INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and TransNet Extension Activities

Year Ended June 30, 2023
# INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

*TransNet* and *TransNet* Extension Activities

Year Ended June 30, 2023

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023

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TransNet and TransNet Extension Activities

Summary of Results

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Background

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

Scope of the Engagement

This engagement was to apply agreed-upon procedures in order to assist the Independent Taxpayer Oversight Committee (ITOC) and SANDAG in determining whether the recipients of TransNet funds were in compliance with the TransNet Ordinance and the TransNet Extension Ordinance for the year ended June 30, 2023. We performed the procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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

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

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

Summary of all 8 criteria for the past three fiscal years are documented at Attachment A.
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023

The procedures performed were approved by the ITOC prior to commencing fieldwork. The specific procedures performed and the results of those procedures are included in each of the draft reports for the recipient agencies. The reports may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the reports and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Following approval of the procedures, we scheduled and performed our fieldwork during the months of September 2023 through December 2023.

Results of Procedures

**TransNet and TransNet Extension Expenditures**

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

During our fieldwork, we obtained the following items:

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

The objectives of the procedures were to ensure the following:

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

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

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023

Maintenance of Effort (MOE)

In accordance with Section 8 of the TransNet Extension Ordinance, each recipient agency receiving revenues pursuant to Section 4(D) shall annually maintain, at a minimum, the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years (FY) completed prior to the operative date of the TransNet Extension Ordinance (FY 2001 through FY 2003), as was reported in the State Controller's Annual Report of Financial Transactions for Street and Roads, and as re-indexed in FY 2021.

During our fieldwork, we obtained the following items:

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

Based upon the results of the procedures performed, all recipient agencies were in compliance with the MOE requirements for the year ended June 30, 2023. See Attachment B for a summary of compliance with the MOE requirements.

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

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

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

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

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

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023

Based upon the results of the procedures performed, all recipient agencies, were in compliance with the 30% Rule. See Attachment C for a summary of compliance with the 30% Rule.

Local Street Improvements – Congestion Relief vs. Maintenance

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

- Inquired and obtained source data used to calculate the Local Street Improvements Allocation Schedule in SANDAG’s TTrak program (SANDAG’s TransNet tracking program) and recalculated the total fund distribution per jurisdiction; and
- Reviewed the FY 2023 TransNet Streets and Road Fund Allocation Schedule and determined that at least 70% of the revenues provided for local street and road purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

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

Local Street Improvements: Maintenance Monitoring

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

Indirect Costs Allocated to Projects in RTIP

We inquired of management whether indirect costs are allocated to the projects included in the RTIP. If so, we documented the indirect cost rate allocated and the basis of allocation. We documented whether the recipient agency’s indirect cost plan had been reviewed by a federal or state agency, or audited by a certified public accounting firm. If not, then we documented the year the indirect cost plan was last updated, the year the methodology was last reviewed, and whether the methodology was reasonable. If indirect costs exceeded 10% of total TransNet expenditures, we documented an explanation. See Attachment F for the indirect costs allocated to the RTIP.

Regional Transportation Congestion Improvement Program (RTCIP)

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

The objectives of the procedures were to ensure the following:

- Each recipient agency collected at least the minimum exaction fee of $2,688.21 from each newly constructed residential housing unit;
- Documentation was submitted to the ITOC on a timely basis and proper approval was obtained for the exaction fee; and
- Expenditures were allowable in accordance with the TransNet Extension Ordinance and Expenditure Plan.

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

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

Based upon the results of the procedures performed, all recipient agencies, with the exception of the Cities of Coronado, Del Mar, El Cajon, La Mesa, Solana Beach and County of San Diego were in compliance with the RTCIP requirements. See the Summary of Findings by Recipient Agency for further information.

**Transit Operator Eligibility for Receipt of Funds**

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

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

- Calculated the increase in operating cost per revenue vehicle hour for bus services and revenue vehicle mile for rail services between June 30, 2022 and June 30, 2023;
- Calculated the increase in the CPI for San Diego County between June 30, 2022 and June 30, 2023; and
- Compared the increase in total operating cost per revenue vehicle hour for bus services, and revenue vehicle mile for rail services, to the increase in the CPI.

North County Transit District (NCTD) and San Diego Metropolitan Transit System (MTS) were not in compliance with both bus and rail operator portion of the eligibility requirements. See the Summary of Findings by Recipient Agency for further information.
INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and TransNet Extension Activities

Summary of Results

Year Ended June 30, 2023

**Summary of Findings by Recipient Agency**

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

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<th>Finding</th>
<th>Management Response</th>
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<td>City of Coronado</td>
<td>Need to use approved exaction fee</td>
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<td>City of Del Mar</td>
<td>Need to use approved exaction fee</td>
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<td>City of El Cajon</td>
<td>Need to use approved exaction fee</td>
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<td>City of La Mesa</td>
<td>Need to use approved exaction fee</td>
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<tr>
<td>County of San Diego</td>
<td>Need to use approved exaction fee</td>
<td>In process of collecting</td>
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<tr>
<td>City of Solana Beach</td>
<td>RTCIP funding not expended nor committed within seven years of collection</td>
<td>City Council approved to amend the 2023 RTIP list of projects and commit to spending RTCIP funds in fiscal years 2024 and 2025 and to revise the City’s Capital Improvement Program budget for the Traffic Signal Upgrades Phase 1 project by substituting Gas Tax funding with RTCIP funding</td>
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<tr>
<td>San Diego Metropolitan Transit System</td>
<td>Increase in operating cost per revenue vehicle hours and miles exceeded increase in CPI</td>
<td>Requesting to use 3 year average</td>
</tr>
<tr>
<td>North County Transit District</td>
<td>Increase in operating cost per revenue vehicle hours and miles exceeded increase in CPI</td>
<td>Requesting to use 3 year average</td>
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Complete responses from the recipient agencies to the findings identified are included in the individual recipient agency reports.
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<td>30% Fund Balance Limitation</td>
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<td>LSI – Congestion Relief vs. Maintenance</td>
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<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>LSI – Congestion Relief vs. Maintenance</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>LSI – Maintenance Monitoring</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Indirect Costs</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>RTCIP</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Transit Operator Eligibility</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

Yes = In Compliance  
No = Not in compliance  
n/a = Not applicable
## Compliance With Maintenance of Effort Requirement

**Fiscal Year 2023**

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>In Compliance</th>
<th>Streets and Roads</th>
<th>Specialized Transportation Services</th>
<th>Transit Bus Subsidies</th>
<th>Deficit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>Yes</td>
<td>$6,746,377</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Chula Vista</td>
<td>Yes</td>
<td>4,387,018</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Coronado</td>
<td>Yes</td>
<td>984,388</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Del Mar</td>
<td>Yes</td>
<td>602,608</td>
<td>27,766</td>
<td></td>
<td></td>
</tr>
<tr>
<td>El Cajon</td>
<td>Yes</td>
<td>1,849,773</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Encinitas</td>
<td>Yes</td>
<td>2,279,925</td>
<td></td>
<td></td>
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<tr>
<td>Imperial Beach</td>
<td>Yes</td>
<td>233,219</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>La Mesa</td>
<td>Yes</td>
<td>2,023,372</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>Yes</td>
<td>203,027</td>
<td></td>
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<tr>
<td>National City</td>
<td>Yes</td>
<td>2,029,966</td>
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<tr>
<td>Oceanside</td>
<td>Yes</td>
<td>3,120,588</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Poway</td>
<td>Yes</td>
<td>1,327,553</td>
<td></td>
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<tr>
<td>San Diego</td>
<td>Yes</td>
<td>25,854,722</td>
<td>191,311</td>
<td>1,029,903</td>
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<td>San Marcos</td>
<td>Yes</td>
<td>4,893,432</td>
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<tr>
<td>Santee</td>
<td>Yes</td>
<td>658,301</td>
<td></td>
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<tr>
<td>Solana Beach</td>
<td>Yes</td>
<td>535,585</td>
<td></td>
<td></td>
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<tr>
<td>Vista</td>
<td>Yes</td>
<td>2,703,364</td>
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<tr>
<td>County of San Diego (1)</td>
<td>–</td>
<td>–</td>
<td></td>
<td>–</td>
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</table>

**Note 1** - The County does not have discretionary expenditures or projects that can be reported under the MOE.
## Compliance With 30 Percent Fund Balance Limitation FY 2021 – FY 2023

### Streets and Roads

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>Fiscal Year 2023</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>In Compliance</td>
<td>30% Limitation</td>
</tr>
<tr>
<td>Carlsbad</td>
<td>Yes</td>
<td>1,477,093</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>Yes</td>
<td>2,821,061</td>
</tr>
<tr>
<td>Coronado</td>
<td>Yes</td>
<td>242,680</td>
</tr>
<tr>
<td>El Cajon</td>
<td>Yes</td>
<td>1,059,124</td>
</tr>
<tr>
<td>Encinitas</td>
<td>Yes</td>
<td>728,255</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>Yes</td>
<td>182,160</td>
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<tr>
<td>La Mesa</td>
<td>Yes</td>
<td>494,998</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>Yes</td>
<td>290,657</td>
</tr>
<tr>
<td>National City</td>
<td>Yes</td>
<td>603,110</td>
</tr>
<tr>
<td>Oceanside</td>
<td>Yes</td>
<td>1,927,938</td>
</tr>
<tr>
<td>Poway</td>
<td>Yes</td>
<td>622,290</td>
</tr>
<tr>
<td>San Diego, City</td>
<td>Yes</td>
<td>14,075,217</td>
</tr>
<tr>
<td>San Marcos</td>
<td>Yes</td>
<td>796,302</td>
</tr>
<tr>
<td>Santee</td>
<td>Yes</td>
<td>351,680</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>Yes</td>
<td>113,953</td>
</tr>
<tr>
<td>Vista</td>
<td>Yes</td>
<td>1,009,302</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>Yes</td>
<td>6,222,015</td>
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</table>

### Transit

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>Fiscal Year 2023</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Metropolitan Transit System (MTS)</td>
<td>Yes</td>
<td>13,680,714</td>
</tr>
<tr>
<td>North County Transit District (NCTD)</td>
<td>Yes</td>
<td>5,117,399</td>
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</table>

---

Yes = In Compliance  
No = Not in compliance and not receiving TransNet payment.
## Compliance with Allocation of Local Street Improvements Revenues

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>Allocation of Sales Tax Revenues Received</th>
<th>70% Congestion Relief Allocated</th>
<th>30% Maintenance Allocated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>$4,923,643</td>
<td>$3,446,550</td>
<td>$1,477,093</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>9,403,536</td>
<td>6,582,475</td>
<td>2,821,061</td>
</tr>
<tr>
<td>Coronado</td>
<td>808,934</td>
<td>566,254</td>
<td>242,680</td>
</tr>
<tr>
<td>Del Mar</td>
<td>274,021</td>
<td>191,815</td>
<td>82,206</td>
</tr>
<tr>
<td>El Cajon</td>
<td>3,530,412</td>
<td>2,471,289</td>
<td>1,059,124</td>
</tr>
<tr>
<td>Encinitas</td>
<td>2,427,518</td>
<td>1,699,262</td>
<td>728,256</td>
</tr>
<tr>
<td>Escondido</td>
<td>5,313,989</td>
<td>3,719,792</td>
<td>1,594,197</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>930,454</td>
<td>651,318</td>
<td>279,136</td>
</tr>
<tr>
<td>La Mesa</td>
<td>2,160,390</td>
<td>1,512,273</td>
<td>648,117</td>
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<tr>
<td>Lemon Grove</td>
<td>968,858</td>
<td>678,201</td>
<td>290,657</td>
</tr>
<tr>
<td>National City</td>
<td>2,010,366</td>
<td>1,407,256</td>
<td>603,110</td>
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<tr>
<td>Oceanside</td>
<td>6,426,459</td>
<td>4,498,521</td>
<td>1,927,938</td>
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<tr>
<td>Poway</td>
<td>2,074,301</td>
<td>1,452,011</td>
<td>622,290</td>
</tr>
<tr>
<td>San Diego, City</td>
<td>47,739,788</td>
<td>33,417,852</td>
<td>14,321,936</td>
</tr>
<tr>
<td>San Marcos</td>
<td>3,272,994</td>
<td>2,291,096</td>
<td>981,898</td>
</tr>
<tr>
<td>Santee</td>
<td>1,981,151</td>
<td>1,372,806</td>
<td>588,345</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>593,273</td>
<td>415,291</td>
<td>177,982</td>
</tr>
<tr>
<td>Vista</td>
<td>3,364,341</td>
<td>2,355,039</td>
<td>1,009,302</td>
</tr>
<tr>
<td>County of San Diego</td>
<td>21,732,063</td>
<td>15,212,444</td>
<td>6,519,619</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>Cumulative Revenue</th>
<th>30% of Cumulative Revenue</th>
<th>Cumulative Maintenance Expenditures</th>
<th>Available Maintenance Funds</th>
<th>Cumulative % Expended for Maintenance</th>
<th>In Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>$55,810,115</td>
<td>$16,743,035</td>
<td>$1,276,999</td>
<td>$15,466,036</td>
<td>2.29%</td>
<td>Yes</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>96,012,082</td>
<td>28,803,625</td>
<td>20,805,724</td>
<td>7,997,901</td>
<td>21.67%</td>
<td>Yes</td>
</tr>
<tr>
<td>Coronado</td>
<td>9,850,710</td>
<td>2,955,213</td>
<td>383,272</td>
<td>2,571,941</td>
<td>3.89%</td>
<td>Yes</td>
</tr>
<tr>
<td>Del Mar</td>
<td>7,468,633</td>
<td>2,240,590</td>
<td>403,270</td>
<td>1,837,320</td>
<td>5.40%</td>
<td>Yes</td>
</tr>
<tr>
<td>El Cajon</td>
<td>38,573,943</td>
<td>11,572,183</td>
<td>6,855,442</td>
<td>4,716,741</td>
<td>17.77%</td>
<td>Yes</td>
</tr>
<tr>
<td>Encinitas</td>
<td>28,948,548</td>
<td>8,684,564</td>
<td>1,117,046</td>
<td>7,567,518</td>
<td>3.86%</td>
<td>Yes</td>
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<tr>
<td>Escondido</td>
<td>63,208,675</td>
<td>18,962,603</td>
<td>16,555,765</td>
<td>2,406,838</td>
<td>26.19%</td>
<td>Yes</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>13,064,679</td>
<td>3,919,404</td>
<td>3,086,604</td>
<td>832,800</td>
<td>23.63%</td>
<td>Yes</td>
</tr>
<tr>
<td>La Mesa</td>
<td>31,137,567</td>
<td>9,341,270</td>
<td>5,053,061</td>
<td>4,288,209</td>
<td>16.23%</td>
<td>Yes</td>
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<tr>
<td>Lemon Grove</td>
<td>11,141,371</td>
<td>3,342,411</td>
<td>2,863,557</td>
<td>478,854</td>
<td>25.70%</td>
<td>Yes</td>
</tr>
<tr>
<td>National City</td>
<td>26,007,361</td>
<td>7,802,208</td>
<td>0</td>
<td>7,802,208</td>
<td>0.00%</td>
<td>Yes</td>
</tr>
<tr>
<td>Oceanside</td>
<td>82,963,585</td>
<td>24,889,076</td>
<td>15,061,339</td>
<td>9,827,737</td>
<td>18.15%</td>
<td>Yes</td>
</tr>
<tr>
<td>Poway</td>
<td>23,515,105</td>
<td>7,054,532</td>
<td>6,420,993</td>
<td>633,539</td>
<td>27.31%</td>
<td>Yes</td>
</tr>
<tr>
<td>San Diego, City</td>
<td>538,768,122</td>
<td>161,630,437</td>
<td>151,902,572</td>
<td>9,727,865</td>
<td>28.19%</td>
<td>Yes</td>
</tr>
<tr>
<td>San Marcos</td>
<td>50,025,096</td>
<td>15,007,529</td>
<td>3,738,035</td>
<td>11,269,494</td>
<td>7.47%</td>
<td>Yes</td>
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<tr>
<td>Santee</td>
<td>40,448,113</td>
<td>12,134,434</td>
<td>4,980,652</td>
<td>7,153,782</td>
<td>12.31%</td>
<td>Yes</td>
</tr>
<tr>
<td>Solana Beach</td>
<td>12,624,399</td>
<td>3,787,320</td>
<td>289,587</td>
<td>3,497,733</td>
<td>2.29%</td>
<td>Yes</td>
</tr>
<tr>
<td>Vista</td>
<td>38,542,257</td>
<td>11,562,677</td>
<td>7,583,189</td>
<td>3,979,488</td>
<td>19.67%</td>
<td>Yes</td>
</tr>
<tr>
<td>San Diego, County</td>
<td>248,219,433</td>
<td>74,465,830</td>
<td>11,011,411</td>
<td>63,454,419</td>
<td>4.44%</td>
<td>Yes</td>
</tr>
</tbody>
</table>
## Indirect Costs Charged to TransNet

<table>
<thead>
<tr>
<th>Recipient Agency</th>
<th>2023 Total TransNet Expenditures</th>
<th>2023 Indirect Costs Charged to TransNet</th>
<th>2023 Indirect Costs as a % of Total TransNet Expenditures</th>
<th>Last Allocation Plan Approval</th>
<th>2022 Indirect Costs as a % of Total TransNet Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carlsbad</td>
<td>$736,926</td>
<td>$104,718</td>
<td>14.21%</td>
<td>2021(^1,3)</td>
<td>5.11%</td>
</tr>
<tr>
<td>Chula Vista</td>
<td>3,051,452</td>
<td>259,062</td>
<td>8.49%</td>
<td>2021(^3)</td>
<td>2.54%</td>
</tr>
<tr>
<td>Coronado</td>
<td>131,400</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Del Mar</td>
<td>131,959</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>El Cajon</td>
<td>1,059,346</td>
<td>9,209</td>
<td>0.87%</td>
<td>2021(^3)</td>
<td>2.04%</td>
</tr>
<tr>
<td>Encinitas</td>
<td>1,177,737</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Escondido</td>
<td>3,781,078</td>
<td>722,819</td>
<td>19.12%</td>
<td>2022(^1,3)</td>
<td>14.40%</td>
</tr>
<tr>
<td>Imperial Beach</td>
<td>1,069,678</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>La Mesa</td>
<td>1,076,766</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Lemon Grove</td>
<td>802,989</td>
<td>115,677</td>
<td>14.41%</td>
<td>2019(^1)</td>
<td>16.44%</td>
</tr>
<tr>
<td>National City</td>
<td>3,879,583</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Oceanside</td>
<td>1,840,903</td>
<td>100,261</td>
<td>5.45%</td>
<td>2010(^3)</td>
<td>1.71%</td>
</tr>
<tr>
<td>Poway</td>
<td>2,545,337</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
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<tr>
<td>San Diego, City</td>
<td>42,237,979(^*)</td>
<td>5,742,120</td>
<td>13.59%</td>
<td>2022(^3)</td>
<td>13.28%</td>
</tr>
<tr>
<td>San Marcos</td>
<td>1,071,760</td>
<td>0</td>
<td>0.00%</td>
<td>2023(^2)</td>
<td>0.00%</td>
</tr>
<tr>
<td>Santee</td>
<td>1,012,371(^*)</td>
<td>15,014</td>
<td>1.48%</td>
<td>2023(^3)</td>
<td>0.52%</td>
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<tr>
<td>Solana Beach</td>
<td>263,839</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Vista</td>
<td>1,706,590</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
<tr>
<td>Caltrans</td>
<td>18,325,110</td>
<td>1,469,111</td>
<td>8.02%</td>
<td>2024(^2)</td>
<td>4.24%</td>
</tr>
<tr>
<td>San Diego, County</td>
<td>11,050,733</td>
<td>1,042,975</td>
<td>9.44%</td>
<td>2023(^3)</td>
<td>1.42%</td>
</tr>
<tr>
<td>SANDAG</td>
<td>117,718,836</td>
<td>6,338,887</td>
<td>5.38%</td>
<td>2023(^2)</td>
<td>2.99%</td>
</tr>
<tr>
<td>MTS</td>
<td>89,720,120</td>
<td>156,923</td>
<td>0.17%</td>
<td>2023(^2)</td>
<td>0.27%</td>
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<tr>
<td>NCTD</td>
<td>27,836,599</td>
<td>0</td>
<td>0.00%</td>
<td>n/a</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
Indirect Costs Charged to *TransNet*

n/a – not applicable because jurisdiction does not have a plan

1 – approved by City Council

3 – approved by Management or another individual within the agency

2 – approved by federal cognizant agency

4 – based on expenditure less debt service
CALTRANS

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the State of California Department of Transportation’s (Caltrans’) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. Caltrans’ management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by Caltrans with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
   
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved RTIP.
   
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   Results: No exceptions were noted as a result of our procedures.

4. We inquired about the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
Results: Per discussion with Caltrans Management, TransNet revenues and expenditures are not recorded in a separate fund but are part of the State Transportation Fund set of accounts of Caltrans. Within the Caltrans State Transportation Fund set of accounts, separate subaccounts are maintained for TransNet by expenditure authorization and contributor number. This alternative approach to maintaining separate accountability is allowable per SANDAG Board Policy No. 031, Rule #6 if submitted to SANDAG for concurrence. SANDAG has accepted Caltrans’ alternative approach.

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

```
TransNet payments made by SANDAG $ 18,411,364
TransNet revenue recorded by Caltrans 29,222,580
Variance $(10,811,216)
```
The variance was a result of the following:

- Paid by SANDAG in 2022 but received by Caltrans in 2023: $(13,596,500)
- Paid by SANDAG in 2023 but received by Caltrans in 2024: 2,784,057
- Caltrans BPNS refund payment: 1,227

Variance: $(10,811,216)

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

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

Results: This procedure is not applicable as there was no interest income reported on Schedule A.

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

Results: Caltrans recorded total TransNet expenditures in the amount of $18,325,110 (prior to the adjustments being netted). We selected $6,713,960 (36.64%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.
**Results:** No exceptions were noted as a result of our procedures.

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

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

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

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

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

**Results:** Indirect costs are allocated to RTIP projects at a rate of 46.73% of direct labor costs from 7/1/2022 - 12/31/2022 and a rate of 64.08% of direct labor costs from 1/1/2023 to 6/30/2023 associated with each project when the contributor is considered a self-help county. As of July 1, 2020, SB 848 was enacted which limits the ICRP rates for self-help counties which was not extended and expired on 1/1/2023. Caltrans' indirect cost plan has been reviewed by the State of California Department of Finance and the Federal Highway Administration. The indirect cost plan is reviewed and updated by Caltrans on an annual basis. Caltrans allocated a total of $1,469,111 of indirect costs in the RTIP resulting in 8.02% of indirect costs compared to total TransNet expenditures. Caltrans' methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.
Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

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

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

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

i. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

Results: CAL278, SAN73, SAN73A, V-18 and 1200100 had no activity over the past two years. No exceptions were noted as a result of our procedures.

l. We obtained approval from SANDAG staff for reason of inactivity.

Results: SANDAG approved the inactive projects on February 6, 2024.

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

Results: This procedure is not applicable as there were no transfers of TransNet funds from one project to another.
m. We reported all non-TransNet activity separate from TransNet activity in Schedule A.

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

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

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30, 2023 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

Results: This procedure is not applicable as there were no adjustments in Schedule A.

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

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

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

Results: This procedure is not applicable as there were no long-term debts outstanding as of June 30, 2023.

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

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

10. We proposed current fiscal year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the findings.
Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the fiscal year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Caltrans’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Caltrans and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
__________, 2024
GLOSSARY OF TERMS

“Current Fiscal Year” means the fiscal period of July 1, 2022, through June 30, 2023.

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

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

### TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID/ Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Caltrans Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>June 30, 2023</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Highways:</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>CAL26</td>
<td>Route 52</td>
<td>$13,864</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$13,864</td>
<td>(a)</td>
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<tr>
<td>Total Highways</td>
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<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$13,864</td>
<td></td>
</tr>
<tr>
<td>Total TransNet</td>
<td></td>
<td>$13,864</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$13,864</td>
<td></td>
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<tr>
<td>TransNet Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Corridor:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAL09</td>
<td>I-5 North Coast</td>
<td>(3,262,371)</td>
<td>$2,805,735</td>
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<td>$ -</td>
<td>$ (2,205,843)</td>
<td>$2,662,479</td>
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</tr>
<tr>
<td>CAL09 C</td>
<td>I-805 HOV / Carroll Canyon DAR</td>
<td>-</td>
<td>887</td>
<td>-</td>
<td>(888)</td>
<td>1</td>
<td>-</td>
<td>(c)</td>
</tr>
<tr>
<td>CAL09 D</td>
<td>5/805 Conversion to Express</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(105,903)</td>
<td>-</td>
<td>(105,903)</td>
<td>(b)(d)</td>
</tr>
<tr>
<td>CAL29</td>
<td>SR 76 Middle</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
</tr>
<tr>
<td>CAL29 B</td>
<td>SR 76 East</td>
<td>1,156,185</td>
<td>(912,001)</td>
<td>-</td>
<td>(260,103)</td>
<td>-</td>
<td>(15,919)</td>
<td>(b)</td>
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<tr>
<td>CAL38</td>
<td>SR-905 New Freeway</td>
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<td>1</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
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</tr>
<tr>
<td>CAL67</td>
<td>SR-94 HOV</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(673)</td>
<td>-</td>
<td>(673)</td>
<td>(f)</td>
</tr>
<tr>
<td>CAL68</td>
<td>94/125 S to E Connector</td>
<td>(121,319)</td>
<td>103,476</td>
<td>-</td>
<td>16,943</td>
<td>-</td>
<td>(900)</td>
<td>(g)</td>
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<tr>
<td>CAL75</td>
<td>I-5 Genesee</td>
<td>50,341</td>
<td>27,318</td>
<td>-</td>
<td>(47,251)</td>
<td>(1)</td>
<td>30,407</td>
<td>(c)</td>
</tr>
<tr>
<td>CAL78 B</td>
<td>I-805 North</td>
<td>368</td>
<td>44,000</td>
<td>-</td>
<td>(52,281)</td>
<td>-</td>
<td>(7,913)</td>
<td>(b)</td>
</tr>
<tr>
<td>CAL78 C</td>
<td>I-805 South</td>
<td>(22,622)</td>
<td>45,000</td>
<td>-</td>
<td>(24,153)</td>
<td>-</td>
<td>(1,775)</td>
<td>(b)</td>
</tr>
<tr>
<td>CAL78 D</td>
<td>I-805 South Soundwalls</td>
<td>4,326</td>
<td>1,246,000</td>
<td>-</td>
<td>(1,710,706)</td>
<td>-</td>
<td>(460,380)</td>
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<td>CAL114</td>
<td>I-5/56 Interchange</td>
<td>(220,738)</td>
<td>356,000</td>
<td>-</td>
<td>(300,150)</td>
<td>-</td>
<td>(164,888)</td>
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<tr>
<td>CAL277A</td>
<td>SR78/I-5 Express Lanes</td>
<td>(1,045)</td>
<td>1,046</td>
<td>-</td>
<td>(23,236)</td>
<td>(1)</td>
<td>(23,236)</td>
<td>(b)(c)</td>
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<tr>
<td>CAL 550</td>
<td>CMCP--Coast, Canyons, Trails SR-52</td>
<td>51,373</td>
<td>(51,373)</td>
<td>-</td>
<td>(52,443)</td>
<td>-</td>
<td>(52,443)</td>
<td>(b)</td>
</tr>
<tr>
<td>CAL 552</td>
<td>CMCP--South Bay to Sorrento</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>CAL 553</td>
<td>CMCP--SPRINTER/Palomar Airport SR78/76</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN23</td>
<td>Mid-Coast LRT</td>
<td>(29,931)</td>
<td>49,000</td>
<td>-</td>
<td>(35,586)</td>
<td>-</td>
<td>(16,517)</td>
<td>(b)</td>
</tr>
<tr>
<td>SAN26 C</td>
<td>I-15 BRT Stations - South</td>
<td>-</td>
<td>(87)</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN47</td>
<td>I-805</td>
<td>9,147</td>
<td>(8,600)</td>
<td>-</td>
<td>(547)</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
<td>SAN224</td>
<td>I-805/SR-94 Bus on Shoulder Demonstration</td>
<td>(24,137)</td>
<td>26,000</td>
<td>-</td>
<td>(3,921)</td>
<td>-</td>
<td>(2,058)</td>
<td>(b)</td>
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<tr>
<td>SAN253</td>
<td>CMCP--Central Mobility Hub Connections/Military</td>
<td>(38,099)</td>
<td>38,099</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td></td>
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<tr>
<td>V-11</td>
<td>SR-11</td>
<td>(175,338)</td>
<td>367,000</td>
<td>-</td>
<td>(197,347)</td>
<td>-</td>
<td>(5,685)</td>
<td>(b)</td>
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<tr>
<td>V-15</td>
<td>I-5 Gilman Dr Bridge</td>
<td>(532)</td>
<td>7,000</td>
<td>-</td>
<td>(14,390)</td>
<td>-</td>
<td>(7,922)</td>
<td>(b)</td>
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<tr>
<td>V-22</td>
<td>CMCP--San Vicente Corridor SR 67</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total Major Corridor</td>
<td></td>
<td>$ (2,624,306)</td>
<td>$ 4,144,501</td>
<td>$ -</td>
<td>$ (5,018,479)</td>
<td>$ -</td>
<td>$ (3,498,284)</td>
<td></td>
</tr>
</tbody>
</table>
## SCHEDULE A

### CALTRANS

TransNet and TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID/Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Caltrans Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>V-07</td>
<td>Major Corridor Environmental: Mitigation Program (MC EMP): Mitigation Program</td>
<td>July 1, 2022</td>
<td>$15,846,871</td>
<td>-</td>
<td>$7,213,584</td>
<td>-</td>
<td>$16,446,020</td>
<td>(h)</td>
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<td>Total MC EMP</td>
<td></td>
<td>(15,846,871)</td>
<td>-</td>
<td>7,213,584</td>
<td>-</td>
<td>16,446,020</td>
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<td></td>
<td>TransNet Bike, Pedestrian &amp; Neighborhood Safety (BPNS) Program:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CAL330</td>
<td></td>
<td>1,227</td>
<td>(1,227)</td>
<td></td>
<td>-</td>
<td>185,712</td>
<td>(i)</td>
</tr>
<tr>
<td></td>
<td>Coastal Rail Trail: E St to Chesterfield</td>
<td></td>
<td>185,712</td>
<td>-</td>
<td></td>
<td>-</td>
<td>185,712</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total TransNet BPNS Program</td>
<td></td>
<td>186,939</td>
<td>(1,227)</td>
<td></td>
<td>-</td>
<td>185,712</td>
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<tr>
<td></td>
<td>Total TransNet Extension</td>
<td></td>
<td>(18,284,238)</td>
<td>$29,222,581</td>
<td>$2,195,105</td>
<td>$2,195,105</td>
<td>$13,133,448</td>
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</tr>
<tr>
<td></td>
<td>Total TransNet and TransNet Extension</td>
<td></td>
<td>(18,270,474)</td>
<td>$29,222,581</td>
<td>$2,195,105</td>
<td>$2,195,105</td>
<td>$13,147,312</td>
<td>(j)</td>
</tr>
</tbody>
</table>

**Notes:**

(a) All projects related to CAL 26 in the TransNet Highway section are still in the final vouchering process and the goal is to complete it by FY 2025.

(b) Negative ending balance will be removed with the next invoice to SANDAG in FY 2024.

(c) Adjustments are due to rounding.

(d) New project added to the 2023 AUP.

(e) This project is completed.

(f) CAL 67 was moved to the completed section on Schedule B in the 2021 AUP. This 2023 AUP removes it from the completed section as it has been restarted and moved back to Schedule A and B. It is no longer included in the completed projects section of the AUP.

In FY 2022 Caltrans over expended the TN MC funds for the Design phase which was not corrected until FY 2023. FY 2023 actual expenditures are $900 and the adjustment was removing $17,843 of FY22 expenditures. Resulting in a positive balance of $16,943 in expenditures.

(g) Project is funded with Federal AC and TN MC funds. FY23 actual expenditures are 17M. Federal funds became available in the 2023 FY and TN MC expenditures (over $24M) were moved to federal funds resulting in a netted positive balance of $7M in expenditures.

(h) MPO ID SAN 156 is not completed yet even though these funds have not had any activity for a while. This project can not final voucher until the entire project is completed. The goal is for the project to complete in FY 2025 and final vouchering completed in FY 2026.

(i) Total project expenditures incurred for FY23, net of adjustments, are $18,325,110.
## TransNet Extension Activities

### Cumulative Schedule of Status of Funds by Project

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>MPO ID/Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL09</td>
<td>I-5 North Coast</td>
<td>$102,353,860</td>
<td>$27,274,289</td>
<td>$(105,016,339)</td>
<td>$(2,662,479)</td>
</tr>
<tr>
<td>CAL09 C</td>
<td>I-805 HOV / Carroll Canyon DAR</td>
<td>27,274,289</td>
<td>-</td>
<td>$(27,274,289)</td>
<td>-</td>
</tr>
<tr>
<td>CAL09 D</td>
<td>5/805 Conversion to Express</td>
<td>-</td>
<td>-</td>
<td>$(105,903)</td>
<td>$(105,903)</td>
</tr>
<tr>
<td>CAL29</td>
<td>SR 76 Middle</td>
<td>39,397,631</td>
<td>-</td>
<td>$(39,397,631)</td>
<td>-</td>
</tr>
<tr>
<td>CAL29 B</td>
<td>SR 76 East</td>
<td>48,658,495</td>
<td>-</td>
<td>$(48,674,414)</td>
<td>$(15,919)</td>
</tr>
<tr>
<td>CAL38</td>
<td>SR-905 New Freeway</td>
<td>612,440</td>
<td>-</td>
<td>$(612,440)</td>
<td>-</td>
</tr>
<tr>
<td>CAL67</td>
<td>SR-94 HOV</td>
<td>8,219,450</td>
<td>-</td>
<td>$(8,220,123)</td>
<td>$(673)</td>
</tr>
<tr>
<td>CAL68</td>
<td>94/125 S to E Connector</td>
<td>422,079</td>
<td>-</td>
<td>$(422,979)</td>
<td>$(900)</td>
</tr>
<tr>
<td>CAL75</td>
<td>I-5 Genesee</td>
<td>13,126,317</td>
<td>-</td>
<td>$(13,095,910)</td>
<td>30,407</td>
</tr>
<tr>
<td>CAL78 B</td>
<td>I-805 North</td>
<td>12,277,604</td>
<td>-</td>
<td>$(12,285,517)</td>
<td>$(7,913)</td>
</tr>
<tr>
<td>CAL78 C</td>
<td>I-805 South</td>
<td>135,801,214</td>
<td>-</td>
<td>$(135,802,989)</td>
<td>$(1,775)</td>
</tr>
<tr>
<td>CAL78 D</td>
<td>I-805 South Soundwalls</td>
<td>5,914,374</td>
<td>-</td>
<td>$(6,374,754)</td>
<td>$(460,380)</td>
</tr>
<tr>
<td>CAL114</td>
<td>I-5/56 Interchange</td>
<td>1,496,000</td>
<td>-</td>
<td>$(1,660,888)</td>
<td>$(164,888)</td>
</tr>
<tr>
<td>CAL 277A</td>
<td>SR78/I-5 Express Lanes</td>
<td>2,628,523</td>
<td>-</td>
<td>$(2,651,759)</td>
<td>$(23,236)</td>
</tr>
<tr>
<td>CAL278</td>
<td>SR-78 HOV / Managed Lanes</td>
<td>1,662,367</td>
<td>-</td>
<td>$(1,662,367)</td>
<td>-</td>
</tr>
<tr>
<td>CAL 550</td>
<td>CMCP--Coast, Canyons, Trails SR-52</td>
<td>74,385</td>
<td>-</td>
<td>21,942</td>
<td>$(52,443)</td>
</tr>
<tr>
<td>SAN23</td>
<td>Mid-Coast LRT</td>
<td>444,000</td>
<td>-</td>
<td>$(460,517)</td>
<td>$(16,517)</td>
</tr>
<tr>
<td>SAN26 C</td>
<td>I-15 BRT Stations - South</td>
<td>11,994,074</td>
<td>-</td>
<td>$(11,994,074)</td>
<td>-</td>
</tr>
<tr>
<td>SAN47</td>
<td>I-805 BRT</td>
<td>2,939,727</td>
<td>-</td>
<td>$(2,939,727)</td>
<td>-</td>
</tr>
<tr>
<td>SAN73</td>
<td>San Elijo Lagoon Double Track</td>
<td>7,786,582</td>
<td>-</td>
<td>$(7,786,582)</td>
<td>-</td>
</tr>
<tr>
<td>SAN73A</td>
<td>Chesterfield Dr Crossing</td>
<td>3,154,106</td>
<td>-</td>
<td>$(3,154,106)</td>
<td>-</td>
</tr>
<tr>
<td>SAN224</td>
<td>I-805/SR-94 Bus on Shoulder Demonstration</td>
<td>126,000</td>
<td>-</td>
<td>$(128,058)</td>
<td>$(2,058)</td>
</tr>
<tr>
<td>SAN253</td>
<td>CMCP--Central Mobility Hub Connections/Military</td>
<td>38,099</td>
<td>-</td>
<td>$(38,099)</td>
<td>-</td>
</tr>
<tr>
<td>V-11</td>
<td>SR-11</td>
<td>1,925,550</td>
<td>-</td>
<td>$(1,931,235)</td>
<td>$(5,685)</td>
</tr>
<tr>
<td>V-15</td>
<td>I-5 Gilman Dr Bridge</td>
<td>122,999</td>
<td>-</td>
<td>$(130,921)</td>
<td>$(7,922)</td>
</tr>
<tr>
<td>V-18</td>
<td>I-5 Voigt</td>
<td>686,952</td>
<td>-</td>
<td>$(686,952)</td>
<td>-</td>
</tr>
<tr>
<td>V-22</td>
<td>CMCP--San Vicente Corridor SR 67</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1200100</td>
<td>Program Office</td>
<td>221,956</td>
<td>-</td>
<td>$(221,956)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Major Corridor**

$429,210,303 $ - $ 432,708,587 $(3,498,284)
### Schedule B

**CALTRANS**

*TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID/Project Number</th>
<th>MPO ID/Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MC EMP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>V-07</td>
<td></td>
<td>Mitigation Program</td>
<td>$ 191,792,692</td>
<td>-</td>
<td>$(175,346,672)</td>
<td>$ 16,446,020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total MC EMP</td>
<td>191,792,692</td>
<td>-</td>
<td>(175,346,672)</td>
<td>16,446,020</td>
</tr>
<tr>
<td><strong>TransNet BPNS Program:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAL330</td>
<td></td>
<td>SR-15 Bike Path</td>
<td>2,905,773</td>
<td>-</td>
<td>(2,905,773)</td>
<td>-</td>
</tr>
<tr>
<td>SAN156</td>
<td></td>
<td>Coastal Rail Trail: E St to Chesterfield</td>
<td>4,786,000</td>
<td>-</td>
<td>(4,600,288)</td>
<td>185,712</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet BPNS Program</td>
<td>7,691,773</td>
<td>-</td>
<td>(7,506,061)</td>
<td>185,712</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>628,694,768</td>
<td>-</td>
<td>(615,561,320)</td>
<td>13,133,448</td>
</tr>
<tr>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Corridor</td>
<td></td>
<td></td>
<td>223,191,584</td>
<td>-</td>
<td>(223,191,584)</td>
<td>-</td>
</tr>
<tr>
<td>Mitigation Program (MC EMP)</td>
<td></td>
<td></td>
<td>14,279,000</td>
<td>-</td>
<td>(14,279,000)</td>
<td>-</td>
</tr>
<tr>
<td>TransNet Local Program</td>
<td></td>
<td></td>
<td>3,093,119</td>
<td>-</td>
<td>(3,093,119)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>240,563,703</td>
<td>-</td>
<td>(240,563,703)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$ 869,258,471</td>
<td>-</td>
<td>$(856,125,023)</td>
<td>$ 13,133,448</td>
</tr>
</tbody>
</table>
CITY OF CARLSBAD, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Carlsbad, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

Results: The City recorded total TransNet expenditures in the amount of $736,926. We selected $234,406 (31.81%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City allocates indirect costs to capital projects by using the employee’s direct cost charged to a project and multiplying it by an allocation percentage of 116%, which was determined by a consultant. The City allocated a total of $104,718 of indirect costs in the RTIP, resulting in 14.21% of indirect costs compared to total TransNet expenditures. In FY23, the City declared a local emergency which accelerated many of the City’s roadway projects, notably TransNet projects. City Council directed focus to push all projects in design to construction. For these reasons, additional engineers from other groups worked on TransNet projects to accelerate projects to construction phase. Carlsbad declared a state of emergency in August 2022 and it only recently ended in FY24. Additionally, many of the City’s projects entered the construction phase this year requiring more engineer oversight. The City’s indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA but has been approved by management and City Council during FY21. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

Results: No exceptions were noted as a result of our procedures.
i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

Results: There were 3 projects (CB17, CB34 and CB35) that have been inactive over the past two years. The City indicated that, “Projects have been completed and closed out. The remaining cash on hand for the project will be requested to be transferred to another current congestion relief project via a city council resolution. The city expects to have this resolution approved by June 2024.” The status of the projects has been added to Schedule A.

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

Results: SANDAG approved the reason for the inactivity on January 19, 2024.

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

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

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

Results: This procedure is not applicable as the City did not have any non-TransNet activity during FY23.

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

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$4,923,643</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>4,923,643</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>1,477,093</td>
</tr>
<tr>
<td>Less: Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>333,763</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>319,634</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>653,397</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$ 823,696</td>
</tr>
</tbody>
</table>
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$333,763</td>
<td>$13,251,822</td>
<td>$13,585,585</td>
</tr>
<tr>
<td>Maintenance</td>
<td>319,634</td>
<td>14,633,385</td>
<td>14,953,019</td>
</tr>
<tr>
<td>Totals</td>
<td>$653,397</td>
<td>$27,885,207</td>
<td>$28,538,604</td>
</tr>
</tbody>
</table>

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

Results: The City has expended 2.29% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Carlsbad</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$26,229,557</td>
<td>$11,282,709</td>
<td>$37,512,266</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,579,825</td>
<td>13,815,043</td>
<td>15,394,868</td>
</tr>
<tr>
<td>Interest</td>
<td>115,526</td>
<td>2,787,455</td>
<td>2,902,981</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$27,924,908</td>
<td>$27,885,207</td>
<td>$55,810,115</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue: $16,743,035
Less maintenance expenditures incurred to date: (1,276,999)
Available maintenance funds: $15,466,036
Cumulative percentage expended for maintenance: 2.29%

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.
12. We reviewed the MOE requirement.
   
a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

   a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

      i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

      ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

\[
\begin{align*}
\text{Current year local discretionary expenditures} & \quad \$13,747,010 \\
\text{Less MOE base year requirement} & \quad (6,746,377) \\
\text{Excess MOE for the year ended June 30, 2023} & \quad \$7,000,633
\end{align*}
\]

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

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

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

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

Results: No exceptions were noted as a result of our procedures.
We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

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

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

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: The City recorded total RTCIP expenditures in the amount of $388,094. We selected $126,660 (32.64%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no RTCIP unallowable expenditures identified during FY23.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.
**viii.** We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

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

**ix.** We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

**Results:** The City provided RTCIP documentation to us for review on October 27, 2023.
xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
CITY OF CARLSBAD, CALIFORNIA  
TransNet Extension Activities  
Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB44</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>July 1, 2022</td>
<td>$ -</td>
<td>$ 11,700</td>
<td>$ -</td>
<td>$ (11,700)</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td></td>
<td>$ -</td>
<td>$ 11,700</td>
<td>$ -</td>
<td>$ (11,700)</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>CB12</td>
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<td>College Rch A, Cannon Reach 4A</td>
<td></td>
<td>185,169</td>
<td>45,000</td>
<td>-</td>
<td>(42,700)</td>
<td>-</td>
<td>187,469</td>
</tr>
<tr>
<td>CB17</td>
<td>60143</td>
<td>Carlsbad Blvd Bridge - Powerplant</td>
<td></td>
<td>48,392</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,392</td>
<td>(a)</td>
</tr>
<tr>
<td>CB17</td>
<td>60532</td>
<td>CB Blvd Railing East Side</td>
<td></td>
<td>9,728</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,728</td>
<td>(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CB17 Projects</td>
<td></td>
<td>58,120</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>58,120</td>
</tr>
<tr>
<td>CB20</td>
<td>60011</td>
<td>Pavement Management - Overlay</td>
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<td>219,956</td>
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<td>-</td>
<td>(72,243)</td>
<td>-</td>
<td>212,713</td>
</tr>
<tr>
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<td>60721</td>
<td>ECR Widening - Cassia to Cam Vid Robl</td>
<td></td>
<td>306,651</td>
<td>30,000</td>
<td>-</td>
<td>(12,384)</td>
<td>-</td>
<td>324,267</td>
</tr>
<tr>
<td>CB34</td>
<td>60442</td>
<td>Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane</td>
<td></td>
<td>113,625</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>113,625</td>
<td>(a)</td>
</tr>
<tr>
<td>CB35</td>
<td>60432</td>
<td>Palomar Airport Rd./Paseo Del Norte L.t. Turn Lane</td>
<td></td>
<td>6,483</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6,483</td>
<td>(a)</td>
</tr>
<tr>
<td>CB36</td>
<td>60311</td>
<td>Carlsbad Blvd Realignment</td>
<td></td>
<td>674</td>
<td>40,000</td>
<td>-</td>
<td>(113,328)</td>
<td>-</td>
<td>(74,002)</td>
</tr>
<tr>
<td>CB43</td>
<td>60491</td>
<td>ADA Improvements</td>
<td></td>
<td>(333,407)</td>
<td>65,000</td>
<td>-</td>
<td>(93,939)</td>
<td>-</td>
<td>(362,346)</td>
</tr>
<tr>
<td>CB46</td>
<td>60543</td>
<td>Terramar Area Coastal Improvements</td>
<td></td>
<td>(579)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(579)</td>
<td>(b)</td>
</tr>
<tr>
<td>CB49</td>
<td>60751</td>
<td>Kelly and Park Dr. Street Improvements</td>
<td></td>
<td>(49,990)</td>
<td>55,000</td>
<td>-</td>
<td>(53,264)</td>
<td>-</td>
<td>(48,254)</td>
</tr>
<tr>
<td>CB51</td>
<td>63261</td>
<td>Adaptive Traffic Signal Program</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
</tr>
<tr>
<td>CB52</td>
<td>40152</td>
<td>Village/Barrio Traffic Circles</td>
<td></td>
<td>103,944</td>
<td>55,000</td>
<td>-</td>
<td>(99,530)</td>
<td>-</td>
<td>59,414</td>
</tr>
<tr>
<td>CB53</td>
<td>60681</td>
<td>Carlsbad Blvd. Pedestrian Roadway Lighting</td>
<td></td>
<td>45,607</td>
<td>-</td>
<td>-</td>
<td>(12,353)</td>
<td>-</td>
<td>33,254</td>
</tr>
<tr>
<td>CB59</td>
<td>60941</td>
<td>ECR Wid-SunnyCrk to Jackspar</td>
<td></td>
<td>(149,737)</td>
<td>60,000</td>
<td>-</td>
<td>(96,281)</td>
<td>-</td>
<td>(186,018)</td>
</tr>
<tr>
<td>CB62</td>
<td>40134</td>
<td>Barrio Street Lighting</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,935)</td>
<td>-</td>
<td>(1,935)</td>
</tr>
<tr>
<td>CB63</td>
<td>60193</td>
<td>Valley St. and Magnolia Ave Complete Streets</td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,990)</td>
<td>-</td>
<td>(1,990)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td></td>
<td>6,613</td>
<td>-</td>
<td>6,929</td>
<td>-</td>
<td>-</td>
<td>13,542</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td></td>
<td>511,782</td>
<td>415,000</td>
<td>6,929</td>
<td>(599,947)</td>
<td>(1)</td>
<td>333,763</td>
</tr>
<tr>
<td>CB58</td>
<td>60622</td>
<td>Street Light Bulb Replacement Program</td>
<td></td>
<td>315,935</td>
<td>-</td>
<td>-</td>
<td>(2,104)</td>
<td>-</td>
<td>313,831</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td></td>
<td>2,834</td>
<td>-</td>
<td>2,969</td>
<td>-</td>
<td>-</td>
<td>5,803</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td></td>
<td>318,769</td>
<td>-</td>
<td>2,969</td>
<td>(2,104)</td>
<td>-</td>
<td>319,634</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td></td>
<td>830,551</td>
<td>426,700</td>
<td>9,898</td>
<td>(613,751)</td>
<td>(1)</td>
<td>653,397</td>
</tr>
</tbody>
</table>

(Continued)
## CITY OF CARLSBAD, CALIFORNIA
### TransNet Extension Activities
#### Schedule of Status of Funds by Project (Continued)
#### Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB45</td>
<td>60583</td>
<td>Bikes and Pedestrian (BPNS): Tamarack Ave/CB Blvd Ped Imprvmt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(27,493)</td>
<td>14,466</td>
<td>(123,175)</td>
<td>-</td>
<td>(136,202)</td>
<td>(b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Bikes and Pedestrian (BPNS):</td>
<td></td>
<td>(27,493)</td>
<td>14,466</td>
<td>(123,175)</td>
<td>-</td>
<td>(136,202)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>803,058</td>
<td>441,166</td>
<td>9,898</td>
<td>(736,926)</td>
<td>(1)</td>
<td>517,195</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>GASB 31 Fair Market Value Adjustment</td>
<td>(57,640)</td>
<td></td>
<td>16,391</td>
<td>-</td>
<td>-</td>
<td>(41,249)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension after GASB 31 Adjustment</td>
<td>745,418</td>
<td>441,166</td>
<td>26,289</td>
<td>(736,926)</td>
<td>(1)</td>
<td>475,946</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension after GASB 31 Adjustment and Non-TransNet</td>
<td>745,418</td>
<td>441,166</td>
<td>26,289</td>
<td>(736,926)</td>
<td>(1)</td>
<td>475,946</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

(a) Project has been completed and closed out. The remaining cash on hand for the project will be requested to be transferred to another current congestion relief project via a city council resolution. The city expects to have this resolution approved by June 2024.

(b) The city will be drawing funds to clear negative balances in FY24.

(c) Adjustment is due to rounding. SANDAG is no longer funding this project and will be removed from Schedule A in FY24.
### CITY OF CARLSBAD, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><em>TransNet Extension:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Local Street Improvements:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief Pass Through:</strong></td>
<td>$$128,700$$</td>
<td>-</td>
<td>$$-(128,700)$$</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief-Pass Through</td>
<td>$$128,700$$</td>
<td>-</td>
<td>$$-(128,700)$$</td>
<td>-</td>
</tr>
<tr>
<td>CB44</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB12</td>
<td>36364</td>
<td>College Rd A, Cannon Reach 4A</td>
<td>716,900</td>
<td>-</td>
<td>(529,431)</td>
<td>187,469</td>
</tr>
<tr>
<td>CB17</td>
<td>60143</td>
<td>Carlsbad Blvd Bridge-Powerplant</td>
<td>232,278</td>
<td>2,224</td>
<td>(186,110)</td>
<td>48,392</td>
</tr>
<tr>
<td>CB17</td>
<td>60532</td>
<td>CB Blvd Railing East Side</td>
<td>10,000</td>
<td>433</td>
<td>(705)</td>
<td>9,728</td>
</tr>
<tr>
<td>CB20</td>
<td>60011</td>
<td>Pavement Management - Overlay</td>
<td>10,486,709</td>
<td>18,059</td>
<td>(10,292,055)</td>
<td>212,713</td>
</tr>
<tr>
<td>CB32</td>
<td>60721</td>
<td>ECR Widening - Cassia to Cam Vid Robl</td>
<td>472,000</td>
<td>1,790</td>
<td>(149,523)</td>
<td>324,267</td>
</tr>
<tr>
<td>CB34</td>
<td>60442</td>
<td>Palomar Airport Rd./Paseo Del Norte R. Turn Lane</td>
<td>837,000</td>
<td>3,032</td>
<td>(726,407)</td>
<td>113,625</td>
</tr>
<tr>
<td>CB35</td>
<td>60432</td>
<td>Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane</td>
<td>235,000</td>
<td>3,906</td>
<td>(232,423)</td>
<td>6,483</td>
</tr>
<tr>
<td>CB36</td>
<td>60311</td>
<td>Carlsbad Blvd Realignment</td>
<td>3,040,135</td>
<td>14,529</td>
<td>(3,128,666)</td>
<td>(74,002)</td>
</tr>
<tr>
<td>CB43</td>
<td>60491</td>
<td>ADA Improvements</td>
<td>1,695,000</td>
<td>1,308</td>
<td>(2,058,654)</td>
<td>(362,346)</td>
</tr>
<tr>
<td>CB46</td>
<td>60543</td>
<td>Terramar Area Coastal Improvements</td>
<td>-</td>
<td>-</td>
<td>(579)</td>
<td>(579)</td>
</tr>
<tr>
<td>CB49</td>
<td>60751</td>
<td>Kelly and Park Dr. Street Improvements</td>
<td>751,000</td>
<td>991</td>
<td>(800,245)</td>
<td>(48,254)</td>
</tr>
<tr>
<td>CB51</td>
<td>63261</td>
<td>Adaptive Traffic Signal Program</td>
<td>2,642,000</td>
<td>42</td>
<td>(2,642,042)</td>
<td>-</td>
</tr>
<tr>
<td>CB52</td>
<td>40152</td>
<td>Village/Barrio Traffic Circles</td>
<td>677,000</td>
<td>50</td>
<td>(617,636)</td>
<td>59,414</td>
</tr>
<tr>
<td>CB53</td>
<td>60681</td>
<td>Carlsbad Blvd. Pedestrian Roadway Lighting</td>
<td>65,000</td>
<td>1,628</td>
<td>(33,374)</td>
<td>33,254</td>
</tr>
<tr>
<td>CB59</td>
<td>60941</td>
<td>ECR Wid-SunnyCreek to Jackspn</td>
<td>338,000</td>
<td>-</td>
<td>(524,018)</td>
<td>(186,018)</td>
</tr>
<tr>
<td>CB62</td>
<td>40134</td>
<td>Barrio Street Lighting</td>
<td>-</td>
<td>-</td>
<td>(1,935)</td>
<td>(1,935)</td>
</tr>
<tr>
<td>CB63</td>
<td>60193</td>
<td>Valley St. and Magnolia Ave Complete Streets</td>
<td>-</td>
<td>-</td>
<td>(1,990)</td>
<td>(1,990)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Interest Income</strong></td>
<td>-</td>
<td>13,542</td>
<td>-</td>
<td>13,542</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Congestion Relief</strong></td>
<td>22,198,022</td>
<td>61,534</td>
<td>(21,925,793)</td>
<td>333,763</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB58</td>
<td>60622</td>
<td>Street Light Bulb Replacement Program</td>
<td>1,295,000</td>
<td>10,988</td>
<td>(992,157)</td>
<td>313,831</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Interest Income</strong></td>
<td>-</td>
<td>5,803</td>
<td>-</td>
<td>5,803</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Maintenance</strong></td>
<td>1,295,000</td>
<td>16,791</td>
<td>(992,157)</td>
<td>319,634</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Local Street Improvements</strong></td>
<td>23,621,722</td>
<td>78,325</td>
<td>(23,046,650)</td>
<td>653,997</td>
</tr>
</tbody>
</table>

(Continued)
### CITY OF CARLSBAD, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CB45</td>
<td>60583</td>
<td><strong>Bikes and Pedestrian (BPNS):</strong></td>
<td>$152,467</td>
<td>$114</td>
<td>$(288,783)</td>
<td>$(136,202)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tamarack Ave/CB Blvd Ped Imprvmt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Bikes and Pedestrian (BPNS):</strong></td>
<td>152,467</td>
<td>114</td>
<td>(288,783)</td>
<td>(136,202)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal Cumulative TransNet Extension</strong></td>
<td>23,774,189</td>
<td>78,439</td>
<td>(23,335,433)</td>
<td>517,195</td>
</tr>
</tbody>
</table>

**Completed Projects:**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>3,902,835</td>
<td>37,070</td>
<td>(3,939,905)</td>
<td>-</td>
</tr>
<tr>
<td>Maintenance</td>
<td>284,825</td>
<td>17</td>
<td>(284,842)</td>
<td>-</td>
</tr>
<tr>
<td>Bikes and Pedestrian</td>
<td>564,048</td>
<td>-</td>
<td>(564,048)</td>
<td>-</td>
</tr>
<tr>
<td>Environmental Mitigation Grant</td>
<td>384,947</td>
<td>-</td>
<td>(384,947)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Completed Projects</strong></td>
<td><strong>5,136,655</strong></td>
<td><strong>37,087</strong></td>
<td><strong>(5,173,742)</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

**Total Cumulative TransNet Extension**

| Total Cumulative TransNet Extension | $28,910,844 | $115,526 | $(28,509,175) | $517,195 |
## CITY OF CARLSBAD, CALIFORNIA
### TransNet Extension Activities
### RTCIP Fund
### Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Spend funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>June 30, 2023 Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>CB04A</td>
<td>$470,174</td>
<td>$-</td>
<td>$(470,174)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>CB04A</td>
<td>1,727,814</td>
<td>$-</td>
<td>$(1,727,814)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>CB31</td>
<td>751,460</td>
<td>$-</td>
<td>$(1,054,801)</td>
<td>303,341</td>
<td>$259,291 344,044</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>CB31</td>
<td>715,030</td>
<td>$-</td>
<td>$(455,739)</td>
<td>$-</td>
<td>$773,020 773,020</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>CB31</td>
<td>773,020</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$373,424 373,424</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>-</td>
<td>373,424</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$57,981 57,981</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>-</td>
<td>57,981</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$755,387</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>-</td>
<td>755,387</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$139,197 92,794</td>
</tr>
</tbody>
</table>

**Interest Income**

- **132,464**
- **6,733**
- **139,197**
- **92,794**

**Total RTCIP Funds**

- **$5,624,290**
- **$132,464**
- **$(3,708,528)**
- **$310,074**
- **$-**
- **$2,358,300**
- **$1,641,263**

**Note:**

(a) Adjustment is due to $303,341 of expenditures being recorded in error from FY20 - FY22.

