | (11,334) | - | - |
| V08 | 1200340 | CA Invasive Plant Council | 150,000 | (150,000) | - | - |
| | | Subtotal - Project V08 | 4,807,402 | (4,807,402) | - | - |
| | | Subtotal - Regional Environmental Mitigation Program (EMP) - Pass Through: | 46,753,187 | (62,876,187) | 16,123,000 | - |
| | | Subtotal <i>TransNet</i> Extension | 87,977,470 | (104,100,470) | 16,123,000 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

SCHEDULE B

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Funds | Project | Agency | Project |
|--------|----------------|---|---------------|------------------|---------------|-------------------------|
| | | | Received | Expenditures | Adjustments | Status June 30, 2013 |
| | | <i>TransNet</i> Extension balance carried forward | \$ 87,977,470 | \$ (104,100,470) | 16,123,000 | - |
| | | Regional EMP Pass Through Carried Forward: | \$ 46,753,187 | \$ (62,876,187) | \$ 16,123,000 | \$ - |
| | | Project V08 Carried Forward | \$ 4,807,402 | \$ (4,807,402) | \$ - | \$ - |
| V08 | 1200341 | City of OC/Myers Property | 60,998 | (60,998) | - | - |
| V08 | 1200344 | River Habitat San Diego River | 249,790 | (249,790) | - | - |
| V08 | 1200345 | Daley Preserve | 163,934 | (163,934) | - | - |
| V08 | 1200346 | South Crest - Crestridge | 220,056 | (220,056) | - | - |
| V08 | 1200347 | Lusardi Creek | 48,779 | (48,779) | - | - |
| V08 | 1200348 | San Pasqual Valley Weed | 69,393 | (69,393) | - | - |
| V08 | 1200349 | South County Grassland | 210,823 | (210,823) | - | - |
| V08 | 1200351 | Lakeside Linkage | 122,981 | (122,981) | - | - |
| V08 | 1200352 | Chula Vista Tarplant-Thornmint | 221,920 | (221,920) | - | - |
| V08 | 1200353 | Crest Canyon Invasive Removal | 26,782 | (26,782) | - | - |
| V08 | 1200354 | Invasive Control Pepper Weed | 43,444 | (43,444) | - | - |
| V08 | 1200358 | Carlsbad Hydrologic Unit | 66,833 | (66,833) | - | - |
| V08 | 1200359 | Audubon Mission Bay Park | 22,381 | (22,381) | - | - |
| V08 | 1200360 | Proctor Valley Vernal Pools | 104,729 | (104,729) | - | - |
| V08 | 1200361 | Brachypodium Removal | 108,096 | (108,096) | - | - |
| V08 | 1200362 | Tijuana River Valley SWIA | 46,449 | (46,449) | - | - |
| V08 | 1200363 | Groundwork Radio - Encanto | 91,050 | (91,050) | - | - |
| V08 | 1200365 | San Pasqual Valley Zoo | 95,022 | (95,022) | - | - |
| V08 | 1200366 | City of Chula Vista Salt Creek | 86,782 | (86,782) | - | - |
| V08 | 1200367 | USGS Western Pond Turtle | 30,810 | (30,810) | - | - |
| V08 | 1200368 | CNLM Acanthomintha | 9,688 | (9,688) | - | - |
| V08 | 1200369 | USFWS Golden Eagle | 14,321 | (14,321) | - | - |
| V08 | 1200370 | Proctor Valley Missing Link Barriers | 19,463 | (19,463) | - | - |
| V08 | 1200371 | County Community Outreach | 103,262 | (103,262) | - | - |
| V08 | 1200372 | Mission Valley Preserve | 79,235 | (79,235) | - | - |
| | | Total V08 | 7,124,423 | (7,124,423) | - | - |
| | | Total Regional EMP - Pass Through | 49,070,208 | (65,193,208) | 16,123,000 | - |
| | | Environmental Mitigation Program (EMP): | | | | |
| V07 | 12002xx | Biological Mitigation | 76,801,545 | (77,300,517) | 498,972 | - |
