TransNet Independent Taxpayer Oversight Committee Agenda

Wednesday, April 12, 2023
9:30 a.m.

Welcome to SANDAG. The TransNet Independent Taxpayer Oversight Committee (ITOC) meeting scheduled for Wednesday, April 12, 2023, will be held in person in the SANDAG Board Room. While ITOC members will attend in person, members of the public will have the option of participating either in person or virtually.

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Webinar ID: 818 9778 6072

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Public Comments: Members of the public may speak to the ITOC on any item at the time the Committee is considering the item. Public speakers are generally limited to three minutes or less per person.

Persons who wish to address the members on an item to be considered at this meeting, or on non-agendized issues, may email comments to the Clerk at clerkoftheboard@sandag.org (please reference ITOC meeting in your subject line and identify the item number(s) to which your comments pertain). Comments received by 4 p.m. the business day before the meeting will be provided to members prior to the meeting. All comments received prior to the close of the meeting will be made part of the meeting record.

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Free Language Assistance | Ayuda gratuita con el idioma | Libreng Tulong sa Wika | Hỗ trợ ngôn ngữ miễn phí | 免费语言协助 | 免費語言協助 | مجانية لغوية مساعدة | 무료 언어 지원 | رایگان زبان کمک | 無料の言語支援 | Бесплатная языковая помощь | Assistência linguística gratuita | मुफ़्त भाषा सहायता | Assistance linguistique gratuite | ជំនួយភាសាឥតគិតថ្លៃ | ఉచిత భాషా సహాయం | ການຊ່ວຍເຫຼືອດ້ານພາສາຟຣີ | Kaalmada Luqadda ee Bilaashka ah | Безкоштовна мовна допомога | sandag.org/LanguageAssistance | (619) 699-1900

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Mission Statement: *We are the regional agency that connects people, places, and innovative ideas by implementing solutions with our unique and diverse communities.*

Our Commitment to Equity: *We hold ourselves accountable to the communities we serve. We acknowledge we have much to learn and much to change; and we firmly uphold equity and inclusion for every person in the San Diego region. This includes historically underserved, systemically marginalized groups impacted by actions and inactions at all levels of our government and society.*

We have an obligation to eliminate disparities and ensure that safe, healthy, accessible, and inclusive opportunities are available to everyone. The SANDAG equity action plan will inform how we plan, prioritize, fund, and build projects and programs; frame how we work with our communities; define how we recruit and develop our employees; guide our efforts to conduct unbiased research and interpret data; and set expectations for companies and stakeholders that work with us.

We are committed to creating a San Diego region where every person who visits, works, and lives can thrive.

TransNet Independent Taxpayer Oversight Committee

Wednesday, April 12, 2023

Item No.		Action
1.	**Public Comments/Communications/Member Comments** Public comments under this agenda item will be limited to five public speakers. Members of the public shall have the opportunity to address the TransNet Independent Taxpayer Oversight Committee (ITOC) on any issue within the jurisdiction of the Committee that is not on this agenda. Public speakers are limited to three minutes or less per person. Committee members also may provide information and announcements under this agenda item. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. Subjects of previous agenda items may not again be addressed under public comment.	
2.	**Agency Report** *Andre Douzdjian, SANDAG* Chief Financial Officer Andre Douzdjian will present an update on key programs, projects, and agency initiatives.	**Discussion**
	Consent	
+3.	**Approval of Meeting Minutes** The ITOC is asked to review and approve the minutes from its March 8, 2023, meeting.	**Approve**
+4.	**Annual Submittal of Regional Transportation Congestion Improvement Program Funding Programs by Local Jurisdictions** *Michael Terlep, SANDAG* The ITOC is asked to accept the Regional Transportation Congestion Improvement Program funding program submittals in accordance with TransNet Extension Ordinance Provisions.	**Accept**
+5.	**Draft Schedule of ITOC Meeting Agenda Topics** *Michael Terlep, SANDAG* The ITOC is asked to review the proposed upcoming draft schedule of agenda topics.	**Information**
+6.	**ITOC Goals for FY 2023-2024: Quarterly Update** *Michael Terlep, SANDAG* This report provides a quarterly update on progress made on the ITOC Goals for FY 2023-2024.	**Information**
+7.	**FY 2018 and FY 2021 TransNet Triennial Performance Audits: Implementation of Recommendations Status** *Zara Sadeghian and Michael Terlep, SANDAG* The ITOC is asked to review the updated implementation status of audit recommendations.	**Information**

Reports

8. Actions by the Transportation Committee and Board of Directors on Transnet-Related Agenda Items — **Information**

Zara Sadeghian, SANDAG

Staff will present an update on actions taken by the Transportation Committee and Board of Directors on agenda items that the ITOC has reviewed.