(b) The city incorrectly reported expenditures related to project CB46 from fiscal years 2020, 2021 and 2022 and attributed these in the RTCIP fund as expenditures using project year ended June 30, 2018 funds. This project is funded with TransNet Local and other city local funding and is not an RTCIP project. The city is adjusting out these expenditures and adding back associated interest income that should have been earned as an adjustment.
CITY OF CHULA VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Chula Vista, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

Results: The City recorded total TransNet expenditures in the amount of $3,051,452. We selected $1,054,829 (34.57%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: The City recorded total TransNet payroll expenditures in the amount of $1,629,036, which represented 53.39% of total expenditures. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City allocates costs out of their various departments and into capital projects by using the Engineering time directly charged to a project and multiplying the hours worked by the City’s fully burdened hourly rate. Department Overhead Rates range from 6.10% to 42.00%, with an average rate of 18.91%. Total staff time costs (which includes both direct and indirect costs) included within projects on the RTIP were $1,629,036. Total estimated indirect costs were $259,062, or 8.49% of total TransNet expenditures. In order to verify that the City was allocating their indirect cost appropriately, we tested five job positions to ensure that the City was recording their direct and indirect costs properly according to internal project rates. The City’s written indirect cost plan was last updated during FY 2021. The plan is approved by Management or another individual within the City. The City’s indirect cost plan has not been reviewed by a federal or state agency or audited by an independent CPA firm. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

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

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

Results: There were three projects that have been inactive over the past two years: CIP number STM0393 of MPO ID CHV48, CIP number STL0445 of MPO ID CHV06, and CIP number STM0380 of MPO ID CHV33. The City indicated that each of these phases of their respective projects had been completed or is in the process of being closed out, and that any excess funding will be transferred to projects within the same MPO ID in Fiscal Year 2024.

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

Results: SANDAG approved the reason for the inactivity on December 6, 2023.

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

Results: This procedure is not applicable as there were no transfers of TransNet funds which required a staff report or resolution.

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

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

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

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$9,403,536</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>9,403,536</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>2,821,061</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>(391,693)</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>(88,536)</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>(480,229)</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$3,301,290</td>
</tr>
</tbody>
</table>
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(391,693)</td>
<td>$14,922,458</td>
<td>$14,530,765</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(88,536)</td>
<td>8,524,022</td>
<td>8,435,486</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$(480,229)</strong></td>
<td><strong>$23,446,480</strong></td>
<td><strong>$22,966,251</strong></td>
</tr>
</tbody>
</table>

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

Results: The City has expended 21.67% of cumulative local street and road revenue for maintenance as follows:

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$51,791,177</td>
<td>$13,512,662</td>
<td>$65,303,839</td>
</tr>
<tr>
<td>Maintenance</td>
<td>20,693,567</td>
<td>7,934,687</td>
<td>28,628,254</td>
</tr>
<tr>
<td>Interest</td>
<td>80,858</td>
<td>1,999,131</td>
<td>2,079,989</td>
</tr>
<tr>
<td><strong>Total local street and road revenue</strong></td>
<td><strong>$72,565,602</strong></td>
<td><strong>$23,446,480</strong></td>
<td><strong>$96,012,082</strong></td>
</tr>
</tbody>
</table>

30% of total local street and road revenue: $28,803,625

Less maintenance expenditures incurred to date: (20,805,724)

Available maintenance funds: $7,997,901

Cumulative percentage expended for maintenance: 21.67%

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.
12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

\[
\begin{align*}
\text{Current year local discretionary expenditures} & \quad $4,585,958 \\
\text{Less MOE base year requirement} & \quad (4,387,018) \\
\text{Excess MOE for the year ended June 30, 2023} & \quad $ 198,940
\end{align*}
\]

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

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

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

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

Results: No exceptions were noted as a result of our procedures.
c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

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

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

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: The City recorded total RTCIP expenditures in the amount of $45,506. We selected $6,562 (14.42%) for testing. No exceptions noted as a result of our procedures.

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

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

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.
**Results:** This procedure is not applicable as there were no payroll expenditures during FY 23.

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

**Results:** The City provided RTCIP documentation to us for review on November 15, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.
Results: No exceptions were noted as a result of our procedures.

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

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

## CIP

### Project Status

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<td><strong>Local Street Improvements:</strong></td>
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<td><strong>Local Street Improvements:</strong></td>
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<td><strong>Congestion Relief:</strong></td>
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<td>(a)</td>
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<td>600</td>
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<td>(616)</td>
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<td>(528,950)</td>
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<td>(497,950)</td>
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<td>(167,728)</td>
<td>11,995</td>
<td>(28,382)</td>
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<td>(1,166,223)</td>
<td>-</td>
<td>(533,943)</td>
<td>(a)</td>
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<td>STL0426</td>
<td>Sidewalk Gap Citywide FY 17/18</td>
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<td>(59,775)</td>
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<td>2,531</td>
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<td>CHV58</td>
<td>STM0405</td>
<td>ADA Path Install at Otay Lakes Rd</td>
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<td>3,569</td>
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<td>1</td>
<td>6,000</td>
<td>(3,114)</td>
<td>-</td>
<td>2,887</td>
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<td><strong>Total CHV58 Projects</strong></td>
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<td>-</td>
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<td><strong>Subtotal Congestion Relief</strong></td>
<td>210,291</td>
<td>708,500</td>
<td>(1,450,360)</td>
<td>-</td>
<td>(531,569)</td>
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</table>

(Continued)
## SCHEDULE A

**CITY OF CHULA VISTA, CALIFORNIA**

*TransNet and TransNet Extension Activities*

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
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<tbody>
<tr>
<td>CHV60</td>
<td>STL0437</td>
<td>EB Right Turn Lane Install/ East H St Study</td>
<td>64</td>
<td>4,975</td>
<td>-</td>
<td>(2,034)</td>
<td>-</td>
<td>$ (3,005)</td>
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<tr>
<td>CHV60</td>
<td>TRF0398</td>
<td>Traffic Sig Install at Main St and Jacqua St</td>
<td>3,788</td>
<td>-</td>
<td>-</td>
<td>(1,811)</td>
<td>1,954</td>
<td>3,931</td>
<td>(c)</td>
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<td>CHV60</td>
<td>TRF0407</td>
<td>Traffic Sig Mod at Five Intersections</td>
<td>1,954</td>
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<td>-</td>
<td>-</td>
<td>(1,954)</td>
<td>-</td>
<td>(c)</td>
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<td>CHV60</td>
<td>TRF0412</td>
<td>Traffic Signal Upgrades at Two Locations Lead</td>
<td>74</td>
<td>17,225</td>
<td>-</td>
<td>(17,299)</td>
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<td>-</td>
<td>(c)</td>
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<tr>
<td>CHV60</td>
<td>TRF0418</td>
<td>Ped Interval Traf Signal Ops</td>
<td>(30,855)</td>
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<td>-</td>
<td>1,791</td>
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<td>(231)</td>
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<td>1,143</td>
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<td><strong>Total CHV60 Projects</strong></td>
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<td></td>
<td>(88,601)</td>
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<td>CHV70</td>
<td>STM0384</td>
<td>Bike Lanes on Brdwy Fsblty Study</td>
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<td>3,662</td>
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<td></td>
<td>(5,575)</td>
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<td>(660)</td>
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<td>CHV77</td>
<td>TRF0395</td>
<td>SANDAG Main St Fiber Optic Addtl</td>
<td>1,996</td>
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<td>-</td>
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<td>CHV79</td>
<td>TRF0415</td>
<td>Telegraph Cyn Rd Raised Median Impvmts</td>
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<td>CHV79</td>
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<td>(6,014) (a)</td>
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<td><strong>Total CHV79 Projects</strong></td>
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<td>20,108</td>
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(Continued)
## CITY OF CHULA VISTA, CALIFORNIA

*TransNet and TransNet Extension Activities*

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
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<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
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<th>Project Expenditures</th>
<th>City Adjustments</th>
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<td>79</td>
<td>(b)</td>
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<td>CHV06</td>
<td>STL0455</td>
<td>Pavement Maintenance Program FY2021/22</td>
<td>67</td>
<td>114,500</td>
<td>-</td>
<td>(129,324)</td>
<td>-</td>
<td>(14,757)</td>
<td>(a)</td>
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**Total CHV06 Projects**

| (42,746) | 255,500 | - | (240,576) | - | (27,822) |

| CHV22  | CTY0202  | CIP Advanced Planning | (50,350) | 39,972 | - | (71,962) | - | (82,340) | (a) |
| CHV22  | CTY0208  | CIP Management & Equipment Purchase | 1,465 |  - | - | (452) | - | 1,013 |
| CHV22  | CTY0232  | ADA Pedestrian Connectivity Program | 1,695 | 5,000 | - | (5,805) | - | 890 |
| CHV22  | STL0404  | Bikeway Master Plan 2016 Update | (54,128) | 54,128 | - | - | - | (c) |
| CHV22  | STM0406  | Bay Boulevard at L Street Sidewalk Improvements Study | 539 | 6,500 | - | (6,670) | - | 369 |

**Total CHV22 Projects**

| (100,779) | 105,600 | - | (84,889) | - | (80,068) |

| CHV33  | STL0410  | Kellogg Elem Schl Ped Improvmt | 375 | 325 | - | - | - | 700 |
| CHV33  | STM0380  | Sidewalk Replacement E H Street Study | 275 | - | - | - | - | 275 | (b) |
| CHV33  | TRF0345  | School Zone Traffic Calming | 4,933 | 119,253 | - | (176,626) | - | (56,830) | (a) |
| CHV33  | TRF0384  | Lauderbach Elem. Pedestrian Improv | 74,464 | 75,800 | - | (185) | - | 1,151 |
| CHV33  | TRF0417  | Enhanced Crosswalks School Zones | 5,451 | 5,000 | - | (16,291) | - | (5,840) | (a) |

**Total CHV33 Projects**

| (67,820) | 200,378 | - | (193,102) | - | (60,544) |

| CHV34  | SW0292   | Indtli Blvd &Main St Swr Improv | 54 | 3,000 | - | (782) | - | 2,272 |
| CHV34  | TRF0327  | Neighborhood Safety Program | 176 | 172,000 | - | (187,395) | - | (15,219) | (a) |
| CHV34  | TRF0411  | Ped Improvements- Castle Park Middle School | 920 | 6,000 | - | (6,390) | - | 530 |
| CHV34  | TRF0413  | Ladder Crosswalks at Controlled Intersections Program | 30 | 7,000 | - | (4,859) | - | 2,171 |
| CHV34  | TRF0416  | Intersection Safety Improvements | 178 | 80,000 | - | (74,394) | - | 5,784 |
| CHV34  | TRF0422  | Radar Speed Feedback Signs | 484 | 1,500 | - | (1,074) | - | 910 |
| CHV34  | TRF0429  | Pedestrian and Guardrail Improv Various | (13,614) | 34,800 | - | (21,045) | - | 141 |

**Total CHV34 Projects**

| (11,772) | 304,300 | - | (295,939) | - | (3,411) |

**Subtotal Maintenance**

| (223,117) | 865,778 | - | (814,506) | - | (171,845) |

(Continued)
### CITY OF CHULA VISTA, CALIFORNIA

**TransNet and TransNet Extension Activities**

**Schedule of Status of Funds by Project (Continued)**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<td>July 1, 2022</td>
<td>July 1, 2022</td>
<td>$</td>
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<td>$ $ (285,153)</td>
<td>$ (5,484)</td>
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<td>-</td>
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<td>Expenditures</td>
<td>(814,506)</td>
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<td>Adjustment</td>
<td>(171,845)</td>
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<td>Balance carried forward - Maintenance</td>
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<td>STMO369</td>
<td>Bikeway Facilities Gap Project</td>
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<td>-</td>
<td>(23,543)</td>
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<td>TRFO332</td>
<td>Signing and Stripping Program</td>
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<td>TRF0421</td>
<td>Engineering &amp; Traffic Survey Updates Program</td>
<td>59</td>
<td>1,900</td>
<td>-</td>
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<td>Total CHV35 Projects</td>
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<td>Traffic Congestion Relief Program</td>
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<td>(5,484)</td>
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<td>(4,899)</td>
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<td>STM0385</td>
<td>Bridge Maintenance</td>
<td>843</td>
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<td>12,726</td>
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<td>ADA Pedestrian Curb Ramps Program FY18/19</td>
<td>(253,569)</td>
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<td>(24,929)</td>
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<td>ADA Pedestrian Curb Ramps Program FY20/21</td>
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<td>17,900</td>
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<td>ADA Pedestrian Curb Ramps Program FY22/23</td>
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<td>-</td>
<td>(9,835)</td>
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<td>265</td>
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<td>STM0394</td>
<td>Local Street Utility Undergrounding District</td>
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<td>Total CHV83 Projects</td>
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<td>110,128</td>
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Subtotal Maintenance

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<th>Funds</th>
<th>Interest</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<td>$ (35,074)</td>
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<td>(86,467)</td>
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<td>(86,467)</td>
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<td>(285,153)</td>
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<td>(5,484)</td>
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(Continued)
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<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Expenditures</th>
<th>City Adjustments</th>
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<td>Balance carried forward - Maintenance</td>
<td>July 1, 2022</td>
<td>$1,982,506</td>
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<td>(1,453,798)</td>
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<td>-</td>
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<td>Total Local Street Improvements</td>
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<td>Total TransNet Extension</td>
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<td>(344,144)</td>
<td>2,913,206</td>
<td>2,161</td>
<td>(3,051,452)</td>
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<td>GASB 31 Market Value Adjustment</td>
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Notes:
(a) Deficit to be covered by drawdown in FY 24.
(b) Closeout activities in progress; Project to be closed in FY 24
(c) Project closed/completed.
(d) Project STM0369 is no longer programmed under CHV45 but is reprogrammed under MPO ID CHV35.
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<th>MPO ID</th>
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<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
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<th>Project Status</th>
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<td><em>Congestion Relief:</em></td>
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<td>TRF0350</td>
<td>Traffic Signal System Optimization</td>
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<td>Signal Retiming of Yellow</td>
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<td>Subtotal Congestion Relief</td>
<td>9,524,373</td>
<td>833</td>
<td>(10,056,775)</td>
<td>(531,569)</td>
</tr>
</tbody>
</table>

(Continued)
## CITY OF CHULA VISTA, CALIFORNIA

*TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHV60</td>
<td>STL0437</td>
<td>EB Right Turn Lane Install/ East H St Study</td>
<td>$ 6,963</td>
<td>-</td>
<td>(3,958)</td>
<td>3,005</td>
</tr>
<tr>
<td>CHV60</td>
<td>TRF0398</td>
<td>Traffic Sig Install at Main St and Jacqua St</td>
<td>11,861</td>
<td>-</td>
<td>(7,930)</td>
<td>3,931</td>
</tr>
<tr>
<td>CHV60</td>
<td>TRF0407</td>
<td>Traffic Sig Mod at Five Intersections</td>
<td>181,954</td>
<td>-</td>
<td>(181,954)</td>
<td>-</td>
</tr>
<tr>
<td>CHV60</td>
<td>TRF0412</td>
<td>Traffic Signal Upgrades at Two Locations</td>
<td>209,605</td>
<td>-</td>
<td>(209,605)</td>
<td>-</td>
</tr>
<tr>
<td>CHV60</td>
<td>TRF0418</td>
<td>Lead Ped Interval Traf Signal Ops</td>
<td>101,100</td>
<td>-</td>
<td>(99,309)</td>
<td>1,791</td>
</tr>
<tr>
<td>CHV60</td>
<td>TRF0424</td>
<td>Ped Hybr Beacon Upgrade</td>
<td>193,945</td>
<td>-</td>
<td>(192,802)</td>
<td>1,143</td>
</tr>
</tbody>
</table>

  **Total CHV60 Projects**

|                |                |                                                                                | 705,428        | -                 | (695,558)             | 9,870                       |
| CHV70  | STM0384        | Bike Lanes on Brdwy Fsblty Study                                              | 1,995,495      | -                 | (1,995,392)           | 103                         |
| CHV70  | STM0392        | Bike Lanes on Broadway                                                        | 970,423        | -                 | (966,761)             | 3,662                       |

  **Total CHV70 Projects**

|                |                |                                                                                | 2,965,918      | -                 | (2,962,153)           | 3,765                       |
| CHV77  | TRF0395        | SANDAG Main St Fiber Optic Addtl                                              | 41,530         | -                 | (41,974)              | (444)                       |
| CHV79  | TRF0415        | Telegraph Cnyn Rd Raised Median Impvnts                                      | 77,292         | -                 | (75,493)              | 1,799                       |
| CHV79  | TRF0446        | Left Turn Imp Bonita Rd @ bonita Glen                                         | 48,830         | -                 | (54,844)              | (6,014)                     |

  **Total CHV79 Projects**

|                |                |                                                                                | 126,122        | -                 | (130,337)             | (4,215)                     |
| CHV80  | STL0406        | 3rd Ave Streetscp Imprv Phs 3                                                 | 2,644,038      | -                 | (2,575,702)           | 68,336                      |
| CHV82  | STL0420        | Palomar St/Orange Ave Sidewalk                                                | 603,381        | -                 | (598,836)             | 4,545                       |
| CHV84  | TRF0404        | Retiming Signals/ Install Fiber Optic Comm Sys                                | 926,850        | -                 | (923,383)             | 3,467                       |
| CHV88  | STL0464        | F Street Promenade Phase 1                                                    | 2,500          | -                 | (2,088)               | 412                         |
| CHV89  | TRF0432        | Olympic Parkway Safety Enhancements                                          | 6,000          | -                 | (4,132)               | 1,868                       |

  **Interest Income**

|                |                |                                                                                | -              | 52,272            | -                      | 52,272                      |

  **Total Congestion Relief**

|                |                |                                                                                | 17,546,140     | 53,105            | (17,990,938)           | (391,693)                   |

(Continued)
## CITY OF CHULA VISTA, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

### SCHEDULE B

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status as of June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHV06</td>
<td>CTY0219</td>
<td>Pavement Management System</td>
<td>1,412,688</td>
<td>-</td>
<td>(1,425,832)</td>
<td>(13,144)</td>
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<tr>
<td>CHV06</td>
<td>STL0445</td>
<td>Pavement Minor Rehab</td>
<td>32,432</td>
<td>-</td>
<td>(32,353)</td>
<td>79</td>
</tr>
<tr>
<td>CHV06</td>
<td>STL0455</td>
<td>Pavement Maintenance Program FY2021/22</td>
<td>123,800</td>
<td>-</td>
<td>(138,557)</td>
<td>(14,757)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total CHV06 Projects</strong></td>
<td>1,568,920</td>
<td>-</td>
<td>(1,596,742)</td>
<td>(27,822)</td>
</tr>
<tr>
<td>CHV22</td>
<td>CTY0202</td>
<td>CIP Advanced Planning</td>
<td>829,448</td>
<td>-</td>
<td>(911,788)</td>
<td>(82,340)</td>
</tr>
<tr>
<td>CHV22</td>
<td>CTY0208</td>
<td>CIP Management &amp; Equipment Purchase</td>
<td>45,873</td>
<td>-</td>
<td>(44,860)</td>
<td>1,013</td>
</tr>
<tr>
<td>CHV22</td>
<td>CTY0232</td>
<td>ADA Pedestrian Connectivity Program</td>
<td>22,950</td>
<td>-</td>
<td>(22,060)</td>
<td>890</td>
</tr>
<tr>
<td>CHV22</td>
<td>STL0404</td>
<td>Bikeway Master Plan2016 Update</td>
<td>54,128</td>
<td>-</td>
<td>(54,128)</td>
<td>-</td>
</tr>
<tr>
<td>CHV22</td>
<td>STM0406</td>
<td>Bay Boulevard at L Street Sidewalk Improvements Study</td>
<td>44,700</td>
<td>-</td>
<td>(44,331)</td>
<td>369</td>
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<tr>
<td></td>
<td></td>
<td><strong>Total CHV22 Projects</strong></td>
<td>997,099</td>
<td>-</td>
<td>(1,077,167)</td>
<td>(80,068)</td>
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<tr>
<td>CHV33</td>
<td>STL0410</td>
<td>Kellog Elem Schl Ped Improvmt</td>
<td>225,693</td>
<td>-</td>
<td>(224,993)</td>
<td>700</td>
</tr>
<tr>
<td>CHV33</td>
<td>STM0380</td>
<td>Sidewalk Replacement E H Street Study</td>
<td>148,612</td>
<td>-</td>
<td>(148,337)</td>
<td>275</td>
</tr>
<tr>
<td>CHV33</td>
<td>TRF0345</td>
<td>School Zone Traffic Calming</td>
<td>659,360</td>
<td>-</td>
<td>(716,190)</td>
<td>(56,830)</td>
</tr>
<tr>
<td>CHV33</td>
<td>TRF0384</td>
<td>Lauderbach Elem. Pedestrian Improv</td>
<td>363,796</td>
<td>-</td>
<td>(362,645)</td>
<td>1,151</td>
</tr>
<tr>
<td>CHV33</td>
<td>TRF0417</td>
<td>Enhanced Crosswalks School Zones</td>
<td>32,000</td>
<td>-</td>
<td>(37,840)</td>
<td>(5,840)</td>
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<tr>
<td></td>
<td></td>
<td><strong>Total CHV 33 Projects</strong></td>
<td>1,429,461</td>
<td>-</td>
<td>(1,490,005)</td>
<td>(60,544)</td>
</tr>
<tr>
<td>CHV34</td>
<td>SWR0292</td>
<td>Indtrl Blvd &amp;Main St Swr Imprv</td>
<td>142,401</td>
<td>-</td>
<td>(140,129)</td>
<td>2,272</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0327</td>
<td>Neighborhood Safety Program</td>
<td>2,027,008</td>
<td>-</td>
<td>(2,042,227)</td>
<td>(15,219)</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0411</td>
<td>Ped Imprvmts- Castle Park Middle School</td>
<td>18,069</td>
<td>-</td>
<td>(17,539)</td>
<td>530</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0413</td>
<td>Ladder Crosswalks at Controlled Intersections Program</td>
<td>21,806</td>
<td>-</td>
<td>(19,635)</td>
<td>2,171</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0416</td>
<td>Intersection Safety Improvements</td>
<td>205,500</td>
<td>-</td>
<td>(199,716)</td>
<td>5,784</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0422</td>
<td>Radar Speed Feedback Signs</td>
<td>2,900</td>
<td>-</td>
<td>(1,990)</td>
<td>910</td>
</tr>
<tr>
<td>CHV34</td>
<td>TRF0429</td>
<td>Pedestr and Guardrail Improv Various</td>
<td>43,800</td>
<td>-</td>
<td>(43,659)</td>
<td>141</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total CHV 34 Projects</strong></td>
<td>2,461,484</td>
<td>-</td>
<td>(2,464,895)</td>
<td>(3,411)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal Maintenance</strong></td>
<td>6,456,964</td>
<td>-</td>
<td>(6,628,809)</td>
<td>(171,845)</td>
</tr>
</tbody>
</table>
## CITY OF CHULA VISTA, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHV35</td>
<td>STM0369</td>
<td>Bikeway Facilities Gap Project</td>
<td>$6,456,964</td>
<td>$ -</td>
<td>$(6,628,809)</td>
<td>$(171,845)</td>
</tr>
<tr>
<td>CHV35</td>
<td>TRF0332</td>
<td>Signing and Stripping Program</td>
<td>58,200</td>
<td>-</td>
<td>(58,151)</td>
<td>49</td>
</tr>
<tr>
<td>CHV35</td>
<td>TRF0366</td>
<td>Traffic Signal &amp; St. Lighting Upgrade / Maint.</td>
<td>2,149,248</td>
<td>-</td>
<td>(2,149,027)</td>
<td>221</td>
</tr>
<tr>
<td>CHV35</td>
<td>TRF0402</td>
<td>Traffic Signal Mod Broadway/F and Broadway/G</td>
<td>130,000</td>
<td>-</td>
<td>(130,000)</td>
<td>-</td>
</tr>
<tr>
<td>CHV35</td>
<td>TRF0421</td>
<td>Engineering &amp; Traffic Survey Updates Program</td>
<td>2,741</td>
<td>-</td>
<td>(2,244)</td>
<td>497</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CHV 35 Projects</td>
<td>$2,875,852</td>
<td>-</td>
<td>(2,874,976)</td>
<td>876</td>
</tr>
<tr>
<td>CHV45</td>
<td>STM0369</td>
<td>Bikeway Facilities Gap Project</td>
<td>448,959</td>
<td>-</td>
<td>(448,959)</td>
<td>-</td>
</tr>
<tr>
<td>CHV45</td>
<td>TRF0321</td>
<td>Citywide Traffic Count Program</td>
<td>521,691</td>
<td>-</td>
<td>(523,757)</td>
<td>(2,066)</td>
</tr>
<tr>
<td>CHV45</td>
<td>TRF0354</td>
<td>Traffic Congestion Relief Program</td>
<td>70,544</td>
<td>-</td>
<td>(76,028)</td>
<td>(5,484)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CHV 45 Projects</td>
<td>$1,041,194</td>
<td>-</td>
<td>(1,048,744)</td>
<td>(7,550)</td>
</tr>
<tr>
<td>CHV50</td>
<td>DR0205</td>
<td>CMP Rehabilitation In Right of Way FY17/18</td>
<td>2,115,350</td>
<td>-</td>
<td>(2,100,164)</td>
<td>15,186</td>
</tr>
<tr>
<td>CHV50</td>
<td>DR0217</td>
<td>CMP Repair ROW FY20/21</td>
<td>101,550</td>
<td>-</td>
<td>(106,449)</td>
<td>(4,899)</td>
</tr>
<tr>
<td>CHV50</td>
<td>STM0385</td>
<td>Bridge Maintenance</td>
<td>138,485</td>
<td>-</td>
<td>(125,759)</td>
<td>12,726</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CHV 50 Projects</td>
<td>$2,355,385</td>
<td>-</td>
<td>(2,332,372)</td>
<td>23,013</td>
</tr>
<tr>
<td>CHV75</td>
<td>STL0432</td>
<td>ADA Pedestrian Curb Ramps Program FY18/19</td>
<td>375,503</td>
<td>-</td>
<td>(375,048)</td>
<td>455</td>
</tr>
<tr>
<td>CHV75</td>
<td>STL0447</td>
<td>ADA Pedestrian Curb Ramps Program</td>
<td>250,024</td>
<td>-</td>
<td>(249,571)</td>
<td>453</td>
</tr>
<tr>
<td>CHV75</td>
<td>STL0448</td>
<td>Sidewalk Replacement Program FY20/21</td>
<td>85,163</td>
<td>-</td>
<td>(84,595)</td>
<td>568</td>
</tr>
<tr>
<td>CHV75</td>
<td>STL0454</td>
<td>ADA Pedestrian Curb Ramps Program Program FY2021/22</td>
<td>28,060</td>
<td>-</td>
<td>(26,026)</td>
<td>2,034</td>
</tr>
<tr>
<td>CHV75</td>
<td>STL0461</td>
<td>ADA Pedestrian Curb Ramps FY22/23</td>
<td>10,100</td>
<td>-</td>
<td>(9,835)</td>
<td>265</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CHV 75 Projects</td>
<td>$748,850</td>
<td>-</td>
<td>(745,075)</td>
<td>3,775</td>
</tr>
<tr>
<td>CHV83</td>
<td>STL0404</td>
<td>Bikeway Master Plan 2016 Update</td>
<td>69,128</td>
<td>-</td>
<td>(63,539)</td>
<td>5,589</td>
</tr>
<tr>
<td>CHV83</td>
<td>STM0394</td>
<td>Local Street Utility Undergrounding District</td>
<td>90,340</td>
<td>-</td>
<td>(72,171)</td>
<td>18,169</td>
</tr>
<tr>
<td>CHV83</td>
<td>STM0407</td>
<td>F Street Undergrounding Phase 2 - Street Light Design</td>
<td>24,801</td>
<td>-</td>
<td>(9,252)</td>
<td>15,549</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total CHV 83 Projects</td>
<td>$184,269</td>
<td>-</td>
<td>(144,962)</td>
<td>39,307</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Maintenance</td>
<td>$13,662,514</td>
<td>-</td>
<td>(13,774,938)</td>
<td>(112,424)</td>
</tr>
</tbody>
</table>

(Continued)
## CITY OF CHULA VISTA, CALIFORNIA

### TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maintenance balance carried forward</td>
<td>$13,662,514</td>
<td>$ -</td>
<td>$(13,774,938)</td>
<td>$(112,424)</td>
</tr>
<tr>
<td>CHV90</td>
<td>TRF0427</td>
<td>North Second Avenue Shoulder Improv</td>
<td></td>
<td></td>
<td>$(28,514)</td>
<td>1,486</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>$(22,402)</td>
<td></td>
<td>-</td>
<td>$(22,402)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>$13,692,514</td>
<td>$22,402</td>
<td>$(13,803,452)</td>
<td>$(88,536)</td>
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<tr>
<td></td>
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<td>Total Local Street Improvements</td>
<td>$31,409,154</td>
<td>$75,507</td>
<td>$(31,964,890)</td>
<td>$(480,229)</td>
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<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>$31,409,154</td>
<td>$75,507</td>
<td>$(31,964,890)</td>
<td>$(480,229)</td>
</tr>
</tbody>
</table>

### Completed Projects:

- LSI - Congestion Relief: 34,074,537, 4,132, (34,078,669), -
- LSI - Maintenance: 7,001,053, 1,219, (7,002,272), -
- Major Corridor Environmental Mitigation: 1,072,678, -, (1,072,678), -
- Smart Growth: 6,252,698, -, (6,252,698), -
- Bike and Pedestrian: 828,582, -, (828,582), -

Total Completed Projects: 49,229,548, 5,351, (49,234,899), -

Total Cumulative TransNet Extension: $80,638,702, $80,858, $(81,199,789), $(480,229)
## Schedule C

### CITY OF CHULA VISTA CALIFORNIA

**TransNet Extension Activities**

**RTCIP Fund**

**Year Ended June 30, 2023**

### Cumulative

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2022</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>CHV45</td>
<td>$90,345</td>
<td>$</td>
<td>$ (90,345)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>CHV45</td>
<td>5,708</td>
<td>$</td>
<td>$ (5,708)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>CHV45</td>
<td>389,773</td>
<td>$</td>
<td>$ (25,367)</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>CHV45</td>
<td>120,066</td>
<td>$</td>
<td>$</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>CHV45</td>
<td>68,068</td>
<td>$</td>
<td>$</td>
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<td>$</td>
<td>$</td>
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<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>CHV45</td>
<td>564,393</td>
<td>$</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>CHV45</td>
<td>1,033,556</td>
<td>$</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>CHV45</td>
<td>1,213,000</td>
<td>$</td>
<td>$</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Interest Income</strong></td>
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<td></td>
</tr>
<tr>
<td><strong>Subtotal RTCIP Funds</strong></td>
<td></td>
<td></td>
<td>3,484,909</td>
<td>150,391</td>
<td>(121,420)</td>
<td></td>
<td></td>
<td>3,513,880</td>
</tr>
<tr>
<td><strong>GASB 31 Market Value Adjustment</strong></td>
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</tr>
<tr>
<td><strong>Total RTCIP Funds</strong></td>
<td></td>
<td></td>
<td>3,484,909</td>
<td>86,776</td>
<td>(121,420)</td>
<td></td>
<td></td>
<td>3,450,265</td>
</tr>
</tbody>
</table>
CITY OF CORONADO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Coronado, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

      Results: This procedure is not applicable as there were no footnotes required in Schedule A in FY 23.

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

      Results: This procedure is not applicable as the City did not have interest income reported on Schedule A in FY 23.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of Ordinance and Board Policy No. 031.

      Results: No exceptions were noted as a result of our procedures.
We identified the total TransNet expenditures for the fiscal year.

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

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

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

Results: The City recorded total TransNet expenditure in the amount of $131,400. We selected $90,958 (69.22%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no payroll expenditures identified during FY 23.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect
cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated during FY 23.

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

Results: This procedure is not applicable as there were no adjustments presented on Schedule A in FY 23.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: This procedure is not applicable as there were no projects completed in the current or previous fiscal year.

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

Results: This procedure is not applicable as there were no projects completed in the current or previous fiscal year.

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

Results: This procedure is not applicable as there were no projects with a negative ending balance presented on Schedule A in FY 23.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.
Results: This procedure is not applicable as there were no projects with a negative ending balance presented on Schedule A in FY 23.

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

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

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

Results: This procedure is not applicable as there were no adjustments presented on Schedule A in FY 23.
c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

Results: This procedure is not applicable as there were no projects completed on Schedule A in FY 22.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$808,934</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td></td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>$808,934</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>$242,680</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td></td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>$107,341</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td></td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>$107,341</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$135,339</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are noted on the following page:
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 3.89% of cumulative local street and road revenue for maintenance as indicated as follows:

<table>
<thead>
<tr>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$107,341</td>
<td>$253,503</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>2,616,982</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$107,341</strong></td>
<td><strong>$2,870,485</strong></td>
</tr>
</tbody>
</table>

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

**Results:** This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.
   
a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

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

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$1,627,273</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(984,388)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$  642,885</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

   i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.
Results: The City did not consistently collect the required exaction fee amount of $2,688.21. For two permits issued, the exaction fee collected was based upon the prior year’s exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $646. See Finding 1 in the Findings and Recommendations section of this report.

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no RTCIP payroll expenditures for the fiscal year ending June 30, 2023.

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

**Results:** The City provided RTCIP documentation to us for review on October 31, 2023.

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

**Results:** No exceptions were noted as a result of our procedures.
14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

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

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

**Results:** The City had one prior year finding relating to the City not consistently collecting the required exaction fee amount of $2,635.50. For two permits issued, the exaction fee collected was based upon the prior year’s exaction fee amount. Per further discussion with the City, it was determined that the City will transfer funds from their budget to cover the remaining fees from FY22.

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

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

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

____________________, 2024
CITY OF CORONADO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations

Year Ended June 30, 2023

(1) Need to Use Approved Exaction Fee

Per review of the City’s exaction fee collections for the year ended June 30, 2023, the City did not consistently collect the required exaction fee amount of $2,688.21. For two permits issued, the exaction fee collected was based upon the prior year’s exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $646.34 as follows:

<table>
<thead>
<tr>
<th>Permit Number</th>
<th>Audited Amount</th>
<th>Required Amount</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>NC2107-001</td>
<td>$2,668.21</td>
<td>$2,688.21</td>
<td>$20.00</td>
</tr>
<tr>
<td>Various</td>
<td>15,502.92</td>
<td>16,129.26</td>
<td>626.34</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$18,171.13</strong></td>
<td><strong>$18,817.47</strong></td>
<td><strong>$646.34</strong></td>
</tr>
</tbody>
</table>

SANDAG Board recommendations as of February 9, 2022 and subsequent approval states, in part:

“...the Board of Directors will be asked to approve a 2% adjustment to the Regional Transportation Congestion Improvement Program (RTCIP) raising the minimum fee from $2,635.50 to $2,688.21 beginning July 1, 2022.”

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 $646.34 for FY23. Additionally, we recommend that the City update and collect the proper exaction fees on a yearly basis to be in compliance with the RTCIP fees.
(1) **Need to Use Approved Exaction Fee (Continued)**

**Management Response**

Management agrees with the finding, and we are evaluating additional controls to prevent errors in collections in the future. During the review, we discovered that there was an issue with the permitting system and we are working on a remedy to correct the problem. City Departments are continuing to work together to improve controls and have reinforced with staff the need to review the correctness of fees before finalizing permits. Additionally, Finance will continue to work with permitting staff to identify gaps and put controls in place.

During the fiscal year 2024 the City will make every effort to collect and record the under-collected amounts of the exaction fees.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

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

**CITY OF CORONADO, CALIFORNIA**  
*TransNet Extension Activities*  
Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>COR 07</td>
<td>9740-20002</td>
<td>Street, Curb &amp; Gutter-FY19/FY20</td>
<td>$106,844</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$106,844</td>
</tr>
<tr>
<td>COR 25</td>
<td>9712-18003</td>
<td>Ocean Blvd. Street Improvement</td>
<td>(468,598)</td>
<td>500,000</td>
<td>-</td>
<td>(31,400)</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>495</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>495</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>(361,259)</td>
<td>500,000</td>
<td>-</td>
<td>(31,400)</td>
<td>-</td>
<td>107,341</td>
</tr>
<tr>
<td>COR 04</td>
<td>98987-STPVM FY23</td>
<td>Street Preventative Maintenance FY23</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
<td>(100,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>-</td>
<td>100,000</td>
<td>-</td>
<td>(100,000)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>(361,259)</td>
<td>600,000</td>
<td>-</td>
<td>(131,400)</td>
<td>-</td>
<td>107,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>(361,259)</td>
<td>600,000</td>
<td>-</td>
<td>(131,400)</td>
<td>-</td>
<td>107,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GASB 31 Market Value Adjustment</td>
<td>(3,272)</td>
<td>-</td>
<td>1,287</td>
<td>-</td>
<td>-</td>
<td>(1,985)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension after GASB 31 adjustment</td>
<td>$364,531</td>
<td>$600,000</td>
<td>1,287</td>
<td>$131,400</td>
<td>-</td>
<td>$105,356</td>
</tr>
</tbody>
</table>
# CITY OF CORONADO, CALIFORNIA

*TransNet* Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><em>TransNet</em> Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Street Improvements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR 07</td>
<td>9740-20002</td>
<td>Street, Curb &amp; Gutter-FY19 and FY20</td>
<td>$187,579</td>
<td>$-</td>
<td>$(80,735)</td>
<td>$106,844</td>
</tr>
<tr>
<td>COR 25</td>
<td>9712-18003</td>
<td>Ocean Blvd. Street Improvement</td>
<td>959,042</td>
<td>3,866</td>
<td>$(962,906)</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>1,146,621</td>
<td>4,361</td>
<td>$(1,043,641)</td>
<td>107,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>COR 04</td>
<td>98987-STPVM</td>
<td>Street Preventative Maintenance FY23</td>
<td>100,000</td>
<td>-</td>
<td>$(100,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>100,000</td>
<td>-</td>
<td>$(100,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>1,246,621</td>
<td>4,361</td>
<td>$(1,143,641)</td>
<td>107,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative <em>TransNet</em> Extension</td>
<td>1,246,621</td>
<td>4,361</td>
<td>$(1,143,641)</td>
<td>107,341</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Completed Projects</em>:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Congestion Relief</td>
<td>5,428,697</td>
<td>17,274</td>
<td>(5,445,971)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Maintenance</td>
<td>282,949</td>
<td>323</td>
<td>(283,272)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior Mini Grant</td>
<td>89,083</td>
<td>-</td>
<td>(89,083)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>5,800,729</td>
<td>17,597</td>
<td>(5,818,326)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative <em>TransNet</em> Extension</td>
<td>$7,047,350</td>
<td>$21,958</td>
<td>$(6,961,967)</td>
<td>$107,341</td>
</tr>
<tr>
<td>Project Year</td>
<td>Last Date to Commit Funds</td>
<td>MPO ID</td>
<td>Funds Received</td>
<td>Interest Income</td>
<td>Project Expenditures</td>
<td>City Adjustments</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>---------------------------</td>
<td>--------</td>
<td>----------------</td>
<td>-----------------</td>
<td>---------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>COR24</td>
<td>$18,536</td>
<td>$876</td>
<td>$(19,412)</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>COR24</td>
<td>21,213</td>
<td>1,977</td>
<td>(3,671)</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>COR24</td>
<td>14,425</td>
<td>1,344</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>COR24</td>
<td>26,446</td>
<td>2,465</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>COR24</td>
<td>15,943</td>
<td>1,486</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>COR24</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>COR24</td>
<td>12,919</td>
<td>1,204</td>
<td>-</td>
<td>(5,168)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>COR24</td>
<td>20,859</td>
<td>1,944</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Subtotal RTCIP Funds

GASB 31 Market Value Adjustment

Total RTCIP Funds

Notes:
(a) Adjustment is to reflect an applied refund applicable for FY 22 fees collected but processed in FY 23.
CITY OF DEL MAR, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Del Mar, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** This procedure is not applicable as the City did not have any TransNet expenditures recorded during FY2023.

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

**Results:** This procedure is not applicable as the City did not have any TransNet expenditures recorded during FY2023.

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

**Results:** This procedure is not applicable as the City did not have any TransNet expenditures recorded during FY2023.

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

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

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

**Results:** This procedure is not applicable as the City did not have any TransNet expenditures recorded during FY2023.

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

**Results:** This procedure is not applicable as the City did not have any TransNet expenditures recorded during FY2023.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: This procedure is not applicable as indirect costs were not allocated to the projects included in the RTIP.

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

Results: This procedure is not applicable as there were no adjustments during FY 2023.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

Results: This procedure is not applicable as there were no transfers during FY2023.

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

Results: This procedure is not applicable as there were no projects with a negative ending balance during FY 2023.
i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

**Results:** This procedure is not applicable as there were no projects with a negative ending balance during FY 2023.

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

**Results:** There are two projects that have been inactive over the past two years. The City indicated for DM02 project that “The City of Del Mar has secured other local funding sources that will be utilized first before using TransNet Funds. It is anticipated that the other available local funds will be exhausted during the construction phase of the project. The construction phase of the project is projected to begin in December 2026. It is not anticipated that TransNet funds will be used for this project prior to that date.” They also indicated that, “The City is in process of completing a street assessment and will be going out to bid in FY24 for Resurfacing and Drainage maintenance project (DM01).” The status of the projects has been added to Schedule A.

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

**Results:** SANDAG approved the reason for the inactivity on October 24, 2023.

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

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

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

**Results:** This procedure is not applicable as the City did not have non-TransNet activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

Results: This procedure is not applicable as there were no adjustments in Schedule A.

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2023 apportionment $274,021
Less: debt service payment (131,959)
Net estimated apportionment 142,062
30% base 30%
Fiscal year 2023 30% threshold 42,619
Less:
   Local Streets and Roads fund balance -
   Local Street Improvement:
       Congestion Relief fund balance 3,285
       Maintenance fund balance -
Total Local Streets and Roads and Local Street Improvement fund balance 3,285
Fund balance under apportionment $39,334
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as indicated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$3,285</td>
<td>$(127,483)</td>
<td>$(124,198)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>-</td>
<td>570,946</td>
<td>570,946</td>
</tr>
<tr>
<td>Totals</td>
<td>$3,285</td>
<td>$443,463</td>
<td>$446,748</td>
</tr>
</tbody>
</table>

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

Results: The City has expended 5.40% of cumulative local street and road revenue for maintenance indicated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Del Mar</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$6,614,166</td>
<td>$(156,126)</td>
<td>$6,458,040</td>
</tr>
<tr>
<td>Maintenance</td>
<td>402,626</td>
<td>559,707</td>
<td>962,333</td>
</tr>
<tr>
<td>Interest</td>
<td>8,378</td>
<td>39,882</td>
<td>48,260</td>
</tr>
<tr>
<td>Totals</td>
<td>$7,025,170</td>
<td>$443,463</td>
<td>$7,468,633</td>
</tr>
<tr>
<td>30% of total local street and road revenue</td>
<td></td>
<td></td>
<td>$2,240,590</td>
</tr>
<tr>
<td>Less maintenance expenditures incurred to date</td>
<td></td>
<td></td>
<td>(403,270)</td>
</tr>
<tr>
<td>Available maintenance funds</td>
<td></td>
<td></td>
<td>$1,837,320</td>
</tr>
<tr>
<td>Cumulative percentage expended for maintenance</td>
<td></td>
<td></td>
<td>5.40%</td>
</tr>
</tbody>
</table>
11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below.

<table>
<thead>
<tr>
<th></th>
<th>Balance</th>
<th>Principal Payments</th>
<th>Balance</th>
<th>Interest and Other Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1, 2022</td>
<td>June 30, 2023</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014 Series A Bonds</td>
<td>$140,000</td>
<td>$70,000</td>
<td>$70,000</td>
<td>$4,783</td>
</tr>
<tr>
<td>2019 Series A Bonds</td>
<td>855,000</td>
<td>-</td>
<td>855,000</td>
<td>26,909</td>
</tr>
<tr>
<td>2021 Series A Bonds</td>
<td>1,610,000</td>
<td>-</td>
<td>1,610,000</td>
<td>31,572</td>
</tr>
</tbody>
</table>

12. We reviewed the MOE requirement.

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

   a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

      i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

      ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement for the year ended June 30, 2023. The City had an outstanding unmet MOE requirement for the prior year in the amount of $72,462 for Street & Roads. In the City’s response to the prior year finding, the City had requested and was subsequently granted a three-year extension in the time permitted to meet the MOE threshold. MOE activity for the year ended June 30, 2023, is summarized on the following page:
13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

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

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

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

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

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

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

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

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

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

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

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

      iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

         Results: No exceptions were noted as a result of our procedures.
v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no payroll expenditures identified during FY 2023.

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

Results: No exceptions were noted as a result of our procedures.
xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

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

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

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

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

Results: The City provided RTCIP documentation to us for review on October 10, 2023.

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

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

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

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

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

Results: The prior year’s report included a finding that the City of Del Mar did not meet its MOE requirement for Streets & Roads and had a shortfall in the amount of $72,462. Our testing of the MOE requirement for the year ended June 30, 2023 identified that the City was able to resolve the shortfall. As such, the finding will be removed.

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

Results: See Findings and Recommendations section of this report.
We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

[Date], 2024
(1) **Need to Use Approved Exaction Fee**

Per review of the City’s exaction fee collections for the year ended June 30, 2023, the City did not consistently collect the required exaction fee amount of $2,688.21. There were two permits issued where the exaction fees collected were based on FY22 fees in the amount of $2,635.50. This resulted in an under-collection of the exaction fees in the amount of $474.39 as follows:

<table>
<thead>
<tr>
<th>Project #</th>
<th>Account #</th>
<th>Units</th>
<th>Amount Required</th>
<th>Amount Charged</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRB20-013</td>
<td>B45.4700.4727</td>
<td>1</td>
<td>$2,688.21</td>
<td>$2,635.50</td>
<td>$52.71</td>
</tr>
<tr>
<td>DRB18-008</td>
<td>B45.4700.4727</td>
<td>8</td>
<td>$21,505.68</td>
<td>$21,084.00</td>
<td>421.68</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>9</strong></td>
<td></td>
<td><strong>$24,193.89</strong></td>
<td><strong>$23,719.50</strong></td>
<td><strong>$474.39</strong></td>
</tr>
</tbody>
</table>

SANDAG Board recommendations as of February 9, 2022 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 $2,635.50 to $2,688.21 beginning July 1, 2022.”

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 $474.39. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.
(1) **Need to Use Approved Exaction Fee (Continued)**

**Management Response**

The City inadvertently overlooked updating the new exaction fees on the permitting system. Two permits were processed and were charged the old RTCIP exaction fees. Upon discovery, this was immediately corrected, and an audit of other permits processed was conducted. No other errors were found. The Community Development department and the Finance division have implemented additional procedures to ensure that exaction fees are updated as needed per SANDAG updates. The Community Development department will work on collecting the undercharged fees.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## City of Del Mar, California

**TransNet Extension Activities**

Schedule of Status of Funds by Project

Year Ended June 30, 2023

### Schedule A

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM02</td>
<td>44.7000.7011</td>
<td>Local Match to Bridge Retrofit Projects</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>$</td>
</tr>
<tr>
<td>DM06</td>
<td>44.7000.7009</td>
<td>Sidewalk, Street and Drainage Project</td>
<td>3,167</td>
<td>118</td>
<td>(73,478)</td>
<td>-</td>
<td>-</td>
<td>3,285</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014 Series A Bond</td>
<td>-</td>
<td>73,478</td>
<td>-</td>
<td>(73,478)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 Series A Bond</td>
<td>-</td>
<td>26,909</td>
<td>-</td>
<td>(26,909)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021 Series A Bond</td>
<td>-</td>
<td>31,572</td>
<td>-</td>
<td>(31,572)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>3,167</td>
<td>118</td>
<td>(131,959)</td>
<td>-</td>
<td>3,285</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Maintenance:

| DM01   | 44.7000.7009   | Resurfacing and Drainage Project |
|        |                | - | - | - | - | - | - | - | (b) |
|        |                | Total Maintenance |
|        |                | - | - | - | - | - | - |

**Total Local Street Improvements:**

|        | 3,167 | 118 | (131,959) | - | 3,285 |

**Total TransNet Extension:**

| 3,167 | 118 | (131,959) | - | 3,285 |

**GASB 31 Market Value Adjustment**

| (411) | - | 316 | - | - | (95) |

**Total TransNet Extension after GASB 31 Adjustment**

| $2,756 | $131,959 | $434 | ($131,959) | - | $3,190 |

**Notes:**

(a) The City of Del Mar has secured other local funding sources that will be utilized first before using TransNet Funds. It is anticipated that the other available local funds will be exhausted during the construction phase of the project. The construction phase of the project is projected to begin in December 2026. It is not anticipated that TransNet funds will be used for this project prior to that date.

(b) The City is in process of completing a street assessment and will be going out to bid in FY24 for Resurfacing and Drainage maintenance project (DM01).
CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>DM02</td>
<td>44.7000.7011</td>
<td>Local Match to Bridge Retrofit Projects</td>
<td>$207,386</td>
<td>$459</td>
<td>$(207,845)</td>
<td>-</td>
</tr>
<tr>
<td>DM06</td>
<td>44.7000.7009</td>
<td>Sidewalk, Street and Drainage Project</td>
<td>4,253,985</td>
<td>5,864</td>
<td>(4,256,564)</td>
<td>3,285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014 Series A Bonds</td>
<td>1,295,182</td>
<td>-</td>
<td>(1,295,182)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 Series A Bonds</td>
<td>80,313</td>
<td>-</td>
<td>(80,313)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021 Series A Bonds</td>
<td>71,995</td>
<td>-</td>
<td>(71,995)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>5,908,861</td>
<td>6,323</td>
<td>(5,911,899)</td>
<td>3,285</td>
</tr>
<tr>
<td>DM01</td>
<td>44.7000.7009</td>
<td>Resurfacing and Drainage Project</td>
<td>402,626</td>
<td>644</td>
<td>(403,270)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>402,626</td>
<td>644</td>
<td>(403,270)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>6,311,487</td>
<td>6,967</td>
<td>(6,315,169)</td>
<td>3,285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>6,311,487</td>
<td>6,967</td>
<td>(6,315,169)</td>
<td>3,285</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Completed Projects:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Commercial Paper Debt Service</td>
<td>1,082</td>
<td>-</td>
<td>(1,082)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Congestion Relief</td>
<td>704,223</td>
<td>1,411</td>
<td>(705,634)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bikes and Pedestrian</td>
<td>812,000</td>
<td>-</td>
<td>(812,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>1,517,305</td>
<td>1,411</td>
<td>(1,518,716)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$7,828,792</td>
<td>$8,378</td>
<td>$(7,833,885)</td>
<td>$3,285</td>
</tr>
</tbody>
</table>
### CITY OF DEL MAR, CALIFORNIA

*TransNet Extension Activities*

**RTCIP Fund**

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2023</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>DM06</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>DM06</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>DM06</td>
<td>2,404</td>
<td>25</td>
<td>(2,429)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>DM06</td>
<td>2,483</td>
<td>68</td>
<td>(2,551)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>DM06</td>
<td>2,533</td>
<td>125</td>
<td>(3)</td>
<td>-</td>
<td>-</td>
<td>2,655</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>DM06</td>
<td>2,584</td>
<td>131</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,715</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>DM06</td>
<td>2,636</td>
<td>58</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,694</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>23,720</td>
<td>675</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,395</td>
</tr>
</tbody>
</table>

Subtotal RTCIP Funds

36,360  1,082  (4,983)  -  -  32,459  8,064

GASB 31 Market Value Adjustment

-  (610)  -  -  -  (610)  (215)

Total RTCIP Funds

$ 36,360 $ 472 $ (4,983) $ - $ - $ 31,849 $ 7,849

**Cumulative**
CITY OF EL CAJON, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of El Cajon, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

Results: The City recorded total TransNet expenditures in the amount of $1,059,346. We selected $375,347 (35.43%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City distributes indirect costs in two ways. For operating departments, an allocation for each cost pool is made following a reasonable allocation basis. For irregularly timed or project work, such as CIP projects, indirect costs are applied using Fully Burdened Rates (FBR). FBRs are calculated for each job classification. Since job classifications may exist in many budgetary units, an average of each unit’s hourly rate is calculated and used as the FBR for that classification. This average hourly rate is weighted by the portion of full time equivalent (FTE) employees in that unit. FBRs are used to assign indirect costs where they are not allocated. The City’s indirect cost rates were last updated and approved on October 19, 2020 by the City’s Finance Department. The dollar amount of the indirect costs charged to the TransNet program was $9,209 resulting in 0.87% of indirect costs compared to total TransNet expenditures. The City’s indirect cost plan has not been reviewed by a cognizant agency or audited by an independent certified public accounting firm. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

Results: No exceptions were noted as a result of our procedures.
i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

Results: There are two projects that have been inactive over the past two years. The City indicated that for EL06 CIP 203690PWCP and 203691PWCP “These are active City projects funded by multiple MPO ID funding sources. Activity funded by this MPO ID was not present during this phase of the project.” The status of the projects has been added to Schedule A.