| V08 | 12003xx | Regional Habitat Conservation Fund | 9,283,211 | (9,283,211) | - | - |
| | | Total EMP | 86,084,756 | (86,583,728) | 498,972 | - |
| | | Subtotal <i>TransNet</i> Extension | 176,379,247 | (193,001,219) | 16,621,972 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 176,379,247 | \$ (193,001,219) | \$ 16,621,972 | \$ - |
| | | Major Corridor - Pass Through: | | | | |
| CAL09 | 1200501 | I-5 North Coast | 11,752,450 | (9,957,904) | (1,794,546) | - |
| CAL09 | 1200504 | I-5 North Coast: 2 HOV Lanes | 12,088,000 | (9,070,574) | (3,017,426) | - |
| | | Total CAL09 | 23,840,450 | (19,028,478) | (4,811,972) | - |
| CAL09A | 1200502 | I-5 Lomas Santa Fe Interchange/HOV Lanes | 16,604,455 | (17,648,555) | 1,044,100 | - |
| CAL09C | 1280505 | I-805 Direct Access Ramp and HOV at Carroll Canyon | 14,624,100 | (11,974,400) | (2,649,700) | - |
| CAL18 | 1201502 | I-15 Managed Lanes-Middle Segment | 5,733,510 | (28,468,103) | 22,734,593 | - |
| CAL18A | 1201503 | I-15 Managed Lanes-North Segment | 28,972,253 | (18,091,000) | (10,881,253) | - |
| CAL18B | 1201501 | I-15 ML-S. Segment and Mira Mesa Transit Center | 24,450,480 | (28,814,480) | 4,364,000 | - |
| CAL18B | 1201506 | I-15 Mira Mesa DAR and Transit Station | 18,875,830 | (18,263,830) | (612,000) | - |
| | | Total CAL18B | 43,326,310 | (47,078,310) | 3,752,000 | - |
| CAL26 | 1205203 | State Route 52 Freeway (E&F) | 62,351,552 | (63,557,015) | 1,205,463 | - |
| CAL26A | 1205201 | SR 52 HOV/Managed Lanes | 3,995,214 | (3,485,214) | (510,000) | - |
| CAL26B | 1205201 | SR52 HOV/Managed Lanes | (236,242) | - | 236,242 | - |
| CAL26B | 1205202 | SR 52 Aux Lanes, Truck Lane, and Inside Widening | 32,901,589 | (27,587,674) | (5,313,915) | - |
| | | Total CAL26B | 32,665,347 | (27,587,674) | (5,077,673) | - |
| CAL26C | 1280502 | SR 52 Truck Lane | 3,972,833 | (3,972,833) | - | - |
| | | Subtotal Major Corridor - Pass Through | 236,086,024 | (240,891,582) | 4,805,558 | - |
| | | Subtotal <i>TransNet</i> Extension | 412,465,271 | (433,892,801) | 21,427,530 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 412,465,271 | \$ (433,892,801) | \$ 21,427,530 | \$ - |
| | | Major Corridor - Pass Through balance carried forward | 236,086,024 | (240,891,582) | 4,805,558 | - |
| CAL29 | 1207602 | SR 76 Middle | 39,449,029 | (14,467,460) | (24,981,569) | - |
| CAL29B | 1207606 | SR 76 East | 20,940,000 | (18,131,000) | (2,809,000) | - |
| CAL38 | 1390501 | SR-905 New Freeway | 869,000 | (869,000) | - | - |
| CAL67 | 1280508 | SR 94 Widening | 2,450,000 | (2,912,000) | 462,000 | - |
| CAL75 | 1200506 | I-5 Genessee Interchange and Widening | 1,901,000 | (1,901,000) | - | - |
| CAL78 | 1280501 | I-805 HOV/Managed Lanes South | 4,189,411 | (4,189,411) | - | - |
| CAL78 | 1280503 | I-805 HOV/Managed Lanes North | 2,400,000 | (2,400,000) | - | - |
| | | Total CAL78 | 6,589,411 | (6,589,411) | - | - |
| CAL78B | 1280503 | I-805 HOV/Managed Lanes - North | 4,472,331 | (4,996,604) | 524,273 | - |
| CAL78B | 1280511 | I-805 North: 2HOV | - | (456,000) | 456,000 | - |