+9. Independent Auditors Annual Report on Results of the FY 2022 TransNet Compliance Audits

Marcus Pascual, SANDAG

+9A. The ITOC is asked to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on May 5, 2023. — **Accept**

+9B. The ITOC is asked to consider the TransNet funding eligibility requests of the cities and San Marcos and Poway and recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests. — **Recommend**

+10. Proposed TransNet Ordinance Amendments: ITOC Membership and Selection Process, and Proposed Amendments to ITOC Bylaws — **Discussion/ Possible Action**

Chair Jonathan Frankel, SANDAG

The ITOC is asked to discuss the next steps for the TransNet Ordinance and ITOC Bylaws amendments specific to the membership and selection process for the ITOC.

11. Upcoming Meetings

The next regular ITOC meeting is scheduled for Wednesday, May 10, 2023, at 9:30 a.m.

12. Adjournment

+ next to an item indicates an attachment

AGENDA ITEM NO. 2.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE:	April 12, 2023
SUBMITTED BY:	Julianna Martinez, Office of the Clerk of the Board
ITEM TYPE:	Discussion
AGENDA SECTION:	Public Comments/ Communications/ Member Comments
SUBJECT:	Agency Report
SUGGESTED ACTION:	Chief Financial Officer Andre Douzdjian will present an update on key programs, projects, and agency initiatives.

AGENDA ITEM NO. +3.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE: April 12, 2023

SUBMITTED BY: Julianna Martinez, Office of the Clerk of the Board

ITEM TYPE: Approve

AGENDA SECTION: Consent

SUBJECT: Approval of Meeting Minutes

SUGGESTED ACTION: The ITOC is asked to review and approve the minutes from its March 8, 2023, meeting.

ATTACHMENTS:
Item 3 - Meeting Minutes-030823

April 12, 2023

March 8, 2023, Meeting Minutes

Chair Jonathan Frankel (Real Estate/Right-of-Way Acquisition) called the meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) to order at 9:35 a.m.

1. Public Comments/Communications/ Member Comments

There were no public comments.

Chair Frankel and members of the committee acknowledged the retirement of TransNet Program Manager Ariana zur Nieden and presented her with a plaque to commemorate her time as ITOC liaison.

2. Agency Report (Discussion)

Chief Financial Officer André Douzdjian presented an update on key programs, projects, and agency initiatives.

There were no public comments on this item.

Action: Discussion only.

Consent

3. Approval of Meeting Minutes (Approve)

The ITOC was asked to approve the minutes from its February 8, 2023, meeting.

4. FY 2024 TransNet Triennial Performance Audit Procurement Process and Recommendation for Consultant (Approve)

The ITOC was asked to approve the recommended consultant and to proceed forward with a notice of intent to award.

5. TransNet Major Corridor and Regional Bikeway Program Projects: Quarterly Status Report (FY 2023, 1st and 2nd Quarter) (Information)

This report provided an update on TransNet Major Corridor and Regional Bikeway Program projects.

6. Draft Schedule of TransNet Independent Taxpayer Oversight Committee Meeting Agenda Topics (Information)

This report provided the proposed upcoming draft schedule of agenda topics.

There were no public comments on the consent agenda items.

Action: Upon a motion by Sunnie House (CEO/Private Sector) and a second by Les Hopper (Licensed Engineer) the ITOC voted to approve Consent Agenda Items Nos. 3 and 4.

The motion passed.

Yes: Chair Frankel, Dustin Fuller (Biology/Environmental), Les Hopper, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Finance/Budgeting, and Licensed Civil/Traffic Engineer.