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

Results: SANDAG approved the reason for the inactivity on January 25, 2024.

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

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

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

Results: This procedure is not applicable as there were no non-TransNet activity.

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

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$3,530,412</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>3,530,412</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>1,059,124</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>(681,672)</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>(596,142)</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local</td>
<td>(1,277,814)</td>
</tr>
<tr>
<td>Street Improvement fund balance</td>
<td></td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$ 2,336,938</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.
Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$ (681,672)</td>
<td>$ 5,865,738</td>
<td>$5,184,066</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(596,142)</td>
<td>5,313,368</td>
<td>4,717,226</td>
</tr>
<tr>
<td>Totals</td>
<td>$(1,277,814)</td>
<td>$11,179,106</td>
<td>$9,901,292</td>
</tr>
</tbody>
</table>

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

Results: The City has expended 17.77% of cumulative local street and road revenue for maintenance as indicated as follows:

<table>
<thead>
<tr>
<th></th>
<th>El Cajon</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$21,128,688</td>
<td>$ 5,325,302</td>
<td>$26,453,990</td>
</tr>
<tr>
<td>Maintenance</td>
<td>6,256,364</td>
<td>5,093,688</td>
<td>11,350,052</td>
</tr>
<tr>
<td>Interest</td>
<td>9,785</td>
<td>760,116</td>
<td>769,901</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$27,394,837</td>
<td>$11,179,106</td>
<td>$38,573,943</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue | $11,572,183 |
Less maintenance expenditures incurred to date | (6,855,442) |
Available maintenance funds | $4,716,741 |
Cumulative percentage expended for maintenance | 17.77%

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

   i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

   ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

\[
\begin{align*}
\text{Current year local discretionary expenditures} & \quad 2,463,072 \\
\text{Less MOE base year requirement} & \quad -1,849,773 \\
\text{Excess MOE for the year ended June 30, 2023} & \quad 613,299
\end{align*}
\]

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

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

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

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

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

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

   i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.
Results: The City did not collect the correct exaction fee for one permit issued. See the Findings and Recommendation section of the report.

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: The City recorded total RTCIP expenditures in the amount of $65,867. We selected $45,115 (68.49%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there were no payroll expenditures for fiscal year ending June 30, 2023.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the
We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation to us for review on October 27, 2023.

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

Results: No exceptions were noted as a result of our procedures.
14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

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

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

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

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

Results: See Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_________________________, 2024
(1) **Need to Use Approved Exaction Fee**

Per review of the City’s exaction fee collections for the year ended June 30, 2023, the City did not consistently collect the required exaction fee amount of $2,688.21. For one permit issued, the exaction fee collected was based upon the prior year’s exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $52.71 as follows:

<table>
<thead>
<tr>
<th>Permit Number</th>
<th>Audited Amount</th>
<th>Amount Required</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>BP-2020-0599</td>
<td>$2,635.50</td>
<td>$2,688.21</td>
<td>$52.71</td>
</tr>
</tbody>
</table>

SANDAG Board recommendations as of February 9, 2022 and subsequent approval states, in part:

“...the Board of Directors will be asked to approve a 2% adjustment to the Regional Transportation Congestion Improvement Program (RTCIP) raising the minimum fee from $2,635.50 to $2,688.21 beginning July 1, 2022.”

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 $52.71 for FY23. Additionally, we recommend that the City update and collect the proper exaction fees on a yearly basis to be in compliance with the RTCIP fees.

**Management Response**

Permit BP-2020-0599 was issued in FY21 at $2,583.82 and billed for the FY22-FY23 change of $51.68. However, it appears that the FY21-FY22 change ($52.71) was not applied. Therefore, the City will issue an invoice for that amount prior to the completion of the project.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td>9,700</td>
<td>-</td>
<td>(9,700)</td>
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</tbody>
</table>

TransNet Extension:

**Local Street Improvements:**

**Congestion Relief - Pass-Through:**

Regional Arterial Management Systems

Total Congestion Relief - Pass-Through

EL03 200020PWCP Overlay 2020  
\[(198,981)\] - 20,011 - (68,503) - (247,473) (a)(b)

EL03 203688PWCP Jamacha Road Safety Improvements  
- - - (13,233) - (13,233) (a)

EL03 203689PWCP Madison Avenue Safety Improvements  
- - - (2,382) - (2,382) (a)

EL03 223748PWCP Luke Lane Drainage Improvements  
- - - (2,637) - (2,637) (a)

Total EL03 Projects

\[(198,981)\] - 20,011 - (86,755) - (265,725) (a)

EL06 N/A Traffic Signal System Upgrades 2020  
4,046 - - - (4,046) - 12,415 (c)

EL06 203688PWCP Jamacha Road Safety Improvements  
13,789 2,792 - - (4,166) - 12,415 (c)

EL06 203689PWCP Madison Avenue Safety Improvements  
(2,525) - - - 12,149 9,624 (d)

EL06 203690PWCP El Cajon Transit Center Improvements  
28,514 - - - 12,149 9,624 (d)

EL06 203691PWCP Main/Green Street Gateway Improvements  
6,600 - - - 6,000 (e)

EL06 N/A Traffic Signal System Upgrades 2021  
8,103 - - - (8,103) - (e)

EL06 223744PWCP Traffic Signal System Upgrades 2022  
15,605 - - - (34,390) - (18,785) (b)

EL06 200020PWCP Overlay 2020  
- - - 38 - 38 (f)

Total EL06 Projects

73,570 2,792 - - (38,556) - 37,806 (f)

EL18 N/A Street Light LED Retrofit Program 2019  
(17,462) - - - (17,462) (b)

EL18 N/A Repair and Replacement of Street Light System  
912 - - - (912) - (c)

EL18 203688PWCP Jamacha Road Safety Improvements  
(34,810) 13,905 - - (4,167) 912 (24,160) (a)(d)

EL18 203689PWCP Madison Avenue Safety Improvements  
(39,267) - - - (261,942) - (301,209) (a)

EL18 N/A Street Light LED Retrofit Program 2021  
(38,750) - - - (38,750) (b)

EL18 N/A Street Light LED Retrofit Program 2022  
7,090 - - - 7,090 (b)

Total EL18 Projects

(122,287) 13,905 - - (266,109) - (374,491)

Subtotal Congestion Relief

(247,698) 36,708 - - (391,420) - (602,410)
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>July 1, 2022</td>
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<td>July 1, 2022</td>
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</tbody>
</table>
### CITY OF EL CAJON, CALIFORNIA

**TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Funds Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL40</td>
<td>SNDGS488</td>
<td>El Cajon Transit Center Community Connection Improvements</td>
<td>$ (32,755)</td>
<td>$ 14,194</td>
<td>-</td>
<td>$ (212,525)</td>
<td>-</td>
<td>$ (231,086)</td>
<td>(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Main Street/Green Street Gateway</td>
<td>(74,356)</td>
<td>56,805</td>
<td></td>
<td>(36,003)</td>
<td></td>
<td></td>
<td>(a)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Smart Growth</strong></td>
<td></td>
<td>(107,111)</td>
<td></td>
<td>(248,528)</td>
<td></td>
<td>(284,640)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total TransNet Extension</strong></td>
<td></td>
<td>(736,270)</td>
<td></td>
<td>(1,059,346)</td>
<td></td>
<td>(1,562,454)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>GASB 31 Market Value Adjustment</strong></td>
<td></td>
<td>-</td>
<td></td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total TransNet Extension after GASB 31 Adjustment</strong></td>
<td>$ (736,270)</td>
<td>$ 233,162</td>
<td>-</td>
<td>$ (1,059,346)</td>
<td></td>
<td>$ (1,562,454)</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

(a) City will request funds during FY24.

(b) Drawdowns were requested for the remaining balances that were reprogrammed with Fiscal Year 2023-24 resolution RTIP No. 23-08.

(c) Adjustment is due to the project being completed in Fiscal Year 2020-21. Remaining balance was reprogrammed with Fiscal Year 2023-24 resolution RTIP No. 23-08.

(d) Adjustment is due to the reprogramming of funds with the Fiscal Year 2023-2024 resolution RTIP No. 23-08.

(e) This is an active City project funded by multiple MPOID funding sources. Activity funded by this MPOID was not present during this phase of the project.

(f) Adjustment is due to the project being completed in Fiscal Year 2021-22. Remaining balances were reprogrammed with Fiscal Year 2023-24 resolution RTIP No. 23-08.
CITY OF EL CAJON, CALIFORNIA  
TransNet Extension Activities  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL06</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$106,700</td>
<td>-</td>
<td>$(106,700)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Congestion Relief - Pass-Through:**

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Arterial Management Systems</td>
<td>$106,700</td>
<td>-</td>
<td>$(106,700)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Congestion Relief:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL03</td>
<td>200020PWCP</td>
<td>Overlay 2020</td>
<td>857,694</td>
<td>-</td>
<td>(1,105,167)</td>
<td>(247,473)</td>
</tr>
<tr>
<td>EL03</td>
<td>203688PWCP</td>
<td>Jamacha Road Safety Improvements</td>
<td>-</td>
<td>-</td>
<td>(13,233)</td>
<td>(13,233)</td>
</tr>
<tr>
<td>EL03</td>
<td>203689PWCP</td>
<td>Madison Avenue Safety Improvements</td>
<td>-</td>
<td>-</td>
<td>(2,382)</td>
<td>(2,382)</td>
</tr>
<tr>
<td>EL03</td>
<td>223748PWCP</td>
<td>Luke Lane Drainage Improvements</td>
<td>-</td>
<td>-</td>
<td>(2,637)</td>
<td>(2,637)</td>
</tr>
</tbody>
</table>

**Total EL06 Projects:**

- Overlay 2020: 857,694 - $(1,123,419) = $(265,725)
- Total EL06 Projects: 677,226 - $(639,420) = 37,806

| EL06   | N/A         | Traffic Signal System Upgrades 2020              | 72,954         | -               | (72,954)             | -                             |
| EL06   | 203688PWCP  | Jamacha Road Safety Improvements                  | 90,491         | -               | (78,076)            | 12,415                        |
| EL06   | 203689PWCP  | Madison Avenue Safety Improvements                | 101,149        | -               | (91,525)            | 9,624                         |
| EL06   | 203690PWCP  | El Cajon Transit Center Improvements              | 28,514         | -               | -                   | 28,514                        |
| EL06   | 223741PWCP  | Main/Green Street Gateway Improvements           | 6,000          | -               | -                   | 6,000                         |
| EL06   | N/A         | Traffic Signal System Upgrades 2021               | 162,817        | -               | (162,817)           | -                             |
| EL06   | 223744PWCP  | Traffic Signal System Upgrades 2022              | 215,250        | -               | (234,035)           | (18,785)                      |
| EL06   | 200020PWCP  | Overlay 2020                                     | 51             | -               | (13)                | 38                            |

**Total EL06 Projects:**

- Total EL06 Projects: 677,226 - $(639,420) = 37,806
- Traffic Signal System Upgrades 2020: 72,954 - $(72,954) = -
- Traffic Signal System Upgrades 2021: 162,817 - $(162,817) = -
- Traffic Signal System Upgrades 2022: 215,250 - $(234,035) = (18,785)

**Subtotal Congestion Relief:**

- Subtotal Congestion Relief: 2,138,698 - $(2,741,108) = $(602,410)

(Continued)
### CITY OF EL CAJON, CALIFORNIA

TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL29</td>
<td>N/A</td>
<td>Traffic Safety Calming 2020</td>
<td>105,906</td>
<td>-</td>
<td>(105,906)</td>
<td>-</td>
</tr>
<tr>
<td>EL29</td>
<td>203689PWCP</td>
<td>Madison Avenue Safety Improvements</td>
<td>256,583</td>
<td>-</td>
<td>(256,583)</td>
<td>-</td>
</tr>
<tr>
<td>EL29</td>
<td>213719PWCP</td>
<td>Traffic Safety Calming 2021</td>
<td>9,000</td>
<td>-</td>
<td>(50,366)</td>
<td>(41,366)</td>
</tr>
<tr>
<td>EL29</td>
<td>223745PWCP</td>
<td>Traffic Safety Calming 2022</td>
<td>20,015</td>
<td>-</td>
<td>(37,660)</td>
<td>(36,808)</td>
</tr>
<tr>
<td>EL29</td>
<td>223755PWCP</td>
<td>Pedestrian Safety Improvements</td>
<td>-</td>
<td>-</td>
<td>(2,081)</td>
<td>(2,081)</td>
</tr>
<tr>
<td>EL29</td>
<td>233790PWCP</td>
<td>Traffic Safety Calming 2023</td>
<td>-</td>
<td>-</td>
<td>(5,856)</td>
<td>(5,856)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total EL29 Projects</td>
<td>372,341</td>
<td>-</td>
<td>(458,452)</td>
<td>(86,111)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>6,849</td>
<td>-</td>
<td>6,849</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>$ 2,511,039</td>
<td>$ 6,849</td>
<td>$ (3,199,560)</td>
<td>$ (681,672)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL11</td>
<td>203688PWCP</td>
<td>Jamacha Road Safety Improvements</td>
<td>41,127</td>
<td>-</td>
<td>(78,076)</td>
<td>(36,949)</td>
</tr>
<tr>
<td>EL11</td>
<td>203689PWCP</td>
<td>Madison Avenue Safety Improvements</td>
<td>86,021</td>
<td>-</td>
<td>(91,170)</td>
<td>(5,149)</td>
</tr>
<tr>
<td>EL11</td>
<td>203690PWCP</td>
<td>El Cajon Transit Center Improvements</td>
<td>79,487</td>
<td>-</td>
<td>(93,801)</td>
<td>(14,314)</td>
</tr>
<tr>
<td>EL11</td>
<td>203691PWCP</td>
<td>Main/Green Street Gateway Improvements</td>
<td>29,015</td>
<td>-</td>
<td>(22,440)</td>
<td>(2,425)</td>
</tr>
<tr>
<td>EL11</td>
<td>N/A</td>
<td>Concrete Grind 2020</td>
<td>91,158</td>
<td>-</td>
<td>(91,158)</td>
<td>-</td>
</tr>
<tr>
<td>EL11</td>
<td>N/A</td>
<td>Concrete Grind 2021</td>
<td>98,194</td>
<td>-</td>
<td>(98,194)</td>
<td>-</td>
</tr>
<tr>
<td>EL11</td>
<td>222022PWCP</td>
<td>Concrete Sidewalk Slicing</td>
<td>33,748</td>
<td>-</td>
<td>(65,251)</td>
<td>(31,503)</td>
</tr>
<tr>
<td>EL11</td>
<td>N/A</td>
<td>ADA Concrete Improvements 2020</td>
<td>153,500</td>
<td>-</td>
<td>(305,607)</td>
<td>(152,107)</td>
</tr>
<tr>
<td>EL11</td>
<td>N/A</td>
<td>ADA Concrete Improvements 2021</td>
<td>1,100</td>
<td>-</td>
<td>(1,045)</td>
<td>55</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total EL11 Projects</td>
<td>604,350</td>
<td>-</td>
<td>(846,742)</td>
<td>(242,392)</td>
</tr>
<tr>
<td>EL21</td>
<td>N/A</td>
<td>Slurry 2020</td>
<td>485,018</td>
<td>-</td>
<td>(722,674)</td>
<td>(237,656)</td>
</tr>
<tr>
<td>EL21</td>
<td>N/A</td>
<td>Slurry 2021</td>
<td>165,000</td>
<td>-</td>
<td>(276,736)</td>
<td>(111,736)</td>
</tr>
<tr>
<td>EL21</td>
<td>233788PWCP</td>
<td>Slurry 2022</td>
<td>774</td>
<td>-</td>
<td>(8,068)</td>
<td>(7,294)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total EL21 Projects</td>
<td>650,792</td>
<td>-</td>
<td>(1,007,478)</td>
<td>(356,686)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>2,936</td>
<td>-</td>
<td>2,936</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>1,255,142</td>
<td>2,936</td>
<td>(1,854,220)</td>
<td>(596,142)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>3,766,181</td>
<td>9,785</td>
<td>(5,053,780)</td>
<td>(1,277,814)</td>
</tr>
</tbody>
</table>

(Continued)
### CITY OF EL CAJON, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Smart Growth:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EL40</td>
<td>SNDG5488</td>
<td>El Cajon Transit Center Community Connection Improvements</td>
<td>$308,991</td>
<td>$ -</td>
<td>$(540,077)</td>
<td>$(231,086)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Main Street/Green Street Gateway</td>
<td>$328,210</td>
<td>$ -</td>
<td>$(381,764)</td>
<td>$(53,554)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Smart Growth</strong></td>
<td>$637,201</td>
<td>$ -</td>
<td>$(921,841)</td>
<td>$(284,640)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal Cumulative TransNet Extension</strong></td>
<td>$4,403,382</td>
<td>$9,785</td>
<td>$(5,975,621)</td>
<td>$(1,562,454)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief</td>
<td>$18,510,949</td>
<td>$ -</td>
<td>$(18,510,949)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance</td>
<td>$5,001,222</td>
<td>$ -</td>
<td>$(5,001,222)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Smart Growth</td>
<td>$537,626</td>
<td>$ -</td>
<td>$(537,626)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Completed Projects</strong></td>
<td>$24,049,797</td>
<td>$ -</td>
<td>$(24,049,797)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Cumulative TransNet Extension</strong></td>
<td>$28,453,179</td>
<td>$9,785</td>
<td>$(30,025,418)</td>
<td>$(1,562,454)</td>
</tr>
</tbody>
</table>
### CITY OF EL CAJON, CALIFORNIA

"TransNet" Extension Activities
RTCIP Fund
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit Funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2023</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2015</td>
<td>June 30, 2023</td>
<td>EL40</td>
<td>$13,860</td>
<td>$991</td>
<td>$(14,851)</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2024</td>
<td>EL40</td>
<td>260,933</td>
<td>-</td>
<td>(260,933)</td>
<td>-</td>
<td>$ -</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2025</td>
<td>EL40</td>
<td>50,449</td>
<td>-</td>
<td>(50,449)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2026</td>
<td>EL40</td>
<td>302,985</td>
<td>-</td>
<td>(70,481)</td>
<td>-</td>
<td>-</td>
<td>232,504</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2027</td>
<td></td>
<td>298,912</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>298,912</td>
<td>298,912</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2028</td>
<td></td>
<td>79,997</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>79,997</td>
<td>79,997</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2029</td>
<td></td>
<td>44,648</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>44,648</td>
<td>44,648</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2030</td>
<td></td>
<td>37,530</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37,530</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>59,256</td>
<td>48,687</td>
</tr>
<tr>
<td><strong>Total RTCIP Funds</strong></td>
<td></td>
<td></td>
<td><strong>$1,089,314</strong></td>
<td><strong>$60,247</strong></td>
<td><strong>$(396,714)</strong></td>
<td><strong>-</strong></td>
<td><strong>$ 752,847</strong></td>
<td><strong>$ 770,615</strong></td>
</tr>
</tbody>
</table>
CITY OF ENCINITAS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Encinitas, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

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

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

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

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

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

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

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

   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

**Results:** The City recorded total TransNet expenditures in the amount of $1,177,737. We selected $600,002 (50.95%) 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 determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

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

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

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

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

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

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

**Results:** This procedure is not applicable as payroll expenditures were not allocated to projects on the RTIP for the fiscal year ended June 30, 2023.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet...
Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects included within the RTIP for the fiscal year ended June 30, 2023.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

Results: This procedure is not applicable as there were no completed projects which ended with a positive balance.

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

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

k. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

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

**Results:** This procedure is not applicable as the City did not have projects with no activity for the past two years on Schedule A.

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

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

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

**Results:** This procedure is not applicable as there were no non-*TransNet* projects included within Schedule A.

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Fiscal year 2023 apportionment</th>
<th>$2,427,517</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>2,427,517</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>728,255</td>
</tr>
</tbody>
</table>

Less:

| Local Streets and Roads fund balance | - |
| Local Street Improvement: |
| Congestion Relief fund balance      | 142,498 |
| Maintenance fund balance            | - |
| Total Local Streets and Roads and Local Street Improvement fund balance | 142,498 |
| Fund balance under apportionment    | $585,757 |

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 *TransNet* Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$142,498</td>
<td>$(4,894,854)</td>
<td>$(4,752,356)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>-</td>
<td>7,309,672</td>
<td>7,309,672</td>
</tr>
<tr>
<td>Totals</td>
<td>$142,498</td>
<td>$2,414,818</td>
<td>$2,557,316</td>
</tr>
</tbody>
</table>
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 3.85% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Encinitas</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$25,442,874</td>
<td>$(5,490,521)</td>
<td>$19,952,353</td>
</tr>
<tr>
<td>Maintenance</td>
<td>1,117,046</td>
<td>7,072,628</td>
<td>8,189,674</td>
</tr>
<tr>
<td>Interest</td>
<td>55,210</td>
<td>832,711</td>
<td>887,921</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$26,615,130</strong></td>
<td><strong>$2,414,818</strong></td>
<td><strong>$29,029,948</strong></td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $8,708,984
Less maintenance expenditures incurred to date $(1,117,046)
Available maintenance funds $7,591,938
Cumulative percentage expended for maintenance 3.85%

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

**Results:** This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

   a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

      i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

      ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$11,629,625</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(2,279,925)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$  9,349,700</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

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

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

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

Results: No exceptions were noted as a result of our procedures.
iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** This procedure is not applicable as exaction fees were expended within seven years of collection.

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

**Results:** The City recorded total RTCIP expenditures in the amount of $6,856. We selected $6,856 (100%) for testing. No exceptions were noted as a result of our procedures.

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

**Results:** This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2023

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

**Results:** This procedure is not applicable as payroll expenditures were not allocated to RTCIP projects for the fiscal year ended June 30, 2023.

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

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration for the fiscal year ended June 30, 2023.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.
We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

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

**Results:** The City provided RTCIP documentation to us for review on October 6, 2023.

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

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

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

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

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

**Results:** This procedure is not applicable as there were no prior year findings and recommendations.
16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

**Results:** This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

[Signature], 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENC28</td>
<td></td>
<td></td>
<td></td>
<td>$ -</td>
<td>$ 7,400</td>
<td>$ -</td>
<td>$ (7,400)</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional Arterial Management Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENC28</td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td></td>
<td>$ -</td>
<td>$ 7,400</td>
<td>$ -</td>
<td>$ (7,400)</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>ENC14A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENC14A</td>
<td></td>
<td>FY 20/21 Annual Street Overlay</td>
<td></td>
<td></td>
<td>5,667</td>
<td>23</td>
<td>(5,660)</td>
<td>(30)</td>
<td>(a)(b)</td>
</tr>
<tr>
<td>ENC14A</td>
<td></td>
<td>FY 21/22 Annual Street Overlay</td>
<td>(46,788)</td>
<td>623,302</td>
<td>2,516</td>
<td>(608,622)</td>
<td>30</td>
<td>(29,562)</td>
<td>(c)</td>
</tr>
<tr>
<td>ENC14A</td>
<td></td>
<td>FY 22/23 Annual Street Overlay</td>
<td></td>
<td></td>
<td>403,470</td>
<td>1,629</td>
<td>(235,900)</td>
<td>-</td>
<td>169,199</td>
</tr>
<tr>
<td>ENC14A</td>
<td></td>
<td>Total ENC14A Projects</td>
<td>(46,788)</td>
<td>1,032,439</td>
<td>4,168</td>
<td>(850,182)</td>
<td>-</td>
<td>139,637</td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>No. Coast Hwy 101 Streetscape</td>
<td>(157,238)</td>
<td>253,871</td>
<td>1,025</td>
<td>(95,703)</td>
<td>-</td>
<td>1,955</td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>Leucadia Streetscape Seg B &amp; C</td>
<td></td>
<td></td>
<td>478,323</td>
<td>906</td>
<td>(224,452)</td>
<td>-</td>
<td>906</td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>Total ENC20 Projects</td>
<td>(157,238)</td>
<td>1,478,323</td>
<td>1,931</td>
<td>(320,155)</td>
<td>-</td>
<td>2,861</td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>Total Congestion Relief</td>
<td>(204,026)</td>
<td>1,510,762</td>
<td>6,099</td>
<td>(1,170,337)</td>
<td>-</td>
<td>142,498</td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>Total Local Street Improvements</td>
<td>(204,026)</td>
<td>1,510,762</td>
<td>6,099</td>
<td>(1,170,337)</td>
<td>-</td>
<td>142,498</td>
<td></td>
</tr>
<tr>
<td>ENC20</td>
<td></td>
<td>Total TransNet Extension</td>
<td>(204,026)</td>
<td>1,518,162</td>
<td>6,099</td>
<td>(1,177,737)</td>
<td>-</td>
<td>142,498</td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(a) Project is complete.
(b) Remaining project balance for CS21A was transferred to CS22A within the same MPO ID.
(c) Funding will be requested in FY24 to remove the negative balance.
# CITY OF ENCINITAS, CALIFORNIA

*TransNet Extension Activities*

## Cumulative Schedule of Status of Funds by Project

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENC20</td>
<td>CS04D</td>
<td>No. Coast Hwy 101 Streetscape</td>
<td>6,779,518</td>
<td>26,223</td>
<td>(6,803,786)</td>
<td>1,955</td>
</tr>
<tr>
<td>ENC20</td>
<td>CS22F</td>
<td>Leucadia Streetscape Seg B &amp; C</td>
<td>224,452</td>
<td>906</td>
<td>(224,452)</td>
<td>906</td>
</tr>
</tbody>
</table>

**Total ENC20 Projects**: 7,003,970  27,129  (7,028,238)  2,861

**Total Congestion Relief**: 10,313,142  32,140  (10,202,784)  142,498

**Subtotal Cumulative TransNet Extension**: 10,394,542  32,140  (10,284,184)  142,498

**Completed Projects**: 16,218,122  23,070  (16,241,192)  -

**Total Cumulative TransNet Extension**: $26,612,664 $55,210 $(26,525,376) $142,498
## SCHEDULE C

**CITY OF ENCINITAS, CALIFORNIA**

*TransNet Extension Activities*

RTCIP Fund

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed June 30, 2023</th>
<th>Cumulative Status June 30, 2023</th>
<th>Cumulative Status June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>ENC46</td>
<td>$242,595</td>
<td>-</td>
<td>$(242,595)</td>
<td>-</td>
<td>-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>ENC46</td>
<td>$94,233</td>
<td>-</td>
<td>$(94,233)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>ENC28/ENC46</td>
<td>$125,062</td>
<td>-</td>
<td>$(125,062)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>ENC28</td>
<td>$151,651</td>
<td>-</td>
<td>$(151,651)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>ENC28</td>
<td>$157,055</td>
<td>-</td>
<td>$(85,652)</td>
<td>-</td>
<td>-</td>
<td>$71,403</td>
<td>$78,259</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>ENC28/ENC46</td>
<td>$98,317</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$98,317</td>
<td>$98,317</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>ENC28/ENC46</td>
<td>$89,720</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$89,720</td>
<td>$89,720</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>ENC28</td>
<td>$259,177</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$259,177</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>$95,441</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>$1,217,810</td>
<td>$95,441</td>
<td>$(699,193)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$614,058</td>
</tr>
</tbody>
</table>
CITY OF ESCONDIDO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Escondido, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

**Results:** The City recorded total TransNet expenditures in the amount of $3,781,078. We selected $1,064,327 (28.15%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

**Results:** No exceptions were noted as a result of our procedures.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. 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. The indirect cost percentage charged by departments varied between 0.53% and 55.00%. The City allocated a total of $722,819 of indirect costs in the RTIP, resulting in 19.12% of indirect costs compared to total TransNet expenditures. Indirect costs exceeded 10% of total TransNet expenditures due to increase in payroll costs being included in the TransNet projects as well as decrease in total TransNet expenditures. The City’s indirect cost plan was last updated in FY 2022 and approved by the Director of Finance. The City’s indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

**Results:** This procedure is not applicable as there were no completed projects from that had been transferred.

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

**Results:** There are two projects that have been inactive over the past two years. The City indicated that, “ESC24 is delayed and the City is currently working with a developer for the improvements to be completed. If not, the City will complete these improvements. Estimated Completion Date is June 30, 2025. ESC38 has an encumbrance of $7,071 open for a consulting agreement to perform pavement condition survey to gather current street distress data, update the Pavement Condition Index (PCI), and update the City’s street inventory.” The status of the projects has been added to Schedule A.

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

**Results:** SANDAG approved the reason for the inactivity on January 19, 2024.

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

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

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

**Results:** This procedure is not applicable as they did not have non-TransNet activity in Schedule A.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

      Results: The City is in compliance with the 30% requirement as follows:

      | Description                                | Amount       |
      |--------------------------------------------|--------------|
      | Fiscal year 2023 apportionment             | $5,313,988   |
      | Less: debt service payment                 | -            |
      | Net estimated apportionment                | 5,313,988    |
      | 30% base                                   | 30%          |
      | Fiscal year 2023 30% threshold             | 1,594,196    |
      | Less: Local Streets and Roads fund balance | -            |
      | Local Street Improvement:                  |              |
      |   Congestion Relief fund balance           | (586,625)    |
      |   Maintenance fund balance                 | 264,855      |
      | Total Local Streets and Roads and Local    |              |
      |   Street Improvement fund balance          | (321,770)    |
      | Fund balance under apportionment           | $1,915,966   |
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(586,625)</td>
<td>$12,164,890</td>
<td>$11,578,265</td>
</tr>
<tr>
<td>Maintenance</td>
<td>264,855</td>
<td>1,456,227</td>
<td>1,721,082</td>
</tr>
<tr>
<td>Totals</td>
<td>$(321,770)</td>
<td>$13,621,117</td>
<td>$13,299,347</td>
</tr>
</tbody>
</table>

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

Results: The City has expended 26.19% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Escondido</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$32,734,097</td>
<td>$10,808,281</td>
<td>$43,542,378</td>
</tr>
<tr>
<td>Maintenance</td>
<td>16,808,711</td>
<td>867,141</td>
<td>17,675,852</td>
</tr>
<tr>
<td>Interest</td>
<td>44,750</td>
<td>1,945,695</td>
<td>1,990,445</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$49,587,558</td>
<td>$13,621,117</td>
<td>$63,208,675</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue: $18,962,603
Less maintenance expenditures incurred to date: (16,555,765)
Available maintenance funds: $2,406,838
Cumulative percentage expended for maintenance: 26.19%

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

Results: This procedure is not applicable as there is no long-term debts outstanding as of June 30, 2023.
12. We reviewed the MOE requirement.
   
a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

   a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

      i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

      ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

\[
\begin{align*}
\text{Current year local discretionary expenditures} &= $8,605,898 \\
\text{Less MOE base year requirement} &= (3,352,190) \\
\text{Excess MOE for the year ended June 30, 2023} &= $5,253,708
\end{align*}
\]

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

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

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

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

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

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

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

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: The City recorded total RTCIP expenditures in the amount of $2,037,913. We selected $751,152 (36.86%) for testing. No exceptions were noted as a result of our testing.

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

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.
vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll allocations did not exceed 20% of total expenditures.

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.
xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 28, 2023.

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

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

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

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

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

Results: The City had one prior year finding relating to not using the approved exaction fee. As of June 30, 2023, the City collected all of the $878.56 of uncollected fees.

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.
Irvine, California
______________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## CITY OF ESCONDIDO, CALIFORNIA

**TransNet Extension Activities**  
Schedule of Status of Funds by Project  
Year Ended June 30, 2023

### SCHEDULE A

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status June 30, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC02A</td>
<td>691705</td>
<td>East Valley/Valley Center Road</td>
<td>$12,771</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$12,771</td>
<td>(a)</td>
</tr>
<tr>
<td>ESC04</td>
<td>691101</td>
<td>Citracado/Harmony Grove to W Valley Pkwy</td>
<td>(42,101)</td>
<td>1,700,000</td>
<td>-</td>
<td>(2,301,689)</td>
<td>(210,056)</td>
<td>(853,846)</td>
<td>(b)(c)</td>
</tr>
<tr>
<td>ESC06</td>
<td>691706</td>
<td>El Norte Pkwy Bridge at Escondido Creek</td>
<td>7,746</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,746</td>
<td>(a)</td>
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<tr>
<td>ESC08</td>
<td>690309</td>
<td>Felicita Ave/Juniper Street</td>
<td>19,170</td>
<td>150,000</td>
<td>-</td>
<td>(254,195)</td>
<td>-</td>
<td>(85,025)</td>
<td>(c)</td>
</tr>
<tr>
<td>ESC24</td>
<td>690029</td>
<td>Centre City/Highway 78 to Mission Ave</td>
<td>5,580</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,580</td>
<td>(d)</td>
</tr>
<tr>
<td>ESC46</td>
<td>609901</td>
<td>Escondido Creek Trail Bike Path Improvements</td>
<td>-</td>
<td>150,000</td>
<td>-</td>
<td>(88,420)</td>
<td>-</td>
<td>61,580</td>
<td></td>
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<tr>
<td>ESC48</td>
<td>699902</td>
<td>Grand Ave Streetscape Improvements</td>
<td>(44,821)</td>
<td>150,000</td>
<td>-</td>
<td>(40,697)</td>
<td>-</td>
<td>64,482</td>
<td></td>
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<tr>
<td>ESC49</td>
<td>699901</td>
<td>Quince/Tulip Pedestrian Signal</td>
<td>23,694</td>
<td>5,000</td>
<td>-(27,731)</td>
<td>-</td>
<td>-</td>
<td>963</td>
<td></td>
</tr>
<tr>
<td>ESC51</td>
<td>698201</td>
<td>Comprehensive Active Transp. Strategy</td>
<td>(13,987)</td>
<td>105,000</td>
<td>-</td>
<td>(50,722)</td>
<td>-</td>
<td>40,291</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Congestion Relief</td>
<td>(31,948)</td>
<td>2,260,000</td>
<td>-</td>
<td>(2,763,454)</td>
<td>(210,056)</td>
<td>(745,458)</td>
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<tr>
<td>ESC38</td>
<td>694801</td>
<td>Pavement Rehabilitation FY 18</td>
<td>26,880</td>
<td>-</td>
<td>-</td>
<td>(18,630)</td>
<td>-</td>
<td>8,250</td>
<td></td>
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<tr>
<td>ESC38</td>
<td>694901</td>
<td>Pavement Rehabilitation FY 19</td>
<td>7,071</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,071</td>
<td>(e)</td>
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<tr>
<td>ESC38</td>
<td>694102</td>
<td>Pavement Rehabilitation FY 21</td>
<td>(782,806)</td>
<td>782,806</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(f)</td>
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<tr>
<td>ESC38</td>
<td>694103</td>
<td>Pavement Rehabilitation FY 22</td>
<td>77,923</td>
<td>317,194</td>
<td>-</td>
<td>(76,866)</td>
<td>-</td>
<td>318,251</td>
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<tr>
<td></td>
<td></td>
<td>Total ESC38 Project</td>
<td>(670,932)</td>
<td>1,100,000</td>
<td>-</td>
<td>(95,496)</td>
<td>-</td>
<td>333,572</td>
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<tr>
<td>ESC39</td>
<td>691901</td>
<td>Traffic Signals FY 19</td>
<td>16,275</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>16,275</td>
<td>(c)</td>
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<tr>
<td>ESC39</td>
<td>691001</td>
<td>Transit Signals FY 20</td>
<td>14,326</td>
<td>310,000</td>
<td>-</td>
<td>(522,129)</td>
<td>-</td>
<td>(197,803)</td>
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<tr>
<td></td>
<td></td>
<td>Total ESC39 Project</td>
<td>30,601</td>
<td>310,000</td>
<td>-</td>
<td>(522,129)</td>
<td>-</td>
<td>(181,528)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>4,221</td>
<td>-</td>
<td>2,568</td>
<td>-</td>
<td>-</td>
<td>6,789</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>(668,058)</td>
<td>3,670,000</td>
<td>2,568</td>
<td>(3,381,079)</td>
<td>(210,056)</td>
<td>(586,625)</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
### CITY OF ESCONDIDO, CALIFORNIA

**TransNet Extension Activities**  
Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status June 30, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC37</td>
<td>697901</td>
<td>Pavement Maintenance FY 19</td>
<td>$4,774</td>
<td>$ -</td>
<td>$ -</td>
<td>$(4,337)</td>
<td>$ -</td>
<td>$437</td>
<td></td>
</tr>
<tr>
<td>ESC37</td>
<td>687001</td>
<td>Pavement Maintenance FY 20</td>
<td>(22,562)</td>
<td>45,000</td>
<td>-</td>
<td>(75,374)</td>
<td>-</td>
<td>(52,936) (c)</td>
<td></td>
</tr>
<tr>
<td>ESC37</td>
<td>687101</td>
<td>Pavement Maintenance FY 21</td>
<td>(486,834)</td>
<td>465,000</td>
<td>-</td>
<td>(17,319)</td>
<td>-</td>
<td>(39,153) (c)</td>
<td></td>
</tr>
<tr>
<td>ESC37</td>
<td>687201</td>
<td>Pavement Maintenance FY 22</td>
<td>(489,014)</td>
<td>540,000</td>
<td>-</td>
<td>(64,936)</td>
<td>-</td>
<td>(13,950) (c)</td>
<td></td>
</tr>
<tr>
<td>ESC37</td>
<td>687301</td>
<td>Pavement Maintenance FY 23</td>
<td>-</td>
<td>550,000</td>
<td>-</td>
<td>(182,451)</td>
<td>-</td>
<td>367,549</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total ESC37 Project</td>
<td>(993,636)</td>
<td>1,600,000</td>
<td>-</td>
<td>(344,417)</td>
<td>-</td>
<td>261,947</td>
<td></td>
</tr>
</tbody>
</table>

|        | Interest Income | 1,808 | - | 1,100 | - | - | 2,908 |
|        | Total Maintenance | (991,828) | 1,600,000 | 1,100 | (344,417) | - | 264,855 |
|        | Total Local Street Improvements | (1,659,886) | 5,270,000 | 3,668 | (3,725,496) | (210,056) | (321,770) |

### Smart Growth:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status June 30, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC44</td>
<td>699601</td>
<td>Transit Center Active Transportation Connections</td>
<td>(6,890)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(6,890) (g)</td>
<td></td>
</tr>
<tr>
<td>ESC48</td>
<td>699902</td>
<td>Grand Ave Streetscape Improvements</td>
<td>(290,896)</td>
<td>305,552</td>
<td>-</td>
<td>(55,582)</td>
<td>-</td>
<td>(40,926) (g)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth</td>
<td>(297,786)</td>
<td>305,552</td>
<td>-</td>
<td>(55,582)</td>
<td>-</td>
<td>(47,816)</td>
<td></td>
</tr>
</tbody>
</table>

|        | Total TransNet Extension | $ (1,957,672) | $ 5,575,552 | $ 3,668 | $ (3,781,078) | $ (210,056) | $ (369,586) |

**Notes:**

(a) Project is complete and funding to be reprogrammed in FY24.
(b) Accrued expenses of $210,056.14 were recorded for FY22 after audit completed.
(c) More project expenditures incurred in June 2023 than anticipated, drawdowns were requested in FY 2024 for ESC04, ESC08, ESC37 and ESC39.
(d) The project is delayed. The City is currently working with a developer. These improvements may be completed by the developer. If not, the City will complete these improvements. Estimated Completion Date: June 30, 2025.
(e) The project has an encumbrance of $7,071 open for a consulting agreement to perform a pavement condition survey to gather current street distress data, update the Pavement Condition Index (PCI), and update the City’s street inventory. Pending completion date.
(f) Project is complete.
(g) Grant Projects are on a reimbursement basis and 10% retention is held by SANDAG.
### CITY OF ESCONDIDO, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>CIP MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC02A</td>
<td>691705</td>
<td>East Valley/Valley Center Road</td>
<td>$5,160,417</td>
<td>$8,686</td>
<td>$(5,156,332)</td>
<td>$12,771</td>
</tr>
<tr>
<td>ESC04</td>
<td>691101</td>
<td>Citracado/Harmony Grove to W Valley Pkwy</td>
<td>4,469,637</td>
<td>321</td>
<td>$(5,323,804)</td>
<td>(853,846)</td>
</tr>
<tr>
<td>ESC06</td>
<td>691706</td>
<td>El Norte Pkwy Bridge at Escondido Creek</td>
<td>2,698,084</td>
<td>-</td>
<td>$(2,690,338)</td>
<td>7,746</td>
</tr>
<tr>
<td>ESC08</td>
<td>690309</td>
<td>Felicita Ave/Juniper Street</td>
<td>312,000</td>
<td>-</td>
<td>(397,025)</td>
<td>(85,025)</td>
</tr>
<tr>
<td>ESC24</td>
<td>690029</td>
<td>Centre City/Highway 78 to Mission Ave</td>
<td>110,000</td>
<td>-</td>
<td>$(104,420)</td>
<td>5,580</td>
</tr>
<tr>
<td>ESC46</td>
<td>609901</td>
<td>Escondido Creek Trail Bike Path Improvements</td>
<td>150,000</td>
<td>-</td>
<td>(88,420)</td>
<td>61,580</td>
</tr>
<tr>
<td>ESC48</td>
<td>699902</td>
<td>Grand Ave Streetscape Improvements</td>
<td>987,900</td>
<td>-</td>
<td>(923,418)</td>
<td>64,482</td>
</tr>
<tr>
<td>ESC49</td>
<td>699901</td>
<td>Quince/Tulip Pedestrian Signal</td>
<td>80,000</td>
<td>-</td>
<td>(79,037)</td>
<td>963</td>
</tr>
<tr>
<td>ESC51</td>
<td>698201</td>
<td>Comprehensive Active Transp. Strategy</td>
<td>105,000</td>
<td>-</td>
<td>(64,709)</td>
<td>40,291</td>
</tr>
</tbody>
</table>

**Subtotal Congestion Relief**

| 14,073,038 | 9,007 | (14,827,503) | (745,458) |

**ESC38 Project**

| 4,984,420 | -     | (4,650,848)   | 333,572   |

**ESC39 Project**

| 495,000   | -     | (676,528)     | (181,528) |

**Total Congestion Relief**

| 19,552,458 | 15,796 | (20,154,879) | (586,625) |

(Continued)
## CITY OF ESCONDIDO, CALIFORNIA

TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>ESC37</td>
<td>697901</td>
<td>Pavement Maintenance FY19</td>
<td>$1,676,757</td>
<td>$ -</td>
<td>$(1,676,320)</td>
<td>$ 437</td>
</tr>
<tr>
<td>ESC37</td>
<td>687001</td>
<td>Pavement Maintenance FY20</td>
<td>$1,098,243</td>
<td>2,121</td>
<td>$(1,153,300)</td>
<td>(52,936)</td>
</tr>
<tr>
<td>ESC37</td>
<td>687101</td>
<td>Pavement Maintenance FY21</td>
<td>$1,020,000</td>
<td>-</td>
<td>$(1,059,153)</td>
<td>(39,153)</td>
</tr>
<tr>
<td>ESC37</td>
<td>687201</td>
<td>Pavement Maintenance FY22</td>
<td>$1,150,000</td>
<td>-</td>
<td>$(1,163,950)</td>
<td>(13,950)</td>
</tr>
<tr>
<td>ESC37</td>
<td>687301</td>
<td>Pavement Maintenance FY23</td>
<td>$550,000</td>
<td>-</td>
<td>$(182,451)</td>
<td>367,549</td>
</tr>
</tbody>
</table>

Total ESC7 Project: $5,495,000 | 2,121 | $(5,235,174) | 261,947 |

Interest Income: $ - | 2,908 | - | 2,908 |

Total Maintenance: $5,495,000 | 5,029 | $(5,235,174) | 264,855 |

Total Local Street Improvements: $25,047,458 | 20,825 | $(25,390,053) | (321,770) |

### Smart Growth:

ESC44 699601 Transit Center Active Transportation Connections $1,165,172 | - | $(1,172,062) | (6,890) |

ESC48 699902 Grand Ave Streetscape Improvements $1,220,226 | - | $(1,261,152) | (40,926) |

Total Smart Growth: $2,385,398 | - | $(2,433,214) | (47,816) |

Subtotal Cumulative TransNet Extension: $27,432,856 | 20,825 | $(27,823,267) | (369,586) |

### Completed Projects:

- Congestion Relief $12,837,553 | 12,566 | $(12,850,119) | - |
- Congestion Relief Pass-Through $344,086 | - | $(344,086) | - |
- Maintenance $11,313,711 | 6,880 | $(11,320,591) | - |
- Bikes and Pedestrian $2,253,049 | 4,479 | $(2,257,528) | - |

Total Completed Projects: $26,748,399 | 23,925 | $(26,772,324) | - |

Total Cumulative TransNet Extension: $54,181,255 | 44,750 | $(54,595,591) | (369,586) |
### CITY OF ESCONDIDO, CALIFORNIA

*TransNet Extension Activities*

RTCIP Fund

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Spend funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed June 30, 2023</th>
<th>Cumulative Status June 30, 2023</th>
<th>Cumulative Status June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2015</td>
<td>June 30, 2022</td>
<td>ESC04</td>
<td>$200,779</td>
<td>-</td>
<td>$(200,779)</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>ESC04</td>
<td>$267,312</td>
<td>-</td>
<td>$(267,312)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>ESC04</td>
<td>$453,403</td>
<td>-</td>
<td>$(453,403)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>ESC04</td>
<td>$726,884</td>
<td>-</td>
<td>$(726,884)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>ESC04</td>
<td>$64,347</td>
<td>-</td>
<td>$(64,347)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>ESC04</td>
<td>$106,094</td>
<td>-</td>
<td>$(106,094)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>ESC04</td>
<td>$1,074,561</td>
<td>-</td>
<td>$(384,136)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>ESC04</td>
<td>$726,410</td>
<td>-</td>
<td>$726,410</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>ESC04</td>
<td>$511,469</td>
<td>-</td>
<td>$511,469</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$247,390</td>
<td>-</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>$4,131,259</td>
<td>$247,390</td>
<td>$(2,202,955)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>$</td>
</tr>
</tbody>
</table>
CITY OF IMPERIAL BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Imperial Beach, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

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

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

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

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

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

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

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

   Results: The City does not maintain a separate fund for TransNet. As a result, the City has to manually calculate interest income between TransNet and RTCIP funds. No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

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

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

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

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

**Results:** The City recorded total TransNet expenditures in the amount of $815,154. We selected $234,983 (28.83%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

**Results:** The procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP during FY23.

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

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

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$930,454</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>($323,253)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>$607,201</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>$182,160</td>
</tr>
<tr>
<td>Less: Local Streets and Roads fund balance</td>
<td></td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>($109,322)</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>103</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>($109,219)</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$291,379</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>City</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(109,322)</td>
<td>$334,477</td>
<td>$225,155</td>
</tr>
<tr>
<td>Maintenance</td>
<td>103</td>
<td>218,830</td>
<td>218,933</td>
</tr>
<tr>
<td>Totals</td>
<td>$(109,219)</td>
<td>$553,307</td>
<td>$444,088</td>
</tr>
</tbody>
</table>
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 23.63% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Imperial Beach</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$ 9,386,315</td>
<td>$ 284,752</td>
<td>$ 9,671,067</td>
</tr>
<tr>
<td>Maintenance</td>
<td>3,084,902</td>
<td>198,870</td>
<td>3,283,772</td>
</tr>
<tr>
<td>Interest</td>
<td>40,155</td>
<td>69,685</td>
<td>109,840</td>
</tr>
</tbody>
</table>

Total local street and road revenue $12,511,372 $ 553,307 $13,064,679

30% of total local street and road revenue $3,919,404

Less maintenance expenditures incurred to date (3,086,604)

Available maintenance funds $832,800

Cumulative percentage expended for maintenance 23.63%

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

**Results:** The results are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Commercial Paper Debt Services</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Balance January 1, 2022</td>
<td>Additions</td>
<td>Principal Payments</td>
<td>Balance June 30, 2023</td>
<td>Interest</td>
<td>Total</td>
</tr>
<tr>
<td>Congestion relief</td>
<td>$798,356</td>
<td>$148,000</td>
<td>$296,928</td>
<td>$649,428</td>
<td>$26,325</td>
<td>$323,253</td>
</tr>
</tbody>
</table>

12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

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

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$520,105</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(233,219)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$286,886</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.

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

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.
ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

**Results:** The City provided RTCIP documentation to us for review on October 12, 2023.

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

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

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

**Results:** The City did not include any administrative projects in the RTIP.
15. We reviewed and documented the status of any prior year findings and recommendations.

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_________________________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
### CITY OF IMPERIAL BEACH, CALIFORNIA

**TransNet Extension Activities**

Schedule of Status of Funds by Project

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IB12</td>
<td>S22101</td>
<td>Major Street Improvements</td>
<td>$ (3,855)</td>
<td>$ 9,734</td>
<td>$ -</td>
<td>$ (11,320)</td>
<td>$ -</td>
</tr>
<tr>
<td>IB21</td>
<td>S20112</td>
<td>SR-75 Signal Interconnection Project (CP)</td>
<td>(15,951)</td>
<td>148,008</td>
<td>-</td>
<td>(183,657)</td>
<td>(30,473)</td>
</tr>
<tr>
<td>IB23</td>
<td>S22107</td>
<td>10th St. Streetscape Enhancement Project</td>
<td>-</td>
<td>25,624</td>
<td>-</td>
<td>(47,424)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial Paper Debt Service</td>
<td>-</td>
<td>323,253</td>
<td>-</td>
<td>(323,253)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>(19,806)</td>
<td>506,611</td>
<td>-</td>
<td>(565,654)</td>
<td>(30,473)</td>
</tr>
<tr>
<td>IB02</td>
<td>N/A</td>
<td>Street Maintenance - Operations</td>
<td>102</td>
<td>249,500</td>
<td>1</td>
<td>(249,500)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>102</td>
<td>249,500</td>
<td>1</td>
<td>(249,500)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>(19,704)</td>
<td>756,11</td>
<td>1</td>
<td>(815,154)</td>
<td>(30,473)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>(19,704)</td>
<td>756,11</td>
<td>1</td>
<td>(815,154)</td>
<td>(30,473)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GASB 31 Market Value Adjustment</td>
<td>2,722</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension after GASB 31 Adjustment</td>
<td>(16,982)</td>
<td>756,11</td>
<td>1</td>
<td>(815,154)</td>
<td>(30,473)</td>
</tr>
<tr>
<td>IB22</td>
<td>S22101</td>
<td>9th St. Active Transportation Corridor</td>
<td>(65,092)</td>
<td>203,804</td>
<td>-</td>
<td>(168,439)</td>
<td>-</td>
</tr>
<tr>
<td>IB23</td>
<td>S22107</td>
<td>10th St. Streetscape Grant (Clean CA)</td>
<td>-</td>
<td>46,570</td>
<td>-</td>
<td>(86,085)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Non-TransNet</td>
<td>(65,092)</td>
<td>250,374</td>
<td>-</td>
<td>(254,524)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total TransNet Extension after GASB 31 Adjustment and Non-TransNet**

$ (82,074) $ 1,006,485 $ 1 $ (1,069,678) $ (30,473) $ (175,739)

**Notes:**

(a) The City will request drawdown/reimbursement in FY24 to address the deficit.

(b) Adjustment is for a reversal of a prior year draw request that was not received.

(c) Project was included as an Active Transportation Grant in FY22, but it is funded with non-TransNet funds and is now accurately presented on Schedule A.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>IB12</td>
<td>Major Street Improvements</td>
<td>$6,759,197</td>
<td>$38,350</td>
<td>$(6,802,988)</td>
<td>$(5,441)</td>
</tr>
<tr>
<td>IB21</td>
<td>SR-75 Signal Interconnection Project</td>
<td>303,000</td>
<td></td>
<td>(385,081)</td>
<td>(82,081)</td>
</tr>
<tr>
<td>IB23</td>
<td>10th St. Streetscape Enhancement Project</td>
<td>25,624</td>
<td></td>
<td>(47,424)</td>
<td>(21,800)</td>
</tr>
<tr>
<td></td>
<td>Commercial Paper Debt Services</td>
<td>998,485</td>
<td></td>
<td>(998,485)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total Congestion Relief</strong></td>
<td>8,086,306</td>
<td>38,350</td>
<td>(8,233,978)</td>
<td>(109,322)</td>
</tr>
<tr>
<td>IB02</td>
<td>Street Maintenance - Operations</td>
<td>3,067,525</td>
<td>1,805</td>
<td>(3,069,227)</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td><strong>Total Maintenance</strong></td>
<td>3,067,525</td>
<td>1,805</td>
<td>(3,069,227)</td>
<td>103</td>
</tr>
<tr>
<td></td>
<td><strong>Total Local Street Improvements</strong></td>
<td>11,153,831</td>
<td>40,155</td>
<td>(11,303,205)</td>
<td>(109,219)</td>
</tr>
<tr>
<td></td>
<td><strong>Completed Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Congestion Relief</td>
<td>1,300,009</td>
<td></td>
<td>(1,300,009)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Maintenance</td>
<td>17,377</td>
<td></td>
<td>(17,377)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Smart Growth Grant</td>
<td>795,281</td>
<td></td>
<td>(795,281)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bicycles and Pedestrian</td>
<td>1,800,000</td>
<td></td>
<td>(1,800,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Active Transport Grants</td>
<td>50,000</td>
<td></td>
<td>(50,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total Completed Projects</strong></td>
<td>3,962,667</td>
<td></td>
<td>(3,962,667)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td><strong>Total Cumulative TransNet Extension</strong></td>
<td>$15,116,498</td>
<td>$40,155</td>
<td>$(15,265,872)</td>
<td>$(109,219)</td>
</tr>
</tbody>
</table>
## CITY OF IMPERIAL BEACH CALIFORNIA

*TransNet Extension Activities*

**RTCIP Fund**

Year Ended June 30, 2023

### Cumulative

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds</th>
<th>Interest</th>
<th>City</th>
<th>Project</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City</th>
<th>Funds Committed at</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>IB11</td>
<td>48,510</td>
<td>386</td>
<td>(48,896)</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>IB11</td>
<td>197,988</td>
<td>-</td>
<td>(197,988)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>IB11</td>
<td>352,277</td>
<td>-</td>
<td>(288,159)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>64,118</td>
<td>64,118</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>IB11</td>
<td>38,178</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>38,178</td>
<td>38,178</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>IB11</td>
<td>61,329</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>61,329</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>IB11</td>
<td>25,838</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>25,838</td>
<td>25,838</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>IB11</td>
<td>31,626</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>31,626</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>IB11</td>
<td>48,388</td>
<td>-</td>
<td>-</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>48,388</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>15,351</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>15,351</td>
<td>12,915</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>804,134</td>
<td>15,737</td>
<td>(535,043)</td>
<td>-</td>
<td>-</td>
<td>284,828</td>
<td>234,004</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GASB 31 Market Value Adjustment</td>
<td></td>
<td></td>
<td>-</td>
<td>(696)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(696)</td>
<td>(4,796)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>804,134</td>
<td>15,041</td>
<td>(535,043)</td>
<td>-</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>284,132</td>
<td>$ 229,208</td>
</tr>
</tbody>
</table>
CITY OF LA MESA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of La Mesa, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

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

         **Results:** This procedure is not applicable as there was no interest income reported on Schedule A in FY 23.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

   f. We identified the total TransNet expenditures for the fiscal year.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

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

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

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

Results: The City recorded total TransNet expenditure less debt service in the amount of $566,369. We selected $297,764 (52.57%) for testing. No exceptions were noted as a result of our procedures.  