| | | Total CAL78B | 4,472,331 | (5,452,604) | 980,273 | - |
| CAL78C | 1280501 | I-805 HOV/Managed Lanes - South | 7,494,124 | 1,688,876 | (9,183,000) | - |
| CAL78C | 1280510 | I-805 South: 2 HOV and DAR | 17,351,000 | (26,961,000) | 9,610,000 | - |
| CAL78C | 1280514 | I-805/SR15 Interchange | 614,000 | (614,000) | - | - |
| | | Total CAL78C | 25,459,124 | (25,886,124) | 427,000 | - |
| | | Subtotal Major Corridor - Pass Through | 338,215,919 | (317,100,181) | (21,115,738) | - |
| | | Subtotal <i>TransNet</i> Extension | 514,595,166 | (510,101,400) | (4,493,766) | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 514,595,166 | \$ (510,101,400) | \$ (4,493,766) | \$ - |
| | | Major Corridor - Pass Through balance carried forward | 338,215,919 | (317,100,181) | (21,115,738) | - |
| CAL114 | 1200503 | I-5/SR56 Interchange | - | (201,000) | 201,000 | - |
| CAL120 | 1201510 | SR 78 Auxiliary Lanes | 7,004,000 | (11,074,000) | 4,070,000 | - |
| CAL277 | 1207802 | I-15/SR-78 HOV Connectors | - | (400,000) | 400,000 | - |
| CAL278 | 1207801 | SR78 HOV/Managed Lanes | 400,000 | (400,000) | - | - |
| NCTD16 | 1230001 | North County Transit District | 65,304,611 | (65,304,611) | - | - |
| SAN04 | 1201504 | I-15 Managed Lane/Value Pricing | 484,962 | (522,700) | 37,738 | - |
| SAN26 | 1201505 | I-15 BRT Transit Stations | 511,000 | (683,000) | 172,000 | - |
| SAN26B | 1201507 | I-15 BRT Downtown Transit Stations | 135,000 | (135,000) | - | - |
| SAN26C | 1201507 | I-15 BRT Mid-City In-Line Bus Rapid Transit Stations | 1,394,000 | (1,569,000) | 175,000 | - |
| SAN47 | 1280504 | South Bay BRT | 851,423 | (861,423) | 10,000 | - |
| SAN75 | 1201507 | I-15 BRT Transit Stations | 10,000 | (10,000) | - | - |
| SAN146 | 1280512 | I-805 Imperial BRT Station | 3,000 | (4,000) | 1,000 | - |
| | 1200100 | <i>TransNet</i> EAP Program Mgmt | 364,200 | (290,200) | (74,000) | - |
| | | Total Major Corridor - Pass Through | 414,678,115 | (398,555,115) | (16,123,000) | - |
| | | Subtotal <i>TransNet</i> Extension | 591,057,362 | (591,556,334) | 498,972 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
 Cumulative Schedule of Status of Funds by Project
 (Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 591,057,362 | \$ (591,556,334) | \$ 498,972 | \$ - |
| | | Major Corridor: | | | | |
| CAL09 | 1200501 | I-5 North Coast | 11,774,818 | (11,774,818) | - | - |
| CAL09 | 1200504 | I-5 North Coast: 2 HOV Lanes | 1,766,667 | (1,766,667) | - | - |
| CAL09 | 3310708 | TDM - North Coast Corridor | 135,270 | (135,270) | - | - |
| | | Total CAL09 | 13,676,755 | (13,676,755) | - | - |
| CAL09A | 1200502 | I-5 Lomas Santa Fe Interchange/HOV Lanes | 1,871,454 | (1,871,454) | - | - |
| CAL09C | 1280505 | I-805 Direct Access Ramp and HOV at Carroll Canyon | 4,453,815 | (4,453,815) | - | - |
| CAL18 | 1201502 | I-15 Managed Lanes - Middle Segment | 1,324,121 | (1,324,121) | - | - |
| CAL18A | 1201503 | I-15 Managed Lanes - North Segment | 18,640,386 | (18,640,386) | - | - |
| CAL18B | 1201501 | I-15 Managed Lanes - South Segment | 14,409,072 | (14,409,072) | - | - |