DRAFT

Reports

7. Actions by the Transportation Committee and Board of Directors on TransNet-Related Agenda Items (Information)

Senior Financial Programming and Project Control Analyst Zara Sadeghian presented an update on actions taken by the Transportation Committee and Board of Directors on agenda items that the ITOC has reviewed, including Transportation Committee's recommendation and Board's approval of FY 2024 to FY 2028 TransNet Program and Transit-Related Revenues, FY 24 TransNet Regional Transportation Congestion Improvement Program Fee Adjustment, and Specialized Transportation Grant Program Cycle 12 Call for Projects.

There were no public comments on this item.

Action: Information only.

8. North Coast Corridor Status Update (Information)

Caltrans Corridor Directors Allan Kosup and Marvin Canton presented an update on the progress and status of the North Coast Corridor program of projects including current and future highway, rail, active transportation, and environmental work.

Tim Bilash, member of the public, spoke regarding the ease of transit trip planning across various platforms, and suggested the integration of ticketing systems.

Action: Information only.

9. Appointment of Subcommittee Members for FY 2024 TransNet Triennial Performance Audit (Appoint)

Financial Analyst Michael Terlep presented the item.

There were no public comments on this item.

Action: Upon a motion by Chair Frankel and a second by Dustin Fuller, the ITOC voted to appoint Chair Frankel, Sunnie House, and Les Hopper as voting members and Tracy Drager as non-voting member for its FY 2024 TransNet Triennial Performance Audit Subcommittee to finalize the FY 2024 audit scope of work and to review audit results.

The motion passed.

Yes: Chair Frankel, Dustin Fuller, Les Hopper, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Finance/Budgeting, and Licensed Civil/Traffic Engineer.

10. Proposed TransNet Ordinance Amendments: ITOC Membership and Selection Process, and Proposed Amendments to ITOC Bylaws (Discussion/Possible Action)

This item was postponed to a future meeting.

11. Draft FY 2024 TransNet Capital Program Budget Update (Discussion)

Manager of Financial Programming and Project Control Michelle Smith presented the proposed SANDAG Draft FY 2024 Program Budget that is scheduled to be presented to the Board of Directors on March 24, 2023. The ITOC was asked to discuss the Draft FY 2024 TransNet Budgets.

There were no public comments on this item.

Action: Discussion only.

DRAFT

12. FY 2022 TransNet Major Corridor and Bikeway Program Project Annual Status Annual Report (Information)

Senior Financial Programming and Project Control Analyst Chelsea Gonzales presented the item.

Tim Bilash spoke regarding the construction contract budgets and variances.

Action: Information only.

13. Upcoming Meetings

The next regular ITOC meeting is scheduled for Wednesday, April 12, 2023, at 9:30 a.m.

14. Adjournment

Chair Frankel adjourned the meeting at 10:55 a.m.

DRAFT

Meeting Start Time: 9:35 a.m.
Meeting Adjourned Time: 10:55 a.m.

Confirmed Attendance at TransNet Independent Taxpayer Oversight Committee Meeting

March 8, 2023

Jurisdiction	Name	Attended
CEO/Private Sector	Sunnie House	Yes
Finance/Budgeting	Stewart Halpern	No
Real Estate/Right-of-Way Acquisition	Jonathan Frankel, Chair	Yes
Biology/Environmental	Dustin Fuller	Yes
Licensed Engineer	Les Hopper	Yes
Licensed Civil/Traffic Engineer	Michael L. Kenney	No
Contractor/Construction	Pedro Orso-Delgado, Vice Chair	No
Advisory Members		
San Diego County Auditor's Office	Tracy Drager	No

DRAFT

AGENDA ITEM NO. +4

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE: April 12, 2023

SUBMITTED BY: Julianna Martinez, Office of the Clerk of the Board

ITEM TYPE: Approve

AGENDA SECTION: Consent

SUBJECT: Annual Submittal of Regional Transportation Congestion Improvement Program Funding Programs by Local Jurisdictions

SUGGESTED ACTION: The ITOC is asked to accept the Regional Transportation Congestion Improvement Program funding program submittals in accordance with TransNet Extension Ordinance Provisions.

ATTACHMENTS:
Item 4 - RTCIP Funding Program
Att 1 - Funding Program Submittals

April 12, 2023

Annual Regional Transportation Congestion Improvement Program Funding Programs

Action: Accept

The ITOC is asked to accept the Regional Transportation Congestion Improvement Program funding program submittals in accordance with TransNet Extension Ordinance Provisions.