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no payroll expenditures identified during FY 23.  

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet...
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

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

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

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

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

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

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

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

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.
**Results:** This procedure is not applicable as there were no projects during FY 23 that were inactive.

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

**Results:** This procedure is not applicable as there were no projects during FY 23 that were inactive.

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

**Results:** We received approved staff resolution R-2023-053 for the transfer of funds from MPO ID LAM17 to LAM40.

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

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

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

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

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

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

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

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

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

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment,
net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

Fiscal year 2023 apportionment $2,160,390  
Less: debt service payment (510,397)  
Net estimated apportionment 1,649,993  
30% base 30%  
Fiscal year 2023 30% threshold 494,998  
Less:  
Local Streets and Roads fund balance -  
Local Street Improvement:  
Congestion Relief fund balance (47,630)  
Maintenance fund balance (47,254)  
Total Local Streets and Roads and Local Street Improvement fund balance (94,884)  
Fund balance under apportionment $589,882

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(47,630)</td>
<td>$396,087</td>
<td>$348,457</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(47,254)</td>
<td>3,041,609</td>
<td>2,994,355</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$(94,884)</strong></td>
<td><strong>$3,437,696</strong></td>
<td><strong>$3,342,812</strong></td>
</tr>
</tbody>
</table>

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

**Results:** The City has expended 16.23% of cumulative local street and road revenue for maintenance as indicated on the following page:
11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** The results are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$22,693,556</td>
<td>$65,485</td>
<td>$22,759,041</td>
</tr>
<tr>
<td>Maintenance</td>
<td>5,005,615</td>
<td>2,899,335</td>
<td>7,904,950</td>
</tr>
<tr>
<td>Interest</td>
<td>700</td>
<td>472,876</td>
<td>473,576</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$27,699,871</td>
<td>$3,437,696</td>
<td>$31,137,567</td>
</tr>
</tbody>
</table>

- 30% of total local street and road revenue: $9,341,270
- Less maintenance expenditures incurred to date: (5,053,061)
- Available maintenance funds: $4,288,209
- Cumulative percentage expended for maintenance: 16.23%

12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$3,493,477</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(2,023,372)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$1,470,105</td>
</tr>
</tbody>
</table>

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

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

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

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

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

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

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

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

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

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

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

Results: No exceptions were noted as a result of our procedures.
iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

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

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

**Results:** The City recorded total RTCIP expenditures in the amount of $69,367. We selected $47,759 (68.85%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

**Results:** This procedure is not applicable as there were no payroll expenditures identified during FY 23.

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.
x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

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

Results: The City provided RTCIP documentation to us for review on October 31, 2023.

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

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

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

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

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

Results: The City had one prior year finding related to the use of incorrect exaction fees for RTCIP collections. Per discussion with the City, it was noted that they were not able to recoup the $1,956.32 from developers, and as such, have made a transfer
from the General Fund to absorb the loss. Furthermore, the finding was repeated in FY 23.

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

Results: See Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
2024
CITY OF LA MESA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations

Year Ended June 30, 2023

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

Per review of the City’s exaction fee collections for the year ended June 30, 2023, the City did not consistently collect the required exaction fee amount of $2,635.50 for FY 22 permit applications. There were three permits issued in FY 22 where the exaction fees collected were based on the FY 21 rate of $2,583.82 instead of the correct FY 22 amount of $2,635.50. This resulted in an under-collection of the exaction fees in the amount of $2,067.20 as follows:

<table>
<thead>
<tr>
<th>Permit #</th>
<th>Units</th>
<th>Amount Required</th>
<th>Amount Charged</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>B22-124</td>
<td>12</td>
<td>$31,626.00</td>
<td>$31,005.84</td>
<td>$620.16</td>
</tr>
<tr>
<td>B22-125</td>
<td>14</td>
<td>$36,897.00</td>
<td>$36,173.48</td>
<td>723.52</td>
</tr>
<tr>
<td>B22-126</td>
<td>14</td>
<td>$36,987.00</td>
<td>$36,173.48</td>
<td>723.52</td>
</tr>
<tr>
<td>Totals</td>
<td>40</td>
<td>$79,006.00</td>
<td>$77,514.66</td>
<td>$2,067.20</td>
</tr>
</tbody>
</table>

SANDAG Board recommendations as of February 10, 2021 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 $2,583.82 to $2,635.50 beginning July 1, 2021.”

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 $2,067.20. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.
(1) Need to Use Approved Exaction Fee (Continued)

Management Response

The City implemented a new permitting system in 2022. After a review of audit documentation, it was found that the new permitting software was extracting old RTCIP exaction fees that were uploaded when transferring data from the old system to the new one. The new permitting system has been updated with the correct RTCIP fees. A reminder has been set within the system to verify RTCIP exaction fees are updated annually per SANDAG’s approved rate. In addition, City staff will review all exaction fees before the end of the fiscal year to ensure the correct rates have been applied and any necessary corrections will be made. The Finance Department will be working with the Community Development and Engineering Departments to ensure the correct rates are charged and collected.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

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

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

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

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

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

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

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

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

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

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>LAM46</td>
<td>n/a</td>
<td>Regional Arterial Management Systems</td>
<td></td>
<td>$ - $</td>
<td>$ 7,400 $</td>
<td>$ - $</td>
<td>(7,400) $</td>
<td>$ - $</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td></td>
<td>-</td>
<td>7,400</td>
<td>-</td>
<td>(7,400)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LAM17</td>
<td>2120TR</td>
<td>Street Reconstruction 12</td>
<td>2,928</td>
<td>-</td>
<td>-</td>
<td>2,928</td>
<td>-</td>
<td>-</td>
<td>(a)</td>
</tr>
<tr>
<td>LAM34</td>
<td>2202TR</td>
<td>Street Lights/ OH Utilities 20</td>
<td>(4,510)</td>
<td>4,510</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(b)</td>
</tr>
<tr>
<td>LAM34</td>
<td>2212TR</td>
<td>Street Lights/ OH Utilities 21</td>
<td>(42,188)</td>
<td>46,400</td>
<td>-</td>
<td>(4,212)</td>
<td>-</td>
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<td>(b)</td>
</tr>
<tr>
<td>LAM34</td>
<td>2222TR</td>
<td>Street Lights/ OH Utilities 22</td>
<td>(16,678)</td>
<td>50,000</td>
<td>-</td>
<td>(33,320)</td>
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</tr>
<tr>
<td>LAM34</td>
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<td>Street Lights/ OH Utilities 23</td>
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<td>(5,551)</td>
<td>2</td>
<td>11</td>
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<td>Total LAM34 Projects</td>
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<td>106,470</td>
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<tr>
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<td>2213TR</td>
<td>Traffic Signal Upgrades 21</td>
<td>(34,991)</td>
<td>34,991</td>
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<td>-</td>
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<td>(b)</td>
</tr>
<tr>
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<td>2223TR</td>
<td>Traffic Signal Upgrades 22</td>
<td>(50,865)</td>
<td>79,660</td>
<td>-</td>
<td>(48,149)</td>
<td>(19,354)</td>
<td>(c)</td>
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<tr>
<td>LAM37</td>
<td>2233TR</td>
<td>Traffic Signal Upgrades 23</td>
<td>-</td>
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<td>-</td>
<td>63,800</td>
<td>(25,801)</td>
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<td>(c)</td>
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<td>Total LAM37 Projects</td>
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<td>LAM39</td>
<td>2204TR</td>
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<td>6,840</td>
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<tr>
<td>LAM40</td>
<td>2205TR</td>
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<td>(13,582)</td>
<td>51,100</td>
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<td>(37,512)</td>
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<td>LAM40</td>
<td>2215TR</td>
<td>Street Construction 21</td>
<td>(43,066)</td>
<td>99,480</td>
<td>-</td>
<td>(62,359)</td>
<td>2,928</td>
<td>(3,017)</td>
<td>(a)(c)</td>
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<tr>
<td>LAM40</td>
<td>2225TR</td>
<td>Street Construction 22</td>
<td>(160,339)</td>
<td>201,560</td>
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<td>(41,225)</td>
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<td>(4)</td>
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<td>LAM40</td>
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<td>-</td>
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<td>Commercial Paper Debt Service</td>
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<td>510,397</td>
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<td>Interest Income</td>
<td>508</td>
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<td>-</td>
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<td>508</td>
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<td></td>
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<td>Total Congestion Relief</td>
<td>(545,953)</td>
<td>1,312,487</td>
<td>-</td>
<td>(814,164)</td>
<td>-</td>
<td>-</td>
<td>(47,630)</td>
</tr>
</tbody>
</table>

**Notes:**
(a) = Adjustments
(b) = Amounts reflect additional debt service interest
(c) = Adjustments
(d) = Adjustments

**Total Congestion Relief (545,953) $**

Total LAM34 Projects $ (1,312,487) - (814,164) - (47,630) $
## City of La Mesa, California

### TransNet and TransNet Extension Activities

#### Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
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<td>Maintenance:</td>
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<tr>
<td></td>
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<td>LAM31 General Fund</td>
<td>Street Maintenance</td>
<td>$ (150,000)</td>
<td>$ 150,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
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<td>LAM33 2211TR</td>
<td>Curb, Gutter, Sidewalk 21</td>
<td>(126,445)</td>
<td>126,445</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
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<td></td>
<td>LAM33 2221TR</td>
<td>Curb, Gutter, Sidewalk 22</td>
<td>(33,313)</td>
<td>128,014</td>
<td>-</td>
<td>(131,689)</td>
<td>-</td>
<td>(36,988)</td>
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<td>LAM33 2231TR</td>
<td>Curb, Gutter, Sidewalk 23</td>
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<td>95,541</td>
<td>-</td>
<td>(105,999)</td>
<td>-</td>
<td>(10,458)</td>
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<td>350,000</td>
<td>-</td>
<td>(237,688)</td>
<td>-</td>
<td>(47,446)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
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<td>-</td>
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<td>-</td>
<td>-</td>
<td>192</td>
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</tr>
<tr>
<td></td>
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<td>Total Maintenance</td>
<td>(309,566)</td>
<td>500,000</td>
<td>-</td>
<td>(237,688)</td>
<td>-</td>
<td>(47,254)</td>
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<td>Total Local Street Improvements</td>
<td>(855,519)</td>
<td>1,819,887</td>
<td>-</td>
<td>(1,059,252)</td>
<td>-</td>
<td>(94,884)</td>
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<td><strong>Senior Mini-Grants:</strong></td>
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<td>LAM27 212001</td>
<td>La Mesa Rides4Neighbors</td>
<td>(46,077)</td>
<td>45,941</td>
<td>-</td>
<td>(2,297)</td>
<td>-</td>
<td>(2,433)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Senior Mini-Grants</td>
<td>(46,077)</td>
<td>45,941</td>
<td>-</td>
<td>(2,297)</td>
<td>-</td>
<td>(2,433)</td>
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</tr>
<tr>
<td></td>
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<td><strong>Smart Growth Grant</strong></td>
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<td></td>
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<td></td>
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<td></td>
</tr>
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<td></td>
<td>LAM47 2168OT</td>
<td>North Spring Street</td>
<td>(367,485)</td>
<td>367,473</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12)</td>
</tr>
<tr>
<td></td>
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<td>LAM49 220EOT</td>
<td>Complete Streets Design Manual</td>
<td>(15,457)</td>
<td>15,231</td>
<td>-</td>
<td>(15,217)</td>
<td>-</td>
<td>(15,443)</td>
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<td>Total Smart Growth Grant</td>
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<td>382,704</td>
<td>-</td>
<td>(15,217)</td>
<td>-</td>
<td>(15,455)</td>
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<tr>
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<td>Total TransNet Extension</td>
<td>$ (1,284,538)</td>
<td>$ 2,248,532</td>
<td>$ -</td>
<td>$ (1,076,766)</td>
<td>$ -</td>
<td>$ (112,772)</td>
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</tr>
</tbody>
</table>

**Notes:**

(a) The City obtained Council approval via Resolution 2023-053 issued on 5/9/2023 in the amount of $2,928 moved from LAM17 to LAM40.

(b) Project was completed during FY 23.

(c) This is a reimbursable funding source and expenditures are expected to be in excess of funding while the project is active.

(d) Ending balance is due to rounding when calculating TransNet revenue reimbursement request.

(e) Project is complete. The City will clear the balance of $12 by moving the expense to a HUTA transportation account in FY 24.
## CITY OF LA MESA, CALIFORNIA

*TransNet and TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2023

### SCHEDULE B

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TransNet Extension:

#### Local Street Improvements:

#### Congestion Relief - Pass-Through:

- **LAM46** n/a Regional Arterial Management Systems
  - **Funds Received**: $81,400
  - **Interest Income**: -
  - **Project Expenditures**: $(81,400)
  - **Project Status June 30, 2023**: -

Total Congestion Relief - Pass-Through:

- **Funds Received**: 81,400
  - **Interest Income**: -
  - **Project Expenditures**: $(81,400)
  - **Project Status June 30, 2023**: -

### Congestion Relief:

- **LAM17** 2120TR Street Reconstruction 12
  - **Funds Received**: 250,673
  - **Interest Income**: -
  - **Project Expenditures**: $(250,673)
  - **Project Status June 30, 2023**: -

Total LAM17 Projects:

- **Funds Received**: 110,072
  - **Interest Income**: -
  - **Project Expenditures**: $(110,061)
  - **Project Status June 30, 2023**: 11

- **LAM34** 2202TR Street Lights/ OH Utilities 20
  - **Funds Received**: 4,510
  - **Interest Income**: -
  - **Project Expenditures**: $(4,510)
  - **Project Status June 30, 2023**: -

- **LAM34** 2212TR Street Lights/ OH Utilities 21
  - **Funds Received**: 50,002
  - **Interest Income**: -
  - **Project Expenditures**: $(50,002)
  - **Project Status June 30, 2023**: -

- **LAM34** 2222TR Street Lights/ OH Utilities 22
  - **Funds Received**: 49,998
  - **Interest Income**: -
  - **Project Expenditures**: $(49,998)
  - **Project Status June 30, 2023**: -

- **LAM34** 2232TR Street Lights/ OH Utilities 23
  - **Funds Received**: 5,562
  - **Interest Income**: -
  - **Project Expenditures**: $(5,551)
  - **Project Status June 30, 2023**: 11

Total LAM34 Projects:

- **Funds Received**: 110,072
  - **Interest Income**: -
  - **Project Expenditures**: $(110,061)
  - **Project Status June 30, 2023**: 11

- **LAM37** 2213TR Traffic Signal Upgrades 21
  - **Funds Received**: 99,995
  - **Interest Income**: -
  - **Project Expenditures**: $(99,995)
  - **Project Status June 30, 2023**: -

- **LAM37** 2223TR Traffic Signal Upgrades 22
  - **Funds Received**: 79,660
  - **Interest Income**: -
  - **Project Expenditures**: $(99,014)
  - **Project Status June 30, 2023**: $(19,354)

- **LAM37** 2233TR Traffic Signal Upgrades 23
  - **Funds Received**: 37,999
  - **Interest Income**: -
  - **Project Expenditures**: $(63,800)
  - **Project Status June 30, 2023**: $(25,801)

Total LAM37 Projects:

- **Funds Received**: 217,654
  - **Interest Income**: -
  - **Project Expenditures**: $(262,809)
  - **Project Status June 30, 2023**: $(45,155)

- **LAM39** 2204TR Traffic Calming Program 20
  - **Funds Received**: 79,887
  - **Interest Income**: -
  - **Project Expenditures**: $(79,885)
  - **Project Status June 30, 2023**: 2

Total LAM39 Projects:

- **Funds Received**: 79,887
  - **Interest Income**: -
  - **Project Expenditures**: $(79,885)
  - **Project Status June 30, 2023**: 2

- **LAM40** 2205TR Street Construction 20
  - **Funds Received**: 268,973
  - **Interest Income**: -
  - **Project Expenditures**: $(268,967)
  - **Project Status June 30, 2023**: 6

- **LAM40** 2215TR Street Construction 21
  - **Funds Received**: 103,323
  - **Interest Income**: -
  - **Project Expenditures**: $(106,340)
  - **Project Status June 30, 2023**: $(3,017)

- **LAM40** 2225TR Street Construction 22
  - **Funds Received**: 201,560
  - **Interest Income**: -
  - **Project Expenditures**: $(201,564)
  - **Project Status June 30, 2023**: $(4)

- **LAM40** 2235TR Street Construction 23
  - **Funds Received**: 1,300
  - **Interest Income**: -
  - **Project Expenditures**: $(1,300)
  - **Project Status June 30, 2023**: -

Total LAM40 Projects:

- **Funds Received**: 575,156
  - **Interest Income**: -
  - **Project Expenditures**: $(578,171)
  - **Project Status June 30, 2023**: $(3,015)

- **LAM44** 4210TR Roadway Drainage Improvements 21
  - **Funds Received**: 258,391
  - **Interest Income**: -
  - **Project Expenditures**: $(258,372)
  - **Project Status June 30, 2023**: 19

### Commercial Paper Debt Service

- **Funds Received**: 2,052,561
  - **Interest Income**: -
  - **Project Expenditures**: $(2,052,561)
  - **Project Status June 30, 2023**: -

### Interest Income

- **Funds Received**: 508
  - **Interest Income**: 508
  - **Project Expenditures**: -
  - **Project Status June 30, 2023**: 508

Total Congestion Relief:

- **Funds Received**: 3,544,394
  - **Interest Income**: 508
  - **Project Expenditures**: $(3,592,532)
  - **Project Status June 30, 2023**: $(47,630)

(Continued)
## SCHEDULE B

**CITY OF LA MESA, CALIFORNIA**

*TransNet and TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
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</thead>
<tbody>
<tr>
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<tr>
<td><strong>Maintenance:</strong></td>
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<tr>
<td>LAM31</td>
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<td>Street Maintenance</td>
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<td>$(1,658,281)</td>
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<tr>
<td>LAM33</td>
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<td>Curb, Gutter, Sidewalk 21</td>
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<td>-</td>
<td>(126,445)</td>
<td>-</td>
</tr>
<tr>
<td>LAM33</td>
<td>2221TR</td>
<td>Curb, Gutter, Sidewalk 22</td>
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<td>-</td>
<td>(165,002)</td>
<td>(36,988)</td>
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<tr>
<td>LAM33</td>
<td>2231TR</td>
<td>Curb, Gutter, Sidewalk 23</td>
<td>95,541</td>
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<td>(105,999)</td>
<td>(10,458)</td>
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<td><strong>Total LAM33 Projects</strong></td>
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<td>(47,446)</td>
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<td><strong>Interest Income</strong></td>
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<td>-</td>
<td>192</td>
<td>-</td>
<td>192</td>
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<td><strong>Total Maintenance</strong></td>
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<td><strong>Total Local Street Improvements</strong></td>
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<td>5,634,075</td>
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<td>(5,729,659)</td>
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<td><strong>Total Senior Mini-Grants</strong></td>
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<td>(1,466,496)</td>
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<td>LAM47</td>
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<td>(992,514)</td>
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<tr>
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<td>30220EOT</td>
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<td>154,345</td>
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<td><strong>Total Smart Growth</strong></td>
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<td>(8,358,457)</td>
<td>(112,772)</td>
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<td><strong>Local Street Improvements</strong></td>
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<tr>
<td>Bikes and Pedestrians</td>
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<tr>
<td><strong>Total Completed Projects</strong></td>
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<td>(24,514,096)</td>
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<tr>
<td><strong>Total Cumulative TransNet Extension</strong></td>
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<td>32,759,081</td>
<td>700</td>
<td>(32,872,553)</td>
<td>(112,772)</td>
</tr>
</tbody>
</table>
### CITY OF LA MESA, CALIFORNIA

**TransNet Extension Activities**

**RTCIP Fund**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPOID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2023</th>
<th>Cumulative Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td></td>
<td>$52,962</td>
<td>-</td>
<td>$ (52,962)</td>
<td>-</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td></td>
<td>43,984</td>
<td>-</td>
<td>(43,984)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td></td>
<td>382,078</td>
<td>-</td>
<td>(382,078)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td></td>
<td>519,185</td>
<td>-</td>
<td>(519,185)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>572,799</td>
<td>-</td>
<td>(572,799)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>2,533</td>
<td>-</td>
<td>(2,533)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>185,105</td>
<td>-</td>
<td>(14,013)</td>
<td>1,956</td>
<td>153,028</td>
<td>185,105</td>
<td>(a)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>210,881</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>210,881</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Interest Income**

|                  | 43,881 | -     | -             | -                | 43,881             | -                | 43,881                          | 43,813            |

**Subtotal RTCIP Funds**

|                  | $1,969,527 | 43,881 | $(1,607,574)  | 1,956            | -                  | 407,790           | 264,252                          |

**GASB 31 Market Value Adjustment**

|                  | -        | (27,368) | -             | 27,368           | -                  | -           | (27,368)                            |

**Total RTCIP Funds**

|                  | $1,969,527 | 16,513  | $(1,607,574)  | 29,324           | -                  | $407,790         | $236,884                          |

**Notes:**

(a) Adjustment is for City absorbing undercollected exactions from FY 22. City has transferred funds from the general fund to cover the costs.

(b) Adjustment is to zero out the GASB 31 Market Value Adjustment line, as it will not be used in FY 24 onward.
CITY OF LEMON GROVE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Lemon Grove, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   
   **Results:** No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   **Results:** No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   **Results:** No exceptions were noted as a result of our procedures.

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

   **Results:** No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** No exceptions were noted as a result of our procedures.

   f. We identified the total TransNet expenditures for the fiscal year.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** The City recorded total TransNet expenditures in the amount of $802,989. We selected $303,797 (37.83%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

**Results:** No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.
We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City implemented a formal cost allocation plan that was adopted by City Council in FY 2019. The cost allocation plan charges a percentage of payroll and positions charged to the TransNet fund. In FY23, salaries and benefits charged to the TransNet fund were $33,210. In addition, a portion of payments made to the contract City Engineer, Rick Engineering, was allocated to the TransNet program to reflect the time the Engineer spent working on TransNet projects. In FY23, total expenditures charged to TransNet for Rick Engineering were $66,635. In total, the City allocated $115,677 of indirect costs to the TransNet program, which represents 14.41% of total TransNet expenditures made during FY23. The City reduced overhead costs by 2.65% as compared to the prior year. The City also had pay equity adjustments, COLA increases, and contract cost increases, being the contributing factors to indirect costs exceeding 10%. The City’s indirect cost plan has not been reviewed by a cognizant agency or audited by an independent certified public accounting firm. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no amounts reflected in the “Adjustments” column.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.
i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects during FY23.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects during FY23.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as the City did not have any non-TransNet activity during FY23.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

   a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

      Results: No exceptions were noted as a result of our procedures.

   b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

      Results: This procedure is not applicable as there were no Adjustments in Schedule A.

   c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

      Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

      Results: The City is in compliance with the 30% requirement as follows:

            Fiscal year 2023 apportionment $968,858
            Less: debt service payment    -
            Net estimated apportionment    968,858
            30% base                       30%

            Fiscal year 2023 30% threshold 290,657
            Less: Local Streets and Roads fund balance -
            Local Street Improvement:
            Congestion Relief fund balance 10,681
            Maintenance fund balance (6,066)

            Total Local Streets and Roads and Local Street Improvement fund balance 4,615
            Fund balance under apportionment $286,042
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$10,681</td>
<td>$ 808,090</td>
<td>$ 818,771</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(6,066)</td>
<td>466,637</td>
<td>460,571</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$ 4,615</strong></td>
<td><strong>$1,274,727</strong></td>
<td><strong>$1,279,342</strong></td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 25.70% of cumulative local street and road revenue for maintenance as indicated as follows:

<table>
<thead>
<tr>
<th></th>
<th>Lemon Grove</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$6,993,008</td>
<td>$ 667,339</td>
<td>$7,660,347</td>
</tr>
<tr>
<td>Maintenance</td>
<td>2,857,123</td>
<td>406,592</td>
<td>3,263,715</td>
</tr>
<tr>
<td>Interest</td>
<td>16,513</td>
<td>200,796</td>
<td>217,309</td>
</tr>
<tr>
<td><strong>Total local street and road revenue</strong></td>
<td><strong>$9,866,644</strong></td>
<td><strong>$1,274,727</strong></td>
<td><strong>$11,141,371</strong></td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $3,342,411
Less maintenance expenditures incurred to date (2,863,557)
Available maintenance funds $478,854
Cumulative percentage expended for maintenance 25.70%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** This procedure is not applicable as there is no long term debt outstanding as of June 30, 2023.
12. We reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$973,148</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(203,027)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$770,121</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.
   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.
   b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.
c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

   **Results:** No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

   **Results:** No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

   **Results:** No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

   **Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

   **Results:** This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

   **Results:** This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

   **Results:** This procedure is not applicable as there were no payroll expenditures exceeding 20% of the total dollar amount of expenditures.
viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on November 10, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.
14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** The City had one prior year finding from FY22 relating to not consistently collecting the required exaction fee amount. As of June 30, 2023, the City was able to collect the $4,650.19 from a General Fund transfer.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

**Results:** This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
__________________________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## Schedule A

### TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Expenditures</th>
<th>Project Adjustments</th>
<th>City</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
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<td>2022</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
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<td>2023</td>
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<td></td>
</tr>
</tbody>
</table>

### TransNet Extension:

#### Local Street Improvements:

**Congestion Relief:**

LG16 7280 Storm Drain Rehabilitation - Congestion Relief $16,931 $ - $ - $ - $ - $ 16,931

LG20 7300 Street Improvements - Congestion Relief (84,191) 593,006 - (515,129) - (6,314) (a)

Interest Income - - 64 - - 64

Total Congestion Relief (67,260) 593,006 64 (515,129) - 10,681

#### Maintenance:

LG14 7310 Traffic Improvements - Preventive Maintenance (16,045) 145,844 - (129,515) - 284

LG15 7290 Storm Drain Rehabilitation - Preventive Maintenance (3,261) 58,440 - (62,688) - (7,509) (a)

LG17 7150 Street Improvements - Preventive Maintenance (3,912) 26,465 - (21,422) - 1,131

Interest Income - - 28 - - 28

Total Maintenance (23,218) 230,749 28 (213,625) - (6,066)

#### Smart Growth Grant:

LG26 7340 Connect Main St (80,223) 62,417 - (74,235) - (92,041) (a)

Total Smart Growth Grant (80,223) 62,417 - (74,235) - (92,041)

Total TransNet Extension $ (170,701) $ 886,172 $ 92 $ (802,989) $ - $ (87,426)

---

**Notes:**

(a) City will request additional funds in FY24.
## CITY OF LEMON GROVE, CALIFORNIA

*TransNet* Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TransNet Extension:

#### Local Street Improvements:

**Congestion Relief:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG16</td>
<td>7280</td>
<td>Storm Drain Rehabilitation - Congestion Relief</td>
<td>$1,096,574</td>
<td>$2,931</td>
<td>$(1,082,574)</td>
<td>$16,931</td>
</tr>
<tr>
<td>LG20</td>
<td>7300</td>
<td>Street Improvements - Congestion Relief</td>
<td>4,308,014</td>
<td>646</td>
<td>(4,314,974)</td>
<td>(6,314)</td>
</tr>
</tbody>
</table>

*Interest Income:*

- 64

*Total Congestion Relief:*

- 5,404,588
- 3,641
- (5,397,548)
- 10,681

### Maintenance:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG14</td>
<td>7310</td>
<td>Traffic Improvements - Preventive Maintenance</td>
<td>1,437,777</td>
<td>124</td>
<td>(1,437,617)</td>
<td>284</td>
</tr>
<tr>
<td>LG15</td>
<td>7290</td>
<td>Storm Drain Rehabilitation - Preventive Maintenance</td>
<td>662,207</td>
<td>124</td>
<td>(669,840)</td>
<td>(7,509)</td>
</tr>
<tr>
<td>LG17</td>
<td>7150</td>
<td>Street Improvements - Preventive Maintenance</td>
<td>757,139</td>
<td>92</td>
<td>(756,100)</td>
<td>1,131</td>
</tr>
</tbody>
</table>

*Interest Income:*

- 28

*Total Maintenance:*

- 2,857,123
- 368
- (2,863,557)
- (6,066)

*Total Local Street Improvements:*

- 8,261,711
- 4,009
- (8,261,105)
- 4,615

### Smart Growth Grant:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG26</td>
<td>7340</td>
<td>Connect Main St</td>
<td>354,592</td>
<td>-</td>
<td>(446,633)</td>
<td>(92,041)</td>
</tr>
</tbody>
</table>

*Total Smart Growth Grant:*

- 354,592
- -
- (446,633)
- (92,041)

*Subtotal Cumulative TransNet Extension:*

- 8,616,303
- 4,009
- (8,707,738)
- (87,426)

### Completed Projects:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>1,588,420</td>
<td>12,504</td>
<td>(1,600,924)</td>
<td>-</td>
</tr>
<tr>
<td>Smart Growth Grant</td>
<td>3,275,001</td>
<td>-</td>
<td>(3,275,001)</td>
<td>-</td>
</tr>
</tbody>
</table>

*Total Completed Projects:*

- 4,863,421
- 12,504
- (4,875,925)
- -

*Total Cumulative TransNet Extension:*

- $13,479,724
- $16,513
- $(13,583,663)
- $(87,426)
**CITY OF LEMON GROVE, CALIFORNIA**
*TransNet Extension Activities*  
RTCIP Fund  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2023</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>LG 13</td>
<td>$272,580</td>
<td>$2,383</td>
<td>$(274,963)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>LG 13</td>
<td>$51,854</td>
<td>2,997</td>
<td>$(54,851)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>LG 13</td>
<td>$50,484</td>
<td>5,909</td>
<td>$(56,393)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>LG 13</td>
<td>52,888</td>
<td>2,012</td>
<td>$(54,882)</td>
<td>-</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>40,351</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>40,351</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>35,229</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>35,229</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>311,993</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>311,993</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>144,437</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>144,437</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>7,737</td>
<td>1,744</td>
</tr>
</tbody>
</table>

Total RTCIP Funds  
$959,816 $21,038 $(441,089) - $ - $539,765 $333,606
CITY OF NATIONAL CITY, CALIFORNIA

Report on Agreed-Upon Procedures Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of National City, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditures in the amount of $3,879,583. We selected $1,447,417 (37.31%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur payroll expenditures for TransNet projects in FY 23.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet...
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** This procedure is not applicable as the City did not allocate indirect costs to TransNet projects in FY 23.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** This procedure is not applicable as there were no projects completed in FY 23.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

j. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

**Results:** No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the
recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

**Results:** There are two projects that have been inactive over the past two years. The City indicated that for both NC34 and NC35, “The Engineering Department will conduct a review of these projects and their statuses in FY 24, and will either continue the projects or request a final reimbursement” The status of these projects have been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

**Results:** SANDAG approved the reason for the inactivity on February 4, 2024.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

**Results:** This procedure is not applicable as the City had non-non-TransNet activity included within Schedule A in FY 23.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

**Results:** No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.
Results: This procedure is not applicable as the City did not have any completed projects on Schedule A in FY 22.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2023 apportionment $2,010,366
Less: debt service payment -
Net estimated apportionment 2,010,366
30% base 30%
Fiscal year 2023 30% threshold 603,110

Less:
Local Streets and Roads fund balance -
Local Street Improvement:
  Congestion Relief fund balance (838,387)
  Maintenance fund balance -
Total Local Streets and Roads and Local Street Improvement fund balance (838,387)
Fund balance under apportionment $1,441,497

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(838,387)</td>
<td>$(2,949,576)</td>
<td>$(3,787,963)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>$0</td>
<td>6,702,798</td>
<td>6,702,798</td>
</tr>
<tr>
<td>Totals</td>
<td>$(838,387)</td>
<td>$3,753,222</td>
<td>$2,914,835</td>
</tr>
</tbody>
</table>
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 0.00% of cumulative local street and road revenue for maintenance indicated as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>City</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$22,200,332</td>
<td>$(3,413,307)</td>
<td>$18,787,025</td>
</tr>
<tr>
<td>Maintenance</td>
<td>-</td>
<td>6,529,498</td>
<td>6,529,498</td>
</tr>
<tr>
<td>Interest</td>
<td>53,807</td>
<td>637,031</td>
<td>690,838</td>
</tr>
<tr>
<td><strong>Total local street and road revenue</strong></td>
<td><strong>$22,254,139</strong></td>
<td><strong>$3,753,222</strong></td>
<td><strong>$26,007,361</strong></td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $7,802,208
Less maintenance expenditures incurred to date
Available maintenance funds $7,802,208
Cumulative percentage expended for maintenance 0.00%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$3,128,715</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(2,029,966)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$1,098,749</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.
IV. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

V. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** The City recorded total RTCIP expenditures in the amount of $52,348. We selected $20,100 (38.40%) for testing. No exceptions noted as a result of our procedures.

VI. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

VII. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as the City did not incur payroll expenditures for RTCIP projects in FY 23.

VIII. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

IX. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.
x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 18, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.
16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
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<td><strong>Local Street Improvements:</strong></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC04</td>
<td>6558</td>
<td>Regional Arterial Management Systems</td>
<td>$</td>
<td>$ 8,000</td>
<td>$ -</td>
<td>$ (8,000)</td>
<td>$ -</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>-</td>
<td>8,000</td>
<td>-</td>
<td>(8,000)</td>
<td>-</td>
<td>-</td>
<td></td>
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<tr>
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<td>(1,652,632)</td>
<td>-</td>
<td>(737,804)</td>
<td>(a)</td>
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<tr>
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<td>6558</td>
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<td>160</td>
<td>(23,663)</td>
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<td>90,322</td>
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<td>Citywide Safe Routes to School</td>
<td>346,303</td>
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<td>487</td>
<td>(537,695)</td>
<td>-</td>
<td>(190,905)</td>
<td>(a)</td>
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<td>Total Congestion Relief</td>
<td>1,373,673</td>
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<td>1,930</td>
<td>(2,213,990)</td>
<td>-</td>
<td>(838,387)</td>
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</tr>
<tr>
<td>NC29</td>
<td>6604</td>
<td>24th Street TOD Overlay</td>
<td>(56,184)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>(56,184)</td>
<td>(b)</td>
</tr>
<tr>
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<td>Roosevelt Ave Corridor</td>
<td>(392,205)</td>
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<td>-</td>
<td>-</td>
<td>(10,852)</td>
<td>(b)</td>
</tr>
<tr>
<td>NC37</td>
<td>6606</td>
<td>Sweetwater Rd Protected Bikeway</td>
<td>(120,489)</td>
<td>909,497</td>
<td>-</td>
<td>(1,115,878)</td>
<td>-</td>
<td>(326,850)</td>
<td>(b)</td>
</tr>
<tr>
<td>NC43</td>
<td>478</td>
<td>Together We Plan National City</td>
<td>-</td>
<td>171,396</td>
<td>-</td>
<td>(294,477)</td>
<td>-</td>
<td>(123,081)</td>
<td>(c)</td>
</tr>
<tr>
<td></td>
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<td>Total Smart Growth</td>
<td>(568,858)</td>
<td>1,462,246</td>
<td>-</td>
<td>(1,410,355)</td>
<td>-</td>
<td>(516,967)</td>
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</tr>
<tr>
<td></td>
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<td><strong>Active Transportation Grant - Bike and Pedestrian:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC34</td>
<td>6603</td>
<td>Waterfront To Homefront Connectivity</td>
<td>(12,447)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(12,447)</td>
<td>(d)</td>
</tr>
<tr>
<td>NC35</td>
<td>6602</td>
<td>National City Bike Parking Enhancements</td>
<td>(1,301)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,301)</td>
<td>(d)</td>
</tr>
<tr>
<td>NC38</td>
<td>1925</td>
<td>National City Bike Wayfinding</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,811)</td>
<td>(14,839)</td>
<td>(69,650)</td>
<td>(b)(e)</td>
</tr>
<tr>
<td>NC39</td>
<td>6588</td>
<td>Central Community Mobility Enhancements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(100,398)</td>
<td>-</td>
<td>(100,398)</td>
<td>(b)</td>
</tr>
<tr>
<td>NC40</td>
<td>6610</td>
<td>Bayshore Bikeway - Segment 5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(38,624)</td>
<td>-</td>
<td>(38,624)</td>
<td>(b)</td>
</tr>
<tr>
<td>NC42</td>
<td>6608</td>
<td>Highland Ave Inter-City Bike Connection</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(53,405)</td>
<td>-</td>
<td>(53,405)</td>
<td>(b)</td>
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<td>Total Bike and Pedestrian</td>
<td>(14,248)</td>
<td>-</td>
<td>-</td>
<td>(247,238)</td>
<td>(14,839)</td>
<td>(276,325)</td>
<td></td>
</tr>
</tbody>
</table>

Total TransNet Extension $ 790,567 $ 1,470,246 $ 1,930 $ (3,879,583) $ (14,839) $ (1,631,679)
CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
</table>

Notes:

(a) The City will request a drawdown to remove the deficit in FY 24.
(b) Engineering Department will conduct a review of this project and will request a reimbursement in FY 24.
(c) Housing Department will request a reimbursement for the balance in FY 24.
(d) This project has been inactive over the past two years. The Engineering Department will assess the need for future work to complete the project, or will request final reimbursement in FY 24.
(e) Adjustment made to include eligible FY 22 expenditures not reported in FY 22.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td><strong>TransNet Extension:</strong></td>
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<td></td>
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<td></td>
<td></td>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC04</td>
<td>6558</td>
<td>Regional Arterial Management Systems</td>
<td>$88,000</td>
<td>$ -</td>
<td>$(88,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>88,000</td>
<td>-</td>
<td>(88,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC03</td>
<td>6035</td>
<td>Street Resurfacing Project</td>
<td>11,913,110</td>
<td>7,183</td>
<td>(12,658,097)</td>
<td>(737,804)</td>
</tr>
<tr>
<td>NC04</td>
<td>6558</td>
<td>Traffic Signal Install/Upgrade</td>
<td>2,326,233</td>
<td>22,118</td>
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<td>90,322</td>
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<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
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<td>(18,222,146)</td>
<td>(838,387)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>17,429,043</td>
<td>42,716</td>
<td>(18,310,146)</td>
<td>(838,387)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Smart Growth:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC29</td>
<td>6604</td>
<td>24th Street TOD Overlay</td>
<td>446,426</td>
<td>-</td>
<td>(502,610)</td>
<td>(56,184)</td>
</tr>
<tr>
<td>NC36</td>
<td>6605</td>
<td>Roosevelt Ave Corridor</td>
<td>2,052,955</td>
<td>-</td>
<td>(2,063,807)</td>
<td>(10,852)</td>
</tr>
<tr>
<td>NC37</td>
<td>6606</td>
<td>Sweetwater Rd Protected Bikeway</td>
<td>1,182,067</td>
<td>-</td>
<td>(1,508,917)</td>
<td>(326,850)</td>
</tr>
<tr>
<td>NC43</td>
<td>478</td>
<td>Together We Plan National City</td>
<td>171,396</td>
<td>-</td>
<td>(294,477)</td>
<td>(123,081)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth</td>
<td>3,852,844</td>
<td>-</td>
<td>(4,369,811)</td>
<td>(516,967)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Active Transportation Grant - Bike and Pedestrian:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NC34</td>
<td>6603</td>
<td>Waterfront To Homefront Connectivity</td>
<td>185,554</td>
<td>-</td>
<td>(198,001)</td>
<td>(12,447)</td>
</tr>
<tr>
<td>NC35</td>
<td>6604</td>
<td>National City Bike Parking Enhancements</td>
<td>46,072</td>
<td>-</td>
<td>(47,873)</td>
<td>(1,801)</td>
</tr>
<tr>
<td>NC38</td>
<td>1925</td>
<td>National City Bike Wayfinding</td>
<td>-</td>
<td>-</td>
<td>(69,650)</td>
<td>(69,650)</td>
</tr>
<tr>
<td>NC39</td>
<td>6588</td>
<td>Central Community Mobility Enhancements</td>
<td>-</td>
<td>-</td>
<td>(100,398)</td>
<td>(100,398)</td>
</tr>
<tr>
<td>NC40</td>
<td>6610</td>
<td>Bayshore Bikeway - Segment 5</td>
<td>-</td>
<td>-</td>
<td>(38,624)</td>
<td>(38,624)</td>
</tr>
<tr>
<td>NC42</td>
<td>6608</td>
<td>Highland Ave Inter-City Bike Connection</td>
<td>-</td>
<td>-</td>
<td>(53,405)</td>
<td>(53,405)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Bike and Pedestrian</td>
<td>231,626</td>
<td>-</td>
<td>(507,951)</td>
<td>(276,325)</td>
</tr>
</tbody>
</table>

(Continued)
### CITY OF NATIONAL CITY, CALIFORNIA

**TransNet** Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Congestion Relief</td>
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<td>(7,145,000)</td>
<td>-</td>
</tr>
<tr>
<td>Bikes and Pedestrian</td>
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<td>-</td>
<td>(1,806,861)</td>
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</tr>
<tr>
<td><strong>Total Completed Projects</strong></td>
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<tr>
<td></td>
<td>$ 13,723,150</td>
<td>$ 11,091</td>
<td>(13,734,241)</td>
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</tr>
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</table>

**Total Cumulative TransNet Extension**

- Funds Received: $ 35,236,663
- Interest Income: $ 53,807
- Project Expenditures: $(36,922,149)
- Project Status: $(1,631,679)
<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Cumulative Funds</th>
<th>Cumulative Interest Income</th>
<th>Cumulative Project Expenditures</th>
<th>Cumulative Adjustments</th>
<th>Cumulative City Committed</th>
<th>Cumulative Status</th>
<th>City</th>
<th>Funds</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>NC01</td>
<td>$13,860</td>
<td>$-</td>
<td>$(13,860)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>NC01</td>
<td>28,143</td>
<td>$-</td>
<td>$(28,143)</td>
<td>$-</td>
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<td>$-</td>
<td>$-</td>
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<td>$-</td>
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<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>NC01</td>
<td>494,561</td>
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<td>327,658</td>
<td>380,005</td>
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<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
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<td>141,430</td>
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<td>141,430</td>
<td>141,430</td>
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<td>$-</td>
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</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>1,061,746</td>
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<td>$-</td>
<td>$-</td>
<td>1,061,746</td>
<td>1,061,746</td>
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<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
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<td>136,652</td>
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<td>136,652</td>
<td>136,652</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>220,926</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>220,926</td>
<td>220,926</td>
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<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>260,790</td>
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<td>260,790</td>
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<tr>
<td>Interest Income</td>
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<td>-</td>
<td>89,800</td>
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<td>$-</td>
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<td>89,800</td>
<td>59,809</td>
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<tr>
<td>Subtotal RTCIP Funds</td>
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<td>-</td>
<td>2,239,002</td>
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</tr>
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<td>GASB 31 Market Value Adjustment</td>
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<td>29,066</td>
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<td>-</td>
<td>-</td>
<td>29,066</td>
<td>(7,021)</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>2,358,108</td>
<td>$118,866</td>
<td>(208,906)</td>
<td>$-</td>
<td>$-</td>
<td>2,268,068</td>
<td>$1,993,547</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>
CITY OF OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Oceanside, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.
      
      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).
      
      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.
      
      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.
      
      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.
      
      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.
         
         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.
         
         **Results:** No exceptions were noted as a result of our procedures.

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditures in the amount of $1,840,903. We selected $494,558 (26.86%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City’s indirect cost plan was last approved during FY 2010 by Development Services Director and Financial Services Director. The City allocates costs based on all expenses charged to the designated Engineering Account, as a percentage of each active CIP account on a quarterly basis. The City allocated a total of $100,261 of indirect costs in the RTIP, resulting in 5.45% of indirect costs compared to total TransNet expenditures. The City’s methodology for allocating indirect costs appears reasonable. The City’s indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA firm. No exceptions were noted as a result of our procedures.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** This procedure is not applicable as there were no adjustments made by the City in FY23.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** No exceptions were noted as a result of our procedures.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.
Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There are five projects that have been inactive over the past two years. The City indicated that “O17 is scheduled to resume in FY 24 and has been updated in ProjectTrak to reflect the revised timeframe. Regulatory (CORP and FWS) permits will require almost 2 years to obtain.” Additionally, “O33 is a multi-year project that requires coordination with SANDAG and approval from the California Coastal Commission and is a regionally significant project. Work will continue over the next few years and will expend budgeted funds.” Moreover, “O40 is complete. The City is coordinating with the California Public Utilities Commission, Caltrans, and the Federal Rail Authority to close out the remaining balance. Further, “O41 is complete. A draw down request to cover this negative balance will be processed for SANDAG’s review and approval.” Finally, “O47 is complete. Funds will be transferred to an Eligible MPO ID or returned to SANDAG in FY24.” The status of the projects have been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 5, 2024.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as there was no non-TransNet activity reported for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

**Results:** This procedure is not applicable as there were no adjustments made by the City in FY23.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

**Results:** No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$6,426,459</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>6,426,459</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>1,927,938</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>(343,422)</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>(1,217,951)</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>13,801</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>(1,547,572)</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$ 3,475,510</td>
</tr>
</tbody>
</table>
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(1,217,951)</td>
<td>$4,906,186</td>
</tr>
<tr>
<td>Maintenance</td>
<td>13,801</td>
<td>7,815,496</td>
</tr>
<tr>
<td>Totals</td>
<td>$(1,204,150)</td>
<td>$12,721,682</td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 18.15% of cumulative local street and road revenue for maintenance as follows:

<table>
<thead>
<tr>
<th></th>
<th>City</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$54,996,646</td>
<td>$4,064,472</td>
<td>$59,061,118</td>
</tr>
<tr>
<td>Maintenance</td>
<td>15,002,013</td>
<td>7,443,407</td>
<td>22,445,420</td>
</tr>
<tr>
<td>Interest</td>
<td>243,244</td>
<td>1,213,803</td>
<td>1,457,047</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$70,241,903</td>
<td>$12,721,682</td>
<td>$82,963,585</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $24,889,076
Less maintenance expenditures incurred to date (15,061,339)
Available maintenance funds $9,827,737
Cumulative percentage expended for maintenance 18.15%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
   a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
      i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
      ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
      iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$5,208,936</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(3,120,588)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$2,088,348</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.
   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.
      Results: No exceptions were noted as a result of our procedures.
   b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.
      Results: No exceptions were noted as a result of our procedures.
   c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.
i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

**Results:** No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

**Results:** No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

**Results:** No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** The City recorded total RTCIP expenditures in the amount of $262,523. We selected $88,591 (33.75%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable RTCIP expenditures identified in procedure 13.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as the City did not incur payroll expenditures related to RTCIP projects in FY23.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage
was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on September 25, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

**Results:** No exceptions were noted as a result of our procedures.
14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

**Results:** This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
___________________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
### CITY OF OCEANSIDE, CALIFORNIA

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>O14</td>
<td>914560800212</td>
<td>Douglas Dr. Bridge Seismic Retro</td>
<td>$ 69,182</td>
<td>$</td>
<td>$ (266,909)</td>
<td>$</td>
<td>(197,727)</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td>O14</td>
<td>914560900212</td>
<td>No Coast Hwy Bridge Seismic Retro</td>
<td>$ 201,258</td>
<td>$</td>
<td>$ (346,953)</td>
<td>$</td>
<td>(145,695)</td>
<td>(a)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Streets and Roads</td>
<td>$ 270,440</td>
<td>$</td>
<td>$ (613,862)</td>
<td>$</td>
<td>(343,422)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet</td>
<td>$ 270,440</td>
<td>$</td>
<td>$ (613,862)</td>
<td>$</td>
<td>(343,422)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O35</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$</td>
<td>11,200</td>
<td>$</td>
<td>(11,200)</td>
<td>$</td>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>$</td>
<td>11,200</td>
<td>$</td>
<td>(11,200)</td>
<td>$</td>
<td>(b)</td>
<td></td>
</tr>
<tr>
<td>O17</td>
<td>905120100212</td>
<td>Loma Alta Creek Detention Basins</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>(b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>O24</td>
<td>902754200212</td>
<td>Street Restoration</td>
<td>(1,695,793)</td>
<td>1,695,793</td>
<td>$</td>
<td>(167,545)</td>
<td>-</td>
<td>(167,545)</td>
<td>(c)</td>
</tr>
<tr>
<td>O25</td>
<td>902146516212</td>
<td>Downtown Fiber-Optic</td>
<td>(23,048)</td>
<td>$</td>
<td>$</td>
<td>(146,965)</td>
<td>$</td>
<td>(170,013)</td>
<td>(c)</td>
</tr>
<tr>
<td>O33</td>
<td>902131200212</td>
<td>Coast Hwy Corridor Study/EIR</td>
<td>$ 124,277</td>
<td>$</td>
<td>$</td>
<td>-</td>
<td>$ 124,277</td>
<td>(d)</td>
<td></td>
</tr>
<tr>
<td>O33</td>
<td>902162120212</td>
<td>Coast Hwy Corridor Design</td>
<td>(46,285)</td>
<td>46,285</td>
<td>$</td>
<td>(412,441)</td>
<td>$</td>
<td>(412,441)</td>
<td>(c)</td>
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<td></td>
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<td>Total O33 Projects</td>
<td>77,992</td>
<td>46,285</td>
<td>$</td>
<td>(412,441)</td>
<td>$</td>
<td>(288,164)</td>
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<tr>
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<td>Subtotal Congestion Relief</td>
<td>(1,640,849)</td>
<td>1,742,078</td>
<td>$</td>
<td>(726,951)</td>
<td>$</td>
<td>(625,722)</td>
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</table>

(Continued)
**SCHEDULE A**

**City of Oceanside, California**

*TransNet and TransNet Extension Activities*

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
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<tbody>
<tr>
<td>O37</td>
<td>425449212</td>
<td>Bicycle Master Plan Coordinator</td>
<td>$ (1,640,849)</td>
<td>$ 1,742,078</td>
<td>$ -</td>
<td>$(726,951)</td>
<td>$ -</td>
<td>$(625,722)</td>
<td>(c)</td>
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<tr>
<td>O37</td>
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<td>Bicycle Master Plan/Bike Sfty</td>
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<td>$(95,812)</td>
<td>-</td>
<td>$(95,812)</td>
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<tr>
<td>O37</td>
<td>902165720212</td>
<td>Loma Alta Bike Trail</td>
<td>$ (532)</td>
<td>532</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
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<td>$(110,829)</td>
<td>110,829</td>
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<td>$(141,536)</td>
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<td>$(141,536)</td>
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<tr>
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<td>902134400212</td>
<td>Ada Ramp Rplcmt/Sdwks In-fill</td>
<td>$(278,272)</td>
<td>278,272</td>
<td>-</td>
<td>$(262,659)</td>
<td>-</td>
<td>$(262,659)</td>
<td>(c)</td>
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<td>O38</td>
<td>902135500212</td>
<td>Neighborhood Traffic Sfty Impr</td>
<td>$(236,461)</td>
<td>236,461</td>
<td>-</td>
<td>$(482)</td>
<td>-</td>
<td>$(482)</td>
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</tr>
<tr>
<td>O38</td>
<td>902165620212</td>
<td>El Corazon N Roundabout</td>
<td>$(21,391)</td>
<td>21,391</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(e)</td>
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<td>Mainline R/R Xing Sfty</td>
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<td>-</td>
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<td>$(104,174)</td>
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<td>Lot 23 Transit Parking Strctr</td>
<td>$(265,986)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$(265,986)</td>
<td>(g)</td>
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<td>902147216212</td>
<td>Douglas Dr Median HSIP-City</td>
<td>$(191,855)</td>
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<td>-</td>
<td>-</td>
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<td>$(21,259)</td>
<td>(g)</td>
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<td>Coastal Rail Trail Design</td>
<td>$(20,983)</td>
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<td>O46</td>
<td>904146616212</td>
<td>Coastal Rail Trail Obvld Morse</td>
<td>$(21,724)</td>
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<td>-</td>
<td>-</td>
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<td></td>
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<td>Total O46 Projects</td>
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<td>42,707</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>Subtotal Congestion Relief</td>
<td>$(2,892,524)</td>
<td>2,602,334</td>
<td>-</td>
<td>$(1,131,628)</td>
<td>-</td>
<td>$(1,421,818)</td>
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(Continued)
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<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Congestion Relief balance carried forward</td>
<td>$ (2,892,524)</td>
<td>$ 2,602,334</td>
<td>$ -</td>
<td>$ (1,131,628)</td>
<td>$ -</td>
<td>$ (1,421,818)</td>
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<td>O47</td>
<td>907146416212</td>
<td>Pier Restoration</td>
<td>33,750</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>33,750</td>
<td>(h)</td>
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<td>-</td>
<td>19,472</td>
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<td>-</td>
<td>170,117</td>
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<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>(2,708,129)</td>
<td>2,602,334</td>
<td>19,472</td>
<td>(1,131,628)</td>
<td>-</td>
<td>(1,217,951)</td>
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<tr>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O18</td>
<td>425411212</td>
<td>Misc Traffic Markings</td>
<td>(100,579)</td>
<td>100,579</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(c)</td>
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<tr>
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<td>181,260</td>
<td>-</td>
<td>(59,106)</td>
<td>-</td>
<td>(59,106)</td>
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<td>O18</td>
<td>425426212</td>
<td>Misc Street Projects</td>
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<td>-</td>
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<tr>
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<td>Total O18 Projects</td>
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<td>324,090</td>
<td>-</td>
<td>(59,106)</td>
<td>-</td>
<td>(59,106)</td>
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<td>8,345</td>
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<td>-</td>
<td>72,907</td>
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<td>Total Maintenance</td>
<td>(259,528)</td>
<td>324,090</td>
<td>8,345</td>
<td>(59,106)</td>
<td>-</td>
<td>13,801</td>
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<td>Total Local Street Improvements</td>
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<td>(1,201,934)</td>
<td>-</td>
<td>(1,204,150)</td>
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<td></td>
<td></td>
<td>Bike and Pedestrian:</td>
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<td></td>
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<td>902157419212</td>
<td>Pier VWay Bridge Replacement PDR</td>
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<td>37,311</td>
<td>-</td>
<td>(24,337)</td>
<td>-</td>
<td>(24,337)</td>
<td>(i)</td>
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<td></td>
<td>Total Bike and Pedestrian</td>
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<td>37,311</td>
<td>-</td>
<td>(24,337)</td>
<td>-</td>
<td>(24,337)</td>
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</table>
## CITY OF OCEANSIDE, CALIFORNIA

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<tbody>
<tr>
<td>O49</td>
<td>836164419272</td>
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<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Coastal Rail Trail Extension</td>
<td>$ - $ - $ -</td>
<td>$ (770)</td>
<td>$ -</td>
<td>$(770)</td>
<td>$(770)</td>
<td>(j)</td>
<td></td>
</tr>
</tbody>
</table>

**Total Smart Growth**

|                | $(770) | $ - | $(770) | $(770) | $(770) |

**Total TransNet Extension**

|                | $(3,004,968) | 2,974,935 | 27,817 | $(1,227,041) | $ - | $(1,229,257) |

**Total TransNet and TransNet Extension**

|                | $(2,734,528) | 2,974,935 | 27,817 | $(1,840,903) | $ - | $(1,572,679) |

**GASB 31 Market Value Adjustment**

|                | $(44,274) | $ - | 1,824 | $ - | $ - | $(42,450) |

**Total TransNet and TransNet Extension after GASB 31 Adjustment**

|                | $(2,778,802) | 2,974,935 | 29,641 | $(1,840,903) | $ - | $(1,615,129) |

### Notes:

(a) This project is a multi-year project that requires coordination with Caltrans and concurrence from the California Transportation Commission (CTC) and is a regionally significant project. Design efforts are continuing. This money is and will be spent over the next five years.