| CAL18B | 1201506 | I-15 Mira Mesa DAR and Transit Stations | 4,697,941 | (4,697,941) | - | - |
| | | Total CAL18B | 19,107,013 | (19,107,013) | - | - |
| CAL26 | 1205203 | State Route 52 Freeway (E&F) | 16,986,868 | (16,986,868) | - | - |
| CAL26A | 1205201 | SR 52 HOV/Managed Lanes | 2,978,559 | (2,978,559) | - | - |
| CAL26B | 1205202 | SR 52 Truck Lane | 315,134 | (315,134) | - | - |
| CAL26C | 1205202 | SR 52 Truck Lane | (76,122) | 73,242 | 2,880 | - |
| CAL29 | 1207602 | SR 76 Middle | 9,444,919 | (8,945,947) | (498,972) | - |
| CAL29B | 1207606 | SR 76 East | 10,753,115 | (10,753,115) | - | - |
| CAL38 | 1390501 | SR-905 New Freeway | 724,909 | (724,909) | - | - |
| | | Subtotal Major Corridor | 100,200,926 | (99,704,834) | (496,092) | - |
| | | Subtotal <i>TransNet</i> Extension | 691,258,288 | (691,261,168) | 2,880 | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| MPO ID | Project Number | Project Name | Funds Received | Project Expenditures | Agency Adjustments | Project Status June 30, 2013 |
|--------|----------------|---|----------------|----------------------|--------------------|---------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 691,258,288 | \$ (691,261,168) | \$ 2,880 | \$ - |
| | | Major Corridor balance carried forward | 100,200,926 | (99,704,834) | (496,092) | - |
| CAL67 | 1280508 | SR-94 Widening | 1,342,781 | (1,342,781) | - | - |
| CAL68 | 1212501 | SR-94-125 Widening | 823,168 | (823,168) | - | - |
| CAL75 | 1200506 | I-5 Genessee Interchange and Widening | 1,120,272 | (1,120,272) | - | - |
| CAL77 | 1200505 | I-5/I-8 Connector | 16,612 | (16,612) | - | - |
| CAL78 | 1280501 | I-805 HOV/Managed Lanes - South | 3,383,507 | (3,383,507) | - | - |
| CAL78 | 1280502 | I-805 HOV/Managed Lanes | 2,880 | - | (2,880) | - |
| CAL78 | 1280503 | I-805/Managed Lanes - North | 653,906 | (653,906) | - | - |
| | | Total CAL78 | 4,040,293 | (4,037,413) | (2,880) | - |
| CAL78B | 1280501 | I-805 HOV/Managed Lanes - South | 83,152 | (83,152) | - | - |
| CAL78B | 1280503 | I-805/Managed Lanes - North | 1,325,861 | (1,325,861) | - | - |
| CAL78B | 1280511 | I-805 North: 2 HOV | 525,049 | (525,049) | - | - |
| | | Total CAL78B | 1,934,062 | (1,934,062) | - | - |
| CAL78C | 1280501 | I-805 HOV/Managed Lanes - South | 7,605,216 | (7,605,216) | - | - |
| CAL78C | 1280510 | I-805 South: 2 HOV & DAR | 6,459,666 | (6,459,666) | - | - |
| CAL78C | 1280514 | I-805/SR15 Interchange | 1,453 | (1,453) | - | - |
| | | Total CAL78C | 14,066,335 | (14,066,335) | - | - |
| | | Subtotal Major Corridor | 123,544,449 | (123,045,477) | (498,972) | - |
| | | Subtotal <i>TransNet</i> Extension | 714,601,811 | (714,601,811) | - | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 714,601,811 | \$ (714,601,811) | \$ - | \$ - |
| | | Major Corridor balance carried forward | 123,544,449 | (123,045,477) | (498,972) | - |
| CAL114 | 1200503 | I-5/SR 56 Interchange | 32,648 | (32,648) | - | - |
| CAL120 | 1201510 | SR 78 Auxiliary Lanes | 1,327,899 | (1,327,899) | - | - |
| CAL277 | 1207802 | I-15/SR-78 HOV Connectors | 2,053 | (2,053) | - | - |