(b) This project is scheduled to resume in FY24 and has been updated in ProjectTrak to reflect the revised timeframe. Regulatory (CORP and FWS) permits will require almost 2 years to obtain.

(c) This negative balance is a result of contract work completed and paid for in advance with local funds. A draw down to reconcile this negative balance will be processed for submittal to SANDAG for reimbursement in FY24.

(d) This is a multi-year project that requires coordination with SANDAG and approval from the California Coastal Commission and is a regionally significant project. Work will continue over the next few years and will expend budgeted funds.

(e) This is an on-going project. Funds will be spent on in FY 24.

(f) Work is complete. Staff is coordinating with the California Public Utilities Commission (CPUC), Caltrans and the Federal Rail Authority (FRA) to close out the project. A draw down to reconcile this negative balance will be processed for SANDAG’s review and approval.

(g) Project is completed. A draw down request to cover this negative balance will be processed for SANDAG’s review and approval.

(h) Project is completed. Funds will be transferred to an Eligible MPO ID or returned to SANDAG in FY 24.

(i) Grant Funding will be requested for reimbursement in FY 24.

(j) Grant Project is completed. Grant Funding will be requested for reimbursement in FY24 to resolve the negative balance.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td><strong>TransNet Extension:</strong></td>
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<td><strong>Local Street Improvements:</strong></td>
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<td></td>
<td></td>
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<td></td>
<td><strong>Congestion Relief - Pass-Through:</strong></td>
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<tr>
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<td>$(123,200)</td>
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<td>905120100212</td>
<td>Loma Alta Creek Detention Basins</td>
<td>2,394,236</td>
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<td>Coast Hwy Corridor Study/EIR</td>
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<td>Bicycle Master Plan Coordinator</td>
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<td>(45,724)</td>
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<td>Bicycle Master Plan/Bike Sfty</td>
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<td>(95,812)</td>
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<td>Loma Alta Bike Trail</td>
<td>532</td>
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<td>Ada Ramp Rplcmt/Sdwls In-fill</td>
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<td>(262,659)</td>
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<td>(482)</td>
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<td>O38</td>
<td>902165620212</td>
<td>El Corazon N Roundabout</td>
<td>21,391</td>
<td></td>
<td>(21,391)</td>
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<td>Total O38 Projects</td>
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<td>(1,030,399)</td>
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<td>Project Name</td>
<td>Funds Received</td>
<td>Interest Income</td>
<td>Project Expenditures</td>
<td>Project Status June 30, 2023</td>
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<td>(104,174)</td>
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<td>O41</td>
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<td>Lot 23 Transit Parking Strctr</td>
<td>3,416,993</td>
<td>-</td>
<td>(3,682,979)</td>
<td>(265,986)</td>
</tr>
<tr>
<td>O45</td>
<td>902147216212</td>
<td>Douglas Dr Median HSIP-City</td>
<td>289,810</td>
<td>-</td>
<td>(311,069)</td>
<td>(21,259)</td>
</tr>
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<td>O46</td>
<td>902162320212</td>
<td>Coastal Rail Trail Design</td>
<td>20,983</td>
<td>-</td>
<td>(20,983)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coastal Rail Trail Oblvd Morse</td>
<td>136,724</td>
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<td>O18</td>
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<td>(475,249)</td>
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<td>425418212</td>
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<tr>
<td></td>
<td></td>
<td>Total O18 Projects</td>
<td>9,713,567</td>
<td>-</td>
<td>(9,772,673)</td>
<td>(59,106)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>72,907</td>
<td>-</td>
<td>72,907</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>9,713,567</td>
<td>72,907</td>
<td>(9,772,673)</td>
<td>13,801</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>51,396,877</td>
<td>243,024</td>
<td>(52,844,051)</td>
<td>(1,204,150)</td>
</tr>
</tbody>
</table>
### CITY OF OCEANSIDE, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Bike and Pedestrian:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O47</td>
<td>Pier VWay Bridge Replacement PDR</td>
<td>$37,311</td>
<td>-</td>
<td>$(61,648)</td>
<td>$(24,337)</td>
<td></td>
</tr>
<tr>
<td>Total Bike and Pedestrian</td>
<td>$37,311</td>
<td>-</td>
<td>$(61,648)</td>
<td>$(24,337)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Smart Growth:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O49</td>
<td>Coastal Rail Trail Extension</td>
<td>$339,517</td>
<td>-</td>
<td>$(340,287)</td>
<td>$(770)</td>
<td></td>
</tr>
<tr>
<td>Total Smart Growth</td>
<td>$339,517</td>
<td>-</td>
<td>$(340,287)</td>
<td>$(770)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Subtotal Cumulative TransNet Extension</td>
<td>$51,773,705</td>
<td>243,024</td>
<td>$(53,245,986)</td>
<td>$(1,229,257)</td>
<td></td>
</tr>
</tbody>
</table>

**Completed Projects:**

- LSI - Congestion Relief: $13,313,336
- LSI - Maintenance: $5,288,446
- Bike and Pedestrian: $567,620
- Smart Growth: $431,451
- Senior Mini-Grant: $1,756,754

Total Completed Projects: $21,357,607

Total Cumulative TransNet Extension: $73,131,312
### CITY OF OCEANSIDE, CALIFORNIA

**TransNet Extension Activities**

**RTCIP Fund**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Spend funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Adjustments</th>
<th>City Funds Committed</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>O22</td>
<td>$256,521</td>
<td>$1,798</td>
<td>$(258,319)</td>
<td>-</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>O22</td>
<td>912,159</td>
<td>7,156</td>
<td>(919,315)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>O22</td>
<td>951,228</td>
<td>-</td>
<td>(951,228)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>O22</td>
<td>623,484</td>
<td>-</td>
<td>(309,310)</td>
<td>-</td>
<td>-</td>
<td>314,174</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>509,334</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>509,334</td>
<td>509,334</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>398,288</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>398,288</td>
<td>398,288</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>1,153,320</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,153,320</td>
<td>1,153,320</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>1,097,718</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,097,718</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>37,994</td>
<td>22,749</td>
</tr>
</tbody>
</table>

**Total RTCIP Funds**

$5,902,052 $46,948 $(2,438,172) $ - $ - $3,510,828 $2,660,388
CITY OF POWAY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Poway, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

e. We identified the interest income reported for the fiscal year.

i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditures in the amount of $2,545,337. We selected $2,300,948 (90.40%) 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 against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures identified during FY23.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** This procedure is not applicable as there were no indirect costs allocated during FY23.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** This procedure is not applicable as there were no adjustments made in FY23.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** This procedure is not applicable as there were no completed projects with balances remaining.

j. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

k. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

**Results:** No exceptions were noted as a result of our procedures.

l. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the
recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

**Results:** There was one project which had no activity over the past two years: POW 37. The City indicated that this project had been completed, and that the excess funding received will be transferred to other eligible projects in FY 2024.

k. We obtained approval from SANDAG staff for the reason of inactivity.

**Results:** SANDAG approved the reason for the inactivity on November 14, 2023.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

**Results:** This procedure is not applicable as the City had no non-*TransNet* activity included within Schedule A in FY23.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

**Results:** This procedure is not applicable as the City had no adjustments included within Schedule A in FY23.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.
Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Fiscal year 2023 apportionment</th>
<th>$2,074,301</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: debt service payment</td>
<td>$-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>$2,074,301</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>$622,290</td>
</tr>
</tbody>
</table>

Less:
- Local Streets and Roads fund balance: $- 
- Local Street Improvement:
  - Congestion Relief fund balance: $(880,080)
  - Maintenance fund balance: $(153,940)

Total Local Streets and Roads and Local Street Improvement fund balance: $(1,034,020)

Fund balance under apportionment: $1,656,310

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th>Congestion Relief</th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ (880,080)</td>
<td>$2,896,010</td>
<td>$2,015,930</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(153,940)</td>
<td>754,877</td>
<td>600,937</td>
</tr>
<tr>
<td>Totals</td>
<td>$(1,034,020)</td>
<td>$3,650,887</td>
<td>$2,616,867</td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.
Results: The City has expended 27.31% of cumulative local street and road revenue for maintenance as follows:

<table>
<thead>
<tr>
<th></th>
<th>Poway</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>13,561,273</td>
<td>2,740,423</td>
<td>16,301,696</td>
</tr>
<tr>
<td>Maintenance</td>
<td>6,262,409</td>
<td>691,535</td>
<td>6,953,944</td>
</tr>
<tr>
<td>Interest</td>
<td>40,536</td>
<td>218,929</td>
<td>259,465</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>19,864,218</td>
<td>3,650,887</td>
<td>23,515,105</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $7,054,532
Less maintenance expenditures incurred to date (6,420,993)
Available maintenance funds $633,539
Cumulative percentage expended for maintenance 27.31%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

**Results**: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$1,786,700</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(1,327,553)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$ 459,147</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

**Results**: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

**Results**: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

**Results**: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

**Results**: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

**Results**: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed
in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** The City recorded total RTCIP expenditures in the amount of $401,260. We tested $258,203 (64.35%) for testing. No exceptions noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as there were no RTCIP payroll expenditures for the fiscal year ending June 30, 2023.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to
ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

x. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xi. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on October 29, 2023.

xiii. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

**Results:** No exceptions were noted as a result of our procedures.

xiv. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** The City did not include any administrative projects in the RTIP.

xv. 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.

xvi. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.
Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## SCHEDULE A

### CITY OF POWAY, CALIFORNIA

*TransNet* Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>MPO ID</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Congestion Relief Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Arterial Management Systems</td>
<td>POW 29</td>
<td>N/A</td>
<td>$ -</td>
<td>$ 7,300</td>
<td>$ -</td>
<td>$ (7,300)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Congestion Relief Pass-Through</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Espola Road Bicycle and Pedestrian Widening</td>
<td>POW 37</td>
<td>STR0009</td>
<td>126,889</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td>(a) 126,889</td>
</tr>
<tr>
<td>Annual Reconstruction and Overlay Project</td>
<td>POW 38</td>
<td>ST019/ST023</td>
<td>26,947</td>
<td>982,578</td>
<td>32</td>
<td>(1,959,431)</td>
<td></td>
<td></td>
<td>(b) 949,874</td>
</tr>
<tr>
<td>Espola Road Safety Improvement</td>
<td>POW 48</td>
<td>STR0001</td>
<td></td>
<td>-</td>
<td>-</td>
<td>(57,095)</td>
<td></td>
<td></td>
<td>(b) (57,095)</td>
</tr>
<tr>
<td>Total Congestion Relief</td>
<td></td>
<td></td>
<td></td>
<td>153,836</td>
<td>982,578</td>
<td>32</td>
<td></td>
<td></td>
<td>(b) (880,080)</td>
</tr>
<tr>
<td><strong>Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Street Maintenance Project</td>
<td>POW 30</td>
<td>ST022</td>
<td></td>
<td>-</td>
<td>(521,511)</td>
<td>-</td>
<td></td>
<td></td>
<td>(b) (153,940)</td>
</tr>
<tr>
<td>Total Maintenance</td>
<td></td>
<td></td>
<td></td>
<td>(153,940)</td>
<td>521,511</td>
<td>-</td>
<td></td>
<td></td>
<td>(b) (153,940)</td>
</tr>
<tr>
<td>Total Local Street Improvement</td>
<td></td>
<td></td>
<td></td>
<td>(104)</td>
<td>1,511,389</td>
<td>32</td>
<td></td>
<td></td>
<td>(b) (1,034,020)</td>
</tr>
<tr>
<td>Total <em>TransNet</em> Extension</td>
<td></td>
<td></td>
<td></td>
<td>(104)</td>
<td>1,511,389</td>
<td>32</td>
<td></td>
<td></td>
<td>(b) (1,034,020)</td>
</tr>
</tbody>
</table>

**Notes:**

(a) Project Complete. The City will move remaining funding to an eligible project in FY24.

(b) Funding will be requested in FY24 to remove the deficit.
CITY OF POWAY, CALIFORNIA

TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><em>TransNet Extension:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Local Street Improvements:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Congestion Relief Pass-Through:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POW 29</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$ 80,300</td>
<td>-</td>
<td>$(80,300)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief Pass-Through</td>
<td>$ 80,300</td>
<td>-</td>
<td>$(80,300)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Congestion Relief:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POW 37</td>
<td>STR0009</td>
<td>Espola Road Bicycle and Pedestrian Widening</td>
<td>123,744</td>
<td>3,145</td>
<td>-</td>
<td>126,889</td>
</tr>
<tr>
<td>POW 38</td>
<td>ST019/ST023</td>
<td>Annual Reconstruction and Overlay Project</td>
<td>3,493,136</td>
<td>12,865</td>
<td>(4,455,875)</td>
<td>(949,874)</td>
</tr>
<tr>
<td>POW 48</td>
<td>STR0001</td>
<td>Espola Road Safety Improvement</td>
<td>-</td>
<td>-</td>
<td>(57,095)</td>
<td>(57,095)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>3,616,880</td>
<td>16,010</td>
<td>(4,512,970)</td>
<td>(880,080)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Maintenance:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POW 30</td>
<td>ST022</td>
<td>Street Maintenance Project</td>
<td>1,941,709</td>
<td>-</td>
<td>(2,095,649)</td>
<td>(153,940)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>1,941,709</td>
<td>-</td>
<td>(2,095,649)</td>
<td>(153,940)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>5,638,889</td>
<td>16,010</td>
<td>(6,688,919)</td>
<td>(1,034,020)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Completed Projects:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>Local Street Improvements:</em></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief</td>
<td>9,864,093</td>
<td>19,882</td>
<td>(9,883,975)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance</td>
<td>4,320,700</td>
<td>4,644</td>
<td>(4,325,344)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>14,184,793</td>
<td>24,526</td>
<td>(14,209,319)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$ 19,823,682</td>
<td>$ 40,536</td>
<td>$(20,898,238)</td>
<td>$(1,034,020)</td>
</tr>
</tbody>
</table>
CITY OF POWAY, CALIFORNIA  
TransNet Extension Activities  
RTCIP Fund  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Committed Funds</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>POW48</td>
<td>$ 25,360</td>
<td>$ -</td>
<td>$ (25,360)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>POW48</td>
<td>32,998</td>
<td>-</td>
<td>(32,998)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>POW48</td>
<td>43,275</td>
<td>-</td>
<td>(43,275)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>POW48</td>
<td>17,464</td>
<td>-</td>
<td>(17,464)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>POW48</td>
<td>43,064</td>
<td>-</td>
<td>(43,064)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>POW48</td>
<td>364,319</td>
<td>-</td>
<td>(364,319)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>POW48</td>
<td>279,363</td>
<td>-</td>
<td>(32,233)</td>
<td>-</td>
<td>-</td>
<td>247,130</td>
<td>279,363</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>938,185</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>938,185</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td>55,469</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>55,469</td>
<td>40,993</td>
</tr>
</tbody>
</table>

Total RTCIP Funds  
$ 1,744,028  
$ 55,469  
$ (558,713)  
$ -  
$ -  
$ 1,240,784  
$ 689,383

DRAFT
CITY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of San Diego, California’s (City’s) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.
   
   **Results:** No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   **Results:** No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.
   
   **Results:** No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   **Results:** No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** No exceptions were noted as a result of our procedures.

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditure in the amount of $42,414,639. We selected $11,940,078 (28.15%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: No exceptions were noted as a result of our procedures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated.
We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, two city departments charged labor and applied indirect costs to projects in the RTIP. The indirect cost rates charged by the departments ranged from 10.00% to 162.60% of direct labor. Total indirect costs included within projects in the RTIP was $5,742,120 or 13.59% of total TransNet expenditures. The City’s indirect costs exceeded 10% of total TransNet expenditures due to the City having preliminary project internal orders that are 100% labor expenses. When the preliminary internal orders are excluded, the indirect costs would be 11.0%. In addition, the City employs its own engineers, project managers and other employees that smaller cities would contract out to vendors. The City’s cost allocation plan was approved by the Chief Financial Officer during FY 2022. The City’s cost allocation plan has not been reviewed by a federal or state agency, nor has it been audited by an independent certified public accounting firm. The City’s methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedure.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** No exceptions were noted as a result of our procedures.
i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There were three projects that were inactive over the past two years. The City indicated that “SD34 is projected to be completed by 9/10/2032. SD34 is currently using other non-TransNet funding sources ($1.0M expense in FY23). This project has $7.6M in unidentified funding that could include TransNet in future years. SD129 is projected to be completed in FY2025. SD129 is currently using other non-TransNet funding sources ($1.5M expense in FY23). This project has $106K in unidentified funding that could include TransNet in future years. SD226 is currently used by other non-TransNet sources in FY23 ($13.5K expense in FY23) The project will have TransNet expenses in FY24.”

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 4, 2024.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: The City had transfer of funds for 3 projects and staff resolution R-315256. No exceptions were noted as a result of our procedures.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as there was no non-TransNet activity separate from TransNet activity in Schedule A.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2023 apportionment $47,739,788
Less: debt service payment (822,397)
Net estimated apportionment 46,917,391
30% base 30%
Fiscal year 2023 30% threshold 14,075,217
Less:
Local Streets and Roads fund balance -
Local Street Improvement:
   Congestion Relief fund balance 11,206,776
   Maintenance fund balance (31,761)
Total Local Streets and Roads and Local Street Improvement fund balance 11,175,015
Fund balance under apportionment $2,900,202
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$11,206,776</td>
<td>$40,058,021</td>
<td>$51,264,797</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(31,761)</td>
<td>975,302</td>
<td>943,541</td>
</tr>
<tr>
<td>Totals</td>
<td>$11,175,015</td>
<td>$41,033,323</td>
<td>$52,208,338</td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 28.19% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>San Diego</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$345,366,797</td>
<td>$35,393,741</td>
<td>$380,760,538</td>
</tr>
<tr>
<td>Maintenance</td>
<td>151,870,811</td>
<td>(1,214,309)</td>
<td>150,656,502</td>
</tr>
<tr>
<td>Interest</td>
<td>497,191</td>
<td>6,853,891</td>
<td>7,351,082</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$497,734,799</td>
<td>$41,033,323</td>
<td>$538,768,122</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $161,630,437
Less maintenance expenditures incurred to date (151,902,572)
Available maintenance funds $9,727,865
Cumulative percentage expended for maintenance 28.19%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** The results are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2022</th>
<th>Additions</th>
<th>Principal Payments</th>
<th>Balance June 30, 2023</th>
<th>Interest Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial paper</td>
<td>$26,167,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$26,167,000</td>
<td>$822,397</td>
</tr>
</tbody>
</table>
12. We reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th></th>
<th>Street and Road</th>
<th>Specialized Transportation Services</th>
<th>Transit Bus Subsidies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$57,308,503</td>
<td>$191,311</td>
<td>$1,029,903</td>
<td>$58,529,717</td>
</tr>
<tr>
<td>Less MOE Discretionary in Transit Bus Subsidies</td>
<td>(707,056)</td>
<td></td>
<td></td>
<td>(707,056)</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(25,854,722)</td>
<td>(191,311)</td>
<td>(1,029,903)</td>
<td>(27,075,936)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$30,746,725</td>
<td>$ -</td>
<td>$ -</td>
<td>$30,746,725</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.
a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of $3,270,948. We selected $553,767 (16.93%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.
Results: This procedure is not applicable as there were no unallowable expenditures identified in procedures 13.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City’s payroll expenditure did not exceed 20% of the total dollar amount of expenditure.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

Results: No exceptions were noted as a result of our procedures.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.
xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on October 27, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year’s findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.
Irvine, California
_______________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## Schedule A

**City of San Diego, California**  
*TransNet and TransNet Extension Activities*  
Schedule of Status of Funds by Project  
Year ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td>Received</td>
<td>Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$ -</td>
<td>$ 67,600</td>
<td>$ -</td>
<td>$ (67,600)</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>26,167,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26,167,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,215,245</td>
<td>500,000</td>
<td>-</td>
<td>(1,109,387)</td>
<td>-</td>
<td>605,858</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>454,885</td>
<td>400,000</td>
<td>-</td>
<td>(760,381)</td>
<td>-</td>
<td>94,504</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>387,943</td>
<td>-</td>
<td>-</td>
<td>(70,617)</td>
<td>-</td>
<td>317,326</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>371,528</td>
<td>500,000</td>
<td>-</td>
<td>(443,702)</td>
<td>-</td>
<td>427,826</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>313,588</td>
<td>1,438,602</td>
<td>-</td>
<td>(1,232,915)</td>
<td>-</td>
<td>519,275</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>65,854</td>
<td>750,000</td>
<td>-</td>
<td>(600,287)</td>
<td>-</td>
<td>215,567</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,138,913</td>
<td>2,688,602</td>
<td>-</td>
<td>(2,347,521)</td>
<td>-</td>
<td>1,479,994</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>673,456</td>
<td>888,219</td>
<td>-</td>
<td>(484,752)</td>
<td>-</td>
<td>1,076,923</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>16,450</td>
<td>1,556,089</td>
<td>-</td>
<td>(1,532,066)</td>
<td>-</td>
<td>40,473</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3,498,949</td>
<td>6,032,910</td>
<td>-</td>
<td>(6,234,107)</td>
<td>-</td>
<td>3,297,752</td>
</tr>
</tbody>
</table>

**TransNet Extension:**  
**Local Street Improvements:**  
**Congestion Relief - Pass-Through:**  
Regional Arterial Management Systems

**Congestion Relief - Commercial Paper:**  
Commercial Paper

**Congestion Relief:**

- **New Walkways**
- **Installation of City Owned Street Lights**
- **Traffic Signals - Modifications/Modernization**
- **Traffic Signal Interconnect Projects**
- **Traffic Signals - Citywide**
- **Traffic Signals - Modifications/Modernization**

**Total SD16A Projects**

Subtotal Congestion Relief

---

DRAFT
### Schedule of Status of Funds by Project (Continued)

**City of San Diego, California**

**TransNet and TransNet Extension Activities**

**Schedule of Status of Funds by Project (Continued)**

**Year ended June 30, 2023**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief balance carried forward</strong></td>
<td>$ 3,498,949</td>
<td>$ 6,032,910</td>
<td>-</td>
<td>$ (6,234,107)</td>
<td>-</td>
<td>$ 3,297,752</td>
<td></td>
</tr>
<tr>
<td>SD38</td>
<td>S00863</td>
<td>Georgia St Bridge Improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(35,683)</td>
<td>112,521</td>
<td>76,838 (c)</td>
<td></td>
</tr>
<tr>
<td>SD49</td>
<td>AIG.00001</td>
<td>Median Installation</td>
<td>444,977</td>
<td>700,000</td>
<td>-</td>
<td>(772,336)</td>
<td>-</td>
<td>372,641</td>
<td></td>
</tr>
<tr>
<td>SD51</td>
<td>S00935</td>
<td>North Torrey Pines Road Bridge over Los Penasquitos Creek</td>
<td>421,321</td>
<td>-</td>
<td>-</td>
<td>(91,730)</td>
<td>-</td>
<td>329,591</td>
<td></td>
</tr>
<tr>
<td>SD70</td>
<td>S00871</td>
<td>West Mission Bay Drive Bridge over San Diego River</td>
<td>(2,021,985)</td>
<td>2,021,985</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>SD83</td>
<td>S00851</td>
<td>State Route 163 and Friars Road</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34,366</td>
<td>34,366 (c)</td>
<td></td>
</tr>
<tr>
<td>SD90</td>
<td>S00905</td>
<td>SR163/Clairemont Mesa Blvd Interchange</td>
<td>5,388</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,388)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SD96</td>
<td>AID.00005</td>
<td>Street Resurfacing and Reconstruction</td>
<td>276,025</td>
<td>1,591,476</td>
<td>-</td>
<td>(5,323,520)</td>
<td>130,368</td>
<td>(3,325,651) (f)</td>
<td></td>
</tr>
<tr>
<td>SD96</td>
<td>S23006</td>
<td>Sunset Cliffs Seawall Improvements - Sunset Cliff Blvd</td>
<td>-</td>
<td>224,006</td>
<td>-</td>
<td>(93,638)</td>
<td>(130,368)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total SD96 Projects</strong></td>
<td>276,025</td>
<td>1,815,482</td>
<td>-</td>
<td>(5,417,158)</td>
<td>-</td>
<td>(3,325,651)</td>
<td></td>
</tr>
<tr>
<td>SD99</td>
<td>AIE.00001</td>
<td>Bridge Rehabilitation</td>
<td>656,600</td>
<td>-</td>
<td>-</td>
<td>(22,122)</td>
<td>29,734</td>
<td>664,212 (c)</td>
<td></td>
</tr>
<tr>
<td>SD102A</td>
<td>S11060</td>
<td>Otay Mesa Truck Route Phase 4</td>
<td>980,402</td>
<td>2,123,848</td>
<td>-</td>
<td>(1,159,440)</td>
<td>-</td>
<td>1,944,810</td>
<td></td>
</tr>
<tr>
<td>SD129</td>
<td>S00915</td>
<td>University Avenue Mobility</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(b)</td>
</tr>
<tr>
<td>SD137</td>
<td>S00913</td>
<td>Palm Avenue Roadway Improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
<td>(20)</td>
<td>-</td>
<td>(e)(g)</td>
</tr>
<tr>
<td>SD166</td>
<td>AIA.00001</td>
<td>Minor Bicycle Facilities</td>
<td>417,944</td>
<td>500,000</td>
<td>-</td>
<td>(412,852)</td>
<td>-</td>
<td>505,092</td>
<td></td>
</tr>
<tr>
<td>SD166</td>
<td>21004803</td>
<td>Minor Bicycle Facilities (Non-Capital)</td>
<td>-</td>
<td>1,780,787</td>
<td>-</td>
<td>(982,883)</td>
<td>-</td>
<td>797,904</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total SD166 Projects</strong></td>
<td>417,944</td>
<td>2,280,787</td>
<td>-</td>
<td>(1,395,735)</td>
<td>-</td>
<td>1,302,996</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal Congestion Relief</strong></td>
<td>4,679,621</td>
<td>14,975,012</td>
<td>-</td>
<td>(15,128,291)</td>
<td>171,213</td>
<td>4,697,555</td>
<td></td>
</tr>
</tbody>
</table>
### CITY OF SAN DIEGO, CALIFORNIA

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)

Year ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Congestion Relief balance carried forward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$ 4,679,621 $ 14,975,012 $ - $ (15,128,291) $ 171,213 $ 4,697,555</td>
<td></td>
<td></td>
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<tr>
<td>SD186</td>
<td>21002143</td>
<td>Administrative Expenses - Finance</td>
<td>13,695</td>
<td>109,902</td>
<td></td>
<td>(118,193)</td>
<td>-</td>
<td>5,404</td>
<td>(f)</td>
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<td>SD186</td>
<td>21002273</td>
<td>Administrative Expenses - Engineering</td>
<td>22,051</td>
<td>204,950</td>
<td></td>
<td>(235,303)</td>
<td>-</td>
<td>(8,302)</td>
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<td></td>
<td></td>
<td>Total SD186 Projects</td>
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<tr>
<td></td>
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<td>35,746 $ 314,852 $ - $ (353,496) $ - $ (2,898)</td>
<td></td>
<td></td>
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<tr>
<td>SD188</td>
<td></td>
<td>various Congestion Relief /Traffic Signal Operations</td>
<td></td>
<td></td>
<td></td>
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<td>SD200</td>
<td>S14009</td>
<td>SR56 / Euclid Avenue Interchange Phase 2</td>
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<td></td>
<td></td>
<td></td>
<td>(c)(e)</td>
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<td>SD226</td>
<td>S00870</td>
<td>Old Otay Road Westerly</td>
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<td></td>
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<td></td>
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<td>(b)</td>
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<td>SD237</td>
<td>S00951</td>
<td>Coastal Rail Trail</td>
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<td>SD245</td>
<td>S16061</td>
<td>Market St-47th St to Euclid Complete St</td>
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<tr>
<td>SD249</td>
<td>S18000</td>
<td>Steamview Drive Improvement Phase 2</td>
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<td>SD250</td>
<td>S15018</td>
<td>La Media Road Improvements</td>
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<tr>
<td>SD252</td>
<td>S18001</td>
<td>University Ave Complete Street Phase 1</td>
<td></td>
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<td>SD263</td>
<td>B19020</td>
<td>La Media Impr-Siempre Viva to Truck Rte</td>
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<td>SD264</td>
<td>S22005</td>
<td>Alvarado Canyon Rd Realignment Project</td>
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<td>Commercial Paper Debt Services</td>
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<td></td>
<td></td>
<td>Interest income - Congestion Relief 70%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(e)</td>
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<tr>
<td></td>
<td></td>
<td>$ 8,666,365 $ 26,453,614 $ 165,410 $ (24,255,234) $ 176,621 $ 11,206,776</td>
<td></td>
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(Continued)
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
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<tr>
<td></td>
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<td>Maintenance:</td>
<td></td>
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<tr>
<td>SD176</td>
<td>Various I/Os</td>
<td>Slurry Seal &amp; Crack Repairs Maintenance</td>
<td>$ (2,624,589)</td>
<td>$ 7,938,505</td>
<td>$ -</td>
<td>$ (5,345,677)</td>
<td>$ -</td>
<td>$ (31,761)</td>
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<td>SD176</td>
<td>1300768</td>
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<td>Total SD176 Projects</td>
<td>$ (2,624,589)</td>
<td>20,450,224</td>
<td>$ -</td>
<td>$ (17,857,396)</td>
<td>$ -</td>
<td>(31,761)</td>
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<td></td>
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<td>Interest income - Maintenance 30%</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>$ (2,624,589)</td>
<td>20,450,224</td>
<td>$ -</td>
<td>$ (17,857,396)</td>
<td>$ -</td>
<td>(31,761)</td>
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<td>Total Local Street Improvements</td>
<td>32,208,776</td>
<td>46,971,438</td>
<td>165,410</td>
<td>(42,180,230)</td>
<td>176,621</td>
<td>37,342,015</td>
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<tr>
<td></td>
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<td>Smart Growth:</td>
<td></td>
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<tr>
<td>SD253</td>
<td>1000529-2018</td>
<td>Clairemont TOD Design Concepts</td>
<td>(137,225)</td>
<td>137,225</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
</tr>
<tr>
<td>SD254</td>
<td>1000527-2018</td>
<td>College Area Smart Growth Study</td>
<td>(123,435)</td>
<td>123,435</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
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<tr>
<td>SD256</td>
<td>1000525-2018</td>
<td>Mira Mesa Transit Oriented Development</td>
<td>(68,200)</td>
<td>68,200</td>
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<td>$ -</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
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<tr>
<td>SD257</td>
<td>1000528-2018</td>
<td>University Community Smart Growth Concept</td>
<td>(71,739)</td>
<td>71,739</td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>(h)</td>
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<tr>
<td>SD260</td>
<td>1000493-2018</td>
<td>Downtown Mobility Cycle Way Improvement</td>
<td>(137,192)</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
<td>-</td>
<td>(137,192)</td>
<td>(i)</td>
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<tr>
<td>SD261</td>
<td>5005485</td>
<td>Downtown San Diego Wayfinding Signage Cycle</td>
<td>(28,228)</td>
<td>30,446</td>
<td>$ -</td>
<td>(43,974)</td>
<td>-</td>
<td>(41,756)</td>
<td>(i)</td>
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<tr>
<td>SD262</td>
<td>5005486</td>
<td>East Village Green Park Phase 1</td>
<td>(6,719)</td>
<td>1,087</td>
<td>$ -</td>
<td>(125,925)</td>
<td>-</td>
<td>(131,557)</td>
<td>(i)</td>
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<tr>
<td>SD267</td>
<td>S1021763</td>
<td>Mid City Communities Smart Growth Study</td>
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<td></td>
<td>Area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth</td>
<td>(572,738)</td>
<td>432,132</td>
<td>$ -</td>
<td>(185,536)</td>
<td>-</td>
<td>(326,142)</td>
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</tr>
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(Continued)
### CITY OF SAN DIEGO, CALIFORNIA

**TransNet and TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)

Year ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Interest</th>
<th>Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>VO8</td>
<td>1000531-2018</td>
<td>Otay Res Cactus Wren</td>
<td>July 1, 2022</td>
<td>(15,050)</td>
<td>$15,297</td>
<td>$ (12,391)</td>
<td>$ (12,144)</td>
<td>(i)</td>
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<tr>
<td>VO8</td>
<td>1000532-2018</td>
<td>San Pasq Cactus Wren</td>
<td></td>
<td>(39,992)</td>
<td>53,852</td>
<td>-</td>
<td>(36,442)</td>
<td>-</td>
<td>(22,582)</td>
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<tr>
<td></td>
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<td><strong>Total Environmental Mitigation:</strong></td>
<td></td>
<td>(55,042)</td>
<td>69,149</td>
<td>-</td>
<td>(48,833)</td>
<td>-</td>
<td>(34,726)</td>
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<td>Total TransNet Extension</td>
<td></td>
<td>$31,580,996</td>
<td>$47,472,719</td>
<td>$165,410</td>
<td>$ (42,414,599)</td>
<td>$176,621</td>
<td>$36,981,147</td>
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<td></td>
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<td>GASB 31 Market Value Adjustment</td>
<td></td>
<td>(202,505)</td>
<td>-</td>
<td>(115,829)</td>
<td>-</td>
<td>-</td>
<td>(318,334)</td>
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<td><strong>Total TransNet Extension after GASB 31 Adjustment</strong></td>
<td></td>
<td>$31,378,491</td>
<td>$47,472,719</td>
<td>$49,581</td>
<td>$ (42,414,599)</td>
<td>$176,621</td>
<td>$36,662,813</td>
</tr>
</tbody>
</table>

**Notes:**

(a) Proceeds from the Commercial Paper were subsequently transferred as an interfund loan for the West Mission Bay Blvd Bridge Project. The Commercial Paper principal will be returned to SANDAG in FY24 after the expenditures for this project have been reimbursed by the Federal grant.

(b) Inactive Projects per TransNet: SD34 is projected to be completed by 9/10/2032. SD34 is currently using other non-TransNet funding sources ($1.0M expense in FY23). This project has $7.6M in unidentified funding that could include TransNet in future years. SD129 is projected to be completed in FY2025. SD129 is currently using other non-TransNet funding sources ($1.5M expense in FY23). This project has $106K in unidentified funding that could include TransNet in future years. SD226 is currently used by other non-TransNet sources in FY23 ($13.5K expense in FY23). This project will have TransNet expenses in FY24.

(c) Prior year expenditure were transferred into non-SANDAG / TransNet grants with available funding.

(d) Project is complete.

(e) City Council approval obtained for the transfer of funds per Resolution R-315256 on 12/12/2023.

(f) FY24 draws will provide coverage for MPO ID projects with negative balances as of June 30, 2023.

(g) Completed MPO ID SD137 project during FY22 but the City received a $20 late expense reimbursement from a vendor during FY23.

(h) Grant is complete.

(i) Negative grant balance as of June 30, 2023 covered by grant reimbursement in FY24 or withheld retention to be released when the project is completed.
### CITY OF SAN DIEGO, CALIFORNIA

**TransNet Extension Activities**  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief - Pass-Through:</strong></td>
<td></td>
<td></td>
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<tr>
<td>SD16A</td>
<td>13001747</td>
<td>Regional Arterial Management Systems</td>
<td>$743,000</td>
<td>-</td>
<td>$(743,000)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>743,000</td>
<td>-</td>
<td>$(743,000)</td>
<td>-</td>
</tr>
<tr>
<td>SD70</td>
<td>S00871</td>
<td>Commercial paper</td>
<td>26,167,000</td>
<td>-</td>
<td>-</td>
<td>26,167,000</td>
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<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Commercial Paper</td>
<td>26,167,000</td>
<td>-</td>
<td>-</td>
<td>26,167,000</td>
</tr>
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<td></td>
<td></td>
<td><strong>Congestion Relief - Commercial Paper:</strong></td>
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<tr>
<td>SD09</td>
<td>AIK.00001</td>
<td>New Walkways</td>
<td>14,698,711</td>
<td>(8,383)</td>
<td>(14,084,470)</td>
<td>605,858</td>
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<tr>
<td>SD15</td>
<td>AIH.00001</td>
<td>Installation of City Owned Street Lights</td>
<td>4,295,425</td>
<td>(4,702)</td>
<td>(4,196,219)</td>
<td>94,504</td>
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<tr>
<td>SD16A</td>
<td>21004805</td>
<td>Traffic Signals - Modifications/modernization</td>
<td>832,107</td>
<td>-</td>
<td>(514,781)</td>
<td>317,326</td>
</tr>
<tr>
<td>SD16A</td>
<td>AIL.00002</td>
<td>Traffic Signal Interconnect Projects</td>
<td>3,039,290</td>
<td>(1,572)</td>
<td>(2,609,892)</td>
<td>427,826</td>
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<td>SD16A</td>
<td>AIL.00004</td>
<td>Traffic Signals - Citywide</td>
<td>8,893,006</td>
<td>(4,826)</td>
<td>(8,368,905)</td>
<td>519,275</td>
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<tr>
<td>SD16A</td>
<td>AIL.00005</td>
<td>Traffic Signals - Modifications/Modernization</td>
<td>8,749,624</td>
<td>(3,471)</td>
<td>(8,530,586)</td>
<td>215,567</td>
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<td>Total SD16A Projects</td>
<td>21,514,027</td>
<td>(9,869)</td>
<td>(20,024,164)</td>
<td>1,479,994</td>
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<td>SD18</td>
<td>AIL.00001</td>
<td>Traffic Calming</td>
<td>5,914,017</td>
<td>(2,224)</td>
<td>(4,834,870)</td>
<td>1,076,923</td>
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<td><strong>Subtotal Congestion Relief</strong></td>
<td>46,422,180</td>
<td>(25,178)</td>
<td>(43,139,723)</td>
<td>3,257,279</td>
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(Continued)
### CITY OF SAN DIEGO, CALIFORNIA

*TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 46,422,180</td>
<td>$ (25,178)</td>
<td>$ (43,139,723)</td>
<td>$ 3,257,279</td>
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<tr>
<td>Congestion Relief balance carried forward</td>
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<tr>
<td>SD23</td>
<td>ACA.00001</td>
<td>Drainage Projects</td>
<td>15,425,601</td>
<td>(1,690)</td>
<td>(15,383,438)</td>
<td>40,473</td>
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<td>SD34</td>
<td>S00856</td>
<td>El Camino Real Road and Bridge Widening</td>
<td>836,313</td>
<td>2,965</td>
<td>(839,787)</td>
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<td>SD38</td>
<td>S00863</td>
<td>Georgia St Bridge Improvements</td>
<td>2,582,356</td>
<td>916</td>
<td>(2,506,434)</td>
<td>76,838</td>
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<td>SD49</td>
<td>AIG.00001</td>
<td>Median Installation</td>
<td>5,601,046</td>
<td>(4,375)</td>
<td>(5,224,030)</td>
<td>372,641</td>
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<td>SD51</td>
<td>S00935</td>
<td>North Torrey Pines Road Bridge over Los Penasquitos Creek</td>
<td>1,319,652</td>
<td>1,817</td>
<td>(991,878)</td>
<td>329,591</td>
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<td>SD70</td>
<td>S00871</td>
<td>West Mission Bay Drive Bridge over San Diego River</td>
<td>4,450,183</td>
<td>(1,394)</td>
<td>(4,448,789)</td>
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<td>SD83</td>
<td>S00851</td>
<td>State Route 163 and Friars Road</td>
<td>31,634,893</td>
<td>(27,402)</td>
<td>(31,573,125)</td>
<td>34,366</td>
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<tr>
<td>SD90</td>
<td>S00905</td>
<td>SR163/Clairemont Mesa Blvd Interchange</td>
<td>8,318,435</td>
<td>(10,234)</td>
<td>(8,308,201)</td>
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<td>Subtotal Congestion Relief</td>
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<td>$ 116,590,659</td>
<td>(64,575)</td>
<td>(112,414,896)</td>
<td>4,111,188</td>
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### CITY OF SAN DIEGO, CALIFORNIA

*TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Congestion Relief balance carried forward</td>
<td>$116,590,659</td>
<td>$ (64,575)</td>
<td>$ (112,414,896)</td>
<td>$ 4,111,188</td>
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<tr>
<td>SD96</td>
<td>AID.00005</td>
<td>Street Resurfacing and Reconstruction</td>
<td>36,269,398</td>
<td>-</td>
<td>(39,595,049)</td>
<td>(3,325,651)</td>
</tr>
<tr>
<td>SD96</td>
<td>S23006</td>
<td>Sunset Cliffs Seawall Improvement</td>
<td>93,638</td>
<td>-</td>
<td>(93,638)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SD96 Projects</td>
<td>36,363,036</td>
<td>-</td>
<td>(39,688,687)</td>
<td>(3,325,651)</td>
</tr>
<tr>
<td>SD99</td>
<td>AIE.00001</td>
<td>Bridge Rehabilitation</td>
<td>3,759,486</td>
<td>(492)</td>
<td>(3,094,782)</td>
<td>664,212</td>
</tr>
<tr>
<td>SD102A</td>
<td>S11060</td>
<td>Otay Mesa Truck Route Phase 4</td>
<td>10,521,174</td>
<td>-</td>
<td>(8,576,364)</td>
<td>1,944,810</td>
</tr>
<tr>
<td>SD129</td>
<td>S00915</td>
<td>University Avenue Mobility</td>
<td>1,774,530</td>
<td>(1,380)</td>
<td>(1,773,150)</td>
<td>-</td>
</tr>
<tr>
<td>SD137</td>
<td>S00913</td>
<td>Palm Avenue Roadway Improvements</td>
<td>4,460,071</td>
<td>(1,627)</td>
<td>(4,458,444)</td>
<td>-</td>
</tr>
<tr>
<td>SD166</td>
<td>AIA.00001</td>
<td>Minor Bicycle Facilities</td>
<td>3,332,042</td>
<td>(171)</td>
<td>(2,826,779)</td>
<td>505,092</td>
</tr>
<tr>
<td>SD166</td>
<td>21004803</td>
<td>Minor Bicycle Facilities (Non-Capital)</td>
<td>2,584,550</td>
<td>-</td>
<td>(1,786,646)</td>
<td>797,904</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SD166 Projects</td>
<td>5,916,592</td>
<td>(171)</td>
<td>(4,613,425)</td>
<td>1,302,996</td>
</tr>
<tr>
<td>SD186</td>
<td>21002143</td>
<td>Administrative Expenses - Comptrollers</td>
<td>1,354,357</td>
<td>2,320</td>
<td>(1,351,273)</td>
<td>5,404</td>
</tr>
<tr>
<td>SD186</td>
<td>21002273</td>
<td>Administrative Expenses - Engineering</td>
<td>2,718,656</td>
<td>431</td>
<td>(2,727,389)</td>
<td>(8,302)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SD186 Projects</td>
<td>4,073,013</td>
<td>2,751</td>
<td>(4,078,662)</td>
<td>(2,898)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Congestion Relief</td>
<td>183,458,561</td>
<td>(65,494)</td>
<td>(178,698,410)</td>
<td>4,694,657</td>
</tr>
</tbody>
</table>

(Continued)
## SCHEDULE B

### CITY OF SAN DIEGO, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Congestion Relief balance carried forward</td>
<td>$ 183,458,561</td>
<td>$ (65,494)</td>
<td>$(178,698,410)</td>
<td>$ 4,694,657</td>
</tr>
<tr>
<td>SD188</td>
<td>various</td>
<td>Congestion Relief /Traffic Signal Operations</td>
<td>35,433,894</td>
<td>39,944</td>
<td>(3,547,838)</td>
<td>-</td>
</tr>
<tr>
<td>SD200</td>
<td>S14009</td>
<td>SR56 / Euclid Avenue Interchange Phase 2</td>
<td>3,117,530</td>
<td>-</td>
<td>(3,117,530)</td>
<td>-</td>
</tr>
<tr>
<td>SD226</td>
<td>S00870</td>
<td>Old Otay Mesa Road - Westerly</td>
<td>9,695,312</td>
<td>10,213</td>
<td>(9,705,525)</td>
<td>-</td>
</tr>
<tr>
<td>SD237</td>
<td>S00951</td>
<td>Coastal Rail Trail</td>
<td>3,795,796</td>
<td>-</td>
<td>(1,987,055)</td>
<td>1,808,741</td>
</tr>
<tr>
<td>SD245</td>
<td>S16061</td>
<td>Market St-47th St to Euclid Complete St</td>
<td>6,025,875</td>
<td>-</td>
<td>(5,110,421)</td>
<td>915,454</td>
</tr>
<tr>
<td>SD249</td>
<td>S18000</td>
<td>Steamview Drive Improvement Phase 2</td>
<td>2,010,000</td>
<td>-</td>
<td>(937,436)</td>
<td>1,072,564</td>
</tr>
<tr>
<td>SD250</td>
<td>S15018</td>
<td>La Media Road Improvements</td>
<td>6,129,939</td>
<td>-</td>
<td>(5,100,352)</td>
<td>1,029,587</td>
</tr>
<tr>
<td>SD252</td>
<td>S18001</td>
<td>University Ave Complete Street Phase 1</td>
<td>875,000</td>
<td>-</td>
<td>(776,612)</td>
<td>98,388</td>
</tr>
<tr>
<td>SD263</td>
<td>B19020</td>
<td>La Media Impr-Siempre Viva to Truck Rte</td>
<td>1,000,000</td>
<td>-</td>
<td>(360,325)</td>
<td>639,675</td>
</tr>
<tr>
<td>SD264</td>
<td>S22005</td>
<td>Alvarado Canyon Rd Realignment Project</td>
<td>1,122,363</td>
<td>-</td>
<td>(319,783)</td>
<td>802,580</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial Paper Debt Services</td>
<td>1,161,763</td>
<td>-</td>
<td>(1,161,763)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income - Congestion Relief</td>
<td>(185,787)</td>
<td>330,917</td>
<td>-</td>
<td>145,130</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>253,640,246</td>
<td>315,580</td>
<td>(242,749,050)</td>
<td>11,206,776</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>$ 7,938,505</td>
<td>$ -</td>
<td>$(7,970,266)</td>
<td>$(31,761)</td>
</tr>
<tr>
<td>SD176</td>
<td>Various I/Os</td>
<td>Slurry Seal &amp; Crack Repairs</td>
<td>137,881,906</td>
<td>-</td>
<td>(137,881,906)</td>
<td>-</td>
</tr>
<tr>
<td>SD176</td>
<td>1300768</td>
<td>Maintenance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SD176 Projects</td>
<td>145,820,411</td>
<td>-</td>
<td>(145,852,172)</td>
<td>(31,761)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income - Maintenance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>145,820,411</td>
<td>-</td>
<td>(145,852,172)</td>
<td>(31,761)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>426,370,657</td>
<td>315,580</td>
<td>(389,344,222)</td>
<td>37,342,015</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SD253</td>
<td>1000529-2018</td>
<td>Clairemont TOD Design Concepts</td>
<td>491,953</td>
<td>-</td>
<td>(491,953)</td>
<td>-</td>
</tr>
<tr>
<td>SD254</td>
<td>1000527-2018</td>
<td>College Area Smart Growth Study</td>
<td>499,814</td>
<td>-</td>
<td>(499,814)</td>
<td>-</td>
</tr>
<tr>
<td>SD256</td>
<td>1000525-2018</td>
<td>Mira Mesa Transit Oriented Development Concept Plan</td>
<td>500,000</td>
<td>-</td>
<td>(500,000)</td>
<td>-</td>
</tr>
<tr>
<td>SD257</td>
<td>1000528-2018</td>
<td>University Community Smart Growth Concept Study</td>
<td>499,992</td>
<td>-</td>
<td>(499,992)</td>
<td>-</td>
</tr>
<tr>
<td>SD260</td>
<td>1000493-2018</td>
<td>Downtown Mobility Cycle Way Improvement Phase I &amp; II</td>
<td>2,362,809</td>
<td>-</td>
<td>(2,500,001)</td>
<td>(137,192)</td>
</tr>
<tr>
<td>SD261</td>
<td>5005485</td>
<td>Downtown San Diego Wayfinding Signage Cycle Network</td>
<td>157,625</td>
<td>-</td>
<td>(199,381)</td>
<td>(41,756)</td>
</tr>
<tr>
<td>SD262</td>
<td>5005486</td>
<td>East Village Green Park Phase 1</td>
<td>50,693</td>
<td>-</td>
<td>(182,250)</td>
<td>(131,557)</td>
</tr>
<tr>
<td>SD267</td>
<td>S1021763</td>
<td>Mid City Communities Smart Growth Study Area</td>
<td>-</td>
<td>-</td>
<td>(15,637)</td>
<td>(15,637)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth</td>
<td>4,562,886</td>
<td>-</td>
<td>(4,889,028)</td>
<td>(326,142)</td>
</tr>
</tbody>
</table>
## CITY OF SAN DIEGO, CALIFORNIA

**TransNet Extension Activities**  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>Environmental Mitigation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Otay Res Cactus Wren</td>
<td>$ 82,363</td>
<td>$ -</td>
<td>$ (94,507)</td>
<td>$ (12,144)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>San Pasq Cactus Wren</td>
<td>$ 118,752</td>
<td>$ -</td>
<td>$ (141,334)</td>
<td>$ (22,582)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Environmental Mitigation</td>
<td>$ 201,115</td>
<td>$ -</td>
<td>$ (235,841)</td>
<td>$ (34,726)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>$ 431,134,658</td>
<td>$ 315,580</td>
<td>$ (394,469,091)</td>
<td>$ 36,981,147</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Major Corridor</td>
<td>3,774,000</td>
<td>35,001</td>
<td>(3,809,001)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>LSI-Congestion Relief</td>
<td>64,816,551</td>
<td>146,610</td>
<td>(64,963,161)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>LSI-Maintenance</td>
<td>6,050,400</td>
<td>(6,050,400)</td>
<td>$ -</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Active Transportation</td>
<td>124,998</td>
<td>(124,998)</td>
<td>$ -</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bikes and Pedestrian</td>
<td>1,543,659</td>
<td>(1,543,659)</td>
<td>$ -</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Smart Growth</td>
<td>6,475,855</td>
<td>(6,475,855)</td>
<td>$ -</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Environmental Mitigation</td>
<td>356,304</td>
<td>(356,304)</td>
<td>$ -</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Completed Projects</td>
<td>83,141,767</td>
<td>181,611</td>
<td>(83,323,378)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$ 514,276,425</td>
<td>$ 497,191</td>
<td>$ (477,792,469)</td>
<td>$ 36,981,147</td>
<td></td>
</tr>
</tbody>
</table>
### CITY OF SAN DIEGO, CALIFORNIA

*TransNet Extension Activities*

**RTCIP Fund**

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Adjustments</th>
<th>City Funds Committed</th>
<th>Cumulative Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>Various</td>
<td>8,067,505</td>
<td>$222,436</td>
<td>(8,289,941)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>Various</td>
<td>6,897,302</td>
<td>140,438</td>
<td>(7,037,740)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>Various</td>
<td>6,311,935</td>
<td>130,648</td>
<td>(6,442,583)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>Various</td>
<td>5,300,604</td>
<td>-</td>
<td>(2,186,478)</td>
<td>-</td>
<td>3,114,127</td>
<td>3,114,126</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>Various</td>
<td>4,563,070</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4,563,070</td>
<td>4,563,070</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>Various</td>
<td>7,643,260</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,643,260</td>
<td>7,643,260</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>Various</td>
<td>9,466,104</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,102,291</td>
<td>9,466,104</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>Various</td>
<td>5,972,942</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5,972,942</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,977,316</td>
</tr>
<tr>
<td><strong>Total RTCIP Funds</strong></td>
<td></td>
<td></td>
<td><strong>$54,222,722</strong></td>
<td><strong>$2,470,838</strong></td>
<td><strong>$(23,956,742)</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$24,422,748</strong></td>
<td><strong>$32,736,818</strong></td>
</tr>
</tbody>
</table>

**Interest Income**

- $1,977,316

**Cumulative Status**

- $29,494,483
CITY OF SAN MARCOS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below in reviewing the City of San Marcos, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.  
   **Results:** No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.  
   **Results:** No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.  
   **Results:** No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.  
   **Results:** No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha numeric by MPO ID and identifying recipient agency project number.

a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

e. We identified the interest income reported for the fiscal year.

i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

f. We identified the total TransNet expenditures for the fiscal year.

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.
Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditure less debt services in the amount of $453,107. We selected $318,206 (70.23%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures incurred within projects included in the RTIP.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s
indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

**g.** We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** No exceptions were noted as a result of our procedures.

**h.** We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

**i.** If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** No exceptions were noted as a result of our procedures.

**j.** If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

**i.** We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

**Results:** No exceptions were noted as a result of our procedures.

**j.** We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

**Results:** There are two projects that has been inactive over the past two years. The City indicated that, “Project (SM48) has been inactive over the
past two years for Schedule A reporting purposes as TransNet budget appropriation has been fully used. Project is still an active City project. And Project (SM59) has been inactive over the past two years for Schedule A reporting purposes as the City will make an adjustment to transfer the balance to another project on their annual RTIP update. “The status of the projects has been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on December 6, 2023.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as the City had no non-TransNet activity for the fiscal year ended June 30, 2023.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.
Results: This procedure is not applicable as there were no completed projects present on Schedule A for the fiscal year ended June 30, 2023.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Fiscal year 2023 apportionment $3,272,994</th>
<th>Less: debt service payment (618,653)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net estimated apportionment 2,654,341</td>
<td>30% base 30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold 796,302</td>
<td></td>
</tr>
</tbody>
</table>

Less:

| Local Streets and Roads fund balance - |
| Local Street Improvement:            |
| Congestion Relief fund balance (807,911) |
| Maintenance fund balance 23,703       |

Total Local Streets and Roads and Local Street Improvement fund balance (784,208)

Fund balance under apportionment $1,580,510

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$(807,911)</td>
<td>$ 6,706,871</td>
</tr>
<tr>
<td>Maintenance</td>
<td>23,703</td>
<td>6,625,786</td>
</tr>
<tr>
<td>Totals</td>
<td>$(784,208)</td>
<td>$13,332,657</td>
</tr>
</tbody>
</table>
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The City has expended 7.47% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th>Description</th>
<th>San Marcos</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$32,911,548</td>
<td>$5,763,487</td>
<td>$38,675,035</td>
</tr>
<tr>
<td>Maintenance</td>
<td>3,738,035</td>
<td>6,230,070</td>
<td>9,968,105</td>
</tr>
<tr>
<td>Interest</td>
<td>42,856</td>
<td>1,339,100</td>
<td>1,381,956</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$36,692,439</td>
<td>$13,332,657</td>
<td>$50,025,096</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue $15,007,529
Less maintenance expenditures incurred to date (3,738,035)
Available maintenance funds $11,269,494

Cumulative percentage expended for maintenance 7.47%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below.

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2022</th>
<th>Additions</th>
<th>Principal Payments</th>
<th>Balance June 30, 2023</th>
<th>Interest Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 Series A Bonds</td>
<td>$15,139,627</td>
<td>$</td>
<td>$</td>
<td>$15,139,627</td>
<td>$587,501</td>
</tr>
<tr>
<td>2019 Series A Bonds</td>
<td>1,025,000</td>
<td>-</td>
<td>-</td>
<td>1,025,000</td>
<td>31,152</td>
</tr>
</tbody>
</table>

12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$7,144,629</td>
</tr>
<tr>
<td>Less: MOE base year requirement</td>
<td>(4,893,432)</td>
</tr>
<tr>
<td>Less: Prior year shortfall</td>
<td>(629,185)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$1,622,012</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

   Results: No exceptions were noted as a result of our procedures.

   b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

   Results: No exceptions were noted as a result of our procedures.

   c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

      i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

         Results: No exceptions were noted as a result of our procedures.
iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of $1,210,638. We selected $452,863 (37.41%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2023.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not have payroll expenditures that exceeded 20% of total RTCIP expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California  

Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on October 6, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

**Results:** No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.
Results: The prior year report included a finding related to the City failing to meet its MOE requirement for Streets and Roads. We were able to obtain additional support showing SANDAG’s approval and meetings held for the shortfall. Based on the City’s MOE for FY2023, the City was able to meet their MOE requirement for FY2023.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

[Signature], 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
CITY OF SAN MARCOS, CALIFORNIA  
*TransNet and TransNet Extension Activities*  
Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SM54</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$ - $</td>
<td>$ 10,800 $</td>
<td>$ - $</td>
<td>$ (10,800) $</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>$ - $</td>
<td>$ 10,800 $</td>
<td>$ - $</td>
<td>$ (10,800) $</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
</tbody>
</table>

**Congestion Relief:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SM22</td>
<td>88179</td>
<td>South Santa Fe from Bosstick to Smilax</td>
<td>$(22,678) $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$(3,841) $</td>
<td>$ - $</td>
<td>$(26,519)</td>
</tr>
<tr>
<td>SM31</td>
<td>88265</td>
<td>Discovery Street Improvements</td>
<td>1 $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ (1) $</td>
<td>$ - $</td>
<td>$ -</td>
</tr>
<tr>
<td>SM32</td>
<td>88264</td>
<td>Via Vera Cruz Bridge and Street Improvement</td>
<td>$ 653,755 $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ (653,755) $</td>
<td>$ - $</td>
<td>$ -</td>
</tr>
<tr>
<td>SM48</td>
<td>88505</td>
<td>SM Creek Specific Plan</td>
<td>54 $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ 54</td>
</tr>
<tr>
<td>SM56</td>
<td>88263</td>
<td>Bent Ave Bridge and Street Improvement</td>
<td>$ 87,400 $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ (87,400) $</td>
<td>$ - $</td>
<td>$ -</td>
</tr>
<tr>
<td>SM59</td>
<td>86009</td>
<td>Annual Street Overlay Project</td>
<td>27 $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ 27</td>
</tr>
<tr>
<td>SM63</td>
<td>TR001</td>
<td>Rancho Santa Fe and Grandon Traffic Signal Mod</td>
<td>$(1,240) $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$(11,001) $</td>
<td>$ - $</td>
<td>$(12,241)</td>
</tr>
<tr>
<td>SM64</td>
<td>ST005</td>
<td>San Marcos Blvd. Reconstruction</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$(895) $</td>
<td>$ - $</td>
<td>$(895)</td>
</tr>
<tr>
<td>SM67</td>
<td>86002</td>
<td>San Marcos Blvd at Discovery St</td>
<td>$(349,999) $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$(349,999)</td>
</tr>
<tr>
<td>SM68</td>
<td>88532</td>
<td>Traffic Management System Enhancement</td>
<td>$(9,106) $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$(426,570) $</td>
<td>$ - $</td>
<td>$(435,676)</td>
</tr>
<tr>
<td></td>
<td>2010 Series A Bonds Debt Service</td>
<td>$ - $</td>
<td>$ 587,501 $</td>
<td>$ - $</td>
<td>$ (587,501) $</td>
<td>$ - $</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td>2019 Series A Bonds</td>
<td>$ - $</td>
<td>$ 31,152 $</td>
<td>$ - $</td>
<td>$ (31,152) $</td>
<td>$ - $</td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Subtotal Congestion Relief 358,214 $ 618,653 $ - $ $(1,060,960) $ $(741,156) $ $(825,249) $

Interest Income 16,181 $ - $ - $ 1,156 $ - $ - $ - $ 17,337 $ 

Total Congestion Relief 374,395 $ 618,653 $ 1,156 $ $(1,060,960) $ $(741,156) $ $(807,912) $

**Maintenance:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SM71</td>
<td>TR006</td>
<td>Cycle Track on TOVR near Double Peak K-8</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Interest Income 23,208 $ - $ $ 495 $ - $ - $ 23,703 $ 

Total Maintenance 23,208 $ - $ $ 495 $ - $ - $ 23,703 $ 

Total Local Street Improvements 397,603 $ 629,453 $ 1,651 $ $(1,071,760) $ $(741,156) $ $(784,209) $

Total *TransNet Extension* 397,603 $ 629,453 $ 1,651 $ $(1,071,760) $ $(741,156) $ $(784,209) $
CITY OF SAN MARCOS, CALIFORNIA
TransNet and TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(a) The City will request drawdown from programmed funds in FY24.
(b) Adjustment is due to rounding from prior years.
(c) Project is complete.
(d) Adjustment is due to expenditures that should have been reported in PY, but were missed.
(e) Project (SM48) has been inactive over the past two years for Schedule A reporting purposes as Tnet budget appropriation has been fully used. Project is still an active City project.
(f) Balance to be transferred to another project during next RTIP update.
## CITY OF SAN MARCOS, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Congestion Relief - Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SM54</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$108,000</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>$108,000</td>
<td>-</td>
</tr>
<tr>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SM22</td>
<td>88179</td>
<td>South Santa Fe from Bosstick to Smilax</td>
<td>159,185</td>
<td>-</td>
</tr>
<tr>
<td>SM31</td>
<td>88265</td>
<td>Discovery Street Improvements</td>
<td>3,954,800</td>
<td>-</td>
</tr>
<tr>
<td>SM32</td>
<td>88264</td>
<td>Via Vera Cruz Bridge and Street Improvement</td>
<td>2,431,529</td>
<td>-</td>
</tr>
<tr>
<td>SM48</td>
<td>88505</td>
<td>SM Creek Specific Plan</td>
<td>2,771,657</td>
<td>-</td>
</tr>
<tr>
<td>SM56</td>
<td>88263</td>
<td>Bent Ave Bridge and Street Improvement</td>
<td>1,324,723</td>
<td>-</td>
</tr>
<tr>
<td>SM59</td>
<td>86009</td>
<td>Annual Street Overlay Project</td>
<td>138,527</td>
<td>-</td>
</tr>
<tr>
<td>SM63</td>
<td>TR001</td>
<td>Rancho Santa Fe and Grandon Traffic Signal Mod</td>
<td>255,167</td>
<td>-</td>
</tr>
<tr>
<td>SM64</td>
<td>ST005</td>
<td>San Marcos Blvd. Reconstruction</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SM67</td>
<td>86002</td>
<td>San Marcos Blvd at Discovery St</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SM68</td>
<td>88532</td>
<td>Traffic Management System Enhancement</td>
<td>808,324</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2010 Series A Bonds Debt Service</td>
<td>7,494,509</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2019 Series A Bonds</td>
<td>111,043</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Congestion Relief</td>
<td>19,449,464</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>17,337</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>19,449,464</td>
<td>17,337</td>
</tr>
<tr>
<td><strong>Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SM71</td>
<td>TR006</td>
<td>Cycle Track on TOVR near Double Peak K-8</td>
<td>14,331</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>23,703</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>14,331</td>
<td>23,703</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>19,571,795</td>
<td>41,040</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>19,571,795</td>
<td>41,040</td>
</tr>
</tbody>
</table>
### CITY OF SAN MARCOS, CALIFORNIA

*TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Completed projects:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Congestion Relief</td>
<td>$13,354,084</td>
<td>$148</td>
<td>(13,354,232)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Maintenance</td>
<td>3,723,704</td>
<td>-</td>
<td>(3,723,704)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Bikes and Pedestrian</td>
<td>948,941</td>
<td>1,668</td>
<td>(950,609)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Senior Mini-Grant</td>
<td>34,992</td>
<td>-</td>
<td>(34,992)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Smart Growth</td>
<td>1,000,000</td>
<td>-</td>
<td>(1,000,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Completed Projects</td>
<td>19,061,721</td>
<td>1,816</td>
<td>(19,063,537)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$38,633,516</td>
<td>$42,856</td>
<td>$(39,460,581)</td>
<td>$(784,209)</td>
</tr>
<tr>
<td>Project Year</td>
<td>Last Date to Commit funds</td>
<td>MPO ID</td>
<td>Funds Received</td>
<td>Interest Income</td>
<td>Project Expenditures</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>---------------------------</td>
<td>-------------</td>
<td>----------------</td>
<td>----------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>SM31/SM42</td>
<td>$364,168</td>
<td>$</td>
<td>$(364,168)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>SM31/SM42</td>
<td>874,955</td>
<td></td>
<td>(874,955)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>SM31/SM42</td>
<td>1,345,318</td>
<td></td>
<td>(1,345,318)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>SM31/SM42</td>
<td>466,033</td>
<td></td>
<td>(466,033)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td>SM31/SM42</td>
<td>890,385</td>
<td></td>
<td>(890,385)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td>SM31/SM42</td>
<td>328,796</td>
<td></td>
<td>(328,796)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td>SM31/SM42</td>
<td>1,047,857</td>
<td></td>
<td>(1,004,399)</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td>SM31/SM42</td>
<td>1,188,651</td>
<td></td>
<td>(1,188,651)</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td></td>
<td>467,602</td>
<td></td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>$6,506,163</td>
<td>$467,602</td>
<td>$(5,274,054)</td>
</tr>
</tbody>
</table>
CITY OF Santee, California

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Santee, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   **Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** No exceptions were noted as a result of our procedures.
f. We identified the total *TransNet* expenditures for the fiscal year.

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** The City recorded total *TransNet* expenditures less debt service in the amount of $1,019,771. We selected $720,415 (70.64%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

**Results:** No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of total dollar amount of *TransNet* expenditures.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

**Results:** The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. The City charges indirect costs at the rate of 22.7% of direct salary and benefit costs associated with each project. The City allocated a total of $37,129 of indirect costs to all RTIP projects, resulting in 1.48% of indirect costs compared to total project expenditures. We then extrapolated this percentage to calculate total TransNet indirect costs of $15,014. The City does not have a formal written indirect cost plan. The City’s indirect cost allocation is reviewed internally and updated annually and last updated during FY 2023 by the Finance Director. The City’s indirect cost allocation has not been reviewed by a federal or state agency or audited by an independent certified public accounting firm. The City’s methodology for allocating indirect costs appears reasonable. Indirect costs did not exceed 10% of total expenditures, as such no explanation was obtained. No exceptions were noted as a result of our procedures.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

**Results:** No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

**Results:** No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

**Results:** No exceptions were noted as a result of our procedures.
i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: This procedure is not applicable as there were no projects with negative ending balances on Schedule A in FY23.

   i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

   Results: This procedure is not applicable as there were no projects with negative ending balances on Schedule A in FY23.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as there was no non-TransNet activity on Schedule A in FY23.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

   a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.).
We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

**Results:** No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

**Results:** No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$1,961,151</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>(788,884)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>1,172,267</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>351,680</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>12,050</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>9,144</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>21,194</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$330,486</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 *TransNet* Local Streets Improvements Allocation Schedule.
**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by City</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$12,050</td>
<td>$(296,282)</td>
<td>$(284,232)</td>
</tr>
<tr>
<td>Maintenance</td>
<td>9,144</td>
<td>1,778,776</td>
<td>1,787,920</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>$21,194</strong></td>
<td><strong>1,482,494</strong></td>
<td><strong>1,503,688</strong></td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 12.31% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Santee</th>
<th>SANDAG</th>
<th><strong>Total</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$33,974,279</td>
<td>$(515,277)</td>
<td>$33,459,002</td>
</tr>
<tr>
<td>Maintenance</td>
<td>4,988,504</td>
<td>1,698,573</td>
<td>6,687,077</td>
</tr>
<tr>
<td>Interest</td>
<td>2,836</td>
<td>299,198</td>
<td>302,034</td>
</tr>
<tr>
<td><strong>Total local street and road revenue</strong></td>
<td><strong>$38,965,619</strong></td>
<td><strong>1,482,494</strong></td>
<td><strong>$40,448,113</strong></td>
</tr>
<tr>
<td>30% of total local street and road revenue</td>
<td></td>
<td></td>
<td>$12,134,434</td>
</tr>
<tr>
<td>Less maintenance expenditures incurred to date</td>
<td></td>
<td></td>
<td>(4,980,652)</td>
</tr>
<tr>
<td>Available maintenance funds</td>
<td></td>
<td></td>
<td>$7,153,782</td>
</tr>
<tr>
<td>Cumulative percentage expended for maintenance</td>
<td></td>
<td></td>
<td><strong>12.31%</strong></td>
</tr>
</tbody>
</table>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** The results are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2022</th>
<th>Additions</th>
<th>Principal Payments</th>
<th>Balance June 30, 2023</th>
<th>Interest and Other Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014 Bonds</td>
<td>$ 425,000</td>
<td>$ -</td>
<td>$(205,000)</td>
<td>$ 220,000</td>
<td>$ 14,615</td>
</tr>
<tr>
<td>2020 Bonds</td>
<td>3,295,000</td>
<td>-</td>
<td>(350,000)</td>
<td>2,945,000</td>
<td>153,427</td>
</tr>
<tr>
<td>2021 Bonds</td>
<td>2,870,000</td>
<td>-</td>
<td>-</td>
<td>2,870,000</td>
<td>62,450</td>
</tr>
</tbody>
</table>
12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

   Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

   Current year local discretionary expenditures $3,100,334
   Less MOE base year requirement (658,301)

   Excess MOE for the year ended June 30, 2023 $2,442,033

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

   Results: No exceptions were noted as a result of our procedures.

   b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

   Results: No exceptions were noted as a result of our procedures.
We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

**Results:** No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

**Results:** No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

**Results:** No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** The City recorded total RTCIP expenditures in the amounts of $96,387. We selected $74,223 (77.01%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 13.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.
**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of total expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

tax. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on November 6, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.
Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California

2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Santee, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
CITY OF SANTEE, CALIFORNIA  
*TransNet* Extension Activities  
Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**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:**  
SNT04 2022-01 Citywide Pavement Repair & Rehab 2022  
(37,895) 20,372 - - 17,523 - (a)(b)  
SNT04 2023-05 Citywide Pavement Repair & Rehab 2023  
- 85,628 - (73,696) - - 11,932  
Subtotal SNT04  
(37,895) 106,000 - (73,696) 17,523 - 11,932  
2014 Bonds Debt Service  
- 219,257 - (219,257) - -  
2020 Bonds Debt Service  
- 507,177 - (507,177) - -  
2021 Bonds Debt Service  
- - 62,450 - (62,450) - -  
Interest Income  
- 59 - - - - 118  
Total Congestion Relief  
(37,836) 894,884 59 (862,580) 17,523 - 12,050  

**Maintenance:**  
SNT22 2021-03 Citywide Slurry Seal & Roadway Maintenance 2021  
(910) 910 - - - - - (a)  
SNT22 2022-02 Citywide Slurry Seal & Roadway Maintenance 2022  
(15,845) 756,837 - (740,992) - - (a)  
SNT22 2022-07 Citywide Crack Sealing Program 2022  
(8,383) 194,263 - (185,880) - - (a)  
SNT22 2023-04 Citywide Crack Sealing Program 2023  
(93) 9,631 - (9,538) - - -  
SNT22 2023-06 Citywide Slurry Seal & Roadway Maintenance 2023  
- - 11,359 - (2,265) - - 9,094  
Subtotal SNT22  
(25,231) 973,000 - (938,675) - - 9,094  
Interest Income  
- 25 - 25 - - - 50  
Total Maintenance  
(25,206) 973,000 25 (938,675) - - 9,144

(Continued)
## CITY OF Santee, California

*TransNet* Extension Activities

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>$ (63,042)</td>
<td>$ 1,875,284</td>
<td>$ 84</td>
<td>$(1,808,655)</td>
<td>$ 17,523</td>
<td>$ 21,194</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total <em>TransNet</em> Extension</td>
<td>(63,042)</td>
<td>1,875,284</td>
<td>84</td>
<td>(1,808,655)</td>
<td>17,523</td>
<td>21,194</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>GASB 31 Market Value Adjustment</td>
<td>(2)</td>
<td>-</td>
<td>(446)</td>
<td>-</td>
<td>-</td>
<td>(448)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total <em>TransNet</em> Extension after GASB 31 Adjustment</td>
<td>$ (63,044)</td>
<td>$ 1,875,284</td>
<td>$ (362)</td>
<td>$(1,808,655)</td>
<td>$ 17,523</td>
<td>$ 20,746</td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
(a) Completed Project.
(b) Remaining balance of CIP 2201-01 was covered by another funding source.
CITY OF SANTEE, CALIFORNIA  
TransNet Extension Activities  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds</th>
<th>Interest</th>
<th>Project</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TransNet Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Street Improvements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief - Pass Through:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNT20</td>
<td></td>
<td>Regional Arterial Management Systems</td>
<td>$81,400</td>
<td>$-</td>
<td>$(81,400)</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass Through</td>
<td>$81,400</td>
<td>$-</td>
<td>$(81,400)</td>
<td>$-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNT04</td>
<td>2022-01</td>
<td>Citywide Pavement Repair &amp; Rehab 2022</td>
<td>48,621</td>
<td>-</td>
<td>$(48,621)</td>
<td>-</td>
</tr>
<tr>
<td>SNT04</td>
<td>2023-05</td>
<td>Citywide Pavement Repair &amp; Rehab 2023</td>
<td>85,628</td>
<td>-</td>
<td>$(73,696)</td>
<td>11,932</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal SNT04</td>
<td>134,249</td>
<td>-</td>
<td>$(122,317)</td>
<td>11,932</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2014 Bonds Debt Service</td>
<td>2,619,680</td>
<td>-</td>
<td>$(2,619,680)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2020 Bonds Debt Service</td>
<td>1,664,875</td>
<td>-</td>
<td>$(1,664,875)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2021 Bonds Debt Service</td>
<td>142,304</td>
<td>-</td>
<td>$(142,304)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>118</td>
<td>-</td>
<td>118</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>4,561,108</td>
<td>118</td>
<td>$(4,549,176)</td>
<td>12,050</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SNT22</td>
<td>2021-03</td>
<td>Citywide Slurry Seal &amp; Roadway Maintenance 2021</td>
<td>575,000</td>
<td>-</td>
<td>$(575,000)</td>
<td>-</td>
</tr>
<tr>
<td>SNT22</td>
<td>2022-02</td>
<td>Citywide Slurry Seal &amp; Roadway Maintenance 2022</td>
<td>758,725</td>
<td>-</td>
<td>$(758,725)</td>
<td>-</td>
</tr>
<tr>
<td>SNT22</td>
<td>2022-07</td>
<td>Citywide Crack Sealing Program 2022</td>
<td>194,263</td>
<td>-</td>
<td>$(194,263)</td>
<td>-</td>
</tr>
<tr>
<td>SNT22</td>
<td>2023-04</td>
<td>Citywide Crack Sealing Program 2023</td>
<td>9,631</td>
<td>-</td>
<td>$(9,631)</td>
<td>-</td>
</tr>
<tr>
<td>SNT22</td>
<td>2023-06</td>
<td>Citywide Slurry Seal &amp; Roadway Maintenance 2023</td>
<td>11,359</td>
<td>-</td>
<td>$(2,265)</td>
<td>9,094</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal SNT22</td>
<td>1,548,978</td>
<td>-</td>
<td>$(1,539,884)</td>
<td>9,094</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>50</td>
<td>-</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>1,548,978</td>
<td>50</td>
<td>$(1,539,884)</td>
<td>9,144</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>6,191,486</td>
<td>168</td>
<td>$(6,170,460)</td>
<td>21,194</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Completed Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Congestion Relief</td>
<td>$ 19,772,377</td>
<td>$ 1,426</td>
<td>(19,773,803)</td>
<td>$ -</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LSI - Maintenance</td>
<td>3,369,526</td>
<td>1,242</td>
<td>(3,370,768)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Commercial Paper Debt Service</td>
<td>9,629,394</td>
<td>-</td>
<td>(9,629,394)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bikes and Pedestrian</td>
<td>423,141</td>
<td>-</td>
<td>(423,141)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>33,194,438</td>
<td>2,668</td>
<td>(33,197,106)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative TransNet Extension</td>
<td>$ 39,385,924</td>
<td>$ 2,836</td>
<td>(39,367,566)</td>
<td>$ 21,194</td>
</tr>
</tbody>
</table>
### CITY OF Santee, California

**TransNet Extension Activities**

**RTCIP Fund**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>Project Year Ended</th>
<th>Last Date to Commit Funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed at June 30, 2023</th>
<th>Cumulative Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>SNT23, SNT26</td>
<td>$275,865</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>SNT23, SNT26</td>
<td>228,629</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>SNT23, SNT26</td>
<td>1,079,459</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>792,038</td>
<td>888,425</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td></td>
<td>255,798</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>255,798</td>
<td>255,798</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>672,284</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>672,284</td>
<td>672,284</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>258,688</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>258,688</td>
<td>258,688</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>301,308</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>301,308</td>
<td>301,308</td>
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<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>323,753</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>323,753</td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>-</td>
<td>113,542</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>113,542</td>
<td>73,094</td>
</tr>
</tbody>
</table>

**Total RTCIP Funds**

$3,395,784 $113,542 $(753,733) $(38,182) - $2,717,411 $2,449,597

**Notes:**

(a) Adjustment made in FY19 to correct FY18 revenue incorrectly reported in the RTCIP fund in error.
CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Solana Beach, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** This procedure is not applicable as there was no interest income reported in Schedule A or within the general ledger for FY23.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** This procedure is not applicable as there was no interest income reported in Schedule A or within the general ledger for FY23.
f. We identified the total TransNet expenditures for the fiscal year.

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total TransNet expenditures less debt service in the amount of $50,409. We selected $33,327 (66.11%) 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 against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur payroll expenditures for TransNet projects in FY23.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect
cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: The procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP during FY23.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.
j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There was one project that has been inactive over the past two years: SB18. The City indicated that SB18 has had no expenditures for two years as the City did not have planned slurry seals in the annual pavement plans for FY22 or FY23. The City has planned expenditures under SB18 in FY24. The status of the project has been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 5, 2024.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as the City had no non-TransNet activity for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

    a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

    b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.
c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

**Results:** No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual *TransNet* apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$593,273</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>(213,430)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>379,843</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>113,953</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>1,702</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>1,702</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$112,251</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 *TransNet* Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are indicated on the following page:
10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

**Results:** The City has expended 2.31% of cumulative local street and road revenue for maintenance as follows:

<table>
<thead>
<tr>
<th></th>
<th>Solana Beach</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$11,017,605</td>
<td>$(706,430)</td>
<td>$10,311,175</td>
</tr>
<tr>
<td>Maintenance</td>
<td>289,587</td>
<td>1,716,306</td>
<td>2,005,893</td>
</tr>
<tr>
<td>Interest</td>
<td>4,279</td>
<td>195,751</td>
<td>200,030</td>
</tr>
<tr>
<td><strong>Total local street and road revenue</strong></td>
<td>$11,311,471</td>
<td>$1,205,627</td>
<td>$12,517,098</td>
</tr>
<tr>
<td>30% of total local street and road revenue</td>
<td></td>
<td></td>
<td>$3,755,129</td>
</tr>
<tr>
<td>Less maintenance expenditures incurred to date</td>
<td></td>
<td></td>
<td>(289,587)</td>
</tr>
<tr>
<td>Available maintenance funds</td>
<td></td>
<td></td>
<td>$3,465,542</td>
</tr>
<tr>
<td>Cumulative percentage expended for maintenance</td>
<td></td>
<td></td>
<td>2.31%</td>
</tr>
</tbody>
</table>

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** The results are summarized below:

<table>
<thead>
<tr>
<th>2010 Series A Bonds</th>
<th>Balance July 1, 2022</th>
<th>Additions</th>
<th>Principal Payments</th>
<th>Balance June 30, 2023</th>
<th>Interest Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$5,500,000</td>
<td>$ -</td>
<td>$ -</td>
<td>$5,500,000</td>
<td>$213,430</td>
</tr>
</tbody>
</table>
12. We reviewed the MOE requirement.
   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.
   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.
      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:
         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or
         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;
         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.
   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

\[
\begin{align*}
\text{Current year local discretionary expenditures} & \quad \$2,978,316 \\
\text{Less MOE base year requirement} & \quad \text{(535,585)} \\
\text{Excess MOE for the year ended June 30, 2023} & \quad \$2,442,731
\end{align*}
\]

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.
   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

   Results: No exceptions were noted as a result of our procedures.
   b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

   Results: No exceptions were noted as a result of our procedures.
c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: The City did not expend or commit exaction fees collected within the required seven year timeframe. See Finding 1 in the Findings and Recommendations Section within the report.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: The City did not expend or commit exaction fees collected within the required seven year timeframe. See Finding 1 in the Findings and Recommendations Section within the report.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and
personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on September 27, 2023.
xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

**Results:** No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

**Results:** See the Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

**Irvine, California**

[Signature], 2024
CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations

Year Ended June 30, 2023

(1) RTCIP funding not expended nor committed within seven years of collection

The City did not expend or commit RTCIP funding collected during fiscal year 2016 within seven years of collection as required by the 2004 TransNet Extension and Ordinance, which states as follows:

“... Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven year term shall commence on the first day of July following the jurisdiction’s receipt of the revenue. At the time of the review and audit by the Independent Taxpayer Oversight Committee, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrates a reasonable relationship between the fee and the purpose for which it was charged... Contributions to the Funding Program not committed or expended by the tenth anniversary date of the July 1 following collection shall be refunded to the current record owner of the development project on a prorated basis...”

Recommendation

We recommend that the City expend or commit the remaining unspent RTCIP funds to restore compliance with the 2004 TransNet Extension and Ordinance. Additionally, we recommend the City develop procedures to ensure exaction fees collected for RTCIP purposes are properly tracked to ensure said collections are expended or committed within the required seven year timeframe.

Management Response

The Solana Beach Engineering Department submitted Resolution 2023-122 to the City Council for approval on November 8, 2023. The purpose of this resolution was to amend the 2023 RTIP list of projects and commit to spending RTCIP funds in fiscal years 2024 and 2025 and to revise the City’s Capital Improvement Program (CIP) budget for the Traffic Signal Upgrades Phase 1 project by substituting Gas Tax funding with RTCIP funding. The Council unanimously approved the resolution.
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## Schedule of Status of Funds by Project
### Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB16</td>
<td>9362.21</td>
<td>Annual Pavement Management</td>
<td>$ (4,746)</td>
<td>$ 4,746</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>SB16</td>
<td>9362.22</td>
<td>Annual Pavement Management</td>
<td>$(56,900)</td>
<td>56,899</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SB16 Projects</td>
<td>$(61,646)</td>
<td>61,645</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>SB19</td>
<td>9382.03</td>
<td>Lomas Santa Fe Corridor Study III</td>
<td>$(23,995)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,995</td>
<td>-</td>
<td>(a)(b)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SB19 Projects</td>
<td>$(23,995)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>23,995</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>SB21</td>
<td>9525.00</td>
<td>Santa Helena Roadside Park</td>
<td>$(17,020)</td>
<td>46,650</td>
<td>-</td>
<td>(29,630)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>SB21</td>
<td>9538.21</td>
<td>Sidewalks and Associated Street Improvements At Various Locations - Incl. Safe Routes to School Local Match</td>
<td>$(32,852)</td>
<td>51,276</td>
<td>-</td>
<td>(20,779)</td>
<td>-</td>
<td>(2,155)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SB21 Projects</td>
<td>$(49,672)</td>
<td>97,926</td>
<td>-</td>
<td>(50,409)</td>
<td>-</td>
<td>(2,155)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>2010 Series A Bonds</td>
<td>-</td>
<td>213,430</td>
<td>-</td>
<td>(213,430)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>3,857</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,857</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>$(131,456)</td>
<td>373,001</td>
<td>-</td>
<td>(263,839)</td>
<td>23,996</td>
<td>1,702</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pavement Maintenance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(d)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>$(131,456)</td>
<td>373,001</td>
<td>-</td>
<td>(263,839)</td>
<td>23,996</td>
<td>1,702</td>
<td></td>
</tr>
</tbody>
</table>
CITY OF SOLANA BEACH, CALIFORNIA

TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
<th>June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>$ (131,456)</td>
<td>$ 373,001</td>
<td>$ -</td>
<td>$ (263,839)</td>
<td>$ 23,996</td>
<td>$ 1,702</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>GASB 31 Fair Market Value Adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension after GASB 31 Adjustment</td>
<td>$ (131,456)</td>
<td>$ 373,001</td>
<td>$ -</td>
<td>$ (263,839)</td>
<td>$ 23,996</td>
<td>$ 1,702</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes:
(a) Project complete.
(b) The City is utilizing other funding sources to clear the deficit balance.
(c) To clear the deficit balance, the City will request a drawdown in FY24.
(d) SB18 has had no expenditures for two years as the City did not have planned slurry seals in the annual pavement plans for FY22 or FY23. The City has planned expenditures under SB18 in FY24.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>SB16</td>
<td>9362.21</td>
<td>Annual Pavement Management</td>
<td>$93,846</td>
<td>$</td>
<td>$(93,846)</td>
<td>$</td>
</tr>
<tr>
<td>SB16</td>
<td>9362.22</td>
<td>Annual Pavement Management</td>
<td>$56,900</td>
<td>$</td>
<td>$(56,900)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SB16 Projects</td>
<td></td>
<td>$</td>
<td>$(150,746)</td>
<td>$</td>
</tr>
<tr>
<td>SB19</td>
<td>9382.03</td>
<td>Lomas Santa Fe Corridor Study III</td>
<td></td>
<td>$</td>
<td>$(66,345)</td>
<td>$</td>
</tr>
<tr>
<td>SB21</td>
<td>9525.00</td>
<td>Santa Helena Roadside Park</td>
<td></td>
<td>$(46,650)</td>
<td>$(46,650)</td>
<td>$</td>
</tr>
<tr>
<td>SB21</td>
<td>9538.21</td>
<td>Sidewalks and Associated Street Improvements</td>
<td></td>
<td></td>
<td>$(51,276)</td>
<td>$(53,431)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>At Various Locations - Incl. Safe Routes to School Local Match</td>
<td></td>
<td>$</td>
<td>$(2,155)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total SB21 Projects</td>
<td></td>
<td>$</td>
<td>$(100,081)</td>
<td>$(2,155)</td>
</tr>
<tr>
<td></td>
<td>2010 Series A Bonds</td>
<td></td>
<td>$2,795,193</td>
<td>$</td>
<td>$(2,795,193)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Interest Income</td>
<td></td>
<td></td>
<td>$</td>
<td>$3,857</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Total Congestion Relief</td>
<td></td>
<td>$3,110,210</td>
<td>$3,857</td>
<td>$(3,112,365)</td>
<td>$1,702</td>
</tr>
<tr>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td>$</td>
<td>$3,857</td>
<td>$</td>
</tr>
<tr>
<td>SB18</td>
<td>Pavement Maintenance</td>
<td></td>
<td>$125,350</td>
<td>$</td>
<td>$(125,350)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Total Maintenance</td>
<td></td>
<td></td>
<td>$</td>
<td>$(125,350)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>Total Local Street Improvements</td>
<td></td>
<td>$3,235,560</td>
<td>$3,857</td>
<td>$(3,237,715)</td>
<td>$1,702</td>
</tr>
<tr>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td></td>
<td>$3,235,560</td>
<td>$3,857</td>
<td>$(3,237,715)</td>
<td>$1,702</td>
</tr>
</tbody>
</table>
## SCHEDULE B

**CITY OF SOLANA BEACH, CALIFORNIA**

*TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Completed Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LSI - Congestion Relief</td>
<td>$7,907,395</td>
<td>$422</td>
<td>$(7,907,817)</td>
<td>$-</td>
</tr>
<tr>
<td>LSI - Maintenance</td>
<td>164,237</td>
<td>-</td>
<td>(164,237)</td>
<td>-</td>
</tr>
<tr>
<td>Bikes and Pedestrian</td>
<td>135,986</td>
<td>-</td>
<td>(135,986)</td>
<td>-</td>
</tr>
<tr>
<td>Pavement Maintenance</td>
<td>125,350</td>
<td>-</td>
<td>(125,350)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Completed Projects</strong></td>
<td>8,332,968</td>
<td>422</td>
<td>(8,333,390)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Cumulative *TransNet* Extension $11,568,528 $4,279 $(11,571,105) 1,702
## CITY OF SOLANA BEACH CALIFORNIA

*TransNet* Extension Activities  
RTCIP Fund  
Year Ended June 30, 2023

### Table

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>City Committed at</th>
<th>Cumulative Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>SB16</td>
<td>$19,566</td>
<td>-</td>
<td>$(18,812)</td>
<td>-</td>
<td>$754</td>
<td>$754</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td></td>
<td>29,714</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>29,714</td>
<td>29,714</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td></td>
<td>36,233</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>36,233</td>
<td>36,233</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td></td>
<td>46,381</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>46,381</td>
<td>46,381</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>7,246</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7,246</td>
<td>7,246</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>10,869</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10,869</td>
<td>10,869</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>88,418</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>88,418</td>
<td>88,418</td>
<td></td>
</tr>
<tr>
<td>Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>86,970</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>86,970</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

**Interest Income**  
- 10,417

**Subtotal RTCIP Funds**  
- 325,397  
- $(18,812)

**GASB 31 Market Value Adjustment**  
- $(4,403)

**Total RTCIP Funds**  
- $325,397  
- $6,014  
- $(18,812)

**Cumulative Status**  
- 317,002  
- 226,670

---

**Notes:**

(a) The City passed council resolution 2023-122 on November 8, 2023 to amend the 2023 RTIP listing of projects and commit to spending RTCIP funds in fiscal years 2024 and 2025.
CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Vista, California’s (City’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The City’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

e. We identified the interest income reported for the fiscal year.

i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** The City recorded total TransNet expenditures in the amount of $1,706,590. We selected $854,976 (50.10%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

**Results:** No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet...
expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects on Schedule A in FY23.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments included within Schedule A in FY23.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no projects completed within Schedule A in FY23.

j. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the
recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

**Results:** This procedure is not applicable as there were no inactive projects with no activity over the past two years during FY23.

k. We obtained approval from SANDAG staff for the reason of inactivity.

**Results:** This procedure is not applicable as there were no inactive projects with no activity over the past two years during FY23.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** This procedure is not applicable as there were no transfers of TransNet funds between projects in FY23.

m. We determined whether the recipient agency reported all non-TransNet activity separate from TransNet activity in Schedule A.

**Results:** This procedure is not applicable as there were no transfers of TransNet funds between projects in FY23.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

**Results:** This procedure is not applicable as there were no adjustments noted within Schedule A in FY23.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

**Results:** No exceptions were noted as a result of our procedures.
8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** The City is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Fiscal year 2023 apportionment</th>
<th>$3,364,341</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>3,364,341</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>1,009,302</td>
</tr>
<tr>
<td>Less: Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement: Congestion Relief fund balance</td>
<td>(5,763)</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>(21,379)</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>(27,142)</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$1,036,444</td>
</tr>
</tbody>
</table>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

**Results:** The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th>Funds Held</th>
<th>Funds Held</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>by City</td>
<td>by SANDAG</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief</td>
<td>(5,763)</td>
<td>$2,869,901</td>
</tr>
<tr>
<td>Maintenance</td>
<td>(21,379)</td>
<td>3,156,366</td>
</tr>
<tr>
<td>Totals</td>
<td>(27,142)</td>
<td>$6,026,267</td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.
Results: The City has expended 19.67% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>Vista</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$24,974,960</td>
<td>$2,416,081</td>
<td>$27,391,041</td>
</tr>
<tr>
<td>Maintenance</td>
<td>7,561,638</td>
<td>2,943,481</td>
<td>10,505,119</td>
</tr>
<tr>
<td>Interest</td>
<td>(20,608)</td>
<td>666,705</td>
<td>646,097</td>
</tr>
</tbody>
</table>

Total local street and road revenue  $32,515,990    $6,026,267  $38,542,257

30% of total local street and road revenue $11,562,677
Less maintenance expenditures incurred to date (7,583,189)
Available maintenance funds $3,979,488
Cumulative percentage expended for maintenance 19.67%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.
c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

**Results:** The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2023, is summarized as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current year local discretionary expenditures</td>
<td>$5,278,877</td>
</tr>
<tr>
<td>Less MOE base year requirement</td>
<td>(2,703,364)</td>
</tr>
<tr>
<td>Excess MOE for the year ended June 30, 2023</td>
<td>$2,575,513</td>
</tr>
</tbody>
</table>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

**Results:** No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

**Results:** No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

**Results:** No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

**Results:** No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

**Results:** No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed
in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** The City recorded total RTCIP expenditures in the amount of $253,213. We selected $117,470 (46.39%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2023.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

**Results:** This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

**Results:** No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to
ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

**Results:** This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

**Results:** Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.

**Results:** The City provided RTCIP documentation to us for review on September 25, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

**Results:** No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

**Results:** This procedure is not applicable as the City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.
Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California  
________________, 2024
GLOSSARY OF TERMS


“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MOE” means Maintenance of Effort as explained in Section 8 of the TransNet Extension Ordinance and Expenditure Plan.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTCIP” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the TransNet Extension Ordinance.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Income</th>
<th>Interest Expenditures</th>
<th>City Adjustments</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>TransNet Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Local Street Improvements:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Congestion Relief - Pass-Through:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VISTA 56</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>-</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VISTA 46</td>
<td>8225</td>
<td>Street Construction/Overlay-Annual</td>
<td>550,309</td>
<td>93,463</td>
<td>(650,811)</td>
<td>-</td>
<td>(7,039)</td>
</tr>
<tr>
<td>VISTA 55</td>
<td>8290</td>
<td>Pedestrian Mobility Sidewalks</td>
<td>(8,209)</td>
<td>594,746</td>
<td>(589,788)</td>
<td>-</td>
<td>(3,251)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>2,020</td>
<td>-</td>
<td>2,507</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>544,120</td>
<td>688,209</td>
<td>2,507</td>
<td>(1,240,599)</td>
<td>-</td>
</tr>
<tr>
<td>VISTA 53</td>
<td>8262</td>
<td>Annual Street Maintenance &amp; Resurfacing</td>
<td>(25,600)</td>
<td>461,310</td>
<td>(457,191)</td>
<td>-</td>
<td>(21,481)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>102</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>(25,498)</td>
<td>461,310</td>
<td>(457,191)</td>
<td>-</td>
<td>(21,379)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>518,622</td>
<td>1,158,319</td>
<td>2,507</td>
<td>(1,706,590)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>518,622</td>
<td>1,158,319</td>
<td>2,507</td>
<td>(1,706,590)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Notes:**
(a) City will request reimbursement of programmed funds to eliminate negative balance.
**CITY OF VISTA, CALIFORNIA**

*TransNet* Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief - Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VISTA 56</td>
<td>N/A</td>
<td>Regional Arterial Management Systems</td>
<td>$ 88,000</td>
<td>-</td>
<td>$(88,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>$ 88,000</td>
<td>-</td>
<td>$(88,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VISTA 46</td>
<td>8225</td>
<td>Street Construction/Overlay-Annual</td>
<td>12,287,884</td>
<td>-</td>
<td>(12,294,923)</td>
<td>(7,039)</td>
</tr>
<tr>
<td>VISTA 55</td>
<td>8290</td>
<td>Pedestrian Mobility Sidewalks</td>
<td>918,246</td>
<td>3</td>
<td>(921,500)</td>
<td>(3,251)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>4,527</td>
<td>-</td>
<td>4,527</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>13,206,130</td>
<td>4,530</td>
<td>(13,216,423)</td>
<td>(5,763)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>VISTA 53</td>
<td>8262</td>
<td>Annual Street Maintenance &amp; Resurfacing</td>
<td>4,145,163</td>
<td>-</td>
<td>(4,166,644)</td>
<td>(21,481)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest Income</td>
<td>-</td>
<td>102</td>
<td>-</td>
<td>102</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>4,145,163</td>
<td>102</td>
<td>(4,166,644)</td>
<td>(21,379)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>17,439,293</td>
<td>4,632</td>
<td>(17,471,067)</td>
<td>(27,142)</td>
</tr>
</tbody>
</table>

(Continued)
## CITY OF VISTA, CALIFORNIA

*TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

(Continued)

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSI - Congestion Relief</td>
<td>$11,680,830</td>
<td>$(25,310)</td>
<td>$(11,655,520)</td>
<td>$-</td>
</tr>
<tr>
<td>LSI - Maintenance</td>
<td>3,416,475</td>
<td>70</td>
<td>(3,416,545)</td>
<td>-</td>
</tr>
<tr>
<td>Senior Mini Grants</td>
<td>554,261</td>
<td>-</td>
<td>(554,261)</td>
<td>-</td>
</tr>
<tr>
<td>Smart Growth Grants</td>
<td>4,399,203</td>
<td>-</td>
<td>(4,399,203)</td>
<td>-</td>
</tr>
<tr>
<td>Bikes and Pedestrian</td>
<td>4,072,534</td>
<td>-</td>
<td>(4,072,534)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Completed Projects:**

Total Completed Projects: 24,123,303 $(25,240) $(24,098,063) -

Total Cumulative *TransNet* Extension: $41,562,596 $(20,608) $(41,569,130) $(27,142)
### CITY OF VISTA, CALIFORNIA

**TransNet Extension Activities**

**RTCIP Fund**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Spend funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>City Adjustments</th>
<th>Funds Committed June 30, 2023</th>
<th>Cumulative Status June 30, 2023</th>
<th>June 30, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>VISTA15/46</td>
<td>$214,830</td>
<td>-</td>
<td>$(214,830)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>VISTA15/46</td>
<td>172,061</td>
<td>-</td>
<td>(172,061)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td>VISTA15/46</td>
<td>317,346</td>
<td>-</td>
<td>(317,346)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td>VISTA15/46</td>
<td>2,148,210</td>
<td>-</td>
<td>(394,568)</td>
<td>-</td>
<td>-</td>
<td>1,753,642</td>
<td>2,006,855</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>488,898</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>488,898</td>
<td>488,898</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>250,631</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>250,631</td>
<td>250,631</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>166,037</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>166,037</td>
<td>166,037</td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>451,619</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>451,619</td>
<td>-</td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
<td>263,139</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>263,139</td>
<td>212,889</td>
</tr>
</tbody>
</table>

**Total RTCIP Funds**

$4,209,632  $263,139  $(1,098,805)  -  -  3,373,966  3,125,310

**GASB 31 Market Value Adjustment**

- 2,682 - - - - 2,682 (156,539)

**Total RTCIP Funds**

$4,209,632  $265,821  $(1,098,805)  -  -  $3,376,648  $2,968,771
COUNTY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the County of San Diego, California’s (County’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. The County’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the County with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance and SANDAG Board Policy No. 031.
   
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

**Results:** No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      **Results:** No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

      **Results:** No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      **Results:** No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      **Results:** No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed interest income reported on Schedule A and matched it to the recipient agency’s general ledger.

         **Results:** No exceptions were noted as a result of our procedures.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         **Results:** No exceptions were noted as a result of our procedures.

   f. We identified the total TransNet expenditures for the fiscal year.
i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** The County recorded total *TransNet* expenditures in the amount of $11,050,733. We selected $4,685,944 (42.40%) 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 against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support reviewed, we evaluated whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

**Results:** No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures for FY23.
vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: Indirect costs were allocated to the projects included in the RTIP using an overhead ratio of total overhead costs to direct labor costs. Multiple rates were used due to different cost codes. A total of $1,042,975 of indirect costs were charged to the TransNet program, which resulted in an average indirect cost rate of 9.44% compared to total TransNet expenditures. The indirect cost rate has not been reviewed by a federal or state agency or audited by an independent CPA firm. The indirect cost rates are updated and reviewed during FY 2023 by the County’s Auditor & Controller Department. The methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as the County did not have any amounts reflected in the Adjustment column which would have required a footnote.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

**Results:** No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

**Results:** No exceptions were noted as a result of our procedures.

j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

**Results:** This procedure is not applicable as there were no inactive projects over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

**Results:** This procedure is not applicable as there were no inactive projects over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** We noted that project CNTY82 (1010313) was completed during FY21 with a balance remaining. This remaining balance will be transferred to another MPO ID pending specific details from RTIP amendment in Spring 2024.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

**Results:** This procedure is not applicable as there were no non-*TransNet* activity reported in Schedule A.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments in Schedule A.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending project status per Schedule A for those projects that were derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: The County is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$21,732,063</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>(992,013)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>20,740,050</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>6,222,015</td>
</tr>
<tr>
<td>Less:</td>
<td></td>
</tr>
<tr>
<td>Local Streets and Roads fund balance</td>
<td>-</td>
</tr>
<tr>
<td>Local Street Improvement:</td>
<td></td>
</tr>
<tr>
<td>Congestion Relief fund balance</td>
<td>4,091,977</td>
</tr>
<tr>
<td>Maintenance fund balance</td>
<td>150,070</td>
</tr>
<tr>
<td>Total Local Streets and Roads and Local Street Improvement fund balance</td>
<td>4,242,047</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$1,979,968</td>
</tr>
</tbody>
</table>
9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2023 TransNet Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2023 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Funds Held by County</th>
<th>Funds Held by SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion Relief</td>
<td>$4,091,977</td>
<td>$11,230,282</td>
<td>$15,322,259</td>
</tr>
<tr>
<td>Maintenance</td>
<td>150,070</td>
<td>68,717,758</td>
<td>68,867,828</td>
</tr>
<tr>
<td>Totals</td>
<td>$4,242,047</td>
<td>$79,948,040</td>
<td>$84,190,087</td>
</tr>
</tbody>
</table>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency’s plan to cure the excess.

Results: The County has expended 4.44% of cumulative local street and road revenue for maintenance as indicated below:

<table>
<thead>
<tr>
<th></th>
<th>County</th>
<th>SANDAG</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Congestion relief</td>
<td>$156,105,322</td>
<td>$6,456,339</td>
<td>$162,561,661</td>
</tr>
<tr>
<td>Maintenance</td>
<td>10,358,090</td>
<td>66,936,500</td>
<td>77,294,590</td>
</tr>
<tr>
<td>Interest</td>
<td>1,807,981</td>
<td>6,555,201</td>
<td>8,363,182</td>
</tr>
<tr>
<td>Total local street and road revenue</td>
<td>$168,271,393</td>
<td>$79,948,040</td>
<td>$248,219,433</td>
</tr>
</tbody>
</table>

30% of total local street and road revenue: $74,465,830
Less maintenance expenditures incurred to date: $(11,011,411)
Available maintenance funds: $63,454,419
Cumulative percentage expended for maintenance: 4.44%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The County does not include the debt service on the bonds in Schedule A. SANDAG provided the schedule of long-term debt for the County as shown on the following page:
**Balance**

<table>
<thead>
<tr>
<th></th>
<th>Balance July 1, 2022</th>
<th>Adjustment</th>
<th>Principal Payments</th>
<th>Balance June 30, 2023</th>
<th>Interest Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008 Bonds</td>
<td>$14,978,163</td>
<td>$-</td>
<td>$706,251</td>
<td>$14,271,912</td>
<td>$285,746</td>
</tr>
<tr>
<td>2012 Bonds</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$15,153,313</td>
<td>$-</td>
<td>$706,251</td>
<td>$14,271,912</td>
<td>$285,762</td>
</tr>
</tbody>
</table>

12. We reviewed the MOE requirement.

   a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

   b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

      a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller’s Office, we performed additional steps as follows:

         i. We obtained an updated Annual Street Report, as submitted to the State Controller’s Office; or

         ii. We obtained notice from the State Controller’s Office that the changes will be included in the subsequent year’s Annual Street Report;

         iii. We included adjusted amount to AUP 12.c. and provided a brief explanation of adjustments in Results.

   c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

   d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE, and reported a roll forward schedule.

**Results:** This procedure is not applicable as the County does not have an MOE requirement.

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

   a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

   **Results:** No exceptions were noted as a result of our procedures.
b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

**Results:** No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We reviewed to ensure that the recipient agency was using the most current approved fee amount.

**Results:** The County did not collect the correct exaction fee for 784 out of 897 unit permits issued. See the Findings and Recommendation section of the report.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

**Results:** No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

**Results:** No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence that unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven year timeframe. We also ensured that a footnote was provided on the status of the project.

**Results:** No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

**Results:** This procedure is not applicable as the County did not incur RTCIP expenditures for the fiscal year ending June 30, 2023.

vi. If unallowable expenditures were identified in procedure 13.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2023.
vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures for fiscal year ending June 30, 2023.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency’s plan to cure the excess.

Results: No exceptions were noted as a result of our procedures.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the TransNet Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and reviewed that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We reviewed the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the TransNet Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the County did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for review.
Results: The County provided RTCIP documentation to us for review on October 16, 2023.

xiv. We summarized the recipient agency’s compliance with the requirements of Section G.2 of the RTCIP attachment to the TransNet Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The County did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

Results: See Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on County’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____________________, 2024
Need to Use Approved Exaction Fee

The County did not consistently collect the required exaction fee amount of $2,688.21 during the fiscal year ended June 30, 2023. For 784 units out of 897 units, the exaction fees were inputted incorrectly into the system as $2,688.12. This resulted in an under-collection of the exaction fee in the total amount of $70.56.

<table>
<thead>
<tr>
<th>Number of units</th>
<th>Amount Required</th>
<th>Amount Charged</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>784</td>
<td>$2,107,556.64</td>
<td>$2,107,486.08</td>
<td>$70.56</td>
</tr>
</tbody>
</table>

SANDAG Board recommendations as of February 9, 2022 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 $2,635.50 to $2,688.21 beginning July 1, 2022.”

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 finalize 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 County recover the under-collection of exaction fees in the amount of $70.56. Additionally, we recommend that the County ensure the correct exaction fee for the applicable fiscal year be inputted into the system.

Management Response

The County will recover the under-collected exaction fees totaling $70.56 for 784 units from the General Fund before fiscal year end June 30, 2024. Exaction fees are updated each year in our ERP system and billing system before the commencement of each fiscal year. County Program and Financial Services staff will review, compare, and validate the approved rates upon notification of the new rate and effective date from SANDAG. County staff have been reminded and re-trained on updating permit fees annually and will monitor for any inconsistencies to help reduce or eliminate under collection in the future.
“**Annual Street Report**” means the State of California Annual Street Report.

“**Current Fiscal Year**” means the fiscal period of July 1, 2022 through June 30, 2023.

“**ITOC**” means the Independent Taxpayer Oversight Committee.

“**MOE**” means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

“**MPO ID**” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“**Recipient Agency**” means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National County, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

“**RTCIP**” means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

“**RTIP**” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“**SANDAG**” means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

“**SANDAG Board Policy No. 031**” means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

“**Schedule A**” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

“**Schedule B**” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

“**TransNet Extension Ordinance**” means the 2004 Proposition A.

“**TransNet Ordinance and Expenditure Plan**” means the 1987 Proposition A San Diego Transportation Improvement Plan.
## Schedule of Status of Funds by Project

### Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>County Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief - Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regional Arterial Management Systems</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(a)</td>
</tr>
<tr>
<td>CNTY81</td>
<td></td>
<td>-</td>
<td>-</td>
<td>12,500</td>
<td>-</td>
<td>(12,500)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through</td>
<td>-</td>
<td>12,500</td>
<td>-</td>
<td>(12,500)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Congestion Relief:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNTY14A</td>
<td>1010123</td>
<td>South Santa Fe - South</td>
<td>85,522</td>
<td>105,000</td>
<td>37</td>
<td>(185,275)</td>
<td>-</td>
<td>5,284</td>
<td></td>
</tr>
<tr>
<td>CNTY21</td>
<td>1003030</td>
<td>Bradley Avenue</td>
<td>145,225</td>
<td>2,278,000</td>
<td>5,294</td>
<td>(1,663,618)</td>
<td>-</td>
<td>764,901</td>
<td></td>
</tr>
<tr>
<td>CNTY24</td>
<td>1003046</td>
<td>Cole Grade - High School</td>
<td>(138,553)</td>
<td>1,822,000</td>
<td>4,475</td>
<td>(1,041,355)</td>
<td>-</td>
<td>646,567</td>
<td></td>
</tr>
<tr>
<td>CNTY34</td>
<td>1009589</td>
<td>Dye Road Extension</td>
<td>14,459</td>
<td>-</td>
<td>93</td>
<td>(1,058)</td>
<td>-</td>
<td>13,494</td>
<td></td>
</tr>
<tr>
<td>CNTY35</td>
<td>1009591</td>
<td>Ramona Street Extension</td>
<td>10,848</td>
<td>-</td>
<td>68</td>
<td>(1,058)</td>
<td>-</td>
<td>9,858</td>
<td></td>
</tr>
<tr>
<td>CNTY82</td>
<td>1010313</td>
<td>Alpine Blvd</td>
<td>48,272</td>
<td>-</td>
<td>336</td>
<td>-</td>
<td>-</td>
<td>48,608</td>
<td>(b)</td>
</tr>
<tr>
<td>CNTY86</td>
<td>1025051</td>
<td>ADA Ramps 21/22</td>
<td>768,159</td>
<td>8,238,000</td>
<td>23,335</td>
<td>(5,657,667)</td>
<td>-</td>
<td>3,371,827</td>
<td>(c)</td>
</tr>
<tr>
<td>CNTY86</td>
<td>1025064</td>
<td>AC Overlay 22/23 North</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,217,341)</td>
<td>-</td>
<td>(1,217,341)</td>
<td></td>
</tr>
<tr>
<td>CNTY88</td>
<td>1018734</td>
<td>Ashwood St Corridor</td>
<td>61,029</td>
<td>991,000</td>
<td>3,090</td>
<td>(608,623)</td>
<td>-</td>
<td>446,496</td>
<td></td>
</tr>
<tr>
<td>CNTY99</td>
<td>1026130</td>
<td>Etcheverry St Paving</td>
<td>-</td>
<td>20,000</td>
<td>16</td>
<td>(17,733)</td>
<td>-</td>
<td>2,283</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>994,961</td>
<td>13,454,000</td>
<td>36,744</td>
<td>(10,393,728)</td>
<td>-</td>
<td>4,091,977</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Maintenance:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNTY90</td>
<td>1020776</td>
<td>Camino Del Rey Drainage</td>
<td>269,924</td>
<td>132,000</td>
<td>1,039</td>
<td>(252,893)</td>
<td>-</td>
<td>150,070</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>269,924</td>
<td>132,000</td>
<td>1,039</td>
<td>(252,893)</td>
<td>-</td>
<td>150,070</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
## COUNTY OF SAN DIEGO, CALIFORNIA
*TransNet Extension Activities*
### Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>County Adjustments</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>$1,264,885</td>
<td>$13,598,500</td>
<td>$37,783</td>
<td>$(10,659,121)</td>
<td>$-</td>
<td>$4,242,047</td>
<td></td>
</tr>
<tr>
<td>CNTY96</td>
<td>5005476</td>
<td>Smart Growth Incentive Program:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Casa De Oro - Campo Road Specific Plan</td>
<td>-</td>
<td>179,037</td>
<td>-</td>
<td>(179,037)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth Incentive Program</td>
<td>-</td>
<td>179,037</td>
<td>-</td>
<td>(179,037)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>V08</td>
<td>5004552</td>
<td>Competitive Land Management Grant:</td>
<td>(149,434)</td>
<td>168,767</td>
<td>-</td>
<td>(129,460)</td>
<td>-</td>
<td>(110,127)</td>
<td>(c)</td>
</tr>
<tr>
<td>V08</td>
<td>500XXXX</td>
<td>Rancho Lilac Resource Management Plan</td>
<td>-</td>
<td>83,115</td>
<td>-</td>
<td>(83,115)</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Competitive Land Management Grant</td>
<td>(149,434)</td>
<td>251,882</td>
<td>-</td>
<td>(212,575)</td>
<td>-</td>
<td>(110,127)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total TransNet Extension</td>
<td>$1,115,451</td>
<td>$14,029,419</td>
<td>$37,783</td>
<td>$(11,050,733)</td>
<td>$-</td>
<td>$4,131,920</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

- (a) This is the County’s cost-share of the installation of the regional traffic signal management software and linking of the local agencies to a common system. The County did not receive this cash and did not incur any expenditures. This was a pass-through managed by SANDAG.