| CAL278 | 1207801 | SR78 HOV/Managed Lanes | 2,246 | (2,246) | - | - |
| SAN04 | 1201504 | I-15 Managed Lane/Value Pricing | 22,504,866 | (22,504,866) | - | - |
| SAN04 | 3310400 | I-15 Violation Enforcement System Study | 68,623 | (68,623) | - | - |
| | | Total SAN04 | 22,573,489 | (22,573,489) | - | - |
| SAN22 | 1145700 | Automated Fare Collection | 7,300,000 | (7,300,000) | - | - |
| SAN23 | 1041501 | Mid-Coast Corridor Project | 1,865,069 | (1,765,396) | (99,673) | - |
| SAN23 | 1257001 | Mid-Coast Corridor Transit Project | 31,762,407 | (31,762,407) | - | - |
| | | Total SAN23 | 33,627,476 | (33,527,803) | (99,673) | - |
| | | Subtotal Major Corridor | 188,410,260 | (187,811,615) | (598,645) | - |
| | | Subtotal <i>TransNet</i> Extension | 779,467,622 | (779,367,949) | (99,673) | - |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 779,467,622 | \$ (779,367,949) | \$ (99,673) | \$ - |
| | | Major Corridor balance carried forward | 188,410,260 | (187,811,615) | (598,645) | - |
| SAN26 | 1201505 | I-15 BRT Transit Stations | 5,426,256 | (5,426,256) | - | - |
| SAN26A | 1201508 | I-15 BRT Operations and Vehicles | 2,616,963 | (2,616,963) | - | - |
| SAN26B | 1201509 | Downtown BRT Stations | 3,001,891 | (3,001,891) | - | - |
| SAN26C | 1201507 | I-15 BRT Transit Stations - South | 6,139,424 | (6,139,424) | - | - |
| SAN27 | 1250001 | SD & AE Mainline Freight Capacity | 1,497,100 | (1,497,100) | - | - |
| SAN27 | 1300601 | San Ysidro Intermodal Freight Facility | 1,526,746 | (1,526,746) | - | - |
| SAN27 | 1300602 | South Line Rail Freight Capacity | 2,003,863 | (2,003,863) | - | - |
| | | Total SAN27 | 5,027,709 | (5,027,709) | - | - |
| SAN29 | 1239801 | Sorrento to Miramar Double Track/Realign | 15,742,787 | (15,742,787) | - | - |
| SAN29 | 1239812 | Sorrento to Miramar Phase 2 | 3,724,987 | (1,413,771) | - | 2,311,216 |
| | | Total SAN29 | 19,467,774 | (17,156,558) | - | 2,311,216 |
| SAN30 | 1239813 | San Dieguito Lagoon Double Track and Platform | 2,747,114 | (800,876) | - | 1,946,238 |
| SAN31 | 1142300 | Escondido Maintenance Facility | 1,983,496 | (1,983,496) | - | - |
| SAN46 | 1041502 | <i>SuperLoop</i> | 22,869,617 | (22,869,617) | - | - |
| | | Subtotal Major Corridor | 257,690,504 | (252,834,405) | (598,645) | 4,257,454 |
| | | Subtotal <i>TransNet</i> Extension | 848,747,866 | (844,390,739) | (99,673) | 4,257,454 |

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 848,747,866 | \$ (844,390,739) | \$ (99,673) | \$ 4,257,454 |
| | | Major Corridor balance carried forward | 257,690,504 | (252,834,405) | (598,645) | 4,257,454 |
| SAN47 | 1280509 | South Bay Bus Rapid Transit | 1,345 | (1,345) | - | - |
| SAN47 | 1280504 | Otay BRT | 10,835,439 | (10,835,439) | - | - |
| | | Total SAN47 | 10,836,784 | (10,836,784) | - | - |
| SAN54 | 2301500 | Multimodal TSM/TDM Model Tool | 18,965 | (18,965) | - | - |
| SAN54 | 3310500 | 511 Advanced Traveler Information System (511 ATIS) | 348 | (348) | - | - |
| SAN54 | 3310501 | ATIS SD Region | 40,570 | (40,570) | - | - |
| SAN54 | 3310504 | ATIS Corridorwide CVO | 46,858 | (46,858) | - | - |
| SAN54 | 3310709 | TDM Vanpool & Carpool Market Analysis | 2,391 | (2,391) | - | - |
| SAN54 | 3310900 | IMTMS | 61,886 | (61,886) | - | - |
| SAN54 | 3311000 | ITS Operations | 4,580,166 | (4,580,166) | - | - |
| SAN54 | 3311100 | Regional ITS Program Management | 428,542 | (428,542) | - | - |
| SAN54 | 3311800 | Connected Vehicle Development Program | 41,432 | (41,432) | - | - |
| SAN54 | 3311900 | Arterial Detection System Development | 181,788 | (181,788) | - | - |
| | | Total SAN54 | 5,402,946 | (5,402,946) | - | - |
| SAN64 | 1239809 | Eastbrook to Shell Double Track | 4,289,191 | (1,842,114) | - | 2,447,077 |
| SAN66 | 1210010 | Orange and Blue Line Project Management | 6,699,765 | (6,699,765) | - | - |
| SAN66 | 1210020 | Blue Line Crossover & Signals | 12,305 | (12,305) | - | - |
| SAN66 | 1210030 | Blue Line Station Rehab | 83,780 | (83,780) | - | - |
| SAN66 | 1210050 | Blue Line Slope Repair | 3,087 | (3,087) | - | - |
| SAN66 | 1210070 | Trolley Station Platforms | 5,374,183 | (5,374,183) | - | - |
| SAN66 | 10416 | Mission Valley West LRT Extension | 275 | (275) | - | - |
| SAN66 | 1220001 | Orange Line Upgrade | (6,895) | 6,895 | - | - |
| | | Total SAN66 | 12,166,500 | (12,166,500) | - | - |
| | | Subtotal Major Corridor | 290,385,925 | (283,082,749) | (598,645) | 6,704,531 |
| | | Subtotal <i>TransNet</i> Extension | 881,443,287 | (874,639,083) | (99,673) | 6,704,531 |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|--|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 881,443,287 | \$ (874,639,083) | \$ (99,673) | \$ 6,704,531 |
| | | Major Corridor balance carried forward | 290,385,925 | (283,082,749) | (598,645) | 6,704,531 |
| SAN67 | 1210080 | Low Floor Vehicles | 46,017,287 | (46,017,287) | - | - |
| SAN68 | 1280507 | Vehicle Assist and Automation/Bus on Shoulder Serv | 228,923 | (228,923) | - | - |
| SAN73 | 1239806 | San Elijo Lagoon (Cardiff to Craven) Double Track | 440,095 | (440,095) | - | - |
| SAN73 | 3310708 | TDM - North Coast Corridor | 135,271 | (135,271) | - | - |
| | | Total SAN73 | 575,366 | (575,366) | - | - |
| SAN74 | 1143300 | Escondido Bus Rapid Transit | 4,212,093 | (4,212,093) | - | - |
| SAN75 | 1201507 | I-15 BRT Transit | 35,151 | (35,151) | - | - |
| SAN76 | 1220001 | Orange Line Upgrade | 6,895 | (6,895) | - | - |
| SAN78 | 1240001 | Mid-City Rapid Bus | 1,900,143 | (1,900,143) | - | - |
| SAN79 | 1142500 | Centralized Train Control | 5,454,658 | (5,454,658) | - | - |
| SAN79 | 1143401 | TLSP-At Grade Xing | 74,605 | (74,605) | - | - |
| | | Total SAN79 | 5,529,263 | (5,529,263) | - | - |
| SAN116 | 1239803 | Oceanside Station Stub Tracks | 2,836,137 | (2,836,137) | - | - |
| SAN117 | 1239805 | Poinsettia Run Through Track | 493,361 | (493,361) | - | - |
| | | Subtotal Major Corridor | 352,220,544 | (344,917,368) | (598,645) | 6,704,531 |
| | | Subtotal <i>TransNet</i> Extension | 943,277,906 | (936,473,702) | (99,673) | 6,704,531 |

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 943,277,906 | \$ (936,473,702) | \$ (99,673) | \$ 6,704,531 |
| | | Major Corridor balance carried forward | 352,220,544 | (344,917,368) | (598,645) | 6,704,531 |