- (b) Project Complete. Remaining Funds will be transferred to another MPO ID. Specific details will be included in the Board Resolution and RTIP amendment in Spring 2024.

- (c) Negative project status balance is due to qualifying expenditures incurred during the fiscal year. The remaining reimbursement will be received in FY23-24.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>TransNet</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Extension:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Local Street</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Improvements:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Pass-Through</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN54/</td>
<td></td>
<td></td>
<td>Regional Arterial Management Systems $137,500</td>
<td>- (137,500)</td>
<td>- (137,500)</td>
<td>-</td>
</tr>
<tr>
<td>CNTY81</td>
<td></td>
<td></td>
<td>Total Congestion Relief - Pass-Through $137,500</td>
<td>- (137,500)</td>
<td>- (137,500)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Congestion Relief:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNTY14A</td>
<td>1010123</td>
<td>South Santa Fe - South</td>
<td>1,197,312</td>
<td>3,614 (1,195,642)</td>
<td>5,284</td>
<td></td>
</tr>
<tr>
<td>CNTY21</td>
<td>1003030</td>
<td>Bradley Avenue</td>
<td>11,245,617</td>
<td>96,370 (10,577,086)</td>
<td>764,901</td>
<td></td>
</tr>
<tr>
<td>CNTY24</td>
<td>1003046</td>
<td>Cole Grade - High School</td>
<td>7,368,000</td>
<td>59,959 (6,781,392)</td>
<td>646,567</td>
<td></td>
</tr>
<tr>
<td>CNTY34</td>
<td>1009589</td>
<td>Dye Road Extension</td>
<td>979,405</td>
<td>2,047 (967,958)</td>
<td>13,494</td>
<td></td>
</tr>
<tr>
<td>CNTY35</td>
<td>1009591</td>
<td>Ramona Street Extension</td>
<td>835,330</td>
<td>20,080 (845,552)</td>
<td>9,858</td>
<td></td>
</tr>
<tr>
<td>CNTY82</td>
<td>1010313</td>
<td>Alpine Blvd</td>
<td>5,794,000</td>
<td>12,855 (5,758,247)</td>
<td>48,608</td>
<td></td>
</tr>
<tr>
<td>CNTY86</td>
<td>1025051</td>
<td>ADA Ramps 21/22</td>
<td>9,052,861</td>
<td>27,818 (5,708,852)</td>
<td>3,371,827</td>
<td></td>
</tr>
<tr>
<td>CNTY86</td>
<td>1025064</td>
<td>AC Overlay 22/23 North</td>
<td>-</td>
<td>- (1,217,341)</td>
<td>(1,217,341)</td>
<td></td>
</tr>
<tr>
<td>CNTY88</td>
<td>1018734</td>
<td>Ashwood St Corridor</td>
<td>3,160,000</td>
<td>21,424 (2,734,928)</td>
<td>446,496</td>
<td></td>
</tr>
<tr>
<td>CNTY99</td>
<td>1026130</td>
<td>Etcheverry St Paving</td>
<td>20,000</td>
<td>16 (17,733)</td>
<td>2,283</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Congestion Relief</td>
<td>39,652,525</td>
<td>244,183 (35,804,731)</td>
<td>4,091,977</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Maintenance:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CNTY90</td>
<td>1020776</td>
<td>Camino Del Rey Drainage</td>
<td>1,451,949</td>
<td>27,203 (1,329,082)</td>
<td>150,070</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Maintenance</td>
<td>1,451,949</td>
<td>27,203 (1,329,082)</td>
<td>150,070</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total Local Street Improvements</td>
<td>41,241,974</td>
<td>271,386 (37,271,313)</td>
<td>4,242,047</td>
</tr>
</tbody>
</table>

(Continued)
## COUNTY OF SAN DIEGO, CALIFORNIA

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNTY95</td>
<td>5005475</td>
<td>Alpine Community Plan Implementation Financing</td>
<td></td>
<td>$45,321</td>
<td>$(45,321)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tools and Mechanisms Plan</td>
<td></td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>CNTY96</td>
<td>5005476</td>
<td>Casa De Oro - Campo Road Specific Plan</td>
<td>$499,999</td>
<td>-</td>
<td>$(499,999)</td>
<td></td>
</tr>
<tr>
<td>CNTY97</td>
<td>5005477</td>
<td>Valley Center Community Plan Update</td>
<td>$286,257</td>
<td>-</td>
<td>$(286,257)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Smart Growth Incentive Program</td>
<td>$831,577</td>
<td>-</td>
<td>$(831,577)</td>
<td></td>
</tr>
</tbody>
</table>

### Smart Growth Incentive Program:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>V08</td>
<td>5004552</td>
<td>Strategic Removal Implementation of Invasive Weed Species</td>
<td>$1,448,054</td>
<td>-</td>
<td>$(1,558,181)</td>
<td>(110,127)</td>
</tr>
<tr>
<td>V08</td>
<td>500XXXX</td>
<td>Rancho Lilac Resource Management Plan</td>
<td>$83,115</td>
<td>-</td>
<td>$(83,115)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Competitive Land Management Grant</td>
<td>$1,531,169</td>
<td>-</td>
<td>$(1,641,296)</td>
<td>(110,127)</td>
</tr>
</tbody>
</table>

### Competitive Land Management Grant:

| Subtotal Cumulative TransNet Extension | $43,604,720 | $271,386 | $(39,744,186) | $4,131,920 |

### Completed Projects:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSI - Congestion Relief Pass Through</td>
<td>36,000</td>
<td>-</td>
<td>(36,000)</td>
<td></td>
</tr>
<tr>
<td>LSI - Congestion Relief</td>
<td>116,279,297</td>
<td>760,407</td>
<td>(117,039,704)</td>
<td></td>
</tr>
<tr>
<td>LSI - Maintenance</td>
<td>8,906,141</td>
<td>776,188</td>
<td>(9,682,329)</td>
<td></td>
</tr>
<tr>
<td>Bikes and Pedestrians</td>
<td>625,000</td>
<td>-</td>
<td>(625,000)</td>
<td></td>
</tr>
<tr>
<td>Competitive Land Management Grant</td>
<td>915,288</td>
<td>-</td>
<td>(915,288)</td>
<td></td>
</tr>
<tr>
<td>Total Completed Projects</td>
<td>126,761,726</td>
<td>1,536,595</td>
<td>(128,298,321)</td>
<td></td>
</tr>
</tbody>
</table>

| Total Cumulative TransNet Extension       | $170,366,446   | $1,807,981      | $(168,042,507)       | $4,131,920 |

DRAFT
<table>
<thead>
<tr>
<th>Project Year</th>
<th>Last Date to Commit funds</th>
<th>MPO ID</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>County Adjustments</th>
<th>Funds committed at June 30, 2023</th>
<th>Cumulative Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Fiscal Year ended June 30, 2016</td>
<td>June 30, 2023</td>
<td>CNTY89</td>
<td>$1,506,988</td>
<td>$4,979</td>
<td>$(1,511,967)</td>
<td>-</td>
<td>$(642,608)</td>
<td>671,845</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2017</td>
<td>June 30, 2024</td>
<td>CNTY89</td>
<td>$1,455,074</td>
<td>82,163</td>
<td>$(894,629)</td>
<td>-</td>
<td>$642,608</td>
<td></td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2018</td>
<td>June 30, 2025</td>
<td></td>
<td>$2,646,555</td>
<td>230,266</td>
<td>-</td>
<td>-</td>
<td>2,876,821</td>
<td>2,807,496</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2019</td>
<td>June 30, 2026</td>
<td></td>
<td>$2,245,234</td>
<td>172,149</td>
<td>-</td>
<td>-</td>
<td>2,417,383</td>
<td>2,359,130</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2020</td>
<td>June 30, 2027</td>
<td></td>
<td>$2,508,395</td>
<td>143,951</td>
<td>-</td>
<td>-</td>
<td>2,652,346</td>
<td>2,588,431</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2021</td>
<td>June 30, 2028</td>
<td></td>
<td>$2,308,647</td>
<td>91,851</td>
<td>-</td>
<td>-</td>
<td>2,400,498</td>
<td>2,342,412</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2022</td>
<td>June 30, 2029</td>
<td></td>
<td>$4,012,222</td>
<td>124,004</td>
<td>-</td>
<td>-</td>
<td>4,136,226</td>
<td>4,037,181</td>
<td></td>
</tr>
<tr>
<td>For Fiscal Year ended June 30, 2023</td>
<td>June 30, 2030</td>
<td></td>
<td>$2,454,952</td>
<td>61,048</td>
<td>-</td>
<td>-</td>
<td>2,516,000</td>
<td>-</td>
<td>(a)</td>
</tr>
<tr>
<td>Total RTCIP Funds</td>
<td></td>
<td></td>
<td>$19,138,067</td>
<td>$910,411</td>
<td>$(2,406,896)</td>
<td>-</td>
<td>$(642,608)</td>
<td>14,806,495</td>
<td></td>
</tr>
</tbody>
</table>

(a) Interest income and project expenditures for FYs 17 through 23 are adjusted based on the Schedule C Guidelines. According to the Guidelines, interest earned shall be allocated equitably to each year that had a beginning balance. Expenditures were also applied to the oldest cumulative funds available.
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the Independent Taxpayer Oversight Committee’s (ITOC’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. ITOC’s management is responsible for compliance with the Ordinances and Board Policy.

ITOC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by ITOC with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
   **Results:** No exceptions were noted as a result of our procedures.

2. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.
   **Results:** No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff, Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance.
   a. We substantiated all footnotes required in Schedule A.
      **Results:** This procedure is not applicable as there were no footnotes required in Schedule A.
   b. We agreed the beginning balance from the prior year or reviewed that SANDAG staff provided a footnote for any restatements of ITOC activity. We determined whether reasons for differences were valid.
Results: No exceptions were noted as a result of our procedures.

c. We obtained a listing of TransNet payments made for the ITOC from SANDAG staff. We compared the TransNet revenue recorded for the ITOC to the listing of payments received from SANDAG staff. We notified SANDAG staff of any variations and obtained approval from SANDAG.

Results: No exceptions noted as a result of our procedures.

d. We identified the interest income reported for the year ended June 30, 2023.
   i. We reviewed the interest income reported on Schedule A and matched to SANDAG’s general ledger.

Results: No exceptions noted as a result of our procedures.

   ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions noted as a result of our procedures.

e. We identified the total TransNet expenditures for the fiscal year.
   i. We reviewed the total project expenditures per Schedule A and agreed to SANDAG’s general ledger.

Results: No exceptions noted as a result of our procedures.

   ii. We reviewed at least 25% of ITOC expenditures as reported by SANDAG to determine if they were necessary and reasonable in carrying out ITOC responsibilities under the TransNet Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled “Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program.”

Results: ITOC recorded total TransNet expenditures in the amount of $279,498. We selected $81,698 (29.23%) for testing. No exceptions were noted as a result of our procedures.

   iii. If unallowable expenditures were identified in procedure 3.e.ii, we expanded the sample to include an additional 25% of ITOC expenditures and documented SANDAG’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures are required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 3.e.ii.
iv. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

Results: ITOC recorded total TransNet payroll expenditures in the amount of $134,498, which represented 48.12% of total expenditures. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.

v. We reviewed to ensure that SANDAG’s administrative expenditures complied with Commission Ordinance CO-2021-01 that the total administrative expenditures did not exceed $250,000, as adjusted for inflation.

Results: ITOC recorded total administrative expenditures of $134,498, which did not exceed $250,000, as adjusted for inflation. No exceptions were noted as a result of our procedures.

4. We obtained from SANDAG staff, Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance.

   a. We reviewed the ending balances at June 30, 2023 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

      Results: No exceptions were noted as a result of our procedures.

   b. We reclassified all amounts listed in the Adjustment column of Schedule A to funds received, expenditures, or interest income.

      Results: This procedure is not applicable as there were no amounts listed in the Adjustment column of Schedule A.

5. We reviewed and documented the status of any prior year findings and recommendations.

   Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

6. We proposed current year findings as a result of performing the above agreed-upon procedures. We included SANDAG staff’s response to address the ITOC finding.

   Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California  

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on ITOC’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ITOC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California  
________________, 2024
GLOSSARY OF TERMS

“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“I TOC” means the Independent Taxpayer Oversight Committee, with the administrative functions performed by SANDAG.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.
### INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

**TransNet Extension Activities**

Schedule of Status of Funds

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Committee Adjustments</th>
<th>Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Taxpayer Oversight Committee</td>
<td>$ 173,113</td>
<td>$ 461,610</td>
<td>$ 7,180</td>
<td>$(279,498)</td>
<td>$ -</td>
<td>$ 362,405</td>
</tr>
<tr>
<td>Total TransNet Extension</td>
<td>$ 173,113</td>
<td>$ 461,610</td>
<td>$ 7,180</td>
<td>$(279,498)</td>
<td>$ -</td>
<td>$ 362,405</td>
</tr>
</tbody>
</table>
### INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

*TransNet* Extension Activities  
Cumulative Schedule of Status of Funds  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>TransNet</em> Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Taxpayer Oversight Committee</td>
<td>$ 4,263,498</td>
<td>$ 55,970</td>
<td>$(3,957,063)</td>
<td>$ 362,405</td>
</tr>
<tr>
<td>Total Cumulative <em>TransNet</em> Extension</td>
<td>$ 4,263,498</td>
<td>$ 55,970</td>
<td>$(3,957,063)</td>
<td>$ 362,405</td>
</tr>
</tbody>
</table>
SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the San Diego Metropolitan Transit System’s (MTS’) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. MTS’ management is responsible for compliance with the Ordinances and the Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by MTS with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.

   Results: This procedure is not applicable as MTS does not participate in the Grant Program.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
Results: Per discussion with management, the TransNet revenues and expenditures are not recorded in a separate fund, but MTS maintains separate accountability for all TransNet activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted MTS’ alternative approach.

5. We obtained a detailed general ledger for TransNet revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.
   a. We substantiated all footnotes required in Schedule A.
      Results: This procedure is not applicable as there were no footnotes in Schedule A to be substantiated.
   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension).
      Results: No exceptions were noted as a result of our procedures.
   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.
      Results: No exceptions were noted as a result of our procedures.
   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.
      Results: No exceptions were noted as a result of our procedures.
   e. We identified the interest income reported for the fiscal year.
      i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency’s general ledger.
      Results: This procedure is not applicable as there was no interest income required to be reported on Schedule A.
ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** This procedure is not applicable as interest income was not reported on Schedule A.

f. We identified the total TransNet expenditures for the fiscal year.

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** MTS recorded total TransNet expenditures in the amount of $89,720,120. We selected $23,290,439 (25.96%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the TransNet and TransNet Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25%, and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** No exceptions were noted as a result of our procedures.
vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: MTS allocated indirect costs to MPO ID MTS33A and SAN80 included in the RTIP for the year ended June 30, 2023 at an overhead rate of 37.3% and a fringe rate of 50.62%. The total dollar amount of indirect costs charged was $156,923, which represented a 0.17% of total TransNet expenditures. MTS has a formal Indirect Cost Plan that was approved by the Federal Transit Administration in XXXXX for the fiscal year ending June 30, 2023. Additionally, MTS engaged an independent CPA firm to perform agreed-upon procedures applied to its indirect cost rates. The firm used 2 CFR Part 200 as its criteria in reviewing the rates, and concluded that MTS' rates were consistent with the provision of 2CFR Part 200. No exceptions were noted as a result of our procedure.

g. We determined that any amounts reflected in the “Adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments for the fiscal year ended June 30, 2023.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2023.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was presented that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2023.
i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2023.

**Results:** This procedure is not applicable as there was not a negative ending balance.

j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had presented a footnote as to the status of the project that included when the project will be completed.

**Results:** This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

**Results:** This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

**Results:** This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

**Results:** This procedure is not applicable as MTS had no non-*TransNet* activity for the fiscal year.

7. We obtained from the recipient agency the Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension). We reviewed the ending balances at June 30, 2023 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

**Results:** No exceptions were noted as a result of our procedures.
b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included in Schedule A.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: MTS is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th></th>
<th>Senior and Disabled</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$1,209,612</td>
<td>$45,602,380</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>1,209,612</td>
<td>45,602,380</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>$362,884</td>
<td>$13,680,714</td>
</tr>
<tr>
<td>Less: Fund balance</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$362,884</td>
<td>$13,680,714</td>
</tr>
</tbody>
</table>

9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.
10. We reviewed transit operator eligibility for receipt of funds.

   a. We calculated and reported the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services for the current year and prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.

   b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.

   c. We reviewed and reported that the increase in the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services (calculated in [a]) does not exceed the increase in the CPI (obtained in [b]).

Results: The increase in the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services are shown in the table below. The change in CPI from 2022 to 2023 was (1.83)%. The change in total operating cost per revenue vehicle hour for bus services was 14.60% and the change in total operating cost per revenue vehicle mile for rail services was 12.10%. Therefore, MTS was not in compliance with both the bus and rail operator eligibility requirements. See Finding 1 in the Findings and Recommendations section of this report.

Operating Cost per Revenue Vehicle Hour for Bus Services

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for buses</td>
<td>$215,732,636</td>
<td>$201,589,171</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle hours</td>
<td>1,880,383</td>
<td>2,013,662</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle hour</td>
<td>$114.73</td>
<td>$100.11</td>
<td>14.60%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>286.586</td>
<td>291.916</td>
<td>(1.83)%</td>
</tr>
</tbody>
</table>

Operating Cost per Revenue Vehicle Mile for Rail Services

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for rail</td>
<td>$128,237,421</td>
<td>$104,704,575</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle miles</td>
<td>12,700,555</td>
<td>11,626,878</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle mile</td>
<td>$10.10</td>
<td>$9.01</td>
<td>12.10%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>286.586</td>
<td>291.916</td>
<td>(1.83)%</td>
</tr>
</tbody>
</table>
11. We reviewed and documented the status of any prior year findings and recommendations.

   Results:  This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

   Results:  See the Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on MTS’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of MTS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
______________, 2024
(1) **Increase in Operating Cost per Revenue Vehicle Hours and Miles Exceeded Increase in CPI**

MTS’ increase in its operating cost per revenue vehicle hours and miles from June 30, 2022 to June 30, 2023 for both bus and rail services exceeded the decrease in the Consumer Price Index (CPI) for San Diego County. The CPI decreased by 1.83% while the operating cost per revenue vehicle hour for bus services increased by 14.60% and the operating cost per revenue vehicle mile for rail services increased by 12.10%.

Section 4C of the TransNet Ordinance states, in part:

“...To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must list the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period...”

Additionally, Section 4C.5 of the TransNet Extension Ordinance and Expenditure Plan states, in part:

“...If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were limited to, increases in the cost for fuel, insurance premiums, or new states or federal mandates.”

**Recommendation**

We recommend that MTS investigate options such as requesting approval from SANDAG’s Board of Directors to exclude costs increases from the prior year, use a three-year average or combination of the two options.

**Management Response**

MTS has submitted to SANDAG a request to calculate the eligibility requirement using the three-year average calculations as provided in Section 4(C)(5) of the TransNet Extension and Ordinance, due to unusual circumstances in the current fiscal year. As this fiscal year reflects an annual decrease in CPI, regional and national inflationary pressures continue. MTS’s continued focus on fiscal responsibility continues, though, and is reflected in MTS’s 3-year average percentages below the CPI 3-year average. The request will be presented at the Independent Taxpayer Oversight Committee meeting on March 12, 2024, and at the Transportation Committee and SANDAG Board of Directors meeting on April 5, 2024.
“CPI” means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1st Half 2023 of the Semiannual average indexes Table).

“Current Fiscal Year” means the fiscal period of July 1, 2022, through June 30, 2023.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means the San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
# SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**TransNet and TransNet Extension Activities**  
Schedule of Status of Funds by Project  
Year ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>July 1, 2022</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>MTS Adjustments</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>TransNet Extension:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Operating:</td>
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<td></td>
<td></td>
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<tr>
<td>Senior and Disabled Transportation:</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS 33A 47130</td>
<td>MTS Access</td>
<td></td>
<td>$ -</td>
<td>$ 1,451,786</td>
<td>$ -</td>
<td>$ (1,451,786)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Senior and Disabled Transportation</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>$ 1,451,786</td>
<td>-</td>
<td>(1,451,786)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transit and Trolley:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>MTS 32A 47110</td>
<td>MTS Preventive Maintenance</td>
<td></td>
<td>-</td>
<td>$ 54,564,327</td>
<td>-</td>
<td>(54,564,327)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Major Transit Corridor Operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN 80 47140</td>
<td>SuperLoop</td>
<td></td>
<td>-</td>
<td>$ 2,416,153</td>
<td>-</td>
<td>(2,416,153)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN 80 47150</td>
<td>Bus Rapid Transit</td>
<td></td>
<td>-</td>
<td>$ 7,356,643</td>
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<td>(7,356,643)</td>
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<td>-</td>
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<tr>
<td>SAN 80 47170</td>
<td>Mid City Bus Rapid Transit</td>
<td></td>
<td>-</td>
<td>$ 2,842,633</td>
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<td>(2,842,633)</td>
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<tr>
<td>SAN 80 47180</td>
<td>South Bay Bus Rapid Transit</td>
<td></td>
<td>-</td>
<td>$ 6,125,462</td>
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<td>(6,125,462)</td>
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<tr>
<td>SAN 80 47190</td>
<td>MidCoast</td>
<td></td>
<td>-</td>
<td>$ 14,963,116</td>
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<td>(14,963,116)</td>
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<td>Total Major Transit Corridor Operations</td>
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<td>$ 33,704,007</td>
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<td>(33,704,007)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Transit and Trolley</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>$ 88,268,334</td>
<td>-</td>
<td>(88,268,334)</td>
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<td>-</td>
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<tr>
<td>Total Operating</td>
<td></td>
<td></td>
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<td>-</td>
<td>$ 89,720,120</td>
<td>-</td>
<td>(89,720,120)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total TransNet Extension</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>$ 89,720,120</td>
<td>-</td>
<td>(89,720,120)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>
### SAN DIEGO METROPOLITAN TRANSIT SYSTEM

**TransNet Extension Activities**
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Operating:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior and Disabled Transportation:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS 33A</td>
<td>47130</td>
<td>MTS Access</td>
<td>$12,177,541</td>
<td>$-</td>
<td>$(12,177,541)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Senior and Disabled Transportation</td>
<td>$12,177,541</td>
<td>$-</td>
<td>$(12,177,541)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Transit and Trolley:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MTS 32A</td>
<td>47110</td>
<td>MTS Preventative Maintenance</td>
<td>$266,784,093</td>
<td>$-</td>
<td>$(266,784,093)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Transit and Trolley:</td>
<td>$266,784,093</td>
<td>$-</td>
<td>$(266,784,093)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Major Transit Corridor Operations:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN 80</td>
<td>47140</td>
<td>SuperLoop</td>
<td>$22,178,545</td>
<td>$-</td>
<td>$(22,178,545)</td>
<td>-</td>
</tr>
<tr>
<td>SAN 80</td>
<td>47150</td>
<td>Bus Rapid Transit</td>
<td>$68,620,595</td>
<td>$-</td>
<td>$(68,620,595)</td>
<td>-</td>
</tr>
<tr>
<td>SAN 80</td>
<td>47170</td>
<td>Mid City Bus Rapid Transit</td>
<td>$16,904,027</td>
<td>$-</td>
<td>$(16,904,027)</td>
<td>-</td>
</tr>
<tr>
<td>SAN 80</td>
<td>47180</td>
<td>South Bay Bus Rapid Transit</td>
<td>$25,678,396</td>
<td>$-</td>
<td>$(25,678,396)</td>
<td>-</td>
</tr>
<tr>
<td>SAN 80</td>
<td>47190</td>
<td>MidCoast</td>
<td>$14,963,116</td>
<td>$-</td>
<td>$(14,963,116)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Major Transit Corridor Operations</td>
<td>$148,344,679</td>
<td>$-</td>
<td>$(148,344,679)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Transit and Trolley</td>
<td>$415,128,772</td>
<td>$-</td>
<td>$(415,128,772)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Operating</td>
<td>$427,306,313</td>
<td>$-</td>
<td>$(427,306,313)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Subtotal Cumulative TransNet Extension</td>
<td>$427,306,313</td>
<td>$-</td>
<td>$(427,306,313)</td>
<td>-</td>
</tr>
</tbody>
</table>
### Completed Projects:

#### Capital:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS28</td>
<td>47120</td>
<td>Bus &amp; Rail Rolling Stock</td>
<td>$2,247,000</td>
<td>$-</td>
<td>$(2,247,000)</td>
<td>$-</td>
</tr>
<tr>
<td>SAN 67</td>
<td>47120</td>
<td>Blue Line Rehab</td>
<td>45,442,895</td>
<td>$-</td>
<td>$(45,442,895)</td>
<td>$-</td>
</tr>
</tbody>
</table>

#### Operating:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>CIP Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>MTS 23A</td>
<td>47110</td>
<td>MTS Operating Support</td>
<td>181,530,668</td>
<td>$-</td>
<td>$(181,530,668)</td>
<td>$-</td>
</tr>
</tbody>
</table>

**Total Completed Projects**

<table>
<thead>
<tr>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>229,220,563</td>
<td>$-</td>
<td>$(229,220,563)</td>
<td>$-</td>
</tr>
</tbody>
</table>

**Total Cumulative TransNet Extension**

<table>
<thead>
<tr>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>$656,526,876</td>
<td>$-</td>
<td>$(656,526,876)</td>
<td>$-</td>
</tr>
</tbody>
</table>
NORTH COUNTY TRANSIT DISTRICT

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the North County Transit District’s (NCTD’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. NCTD’s management is responsible for compliance with the Ordinances and the Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by NCTD with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
   
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.
   
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the TransNet Grant Program spreadsheet.
   
   Results: This procedure is not applicable as NCTD does not participate in the Grant Program.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
Results: Per discussion with management, the TransNet revenues and expenditures are not recorded in a separate fund, but NCTD 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 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 from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension).

      Results: No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency’s general ledger.

      Results: This procedure is not applicable as there was no interest income required to be reported on Schedule A.
ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

**Results:** This procedure is not applicable as interest income was not reported on Schedule A.

f. We identified the total *TransNet* expenditures for the fiscal year.

i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency’s general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** NCTD recorded total *TransNet* expenditures in the amount of $27,836,599. We selected $9,605,680 (34.51%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25%, and documented the recipient agency’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as the payroll expenditures did not exceed the 20% of the total dollar amount of expenditures.
vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the TransNet program, the percentage of indirect costs compared to total TransNet expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency’s indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

g. We determined that any amounts reflected in the “Adjustments” column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2023.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was presented that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2023.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2023.

Results: No exceptions were noted as a result of our procedures.
j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had presented a footnote as to the status of the project that included when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

m. We reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as NCTD had no non-TransNet activity for the fiscal year.

7. We obtained from the recipient agency the Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension). We reviewed the ending balances at June 30, 2023 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B completed section by category.
Results: This procedure is not applicable as there were no completed projects reported in the prior year’s Schedule A.

8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: NCTD is in compliance with the 30% requirement as follows:

<table>
<thead>
<tr>
<th></th>
<th>Senior and Disabled</th>
<th>Transit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year 2023 apportionment</td>
<td>$490,235</td>
<td>$18,481,859</td>
</tr>
<tr>
<td>Less: debt service payment</td>
<td>$0</td>
<td>(1,423,863)</td>
</tr>
<tr>
<td>Net estimated apportionment</td>
<td>490,235</td>
<td>17,057,996</td>
</tr>
<tr>
<td>30% base</td>
<td>30%</td>
<td>30%</td>
</tr>
<tr>
<td>Fiscal year 2023 30% threshold</td>
<td>$147,070</td>
<td>$5,117,399</td>
</tr>
<tr>
<td>Less: Fund balance</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Fund balance under apportionment</td>
<td>$147,070</td>
<td>$5,117,399</td>
</tr>
</tbody>
</table>

9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

<p>|                                | Commercial Paper |</p>
<table>
<thead>
<tr>
<th></th>
<th>July 1, 2022</th>
<th>Additions</th>
<th>Principal Payments</th>
<th>June 30, 2023</th>
<th>Balance</th>
<th>Interest Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>$20,450,000</td>
<td>$0</td>
<td>$(1,350,000)</td>
<td>$19,100,000</td>
<td>$73,863</td>
<td></td>
</tr>
</tbody>
</table>

10. We reviewed transit operator eligibility for receipt of funds.

a. We calculated and reported the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services for the current year and prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.

b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.
Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

c. We reviewed and reported that the increase in the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services (calculated in [a]) does not exceed the increase in the CPI (obtained in [b]).

**Results:** The increase in the total operating cost per revenue vehicle hour for bus services, and total operating cost per revenue vehicle mile for rail services are shown in the table below. The change in CPI from 2022 to 2023 was (1.83)%. The change in total operating cost per revenue vehicle hour for bus services was 17.89% and the change in total operating cost per revenue vehicle mile for rail services was 1.95%, and thus NCTD was not in compliance with both requirements. See Finding 1 in the Findings and Recommendations section of this report.

**Operating Cost per Revenue Vehicle Hour for Bus Services**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for buses</td>
<td>$70,906,316</td>
<td>$62,209,246</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle hours</td>
<td>446,040</td>
<td>461,315</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle hour</td>
<td>$158.97</td>
<td>$134.85</td>
<td>17.89%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>286.586</td>
<td>291.916</td>
<td>(1.83)%</td>
</tr>
</tbody>
</table>

**Operating Cost per Revenue Vehicle Mile for Rail Services**

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2022</th>
<th>Growth Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cost for rail</td>
<td>$66,964,770</td>
<td>$62,854,203</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle miles</td>
<td>917,029</td>
<td>877,589</td>
<td></td>
</tr>
<tr>
<td>Total operating cost per revenue vehicle mile</td>
<td>$73.02</td>
<td>$71.62</td>
<td>1.95%</td>
</tr>
<tr>
<td>Consumer Price Index</td>
<td>286.586</td>
<td>291.916</td>
<td>(1.83)%</td>
</tr>
</tbody>
</table>

11. We reviewed and documented the status of any prior year findings and recommendations.

**Results:** This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

**Results:** See Findings and Recommendations section of this report.
We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on NCTD’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of NCTD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
____________________, 2024
NORTH COUNTY TRANSIT DISTRICT
OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations (Continued)

Year Ended June 30, 2023

(1) **Increase in Operating Cost per Revenue Vehicle Hours and Miles Exceeded Increase in CPI**

North County Transit District’s (NCTD’s) increase in its operating cost per revenue vehicle hours and miles from June 30, 2022 to June 30, 2023 for bus and rail services exceeded the increase in the Consumer Price Index (CPI) for San Diego County. The CPI decreased by 1.83% while the operating cost per revenue vehicle hour for bus services increased by 17.89% and operating cost per revenue vehicle mile for rail services increased by 1.95%.

Section 4C of the *TransNet* Ordinance states, in part:

“...To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must list the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period...”

Additionally, Section 4C.5 of the *TransNet* Extension Ordinance and Expenditure Plan states, in part:

“...If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were limited to, increases in the cost for fuel, insurance premiums, or new state or federal mandates.”

**Recommendation**

We recommend that NCTD investigate options such as requesting approval from SANDAG’s Board of Directors to exclude cost increases from the prior year, use a three-year average or a combination of the two options.

**Management Response**

Under Section 4(C)(5) of the *TransNet* Extension and Ordinance (Ordinance), to maintain eligibility for the receipt of *TransNet* funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail
services from one (1) fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period. If there were unusual circumstances in a given fiscal year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three (3) fiscal years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were due to external events entirely beyond the operator’s control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates.

Following the reopening of the economy in 2021, supply chain disruptions and greater consumer demand for goods caused higher inflation. The U.S. economy was sustained by trillions of dollars of liquidity provided by multiple relief packages passed by Congress. San Diego County’s 12-month inflation measured just 1.7% in January 2021, then soared to 8.3% by May 2022 (a 41-year high) and ended at 5.2% in May 2023. The Transportation CPI utilized by the Ordinance measures the change in prices for transportation costs, which includes new and used motor vehicles, motor fuel, vehicle maintenance and insurance, and airfares. The Transportation CPI does not reflect the complete makeup of NCTD’s operating costs, which is largely driven by labor costs and include wages and benefits, professional services, and purchased transportation (together, these costs accounted for 83% NCTD’s operating costs in FY2023). The Transportation CPI declined by 1.83% during FY2023, while the All Items CPI increased by 5.2%.

Request for 3-Year Average for Rail Services

As permitted by the Ordinance, NCTD is requesting the approval of the Commission to utilize a 3-year average for the purpose of calculating the increase in operating cost per revenue vehicle mile for rail services, which will allow NCTD to be in compliance with the Ordinance as illustrated in the calculation below:

<table>
<thead>
<tr>
<th></th>
<th>FY 2023</th>
<th>FY 2022</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation CPI</td>
<td>286.586</td>
<td>291.916</td>
<td>247.856</td>
<td>220.500</td>
<td></td>
</tr>
<tr>
<td>Change in CPI</td>
<td>-1.83%</td>
<td>17.78%</td>
<td>12.41%</td>
<td>9.45%</td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>$66,569,053</td>
<td>$60,070,772</td>
<td>$46,404,889</td>
<td>$45,410,632</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle miles</td>
<td>917,029</td>
<td>877,589</td>
<td>662,745</td>
<td>749,139</td>
<td></td>
</tr>
<tr>
<td>Ratio</td>
<td>$72.59</td>
<td>$68.45</td>
<td>$70.02</td>
<td>$60.62</td>
<td>$60.62</td>
</tr>
<tr>
<td>Change in ratio</td>
<td>6.05%</td>
<td>-2.24%</td>
<td>15.51%</td>
<td>6.44%</td>
<td></td>
</tr>
</tbody>
</table>
(1) Increase in Operating Cost per Revenue Vehicle Hours and Miles Exceeded Increase in CPI (Continued)

Request for 3-Year Average and Increase in Costs Exclusion for Bus Services

During FY2023, NCTD contracted with MV Transportation (MV) for the operations and maintenance of all bus modes of service (BREEZE, LIFT, FLEXT). This contract, which is largely a fixed-price contract, bears cost escalators at the maximum of the San Diego Consumer Price Index (CPI) year-over-year percentage increase or 3%. During FY2023, NCTD’s contract with MV was adjusted upward by 3%. Furthermore, as result of labor shortages caused by the COVID-19 pandemic, NCTD experienced acute labor shortages of bus operators and mechanics through FY2022 and FY2023, and NCTD had to temporarily reduce the frequency on certain bus routes beginning in April 2022 as result of missed trips and cancellations due to the operators shortage. NCTD also had to fund wages and benefit increases for new and existing bus operators in order to retain and attract candidates. The changes included a new wage tier for new hires, which increased starting pay to $22 per hour (a 19% increase).

As permitted by the Ordinance, NCTD is requesting the approval of the Commission to utilize a 3-year average and exclude the FY2023 increase in the MV contract for the purpose of calculating the increase in operating cost per revenue vehicle mile hour for bus services, which will allow NCTD to be in compliance with the Ordinance as illustrated in the calculation below:

<table>
<thead>
<tr>
<th></th>
<th>FY 2023</th>
<th>FY 2022</th>
<th>FY 2021</th>
<th>FY 2020</th>
<th>3-Year Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation CPI</td>
<td>286.586</td>
<td>291.916</td>
<td>247.856</td>
<td>220.500</td>
<td></td>
</tr>
<tr>
<td>Change in CPI</td>
<td>-1.83%</td>
<td>17.78%</td>
<td>12.41%</td>
<td></td>
<td>9.45%</td>
</tr>
<tr>
<td><strong>Bus Services</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating costs</td>
<td>$63,880,456</td>
<td>$59,648,926</td>
<td>$57,305,029</td>
<td>$57,672,372</td>
<td></td>
</tr>
<tr>
<td>Revenue vehicle hours</td>
<td>446,040</td>
<td>461,315</td>
<td>475,203</td>
<td>503,957</td>
<td></td>
</tr>
<tr>
<td>Ratio</td>
<td>$143.22</td>
<td>$129.30</td>
<td>$120.59</td>
<td>$114.44</td>
<td></td>
</tr>
<tr>
<td>Change in ratio</td>
<td>10.76%</td>
<td>7.22%</td>
<td>5.38%</td>
<td></td>
<td>7.79%</td>
</tr>
</tbody>
</table>
GLOSSARY OF TERMS

“CPI” means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1st Half 2023 of the Semiannual average indexes Table).

“Current Fiscal Year” means the fiscal period of July 1, 2022, through June 30, 2023.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means the San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
### NORTH COUNTY TRANSIT DISTRICT

**TransNet and TransNet Extension Activities**

**Schedule of Status of Funds by Project**

**Year Ended June 30, 2023**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>NCTD Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>July 1, 2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>June 30, 2023</td>
<td></td>
</tr>
</tbody>
</table>

#### TransNet Extension:

**Operating:**

**Senior and Disabled Transportation:**

- Elderly and Disabled: $465,000 (Received), $0 (Interest Income), $465,000 (Expenditures), $0 (Adjustments)
- Total Senior and Disabled Transportation: $0 (Received), $465,000 (Interest Income), $465,000 (Expenditures), $0 (Adjustments)

**Transit:**

- Oceanside to Escondido Rail - SPRINT DEBT SERVICE: $1,900,000 (Received), $0 (Interest Income), $1,900,000 (Expenditures), $0 (Adjustments)
- Transit Service Operating Support: $15,360,000 (Received), $0 (Interest Income), $15,360,000 (Expenditures), $0 (Adjustments)
- Total Transit: $17,260,000 (Received), $0 (Interest Income), $17,260,000 (Expenditures), $0 (Adjustments)
- Total Operating: $17,725,000 (Received), $0 (Interest Income), $17,725,000 (Expenditures), $0 (Adjustments)

#### Capital:

**Major Corridor:**

- COASTER Expanded Service: $7,099,760 (Received), $0 (Interest Income), $7,210,257 (Expenditures), $2,290,702 (Adjustments), (a) $2,491,199 (b)
- COASTER Train Sets: $(9,083,537) (Received), $9,292,138 (Interest Income), $(2,901,342) (Expenditures), $0 (Adjustments), (a) $(2,692,741) (b)
- Total Major Corridor: $(9,083,537) (Received), $16,301,898 (Interest Income), $(10,111,599) (Expenditures), $2,290,702 (Adjustments), (a) $(5,183,940) (b)
- Total TransNet Extension: $(9,083,537) (Received), $34,026,898 (Interest Income), $(27,836,599) (Expenditures), $(2,290,702) (Adjustments), (a) $(5,183,940)
- Total TransNet Extension and TransNet Extension: $(9,083,537) (Received), $34,026,898 (Interest Income), $(27,836,599) (Expenditures), $(2,290,702) (Adjustments), (a) $(5,183,940)

**Note:**

(a) Adjustment of $2,290,702 was the amount due from SANDAG as of June 30, 2022, which is the net of FY2022 funds received of $3,324,205 less project expenditures of $5,614,907.

(b) Due as of June 30, 2023; to be reimbursed by SANDAG from TransNet Major Corridor funds.
## NORTH COUNTY TRANSIT DISTRICT

*TransNet* Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Interest Income</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Operating:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Senior and Disabled Transportation:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCTD03</td>
<td>N/A</td>
<td>Elderly and Disabled</td>
<td>$4,930,325</td>
<td>$</td>
<td>$(4,930,325)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Senior and Disabled Transportation</td>
<td>$4,930,325</td>
<td>$</td>
<td>$(4,930,325)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Transit:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NCTD16B</td>
<td>N/A</td>
<td>Oceanside to Escondido Rail Operations</td>
<td>24,855,112</td>
<td>$</td>
<td>$(24,855,112)</td>
<td>$</td>
</tr>
<tr>
<td>NCTD34</td>
<td>N/A</td>
<td>Transit Service Operating Support</td>
<td>159,427,189</td>
<td>$</td>
<td>$(159,427,189)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Transit</td>
<td>184,282,301</td>
<td>$</td>
<td>$(184,282,301)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Major Corridor:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN 80</td>
<td>N/A</td>
<td>COASTER Expanded Service</td>
<td>10,333,965</td>
<td>$</td>
<td>$(12,825,164)</td>
<td>(2,491,199)</td>
</tr>
<tr>
<td>SAN260</td>
<td>420009</td>
<td>COASTER Train Sets</td>
<td>12,920,000</td>
<td>$</td>
<td>$(15,612,741)</td>
<td>(2,692,741)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Major Corridor</td>
<td>23,253,965</td>
<td>$</td>
<td>$(28,437,905)</td>
<td>(5,183,940)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Operating</td>
<td>212,466,591</td>
<td>$</td>
<td>$(217,650,531)</td>
<td>(5,183,940)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Completed Projects:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Operating:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><em>TransNet</em> Senior Mini Grant</td>
<td>217,941</td>
<td>$</td>
<td>$(217,941)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Capital:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Major Corridor</td>
<td>69,636,783</td>
<td>429,576</td>
<td>(70,066,359)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bike, Pedestrian and Neighborhood Safety (BPNS) Inland Rail Trail</td>
<td>3,870,000</td>
<td>25,257</td>
<td>(3,895,257)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Transit:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Preventive Maintenance</td>
<td>1,715,876</td>
<td>$</td>
<td>$(1,715,876)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Completed Projects</td>
<td>75,440,600</td>
<td>454,833</td>
<td>$(75,895,433)</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cumulative <em>TransNet</em> Extension</td>
<td>$287,907,191</td>
<td>454,833</td>
<td>$(293,545,964)</td>
<td>$(5,183,940)</td>
</tr>
</tbody>
</table>
SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA
Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Year Ended June 30, 2023
INDEPENDENT ACCOUNTANT’S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the San Diego Association of Governments’ (SANDAG’s) compliance with the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. SANDAG’s management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by SANDAG with respect to the TransNet Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. Definitions of terms are included as Attachment A.

1. We reviewed the TransNet Ordinance and Expenditure Plan, TransNet Extension Ordinance, and SANDAG Board Policy No. 031.
   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved RTIP.
   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG the TransNet Grant Program spreadsheet.
   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency’s management and determined whether the recipient agency maintains a separate fund for TransNet revenues or has an alternative approach to maintaining separate accountability for reasonableness.
   Results: No exceptions were noted as a result of our procedures.
5. We obtained a detailed general ledger for TransNet revenues and expenditures for SANDAG and SDCRTC for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, TransNet funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by TransNet program (i.e., original TransNet vs. TransNet Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc). We determined that the projects are properly classified by SANDAG and SDCRTC.

      Results: No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of TransNet payments made to the recipient agency from SANDAG staff. We compared the TransNet revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified SANDAG staff and obtained approval.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We reviewed the interest income reported on Schedule A and matched it to the TransNet general ledger.

         Results: This procedure is not applicable as there was no interest reported on Schedule A.

      ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: This procedure is not applicable as there was no interest reported on Schedule A.
We identified the total *TransNet* expenditures for the year ended June 30, 2023.

i. We reviewed the total project expenditures per Schedule A and agreed to the respective recipient agency's general ledger.

**Results:** No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

**Results:** SANDAG recorded total *TransNet* expenditures in the amount of $117,718,836. We selected $30,988,804 (26.32%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

**Results:** No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures, and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

**Results:** This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transaction and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.

**Results:** This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency, or
audited by an independent certified public accounting firm. We documented an explanation if indirect costs exceeded 10% of total TransNet expenditures.

Results: SANDAG allocated indirect costs to projects included in the RTIP for the year ended June 30, 2023. SANDAG allocates indirect costs at a rate of 109.14% of direct labor costs associated with each project. SANDAG allocated a total of $6,338,887 of indirect costs to projects, resulting in 5.38% of indirect costs compared to total TransNet expenditures. SANDAG’s indirect cost plan has been reviewed and approved by the State of California Department of Transportation during FY 2023, and is updated by SANDAG on an annual basis. The indirect cost rate allocation methodology appears reasonable. No exceptions were noted as a result of our procedures.

g. We determined that any amounts reported in the “adjustments” column was explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the TransNet program and MPO ID. We determined whether any remaining TransNet funds for completed projects were transferred to another TransNet-eligible project within the same Program or related Program. We reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another TransNet-eligible project, we ensured that a footnote was presented that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type or authorization and date of authorization.

Results: This procedure is not applicable as there were no transfers of TransNet funds between projects.

j. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2023.

Results: No exceptions were noted as a result of our procedures.

j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient
agency has provided a footnote of the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

k. We obtained approval from SANDAG staff for reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of TransNet funds from one project to another. We reviewed that transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfer of funds between projects.

m. We reported all non-TransNet activity separate from TransNet activity in Schedule A.

Results: This procedure is not applicable as SANDAG had no non-TransNet activity for the fiscal year.

7. We obtained from the recipient agency the Schedule B which includes cumulative information for all TransNet Extension projects including TransNet funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We reviewed Schedule B and determined that projects were properly classified and reported by TransNet program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustment column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year’s Schedule A and ensured that all completed projects were reported in the current year’s Schedule B completed section by category.

Results: This procedure is not applicable as SANDAG does not track completed projects within Schedule A.
8. We determined that the ending project status per Schedule A for those projects that are derived from the recipient agency’s annual TransNet apportionment was not more than 30% of the recipient agency’s current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

**Results:** This procedure is not applicable as the 30% balance threshold applies to TransNet recipients that receive an annual apportionment per the Ordinance. SANDAG is not a recipient of an annual apportionment.

9. If applicable (including SDCRTC), we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

**Results:** This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2023.

10. For recipient SANDAG, acting as the SDCRTC, only, we obtained a schedule of bond financing costs related to highway and transit capital projects indicating beginning balance, additions and ending paid to date balance. We ensured the financing costs were properly supported and have not exceeded $500,000,000 (2002 dollars). We agreed the current fiscal year financing costs to SANDAG records.

**Results:** The schedule of bond financing costs related to highway and transit capital projects is summarized below. The total cost of $58,079,764 did not exceed $500,000,000 in 2002 dollars. No exceptions were noted as a result of our procedures.

<table>
<thead>
<tr>
<th>Debt Issuance</th>
<th>Balance at July 1, 2022</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balance as of June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Paper</td>
<td>$5,677,132</td>
<td>$385,630</td>
<td>-$</td>
<td>$6,062,762</td>
</tr>
<tr>
<td>2008 Bonds</td>
<td>35,029,282</td>
<td>1,751,494</td>
<td>-</td>
<td>36,780,776</td>
</tr>
<tr>
<td>2010 Bonds</td>
<td>2,930,565</td>
<td>5,445</td>
<td>-</td>
<td>2,936,010</td>
</tr>
<tr>
<td>2014 Bonds</td>
<td>1,308,523</td>
<td>3,967</td>
<td>-</td>
<td>1,312,490</td>
</tr>
<tr>
<td>2016 Bonds</td>
<td>1,216,662</td>
<td>4,378</td>
<td>-</td>
<td>1,221,040</td>
</tr>
<tr>
<td>2017 TIFIA Loan</td>
<td>1,256,300</td>
<td>40,373</td>
<td>-</td>
<td>1,296,673</td>
</tr>
<tr>
<td>2018 Short Term</td>
<td>1,568,812</td>
<td>-</td>
<td>-</td>
<td>1,568,812</td>
</tr>
<tr>
<td>2019 Bonds</td>
<td>1,442,779</td>
<td>1,864</td>
<td>-</td>
<td>1,444,642</td>
</tr>
<tr>
<td>2020 Bonds</td>
<td>420,622</td>
<td>2,780</td>
<td>-</td>
<td>423,402</td>
</tr>
<tr>
<td>2021 Bonds</td>
<td>1,336,919</td>
<td>4,180</td>
<td>-</td>
<td>1,341,099</td>
</tr>
<tr>
<td>2021 Note</td>
<td>964,155</td>
<td>2,450</td>
<td>-</td>
<td>966,605</td>
</tr>
<tr>
<td>2020 Bonds</td>
<td>184,734</td>
<td>199,632</td>
<td>-</td>
<td>384,366</td>
</tr>
<tr>
<td>2021 TIFIA Loan</td>
<td>-</td>
<td>2,500</td>
<td>-</td>
<td>2,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$55,675,070</strong></td>
<td><strong>$2,404,695</strong></td>
<td>-$</td>
<td><strong>$58,079,764</strong></td>
</tr>
</tbody>
</table>
11. We reviewed to ensure that SANDAG’s administrative expenditures complied with Section 12 of the TransNet Extension Ordinance:

a. We reviewed and ensured that the total administrative expenditures did not exceed 2% of the annual TransNet apportioned revenues, plus any funds not utilized in prior years.

Results: No exceptions were noted as a result of our procedures.

b. We reviewed the administrative expenditure project numbers and ensured only projects approved in the 2023 Budget were included in administrative expenditures.

Results: SANDAG recorded total administrative expenditures in the amount of $10,100,092. We reviewed the detail of administrative expenditures and noted the following cost centers included within:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Expenses</td>
<td>$6,856,481</td>
</tr>
<tr>
<td>Operational Expenses</td>
<td>2,995,268</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>184,798</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>63,545</td>
</tr>
<tr>
<td>Total</td>
<td>$10,100,092</td>
</tr>
</tbody>
</table>

c. We reviewed at least 25% of the administrative expenditures and ensured that they were expended by recipient SANDAG for costs necessary to administer TransNet.

Results: SANDAG recorded total administrative expenditures in the amount of $10,100,092. We selected $2,878,844 (28.50%) for testing. No exceptions were noted as a result of our procedures.

d. If unallowable expenditures were identified in step 11.c we expanded the sample to include an additional 25% of administrative expenditures, and documented SANDAG’s plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures noted in step 11.c.

e. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We evaluated whether the direct payroll charge appeared reasonable for the project.
Results: SANDAG recorded total TransNet administrative payroll expenditures in the amount of $6,856,481, which represented 67.89% of total administrative expenditures. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.

12. For SANDAG, acting as the SDCRTC, only, we performed the following procedures:

a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

   Results: No exceptions were noted as a result of our procedures.

b. We reviewed the FY 2023 TransNet Local Street Improvements Allocation Schedule and determined that at least 70% of the revenues provided for Local Street Improvement purposes were used for congestion relief purposes and that no more than 30% for maintenance purposes.

   Results: No exceptions were noted as a result of our procedures.

13. We reviewed and documented the status of any prior year findings and recommendations.

   Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

14. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency’s response to address the finding.

   Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2023.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on SANDAG’s compliance with the TransNet Ordinance and TransNet Extension Ordinance as of June 30, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SANDAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.
Irvine, California
_______________, 2024
GLOSSARY OF TERMS

Definitions

“Current Fiscal Year” means the fiscal period of July 1, 2022 through June 30, 2023.

“ITOC” means the Independent Taxpayer Oversight Committee.

“MPO ID” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“Recipient Agency” means an agency, including SANDAG and SDCRTC, that receives TransNet funding on an annual basis for one or more of the TransNet Programs.

“RTIP” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“SANDAG” means San Diego Association of Governments, the responsible agent for the administration of the TransNet Ordinances.

“SANDAG Board Policy No. 031” means the SANDAG Board Policy No. 031: TransNet Ordinance and Expenditure Plan Rules.

“Schedule A” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active TransNet projects.

“Schedule B” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency TransNet Extension Ordinance projects.

“SDCRTC” means the San Diego County Regional Transportation Commission, a blended component unit of SANDAG.

“TransNet Extension Ordinance” means the 2004 Proposition A.