| SAN119 | 1239807 | Sorrento Valley Double Track | 1,047,755 | (1,047,755) | - | - |
| SAN120 | 1239808 | Tecolote-Washington Crossovers | 1,548,034 | (1,548,034) | - | - |
| SAN121 | 1239804 | Carlsbad Double Track | 225,305 | (225,305) | - | - |
| SAN123 | 1143200 | University Town Center (UTC) Transit Center | 5,851 | (5,851) | - | - |
| SAN128 | 1201512 | I-15 BRT Sabre Springs Parking Structure | 4,320,555 | (4,320,555) | - | - |
| SAN129 | 1201514 | Downtown Layover Facility | 682,046 | (682,046) | - | - |
| SAN130 | 1239810 | Carlsbad Village Double Track | 836,887 | (836,887) | - | - |
| SAN131 | 1201511 | Mira Mesa Blvd. BRT Priority Treatments | 744,474 | (744,474) | - | - |
| SAN132 | 1239811 | Elvira to Morena Double Track | 882,408 | (882,408) | - | - |
| SAN133 | 1201513 | South Bay BRT Maintenance Facility | 5,109,075 | (5,109,075) | - | - |
| SAN145 | 1143800 | Encinitas Grade-Separated Pedestrian Crossing | 2,377,167 | (2,377,167) | - | - |
| SAN146 | 1280512 | I-805 Imperial BRT Station | 413,807 | (413,807) | - | - |
| SAN149 | 1239814 | Coaster PE | 671,755 | (671,755) | - | - |
| | | Subtotal Major Corridor | 371,085,663 | (363,782,487) | (598,645) | 6,704,531 |
| | | Total <i>TransNet</i> Extension | \$ 962,143,025 | \$ (955,338,821) | \$ (99,673) | \$ 6,704,531 |

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

(Continued)

| <u>MPO ID</u> | <u>Project Number</u> | <u>Project Name</u> | <u>Funds Received</u> | <u>Project Expenditures</u> | <u>Agency Adjustments</u> | <u>Project Status June 30, 2013</u> |
|---------------|-----------------------|---|-----------------------|-----------------------------|---------------------------|-------------------------------------|
| | | <i>TransNet</i> Extension balance carried forward | \$ 962,143,025 | \$ (955,338,821) | \$ (99,673) | \$ 6,704,531 |
| | | Major Corridor balance carried forward | 371,085,663 | (363,782,487) | (598,645) | 6,704,531 |
| SAN170 | 1210010 | Orange and Blue Line Project Management | 13,426,151 | (13,426,151) | - | - |
| SAN171 | 1210020 | Blue Line Crossovers and Signals | 8,719,595 | (8,719,595) | - | - |
| SAN172 | 1210030 | Blue Line Station Rehabilitation | 13,736,133 | (13,736,133) | - | - |
| SAN173 | 1210040 | Blue Line Rail Infrastructure | 6,451,697 | (6,451,697) | - | - |
| SAN174 | 1210050 | Blue Line Communications Upgrades | 3,117,365 | (3,117,365) | - | - |
| SAN175 | 1210060 | Blue Line Substation Roofs | 3,102 | (3,102) | - | - |
| SAN176 | 1210070 | System Station Platforms | 42,105,144 | (42,105,144) | - | - |
| SAN182 | 1239815 | San Diego River Bridge | 60,843 | (60,843) | - | - |
| SAN183 | 1239816 | Batiquitos Lagoon Double Track | 37,016 | (37,016) | - | - |
| | 1045500 | Nobel Drive Coaster Station | 412 | (412) | - | - |
| | 1046500 | Sorrento Valley Coaster Station | 351 | (351) | - | - |
| | | Total Major Corridor | 458,743,472 | (451,440,296) | (598,645) | 6,704,531 |
| | | Total <i>TransNet</i> Extension | \$ 1,049,800,834 | \$ (1,042,996,630) | \$ (99,673) | \$ 6,704,531 |