“TransNet Ordinance and Expenditure Plan” means the 1987 Proposition A San Diego Transportation Improvement Plan.
<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status July 1, 2022</th>
<th>Funds Received</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>Agency</th>
<th>Project Status June 30, 2023</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td><strong>TransNet Extension:</strong></td>
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<tr>
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<td></td>
<td><strong>Administration:</strong></td>
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<tr>
<td></td>
<td></td>
<td>SANDAG 2% Administration</td>
<td>$ 1,680,820</td>
<td>$ 8,594,704</td>
<td>(10,100,092)</td>
<td>$ -</td>
<td></td>
<td>$ 175,432</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total Administration</strong></td>
<td>1,680,820</td>
<td>8,594,704</td>
<td>(10,100,092)</td>
<td>-</td>
<td></td>
<td>175,432</td>
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<td><strong>Bike, Pedestrian &amp; Neighborhood Safety (BPNS) - Pass Through:</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>CAL330</td>
<td>1223014</td>
<td>SR-15 Commuter Bike Facility</td>
<td>-</td>
<td>1,227</td>
<td>(1,227)</td>
<td>-</td>
<td></td>
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</tr>
<tr>
<td>CB45</td>
<td>1223071</td>
<td>Carlsbad Blvd &amp; Tamarack Ave Ped Improvement Project</td>
<td>-</td>
<td>184,280</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td><strong>Total BPNS - Pass Through</strong></td>
<td>-</td>
<td>185,507</td>
<td>(185,507)</td>
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<tr>
<td>CAL330</td>
<td>1223014</td>
<td>SR-15 Commuter Bike Facility</td>
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<td>256,123</td>
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<td></td>
<td>(a)</td>
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<td>(852,855)</td>
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<td></td>
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<td>Inland Rail Trail Ph 4</td>
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<td>(39,510)</td>
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<td><strong>SAN154 1229900 Bayshore Bikeway Segment 8B</strong></td>
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<td>(995)</td>
<td>995</td>
<td>-</td>
<td>(a)</td>
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<td><strong>SAN155 1223016 Coastal Rail Trail - Rose Creek</strong></td>
<td>-</td>
<td>81,877</td>
<td>(81,877)</td>
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<td><strong>SAN156 1223017 Coastal Rail Trail Encinitas: E St to Chesterfield Dr</strong></td>
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<td>10,094</td>
<td>(10,094)</td>
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<tr>
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<td><strong>SAN160 1223022 Uptown Bikeways: Fourth and Fifth Avenue Bikeways</strong></td>
<td>-</td>
<td>1,632,473</td>
<td>(1,632,473)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td><strong>SAN195 1223055 Bayshore Bikeway - Barrio Logan</strong></td>
<td>-</td>
<td>1,392,172</td>
<td>(1,392,172)</td>
<td>-</td>
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<tr>
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<td></td>
<td><strong>SAN198 1223053 San Diego River Trail - Carnton Oaks Segment</strong></td>
<td>-</td>
<td>8,842</td>
<td>(8,842)</td>
<td>-</td>
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<tr>
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<td></td>
<td><strong>SAN203 1223056 San Ysidro to IB Parkway</strong></td>
<td>-</td>
<td>395,050</td>
<td>(395,050)</td>
<td>-</td>
<td></td>
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<tr>
<td></td>
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<td><strong>SAN204 1223054 I-15 Bike Path: Adams Ave to Landis St</strong></td>
<td>-</td>
<td>69,596</td>
<td>(69,596)</td>
<td>-</td>
<td></td>
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<tr>
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<td><strong>Subtotal BPNS</strong></td>
<td>-</td>
<td>4,364,650</td>
<td>(4,364,650)</td>
<td>-</td>
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<tr>
<td>MPO ID</td>
<td>Number</td>
<td>Project Name</td>
<td>Project Status</td>
<td>Funds Received</td>
<td>Expenditures</td>
<td>Adjustments</td>
<td>Agency</td>
<td>Project Status</td>
<td>Notes</td>
</tr>
<tr>
<td>---------</td>
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<tr>
<td>SAN205</td>
<td>1223057</td>
<td>NP to Downtown/Balboa Bikeway</td>
<td>-</td>
<td>5,864,691</td>
<td>(5,864,691)</td>
<td>-</td>
<td>-</td>
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<td>SAN206</td>
<td>1223058</td>
<td>Southeast to Downtown Bikeway</td>
<td>-</td>
<td>253,433</td>
<td>(253,433)</td>
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<tr>
<td>SAN230</td>
<td>1223079</td>
<td>North Park/Mid-City Bikeways: Howard Bikeway</td>
<td>1,341,756</td>
<td>50,216</td>
<td>(50,216)</td>
<td>1,341,756</td>
<td>-</td>
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<tr>
<td>SAN223</td>
<td>1223081</td>
<td>North Park/Mid-City Bikeways: University Bikeway</td>
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<td>190,562</td>
<td>(190,562)</td>
<td>-</td>
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<tr>
<td>SAN223</td>
<td>1223082</td>
<td>North Park/Mid-City Bikeways: Georgia Meade Bikeway</td>
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<td>452,457</td>
<td>(452,457)</td>
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<tr>
<td>SAN234</td>
<td>1223083</td>
<td>Uptown Bikeways: Eastern Hillcrest Bikeways</td>
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<td>605,365</td>
<td>(605,365)</td>
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<td>-</td>
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<tr>
<td>SAN235</td>
<td>1223084</td>
<td>Uptown Bikeways: Washington Street and Mission Valley Bikeways</td>
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<td>425,653</td>
<td>(425,653)</td>
<td>-</td>
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<tr>
<td>SAN236</td>
<td>1223085</td>
<td>Uptown Bikeways: Mission Hills and Old Town Bikeways</td>
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<td>8,952</td>
<td>(8,952)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN237</td>
<td>1223093</td>
<td>GObyBIKE San Diego: Construction Outreach Program</td>
<td>-</td>
<td>118,844</td>
<td>(118,844)</td>
<td>-</td>
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<td>SAN284</td>
<td>1223087</td>
<td>North Park/Mid-City Orange Bikeway</td>
<td>(1,341,756)</td>
<td>188,609</td>
<td>(188,609)</td>
<td>1,341,756</td>
<td>-</td>
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</table>

Total BPNS
- 12,523,432 (12,523,432) - - -

Senior Services Pass Through:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>Agency</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN70</td>
<td>1271000</td>
<td>Jewish Family Services - Rides and Smiles</td>
<td>-</td>
<td>242,620</td>
<td>(242,620)</td>
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<td>-</td>
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<tr>
<td>SAN70</td>
<td>1271800</td>
<td>On the Go (Eastern San Diego)</td>
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<td>229,244</td>
<td>(229,244)</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN70</td>
<td>1272000</td>
<td>Jewish Family Services - Volunteer Driver Transportation/Rides and</td>
<td>-</td>
<td>210,171</td>
<td>(210,171)</td>
<td>-</td>
<td>-</td>
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Total SAN70
- 682,035 (682,035) - - -

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>Agency</th>
<th>Project Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN87</td>
<td>1272700</td>
<td>Elderhelp - Volunteer Driver Program</td>
<td>-</td>
<td>126,187</td>
<td>(126,187)</td>
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<td>-</td>
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<tr>
<td>SAN90</td>
<td>1271100</td>
<td>Peninsula Shepherd Senior Center - Volunteer Driver</td>
<td>-</td>
<td>51,914</td>
<td>(51,914)</td>
<td>-</td>
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<tr>
<td>SAN92</td>
<td>1271300</td>
<td>Travelers Aid Society - SeniorRide</td>
<td>-</td>
<td>280,438</td>
<td>(280,438)</td>
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<tr>
<td>SAN168</td>
<td>1271900</td>
<td>FACT Mobility Management</td>
<td>-</td>
<td>412,201</td>
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<tr>
<td>SAN185</td>
<td>1270800</td>
<td>FACT MedRide</td>
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<td>-</td>
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<tr>
<td>SAN278</td>
<td>1270800</td>
<td>FACT MedRide</td>
<td>-</td>
<td>12,779</td>
<td>(12,779)</td>
<td>-</td>
<td>-</td>
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<tr>
<td>SAN279</td>
<td>1272600</td>
<td>RIDEFinder</td>
<td>-</td>
<td>50,036</td>
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</table>

Total Senior Services Pass Through
- 1,819,991 (1,819,991) - - -

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

(Continued)
### Schedule A

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**

*TransNet Extension Activities*

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Project Expenditures</th>
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<td>Received</td>
<td></td>
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<td>June 30, 2023</td>
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</tr>
</tbody>
</table>

#### Senior Services:

- **SAN40 3320201** Specialized Transportation
  - $ - $ 180,911 $ (180,911) $ - $ -
  - Total Senior Services
    - $ - $ 180,911 $ (180,911) $ - $ -

#### Smart Growth Pass Through:

- **CNTY96 1224055** Casa De Oro - Campo Road Specific Plan
  - - 19,726 (19,726) - -
- **EL40 1224067** El Cajon Transit Center Community Connection Improvements
  - - 875,994 (875,994) - -
- **EL41 1224068** Main Street - Green Street Gateway
  - - 83,794 (83,794) - -
- **ESC48 1224060** Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)
  - - 129,478 (129,478) - -
- **LAM49 1224047** Complete Streets Integrated Design Manual
  - - 15,230 (15,230) - -
- **LG26 1224049** Connect Main Street, Ph 1&2
  - - 64,885 (64,885) - -
- **NC36 1224061** Roosevelt Avenue Corridor Smart Growth Revitalization Project
  - - 211,317 (211,317) - -
- **NC37 1224062** Sweetwater Road Protected Bikeway
  - - 1,502,559 (1,502,559) - -
- **NC43 1224071** Together We Plan National City
  - - 190,439 (190,439) - -
- **O49 1224058** Coastal Rail Trail Extension
  - - (82,238) 82,238 - - (a)
- **SAN306 1224072** Mid-City Comm SG Study Areas
  - - 29,976 (29,976) - -
- **SAN307 1224073** Santee Specific Plan
  - - 21,607 (21,607) - -
- **SD261 1224064** Downtown San Diego Wayfinding Signage - Cycle Network
  - - 43,974 (43,974) - -
- **SD262 1224065** East Village Green Park Phase I
  - - 111,885 (111,885) - -

  Total Smart Growth Pass Through
  - - 3,218,596 (3,218,596) - -

#### Smart Growth:

- **SAN40 3300100** TransNet Smart Growth Incentive Program
  - - 137,448 (137,448) - -
  - Total Smart Growth
  - - 137,448 (137,448) - -

#### Local Street Improvements:

- **CB44 3311002** Traffic Signal - RAMS - (Congestion Relief)
  - - 11,700 (11,700) - -
- **CHV39 3311002** Traffic Signal System Optimization
  - - 15,500 (15,500) - -
- **CNTY81 3311002** Regional Traffic Signal Management - (Congestion Relief)
  - - 12,500 (12,500) - -
- **EL06 3311002** Traffic Signals Project
  - - 9,700 (9,700) - -

  Subtotal Local Street Improvements
  - - 49,400 (49,400) - -

(Continued)
### SCHEDULE A

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet Extension Activities*  
Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Expenditures</th>
<th>Adjustments</th>
<th>Agency</th>
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**Total Local Street Improvements**  
- $185,300

**Regional Environmental Mitigation Program (EMP) - Pass-Through:**

- **V07** 12002xx  
  - Caltrans EMP  
  - $11,149,429  
  - (11,149,429)

- **V08** 1201333  
  - Rare Plants 2  
  - $111  
  - (111)

- **V08** 1201336  
  - Invasive Species Management  
  - $5,071  
  - (5,071)

- **V08** 1201337  
  - San Pasqual Cactus Wren  
  - $36,442  
  - (36,442)

- **V08** 1201338  
  - Lower Otay Reservoir  
  - $12,391  
  - (12,391)

- **V08** 1201345  
  - El Monte Preserve Bat Hotel  
  - $533  
  - (533)

- **V08** 1201347  
  - Annie's Canyon Trail (ACT)  
  - $8,416  
  - (8,416)

- **V08** 1201348  
  - San Miguel HMA Perimeter  
  - $5,146  
  - (5,146)

- **V08** 1201351  
  - San Diego Thornmint Enhancement  
  - $60,038  
  - (60,038)

- **V08** 1201372  
  - Rare Dune Plant Restoration  
  - $15,510  
  - (15,510)

- **V08** 1201360  
  - Ocean Beach Estuary Enhancement  
  - $3,158  
  - (3,158)

**Total V08**  
- $152,412  
- (152,412)

**Total Regional EMP - Pass Through**  
- $11,301,841  
- (11,301,841)
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## Schedule of Status of Funds by Project (Continued)

**Year Ended June 30, 2023**

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<td></td>
<td><strong>Total Major Corridor - Pass-Through</strong></td>
<td></td>
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<td>(16,497,456)</td>
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</table>

### Major Corridor:

- **CAL09**
  - 1200504: I-5 North Coast: 2 HOV Lanes
  - 1200509: I-5 San Elijo Bridge Replace
  - 1200510: I-5 HOV Carlsbad

- **CAL09C**
  - 1280505: I-805 Direct Access Ramp and HOV at Carroll Canyon

- **CAL09D**
  - 1200515: I-5/I-805 HOV Conv. To Express

- **CAL18B**
  - 1201520: I-15 Exp Lanes Forester Creek

- **CAL26**
  - 1205203: State Route 52 Freeway (E&F)

- **Total CAL09**

- **Subtotal Major Corridor**

- **Total**
  - 3,068,453
  - (3,068,453)

(Continued)
## Schedule of Status of Funds by Project (Continued)

### Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Agency Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<td>$ (3,068,453)</td>
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<td>(114,133)</td>
<td>10,641</td>
<td>(444,870)</td>
<td>(d)(e)</td>
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<tr>
<td>CAL75</td>
<td>1200506</td>
<td>I-5 Genesee Interchange and Widening</td>
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<td>1280515</td>
<td>I-805 S Soundwalls</td>
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<td>1280516</td>
<td>I-805 North Construct Operational Improvements</td>
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<td>Downtown BRT Stations</td>
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<td>6,166</td>
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<td>SAN26C</td>
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<td>136</td>
<td>(136)</td>
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<td>SAN29</td>
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<td>(384,863)</td>
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<td>San Dieguito Lagoon Double Track and Platform</td>
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<td>396,925</td>
<td>(396,925)</td>
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<td>511 ATIS</td>
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**Total SAN54**

- 1,723,108 (1,723,108) - - - -

**Subtotal Major Corridor**

- 341,378 39,638,759 (39,742,251) - (444,870)

(Continued)
## Schedule A

**TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds</th>
<th>Expenditures</th>
<th>Agency Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<tbody>
<tr>
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<td></td>
<td>July 1, 2022</td>
<td>$ (341,378)</td>
<td>$ (39,638,759)</td>
<td>$(39,742,251)</td>
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<td>20,636</td>
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<td>COASTER Train Sets</td>
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Subtotal Major Corridor (341,378) 46,023,828 (46,127,320) - (444,870)
## SCHEDULE A

**San Diego Association of Governments**

**TransNet Extension Activities**

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Project Status</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Agency Adjustments</th>
<th>Project Status</th>
<th>Notes</th>
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<td>1201101</td>
<td>State Route 11</td>
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<td>$(444,870)</td>
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<td>V11</td>
<td>1201105</td>
<td>SR11/OME POE Traffic Rev Study</td>
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<td>V15</td>
<td>1200508</td>
<td>I-5/Gilman Drive Bridge.</td>
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<td>I-5/Voigt Drive Improvements</td>
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<td>V22</td>
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<td>1,392</td>
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**Total Major Corridor**

$(341,378) $47,157,999 $(47,261,491) - $(444,870)

**Total TransNet Extension**

$1,339,442 $116,109,956 $(117,718,836) - $(269,438)

**Notes:**

(a) Negative expenditures in FY23 due to prior year corrections.
(b) Correction of backward Agency adjustment from FY22.
(c) TransNet funds were returned in FY23 due to Caltrans EAP refund of excess deposit on hand. See Caltrans audit for more detail.
(d) TransNet funds were returned in FY 23 due to other funding received for prior year expenditures.
(e) PIO in progress with Caltrans to swap TransNet funds with other project funding.
## SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project  
Year Ended June 30, 2023

<table>
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<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
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<td><strong>Administration:</strong></td>
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<td>SANDAG 2% Administration</td>
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<td></td>
<td>CAL330 1223014 SR-15 Commuter Bike Facility</td>
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<td>CB45 1223071 Carlsbad Blvd &amp; Tamarack Ave Ped Improvement Project</td>
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<td>SAN156 1223017 Coastal Rail Trail Encinitas: E St to Chesterfield Dr</td>
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<td>SAN195 1223055 Bayshore Bikeway - Barrio Logan</td>
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<tr>
<td></td>
<td></td>
<td>CAL330 1223014 SR-15 Commuter Bike Facility</td>
<td>341,539</td>
<td>(341,539)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NC35 1223089 National City Bicycle Parking Enhancements</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN40 3300100/3300200/3300300 Metropolitan Planning</td>
<td>884,529</td>
<td>(884,529)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN73A 1239817 Chesterfield Drive Crossing Improvements</td>
<td>486,000</td>
<td>(486,000)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN153 1223023 The Inland Rail Trail</td>
<td>20,754,637</td>
<td>(20,754,637)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN153 1223094 Inland Rail Trail Ph 3</td>
<td>1,576,800</td>
<td>(1,576,800)</td>
<td>-</td>
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<td></td>
<td></td>
<td>SAN153 1223095 Inland Rail Trail Ph 4</td>
<td>39,640</td>
<td>(39,640)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>Total SAN153</td>
<td>22,371,077</td>
<td>(22,371,077)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN154 1129900 Bayshore Bikeway Segment 8B</td>
<td>779,915</td>
<td>(779,915)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN155 1223016 Coastal Rail Trail - Rose Creek</td>
<td>22,989,060</td>
<td>(22,989,060)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN156 1223017 Coastal Rail Trail Encinitas: E St to Chesterfield Dr</td>
<td>3,203,098</td>
<td>(3,203,098)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>SAN158 1223020 Bicycle Facilities - La Mesa to North Park</td>
<td>1,438,632</td>
<td>(1,438,632)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>SAN160 1223022 Bicycle Facilities - Old Town to San Diego</td>
<td>21,264,019</td>
<td>(21,264,019)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN195 1223055 Bayshore Bikeway - Barrio Logan</td>
<td>8,567,700</td>
<td>(8,567,700)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SAN198 1223053 San Diego River Trail - Carlton Oaks Segment</td>
<td>914,634</td>
<td>(914,634)</td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td>Subtotal BPNS</td>
<td>83,240,203</td>
<td>(83,240,203)</td>
<td></td>
</tr>
</tbody>
</table>

(Continued)
### SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

**MPO ID** | **Project Number** | **Project Name** | **Funds Received** | **Project Expenditures** | **Project Status June 30, 2023**
---|---|---|---|---|---
SAN203 | 1223056 | San Ysidro to IB Parkway | $83,240,203 | $(83,240,203) | -
SAN204 | 1223054 | I-15 Bike Path: Adams Ave to Landis St | 3,464,171 | (3,464,171) | -
SAN205 | 1223057 | NP to Downtown/Balboa Bikeway | 1,328,808 | (1,328,808) | -
SAN206 | 1223058 | Southeast to Downtown Bikeway | 12,774,416 | (12,774,416) | -
SAN230 | 1223079 | North Park/Mid-City Bikeways: Howard Bikeway | 3,786,890 | (3,786,890) | -
SAN232 | 1223081 | North Park/Mid City Bikeways: University Bikeway | 1,386,800 | (1,386,800) | -
SAN233 | 1223082 | North Park/Mid-City Bikeways: Georgia Meade Bikeway | 3,190,439 | (3,190,439) | -
SAN234 | 1223083 | Uptown Bikeways: Eastern Hillcrest Bikeways | 26,070,810 | (26,070,810) | -
SAN235 | 1223084 | Uptown Bikeways: Washington Street and Mission Valley Bikeways | 3,234,375 | (3,234,375) | -
SAN236 | 1223085 | Uptown Bikeways: Mission Hills and Old Town Bikeways | 2,717,288 | (2,717,288) | -
SAN272 | 1223093 | GObyBIKE San Diego: Construction Outreach Program | 163,847 | (163,847) | -
SAN284 | 1223087 | North Park/Mid-City Orange Bikeway | 1,386,807 | (1,386,807) | -

**Total BPNS** | 142,972,949 | (142,972,949) | -

**Senior Services - Pass-Through:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
</table>
| SAN70 | 1271000 | Jewish Family Services - Rides and Smiles | 1,331,299 | (1,331,299) | -
| SAN70 | 1271800 | On the Go (Eastern San Diego) | 1,186,326 | (1,186,326) | -
| SAN70 | 1272000 | Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles | 1,484,247 | (1,484,247) | -

**Total SAN70** | 4,001,872 | (4,001,872) | -

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
</table>
| SAN87 | 1272700 | Elderhelp - Volunteer Driver Program | 249,557 | (249,557) | -
| SAN90 | 1271100 | Peninsula Shepherd Senior Center - Volunteer Driver | 609,780 | (609,780) | -

**Subtotal Senior Services - Pass-Through** | 4,861,209 | (4,861,209) | -

(Continued)
### Schedule B

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN92</td>
<td>Travelers Aid Society - SeniorRide</td>
<td>2,159,086</td>
<td>(2,159,086)</td>
<td>-</td>
</tr>
<tr>
<td>SAN141</td>
<td>Jewish Family Services</td>
<td>928,710</td>
<td>(928,710)</td>
<td>-</td>
</tr>
<tr>
<td>SAN168</td>
<td>FACT Mobility Management</td>
<td>2,079,392</td>
<td>(2,079,392)</td>
<td>-</td>
</tr>
<tr>
<td>SAN185</td>
<td>FACT - Ride FACT</td>
<td>1,473,232</td>
<td>(1,473,232)</td>
<td>-</td>
</tr>
<tr>
<td>SAN243</td>
<td>FACT - RIDEFinder</td>
<td>98,701</td>
<td>(98,701)</td>
<td>-</td>
</tr>
<tr>
<td>SAN278</td>
<td>FACT - Ride FACT</td>
<td>195,598</td>
<td>(195,598)</td>
<td>-</td>
</tr>
<tr>
<td>SAN279</td>
<td>FACT - RIDEFinder</td>
<td>86,775</td>
<td>(86,775)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Senior Services - Pass-Through: 11,882,703

**Senior Services:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN40</td>
<td>Short Range Transit Svc Activities/Specialized Transportation</td>
<td>889,040</td>
<td>(889,040)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Senior Services: 889,040

**Smart Growth - Pass-Through:**

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CNTY96</td>
<td>Casa De Oro - Campo Road Specific Plan</td>
<td>499,998</td>
<td>(499,998)</td>
<td>-</td>
</tr>
<tr>
<td>CNTY97</td>
<td>Valley Center Community Plan Update</td>
<td>318,063</td>
<td>(318,063)</td>
<td>-</td>
</tr>
<tr>
<td>EL40</td>
<td>El Cajon Transit Center Community Connection Improvements</td>
<td>1,213,545</td>
<td>(1,213,545)</td>
<td>-</td>
</tr>
<tr>
<td>EL41</td>
<td>Main Street - Green Street Gateway</td>
<td>397,354</td>
<td>(397,354)</td>
<td>-</td>
</tr>
<tr>
<td>ESC48</td>
<td>Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)</td>
<td>1,287,222</td>
<td>(1,287,222)</td>
<td>-</td>
</tr>
<tr>
<td>LAM49</td>
<td>Complete Streets Integrated Design Manual</td>
<td>169,799</td>
<td>(169,799)</td>
<td>-</td>
</tr>
<tr>
<td>LG26</td>
<td>Connect Main Street, Ph 1 &amp; 2</td>
<td>361,327</td>
<td>(361,327)</td>
<td>-</td>
</tr>
<tr>
<td>NC36</td>
<td>Roosevelt Avenue Corridor Smart Growth Revitalization Project</td>
<td>2,080,000</td>
<td>(2,080,000)</td>
<td>-</td>
</tr>
<tr>
<td>NC37</td>
<td>Sweetwater Road Protected Bikeway</td>
<td>1,809,011</td>
<td>(1,809,011)</td>
<td>-</td>
</tr>
<tr>
<td>NC43</td>
<td>Together We Plan National City</td>
<td>190,439</td>
<td>(190,439)</td>
<td>-</td>
</tr>
<tr>
<td>O49</td>
<td>Coastal Rail Trail Extension</td>
<td>339,516</td>
<td>(339,516)</td>
<td>-</td>
</tr>
<tr>
<td>SAN306</td>
<td>Mid-City Comm SG Study Areas</td>
<td>29,976</td>
<td>(29,976)</td>
<td>-</td>
</tr>
<tr>
<td>SAN307</td>
<td>Santee Specific Plan</td>
<td>21,607</td>
<td>(21,607)</td>
<td>-</td>
</tr>
<tr>
<td>SD261</td>
<td>Downtown San Diego Wayfinding Signage - Cycle Network</td>
<td>199,379</td>
<td>(199,379)</td>
<td>-</td>
</tr>
<tr>
<td>SD262</td>
<td>East Village Green Park Phase I</td>
<td>168,209</td>
<td>(168,209)</td>
<td>-</td>
</tr>
</tbody>
</table>

Total Smart Growth - Pass-Through: 9,085,445

| (Continued) |
## SAN DIEGO ASSOCIATION OF GOVERNMENTS

**TransNet Extension Activities**  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Smart Growth:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAN40</td>
<td>3300100</td>
<td>TransNet Smart Growth Incentive Program</td>
<td>$917,528</td>
<td>$(917,528)</td>
<td>-</td>
</tr>
<tr>
<td>SAN160</td>
<td>1223022</td>
<td>Uptown Bikeways: Fourth and Fifth Avenue Bikeways</td>
<td>648,000</td>
<td>(648,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Smart Growth</strong></td>
<td></td>
<td></td>
<td>1,565,528</td>
<td>(1,565,528)</td>
<td>-</td>
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<tr>
<td><strong>Local Street Improvements:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CB44</td>
<td>3311002</td>
<td>Traffic Signal - RAMS - (Congestion Relief)</td>
<td>117,000</td>
<td>(117,000)</td>
<td>-</td>
</tr>
<tr>
<td>CHV39</td>
<td>3311002</td>
<td>Traffic Signal System Optimization</td>
<td>170,500</td>
<td>(170,500)</td>
<td>-</td>
</tr>
<tr>
<td>CNTY81</td>
<td>3311002</td>
<td>Regional Traffic Signal Management - (Congestion Relief)</td>
<td>125,000</td>
<td>(125,000)</td>
<td>-</td>
</tr>
<tr>
<td>EL06</td>
<td>3311002</td>
<td>Traffic Signals Project</td>
<td>106,700</td>
<td>(106,700)</td>
<td>-</td>
</tr>
<tr>
<td>ENC28</td>
<td>3311002</td>
<td>Traffic Signal Modifications</td>
<td>81,400</td>
<td>(81,400)</td>
<td>-</td>
</tr>
<tr>
<td>LAM46</td>
<td>3311002</td>
<td>Regional Arterial Management System (RAMS) - (CR)</td>
<td>66,600</td>
<td>(66,600)</td>
<td>-</td>
</tr>
<tr>
<td>NC04</td>
<td>3311002</td>
<td>Traffic Signal Install/Upgrade</td>
<td>88,000</td>
<td>(88,000)</td>
<td>-</td>
</tr>
<tr>
<td>O35</td>
<td>3311002</td>
<td>Regional Arterial Management System (RAMS) - (Congestion Relief)</td>
<td>112,000</td>
<td>(112,000)</td>
<td>-</td>
</tr>
<tr>
<td>POW29</td>
<td>3311002</td>
<td>Citywide Traffic Signal Improvements - (Congestion Relief)</td>
<td>73,000</td>
<td>(73,000)</td>
<td>-</td>
</tr>
<tr>
<td>SD16A</td>
<td>3311002</td>
<td>Traffic Signals Citywide - (Congestion Relief)</td>
<td>676,000</td>
<td>(676,000)</td>
<td>-</td>
</tr>
<tr>
<td>SM54</td>
<td>3311002</td>
<td>Citywide Traffic Signals - (Congestion Relief)</td>
<td>108,000</td>
<td>(108,000)</td>
<td>-</td>
</tr>
<tr>
<td>SNT20</td>
<td>3311002</td>
<td>Traffic Signals Citywide - (Congestion Relief)</td>
<td>74,000</td>
<td>(74,000)</td>
<td>-</td>
</tr>
<tr>
<td>VISTA56</td>
<td>3311002</td>
<td>Traffic Congestion Management Program - CIP 8294</td>
<td>52,800</td>
<td>(52,800)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Local Street Improvements</strong></td>
<td></td>
<td></td>
<td>1,851,000</td>
<td>(1,851,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Regional Environmental Mitigation Program (EMP) - Pass-Through:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CAL29</td>
<td>1207602</td>
<td>Caltrans SR 76 Middle EMP</td>
<td>6,146,000</td>
<td>(6,146,000)</td>
<td>-</td>
</tr>
<tr>
<td>CAL29B</td>
<td>1207606</td>
<td>Caltrans SR 76 East EMP</td>
<td>8,133,000</td>
<td>(8,133,000)</td>
<td>-</td>
</tr>
<tr>
<td>V07</td>
<td>12002xx</td>
<td>Caltrans EMP</td>
<td>191,907,314</td>
<td>(191,907,314)</td>
<td>-</td>
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<tr>
<td><strong>Subtotal Regional EMP - Pass-Through</strong></td>
<td></td>
<td></td>
<td>206,186,314</td>
<td>(206,186,314)</td>
<td>-</td>
</tr>
</tbody>
</table>

(Continued)
## SCHEDULE B

### San Diego Association of Governments

**TransNet Extension Activities**

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>V08</td>
<td>1200300</td>
<td>Regional Habitat Conservation Fund</td>
<td>49,142</td>
<td>(49,142)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200312</td>
<td>Program Developer/Administrator</td>
<td>154,088</td>
<td>(154,088)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200313</td>
<td>Invasive Plant Species Management</td>
<td>189,093</td>
<td>(189,093)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200316</td>
<td>Management Coordinator</td>
<td>77,993</td>
<td>(77,993)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200329</td>
<td>GIS Support</td>
<td>131,322</td>
<td>(131,322)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200331</td>
<td>Wildlife Corridor and Linkages Monitoring</td>
<td>522,097</td>
<td>(522,097)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200332</td>
<td>Rare and Endemic Plant Monitoring and Recovery</td>
<td>231,524</td>
<td>(231,524)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200350</td>
<td>Administrative and Science Support</td>
<td>200,275</td>
<td>(200,275)</td>
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</tr>
<tr>
<td>V08</td>
<td>1200355</td>
<td>Invasive Animal Species Management</td>
<td>571,024</td>
<td>(571,024)</td>
<td>-</td>
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<tr>
<td>V08</td>
<td>1200357</td>
<td>Database Support</td>
<td>105,771</td>
<td>(105,771)</td>
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<tr>
<td>V08</td>
<td>1200374</td>
<td>Biologist</td>
<td>154,106</td>
<td>(154,106)</td>
<td>-</td>
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<tr>
<td>V08</td>
<td>1200376</td>
<td>Vertebrate Monitoring</td>
<td>1,149,304</td>
<td>(1,149,304)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1200377</td>
<td>Invertebrate Monitoring</td>
<td>24,392</td>
<td>(24,392)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201333</td>
<td>Rare Plants 2</td>
<td>79,996</td>
<td>(79,996)</td>
<td>-</td>
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<tr>
<td>V08</td>
<td>1201334</td>
<td>Silverwood-Anstine</td>
<td>34,309</td>
<td>(34,309)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201336</td>
<td>Invasive Species Management</td>
<td>183,732</td>
<td>(183,732)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201337</td>
<td>San Pasqual Cactus Wren</td>
<td>141,333</td>
<td>(141,333)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201338</td>
<td>Lower Otay Reservoir</td>
<td>94,510</td>
<td>(94,510)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201341</td>
<td>Stinknet Removal</td>
<td>109,307</td>
<td>(109,307)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201345</td>
<td>El Monte Preserve Bat Hotel</td>
<td>533</td>
<td>(533)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201347</td>
<td>Annie's Canyon Trail (ACT)</td>
<td>8,416</td>
<td>(8,416)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201348</td>
<td>San Miguel HMA Perimeter</td>
<td>5,146</td>
<td>(5,146)</td>
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</tr>
<tr>
<td>V08</td>
<td>1201350</td>
<td>Quarry Creek Preserve Fencing</td>
<td>603</td>
<td>(603)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201351</td>
<td>San Diego Thornmint Enhancement</td>
<td>4,993</td>
<td>(4,993)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201352</td>
<td>Endangered Avian Nesting Site</td>
<td>60,038</td>
<td>(60,038)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201357</td>
<td>Rare Dune Plant Restoration</td>
<td>15,510</td>
<td>(15,510)</td>
<td>-</td>
</tr>
<tr>
<td>V08</td>
<td>1201360</td>
<td>Ocean Beach Estuary Enhancement</td>
<td>3,158</td>
<td>(3,158)</td>
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</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total V08</strong></td>
<td><strong>4,301,715</strong></td>
<td><strong>(4,301,715)</strong></td>
<td>-</td>
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<tr>
<td></td>
<td></td>
<td><strong>Total Regional EMP - Pass-Through</strong></td>
<td><strong>210,488,029</strong></td>
<td><strong>(210,488,029)</strong></td>
<td>-</td>
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</tbody>
</table>
## SAN DIEGO ASSOCIATION OF GOVERNMENTS

### TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
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</thead>
<tbody>
<tr>
<td><strong>Environmental Mitigation Program (EMP):</strong></td>
<td></td>
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<tr>
<td>V07</td>
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<td>Biological Mitigation</td>
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<td>V08</td>
<td>12003xx/12001xx</td>
<td>Regional Habitat Conservation Fund</td>
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<td><strong>Total EMP</strong></td>
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<td>$222,779,507</td>
<td>$(222,779,507)</td>
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<td><strong>BRT/Rail Operations</strong></td>
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<td>SAN80</td>
<td>1130100</td>
<td>Financial ERP System</td>
<td>2,360,144</td>
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<td>SAN80</td>
<td>1147400</td>
<td>Content Management</td>
<td>937,521</td>
<td>(937,521)</td>
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</tr>
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<td>SAN80</td>
<td>2300000</td>
<td>Transportation Analysis Model</td>
<td>1,590,062</td>
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<td>SAN80</td>
<td>2302300</td>
<td>Data Acquisition, Management, Govern</td>
<td>2,686,486</td>
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<td>SAN80</td>
<td>3100400</td>
<td>Regional Plan Implementation</td>
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<td>SAN80</td>
<td>3103000</td>
<td>Regional Plan Dev (2025)</td>
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<td>SAN80</td>
<td>3310703</td>
<td>TDM - Program &amp; Svcs Delivery</td>
<td>58,554</td>
<td>(58,554)</td>
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<tr>
<td>SAN80</td>
<td>3310714</td>
<td>Mobility &amp; Innovations Program</td>
<td>1,416,662</td>
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<td>SAN80</td>
<td>3322600</td>
<td>Digital Equity Action Plan Implementation</td>
<td>243,534</td>
<td>(243,534)</td>
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<td>SAN80</td>
<td>8000103</td>
<td>Office of the Independent Performance Auditor</td>
<td>807,101</td>
<td>(807,101)</td>
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<td>SAN80</td>
<td>8000180</td>
<td>Information Services</td>
<td>715,841</td>
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<td><strong>Total BRT/Rail Operations</strong></td>
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<td>10,929,763</td>
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<td><strong>Major Corridor - Pass-Through:</strong></td>
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</tr>
<tr>
<td>CAL09</td>
<td>1200501</td>
<td>I-5 North Coast</td>
<td>14,807,503</td>
<td>(14,807,503)</td>
<td>-</td>
</tr>
<tr>
<td>CAL09</td>
<td>1200504</td>
<td>I-5 North Coast: 2 HOV Lanes</td>
<td>45,619,408</td>
<td>(45,619,408)</td>
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</tr>
<tr>
<td>CAL09</td>
<td>1200509</td>
<td>I-5 San Elijo Bridge Replace</td>
<td>41,930,528</td>
<td>(41,930,528)</td>
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<tr>
<td>CAL09</td>
<td>1200510</td>
<td>I-5 HOV Carlsbad</td>
<td>2,348,600</td>
<td>(2,348,600)</td>
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<tr>
<td><strong>Total CAL09</strong></td>
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<td></td>
<td>104,706,039</td>
<td>(104,706,039)</td>
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<tr>
<td>CAL09C</td>
<td>1280505</td>
<td>I-805 Direct Access Ramp and HOV at Carroll Canyon</td>
<td>27,347,389</td>
<td>(27,347,389)</td>
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</tr>
<tr>
<td>CAL09D</td>
<td>1200515</td>
<td>I-5/I-805 HOV Conv. To Express</td>
<td>151,000</td>
<td>(151,000)</td>
<td>-</td>
</tr>
<tr>
<td>CAL26</td>
<td>1205203</td>
<td>State Route 52 Freeway (E&amp;F)</td>
<td>58,950,735</td>
<td>(58,950,735)</td>
<td>-</td>
</tr>
<tr>
<td>CAL29</td>
<td>1207602</td>
<td>SR 76 Middle</td>
<td>40,991,101</td>
<td>(40,991,101)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subtotal Major Corridor - Pass-Through</strong></td>
<td></td>
<td></td>
<td>232,146,264</td>
<td>(232,146,264)</td>
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</tr>
</tbody>
</table>

(Continued)
## SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL29B</td>
<td>1207606</td>
<td>SR 76 East</td>
<td>$232,146,264</td>
<td>(232,146,264)</td>
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</tr>
<tr>
<td>CAL38</td>
<td>1290501</td>
<td>SR-905 New Freeway</td>
<td>50,668,619</td>
<td>(50,668,619)</td>
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</tr>
<tr>
<td>CAL67</td>
<td>1280518</td>
<td>SR94 TP Lanes I-805 to I-5</td>
<td>612,440</td>
<td>(612,440)</td>
<td>-</td>
</tr>
<tr>
<td>CAL68</td>
<td>1212501</td>
<td>SR 94/125 Southbound to Eastbound Connector</td>
<td>1,000</td>
<td>(1,000)</td>
<td>-</td>
</tr>
<tr>
<td>CAL75</td>
<td>1200506</td>
<td>I-5 Genesee Interchange and Widening</td>
<td>423,078</td>
<td>(423,078)</td>
<td>-</td>
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<tr>
<td>CAL78B</td>
<td>1280511</td>
<td>I-805 North: 2 HOV</td>
<td>13,167,318</td>
<td>(13,167,318)</td>
<td>-</td>
</tr>
<tr>
<td>CAL78C</td>
<td>1280510</td>
<td>I-805 South: 2 HOV and DAR</td>
<td>4,432,913</td>
<td>(4,432,913)</td>
<td>-</td>
</tr>
<tr>
<td>CAL78D</td>
<td>1280515</td>
<td>I-805 South Soundwalls - Unit 1</td>
<td>103,995,031</td>
<td>(103,995,031)</td>
<td>-</td>
</tr>
<tr>
<td>CAL114</td>
<td>1200513</td>
<td>SR56 Auxiliary Lane</td>
<td>6,459,374</td>
<td>(6,459,374)</td>
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</tr>
<tr>
<td>CAL277A</td>
<td>1207803</td>
<td>SR78/I-5 HOV Connector</td>
<td>1,282,596</td>
<td>(1,282,596)</td>
<td>-</td>
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<tr>
<td>CAL550</td>
<td>1605201</td>
<td>CMCP-Coast Canyon Trails SR52</td>
<td>2,628,524</td>
<td>(2,628,524)</td>
<td>-</td>
</tr>
<tr>
<td>CAL553</td>
<td>1607801</td>
<td>CMCP-SPRINTER/Palomar Airport Rd/S</td>
<td>230,627</td>
<td>(230,627)</td>
<td>-</td>
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<tr>
<td>SAN23</td>
<td>1257001</td>
<td>Mid-Coast LRT Corridor Project</td>
<td>301,846</td>
<td>(301,846)</td>
<td>-</td>
</tr>
<tr>
<td>SAN26C</td>
<td>1201507</td>
<td>I-15 BRT Mid-City In-Line Bus Rapid Transit Stations</td>
<td>469,000</td>
<td>(469,000)</td>
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</tr>
<tr>
<td>SAN47</td>
<td>1280504</td>
<td>South Bay BRT</td>
<td>11,674,073</td>
<td>(11,674,073)</td>
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<tr>
<td>SAN60</td>
<td>1239820</td>
<td>COASTER Train Sets</td>
<td>11,674,073</td>
<td>(11,674,073)</td>
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<tr>
<td>SAN73</td>
<td>1239806</td>
<td>San Elijo Lagoon Double Track</td>
<td>2,929,727</td>
<td>(2,929,727)</td>
<td>-</td>
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<tr>
<td>SAN73A</td>
<td>1239817</td>
<td>Chesterfield Drive Crossing Improvements</td>
<td>129,000</td>
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<tr>
<td>SAN183</td>
<td>1239816</td>
<td>Batiquitos Lagoon Double Track</td>
<td>38,099</td>
<td>(38,099)</td>
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<tr>
<td>SAN224</td>
<td>1280513</td>
<td>I-805/SR-94 Bus on Shoulder Demonstration Project</td>
<td>7,786,582</td>
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<tr>
<td>SAN253</td>
<td>1600504</td>
<td>CMH Military Inst. Resilience</td>
<td>6,459,374</td>
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<tr>
<td>SAN258</td>
<td>1149000</td>
<td>Central Mobility Station</td>
<td>129,000</td>
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<tr>
<td>SAN264</td>
<td>3502000</td>
<td>Regional Electric Vehicle Charging Incentive</td>
<td>7,786,582</td>
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<tr>
<td>V11</td>
<td>1201101</td>
<td>State Route 11</td>
<td>3,154,106</td>
<td>(3,154,106)</td>
<td>-</td>
</tr>
<tr>
<td>V15</td>
<td>1200508</td>
<td>I-5 Gilman Drive Bridge</td>
<td>655,365</td>
<td>(655,365)</td>
<td>-</td>
</tr>
<tr>
<td>V18/CAL369</td>
<td>1200507</td>
<td>I-5/Voigt Drive Direct Access Ramp</td>
<td>3,154,106</td>
<td>(3,154,106)</td>
<td>-</td>
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<tr>
<td>V22</td>
<td>1606701</td>
<td>CMCP-San Vicente Corridor</td>
<td>3,154,106</td>
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<td>V22</td>
<td>1200100</td>
<td>TransNet Project Office</td>
<td>3,154,106</td>
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</table>

Total Major Corridor - Pass-Through  
459,231,070  (459,231,070) -
# SCHEDULE B

**San Diego Association of Governments**

*TransNet Extension Activities*

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

## Major Corridor:

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>CAL09</td>
<td>1200501</td>
<td>I-5 North Coast</td>
<td>$15,069,883</td>
<td>(15,069,883)</td>
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<tr>
<td>CAL09</td>
<td>1200504</td>
<td>I-5 North Coast; 2 HOV Lanes</td>
<td>19,283,815</td>
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<tr>
<td>CAL09</td>
<td>1200509</td>
<td>I-5 San Elijo Bridge Replace</td>
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<tr>
<td>CAL09</td>
<td>1200510</td>
<td>I-5 HOV Carlsbad</td>
<td>918,087</td>
<td>(918,087)</td>
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<td><strong>Total CAL09</strong></td>
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</tr>
<tr>
<td>CAL09C</td>
<td>1280505</td>
<td>I-805 Direct Access Ramp and HOV at Carroll Canyon</td>
<td>4,915,666</td>
<td>(4,915,666)</td>
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</tr>
<tr>
<td>CAL09D</td>
<td>1200515</td>
<td>I-5/I-805 HOV Conv. To Express</td>
<td>616,308</td>
<td>(616,308)</td>
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<tr>
<td>CAL18B</td>
<td>1201520</td>
<td>I-15 Exp Lanes Forester Creek</td>
<td>175</td>
<td>(175)</td>
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</tr>
<tr>
<td>CAL26</td>
<td>1205203</td>
<td>State Route 52 Freeway (E&amp;F)</td>
<td>16,928,525</td>
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<tr>
<td>CAL29</td>
<td>1207602</td>
<td>SR 76 Middle</td>
<td>7,000,739</td>
<td>(7,000,739)</td>
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<tr>
<td>CAL29B</td>
<td>1207606</td>
<td>SR 76 East</td>
<td>(635,050)</td>
<td>190,180</td>
<td>(444,870)</td>
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<tr>
<td>CAL38</td>
<td>1390501</td>
<td>SR-905 New Freeway</td>
<td>725,883</td>
<td>(725,883)</td>
<td>-</td>
</tr>
<tr>
<td>CAL67</td>
<td>1280518</td>
<td>SR94 TP Lanes I-805 to I-5</td>
<td>18</td>
<td>(18)</td>
<td>-</td>
</tr>
<tr>
<td>CAL68</td>
<td>1212501</td>
<td>SR-94-125 Widening</td>
<td>1,642,070</td>
<td>(1,642,070)</td>
<td>-</td>
</tr>
<tr>
<td>CAL75</td>
<td>1200506</td>
<td>I-5 Genesee Interchange and Widening</td>
<td>5,539,463</td>
<td>(5,539,463)</td>
<td>-</td>
</tr>
<tr>
<td>CAL78B</td>
<td>1280511</td>
<td>I-805 North: 2 HOV</td>
<td>2,606,120</td>
<td>(2,606,120)</td>
<td>-</td>
</tr>
<tr>
<td>CAL78C</td>
<td>1280510</td>
<td>I-805 South: 2 HOV &amp; DAR</td>
<td>9,147,209</td>
<td>(9,147,209)</td>
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<tr>
<td>CAL78D</td>
<td>1280515</td>
<td>I-805 S Soundwalls</td>
<td>882,447</td>
<td>(882,447)</td>
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<td>CAL277</td>
<td>1207802</td>
<td>I-15/SR78 HOV Connectors</td>
<td>245,214</td>
<td>(245,214)</td>
<td>-</td>
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<tr>
<td>CAL277A</td>
<td>1207803</td>
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<td>425</td>
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<tr>
<td>CAL278</td>
<td>1207804</td>
<td>SR78 HOV Lanes: I-5 to I-15</td>
<td>6,391</td>
<td>(6,391)</td>
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<tr>
<td>CAL398A</td>
<td>1200512</td>
<td>I-5/Genesee Auxiliary Lane</td>
<td>103,000</td>
<td>(103,000)</td>
<td>-</td>
</tr>
<tr>
<td>CAL369/V18</td>
<td>1200507</td>
<td>I-5/Voigt Drive Direct Access Ramp</td>
<td>4,531,346</td>
<td>(4,531,346)</td>
<td>-</td>
</tr>
<tr>
<td>CAL399</td>
<td>1200508</td>
<td>I-5/Gilman Drive Bridge</td>
<td>155,804</td>
<td>(155,804)</td>
<td>-</td>
</tr>
<tr>
<td>CAL502</td>
<td>1280516</td>
<td>I-805 North Construct Operational Improvements</td>
<td>-</td>
<td>-</td>
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<tr>
<td>CAL538</td>
<td>1206701</td>
<td>SR67 Improvements</td>
<td>55,853</td>
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<td><strong>Subtotal Major Corridor</strong></td>
<td><strong>103,724,347</strong></td>
<td><strong>(104,169,217)</strong></td>
<td><strong>(444,870)</strong></td>
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</tbody>
</table>

(Continued)
### Schedule B

**San Diego Association of Governments**  
*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
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</thead>
<tbody>
<tr>
<td>CAL50</td>
<td>1605201</td>
<td>CMCP - Sea to Santee (SR52)</td>
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<td>CMCP-Sbay to Sorrento</td>
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</tr>
<tr>
<td>CAL53</td>
<td>1607801</td>
<td>CMCP - SPRINT/Palmar Airport Rd/SR78/SR76</td>
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<tr>
<td>CAL61</td>
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<td>I-805 North Construct Operational Improvement</td>
<td>32,752</td>
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<tr>
<td>SAN23</td>
<td>1257001</td>
<td>Mid-Coast Corridor Transit Project</td>
<td>904,309,548</td>
<td>(904,309,548)</td>
<td>-</td>
</tr>
<tr>
<td>SAN26B</td>
<td>1201509</td>
<td>Downtown BRT Stations</td>
<td>20,738,417</td>
<td>(20,738,417)</td>
<td>-</td>
</tr>
<tr>
<td>SAN26C</td>
<td>1201507</td>
<td>I-15 BRT Transit Stations - South</td>
<td>26,466,130</td>
<td>(26,466,130)</td>
<td>-</td>
</tr>
<tr>
<td>SAN29</td>
<td>1239812</td>
<td>Sorrento to Miramar Phase 2</td>
<td>7,643,240</td>
<td>(7,643,240)</td>
<td>-</td>
</tr>
<tr>
<td>SAN30</td>
<td>1239813</td>
<td>San Dieguito Lagoon Double Track and Platform</td>
<td>7,510,336</td>
<td>(7,510,336)</td>
<td>-</td>
</tr>
<tr>
<td>SAN36</td>
<td>1129200</td>
<td>OCS Insulator/Catch Cable Replacement</td>
<td>550,033</td>
<td>(550,033)</td>
<td>-</td>
</tr>
<tr>
<td>SAN46</td>
<td>1041502</td>
<td>SuperLoop</td>
<td>33,106,152</td>
<td>(33,106,152)</td>
<td>-</td>
</tr>
<tr>
<td>SAN47</td>
<td>1280504</td>
<td>Otay BRT</td>
<td>100,829,428</td>
<td>(100,829,428)</td>
<td>-</td>
</tr>
<tr>
<td>SAN54</td>
<td>1144800</td>
<td>Regional Arterial Detection P1</td>
<td>198,096</td>
<td>(198,096)</td>
<td>-</td>
</tr>
<tr>
<td>SAN54</td>
<td>1147700</td>
<td>Next Operating System (Next OS)</td>
<td>107,912</td>
<td>(107,912)</td>
<td>-</td>
</tr>
<tr>
<td>SAN54</td>
<td>3310500</td>
<td>511 Advanced Traveler Information System (511 ATIS)</td>
<td>1,407,152</td>
<td>(1,407,152)</td>
<td>-</td>
</tr>
<tr>
<td>SAN54</td>
<td>3311000</td>
<td>ITS Operations</td>
<td>13,981,044</td>
<td>(13,981,044)</td>
<td>-</td>
</tr>
<tr>
<td>SAN54</td>
<td>3330700</td>
<td>TSM-Integrated Corridor Management Program</td>
<td>1,596,568</td>
<td>(1,596,568)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Total SAN54</strong></td>
<td><strong>17,290,772</strong></td>
<td><strong>(17,290,772)</strong></td>
<td>-</td>
</tr>
<tr>
<td>SAN64</td>
<td>1239809</td>
<td>Eastbrook to Shell Double Track</td>
<td>4,360,182</td>
<td>(4,360,182)</td>
<td>-</td>
</tr>
<tr>
<td>SAN73</td>
<td>1239806</td>
<td>San Eljo Lagoon (Cardiff to Craven) Double Track</td>
<td>15,403,257</td>
<td>(15,403,257)</td>
<td>-</td>
</tr>
<tr>
<td>SAN73A</td>
<td>1239817</td>
<td>Chesterfield Drive Crossing Improvements</td>
<td>1,223,285</td>
<td>(1,223,285)</td>
<td>-</td>
</tr>
<tr>
<td>SAN78</td>
<td>1240001</td>
<td>Mid-City Rapid Bus</td>
<td>21,302,042</td>
<td>(21,302,042)</td>
<td>-</td>
</tr>
<tr>
<td>SAN117</td>
<td>1239805</td>
<td>Poinsettia Run Through Track</td>
<td>16,924,373</td>
<td>(16,924,373)</td>
<td>-</td>
</tr>
<tr>
<td>SAN119</td>
<td>1239807</td>
<td>Sorrento Valley Double Track</td>
<td>3,654,470</td>
<td>(3,654,470)</td>
<td>-</td>
</tr>
<tr>
<td>SAN129</td>
<td>1201514</td>
<td>Downtown Layover Facility</td>
<td>21,491,800</td>
<td>(21,491,800)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Subtotal Major Corridor</strong></td>
<td><strong>1,309,651,938</strong></td>
<td><strong>(1,310,096,808)</strong></td>
<td><strong>(444,870)</strong></td>
</tr>
</tbody>
</table>
### SCHEDULE B

**San Diego Association of Governments**  
*TransNet Extension Activities*  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>SAN132</td>
<td>1239811</td>
<td>Elvira to Morena Double Track</td>
<td>37,608,363</td>
<td>(37,608,363)</td>
<td>-</td>
</tr>
<tr>
<td>SAN149</td>
<td>1239814</td>
<td>Coaster PE</td>
<td>1,594,135</td>
<td>(1,594,135)</td>
<td>-</td>
</tr>
<tr>
<td>SAN164</td>
<td>1144900</td>
<td>Los Penasquitos Lagoon Bridge Replacement</td>
<td>5,366,350</td>
<td>(5,366,350)</td>
<td>-</td>
</tr>
<tr>
<td>SAN182</td>
<td>1239815</td>
<td>N. Green Beach Bridge</td>
<td>24,526</td>
<td>(24,526)</td>
<td>-</td>
</tr>
<tr>
<td>SAN183</td>
<td>1239816</td>
<td>San Diego River Bridge</td>
<td>12,528,506</td>
<td>(12,528,506)</td>
<td>-</td>
</tr>
<tr>
<td>SAN208</td>
<td>1201515</td>
<td>Elvira to Morena Double Track</td>
<td>492,048</td>
<td>(492,048)</td>
<td>-</td>
</tr>
<tr>
<td>SAN224</td>
<td>1280513</td>
<td>Batiquitos Lagoon Double Track</td>
<td>5,456,244</td>
<td>(5,456,244)</td>
<td>-</td>
</tr>
<tr>
<td>SAN253</td>
<td>1600501</td>
<td>CMCP - Central Mobility Hub</td>
<td>490,454</td>
<td>(490,454)</td>
<td>-</td>
</tr>
<tr>
<td>SAN256</td>
<td>1612501</td>
<td>CMCP-High Speed Transit/I-8</td>
<td>144,340</td>
<td>(144,340)</td>
<td>-</td>
</tr>
<tr>
<td>SAN258</td>
<td>1149000</td>
<td>Central Mobility Station</td>
<td>2,180</td>
<td>(2,180)</td>
<td>-</td>
</tr>
<tr>
<td>SAN259</td>
<td>1239821</td>
<td>LOSSAN Corridor Improvements</td>
<td>435,817</td>
<td>(435,817)</td>
<td>-</td>
</tr>
<tr>
<td>SAN260</td>
<td>1239820</td>
<td>COASTER Train Sets</td>
<td>21,682</td>
<td>(21,682)</td>
<td>-</td>
</tr>
<tr>
<td>SAN261</td>
<td>1210091</td>
<td>Palomar Street Rail Grade Separation</td>
<td>68,339</td>
<td>(68,339)</td>
<td>-</td>
</tr>
<tr>
<td>SAN262</td>
<td>1210090</td>
<td>Low-Floor Light Rail Transit Vehicles</td>
<td>1,657</td>
<td>(1,657)</td>
<td>-</td>
</tr>
<tr>
<td>SAN264</td>
<td>3502000</td>
<td>Regional Electric Vehicle Charging Incentive Program</td>
<td>4,475,773</td>
<td>(4,475,773)</td>
<td>-</td>
</tr>
<tr>
<td>SAN269</td>
<td>1600101</td>
<td>CMCP - Region Wide Plan</td>
<td>769,959</td>
<td>(769,959)</td>
<td>-</td>
</tr>
<tr>
<td>SAN281</td>
<td>1210021</td>
<td>Blue Line Railway Signal Improvements</td>
<td>166,843</td>
<td>(166,843)</td>
<td>-</td>
</tr>
<tr>
<td>V11</td>
<td>1201101</td>
<td>State Route 11</td>
<td>8,776,828</td>
<td>(8,776,828)</td>
<td>-</td>
</tr>
<tr>
<td>V11</td>
<td>1201105</td>
<td>SR11/OME POE Traffic Rev Study</td>
<td>75,509</td>
<td>(75,509)</td>
<td>-</td>
</tr>
<tr>
<td>V15</td>
<td>1200508</td>
<td>I-5/Gilman Drive Bridge</td>
<td>14,615,117</td>
<td>(14,615,117)</td>
<td>-</td>
</tr>
<tr>
<td>V18</td>
<td>1200507</td>
<td>I-5/Voigt Drive Improvements</td>
<td>16,957,779</td>
<td>(16,957,779)</td>
<td>-</td>
</tr>
<tr>
<td>V22</td>
<td>1606701</td>
<td>CMCP-San Vicente Corridor</td>
<td>5,794</td>
<td>(5,794)</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total Major Corridor**  
1,445,214,794  
(1,445,659,664)  
(444,870)

**Subtotal Cumulative TransNet Extension**  
2,575,764,079  
(2,576,033,517)  
(269,438)

(Continued)
## SAN DIEGO ASSOCIATION OF GOVERNMENTS

*TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2023

<table>
<thead>
<tr>
<th>MPO ID Number</th>
<th>Project Name</th>
<th>Funds Received</th>
<th>Project Expenditures</th>
<th>Project Status June 30, 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance Carried Forward - Subtotal <em>TransNet</em> Extension</td>
<td>$2,575,764,079</td>
<td>$(2,576,033,517)</td>
<td>$(269,438)</td>
<td></td>
</tr>
</tbody>
</table>

### Completed Projects

- Bike, Pedestrians & Neighborhood Safety (BPNS):  
  - 26,757,527 (26,757,527) -

- Senior Services:  
  - 8,492,545 (8,492,545) -

- Smart Growth:  
  - 39,364,726 (39,364,726) -

- Transit Systems Improvement:  
  - 11,000,000 (11,000,000) -

- Local Street Improvements:  
  - 3,271,619 (3,271,619) -

- Regional Environmental Mitigation Program:  
  - 14,992,607 (14,992,607) -

- BRT/Rail Operations:  
  - 10,420,644 (10,420,644) -

- Major Corridor:  
  - 715,000,458 (715,000,458) -

- Total Completed Projects:  
  - 829,300,126 (829,300,126) -

Total Cumulative *TransNet* Extension:  
- $3,405,064,205 $(3,405,333,643) $(269,438)