Fiscal Impact:

Failure by a local jurisdiction to submit its funding program by April 1, would result in a loss of eligibility to receive TransNet Local Street and Roads funding for the upcoming fiscal year.

Schedule/Scope Impact:

The 19 local jurisdictions submitted their RTCIP funding programs by the required April 1, 2023, deadline.

Overview

The TransNet Extension Ordinance requires the 18 cities in the San Diego region and the County of San Diego to collect a Regional Transportation Congestion Improvement Program (RTCIP) fee from the private sector for each new housing unit constructed in their jurisdiction.

The purpose of this fee is to help ensure that future development contributes its proportional share of the funding needed to pay for the impact of new growth on the Regional Arterial System and related regional transportation facility improvements as defined in the most recent Regional Transportation Plan adopted by SANDAG.

In accordance with the TransNet RTCIP provisions (TransNet Extension Ordinance pages 13 and 38–41), local jurisdictions within the San Diego region are required to confirm annually by April 1, any updates to their initial RTCIP funding programs to remain eligible to receive TransNet Local Streets and Roads funding in the upcoming fiscal year.[1]

Key Considerations

The RTCIP and each local jurisdiction's funding program are subject to an annual review and audit by the TransNet Independent Taxpayer Oversight Committee (ITOC). The funding programs demonstrate how RTCIP fees will be collected and spent by each jurisdiction.

All 19 local jurisdictions submitted their funding programs by the April 1, 2023, deadline, certifying that their RTCIP funding programs are still in place and include the necessary components to fulfill the TransNet Extension Ordinance requirements (Attachment 1).

Next Steps

Each jurisdiction's RTCIP funding program will be reviewed as part of the annual fiscal and compliance audit process for FY 2023, which is scheduled to be conducted by the ITOC in FY 2024.

Susan Huntington, Director of Financial Planning, Budgets and Grants

Key Staff Contact: Michael Terlep, (619) 699-1933, michael.terlep@sandag.org
Attachment: 1. Funding Program Submittals (from 19 jurisdictions)

[1] In accordance with RTCIP provisions, local jurisdictions within the San Diego region were required to submit their initial RTCIP funding programs by April 1, 2008. In 2008, all 18 cities and the County of San Diego submitted their initial RTCIP funding programs, and these were approved by the Board of Directors in April 2008 and took effect by July 1, 2008.

City of Carlsbad

March 17, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Carlsbad submitted an initial funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008, and each year since 2013, we have submitted an updated program in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that an updated program, reflecting the changes to the city's current Capital Improvement Program as adopted by the City Council, is in effect.

Should you have any questions regarding our RTCIP Funding Program, please contact Hossein Ajideh, Engineering Manager, at (760) 579-1062 or hossein.ajideh@carlsbadca.gov .

Sincerely,

Paz Gomez, PE, CEM, GBE, CPM
Deputy City Manager, Public Works

cc: Laura Rocha, Deputy City Manager, Administrative Services
Tom Frank, Transportation Director/City Engineer
Zach Korach, Finance Director
Roxanne Muhlmeister, Assistant Finance Director
Hossein Ajideh, Engineering Manager
Esther Lan, Management Analyst

Public Works Branch
1635 Faraday Ave. | Carlsbad, CA 92008-7314 | 442-339-2751 t

CITY OF CHULA VISTA

Development Services Department

March 21, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Chula Vista submitted the Western Chula Vista Development Impact Fee (WTDIF) funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008 in accordance with Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. At that time, the WTDIF covered all of the City lying to the west of Interstate 805 (I-805). In November 2014, the WTDIF was updated to remove portions of the area west of I-5, which were placed into a separate RTCIP funding program (i.e., the Bayfront Development Impact Fee [BFDIF]). In accordance with the reporting requirements of the TransNet Extension Ordinance, this letter confirms that the two approved programs referenced in last year's letter (i.e., the BFDIF area and the WTDIF area) are still in effect and have not materially changed. Both programs exceed the requirement to collect at least $2,741.97 per dwelling unit in RTCIP fees for the Regional Arterial System (RAS).

As noted in previous letters, the City also administers the Eastern Transportation Development Impact Fee (ETDIF). The ETDIF, which covers most of the City lying east of I-805, was established in 1988 (prior to the TransNet Extension Ordinance) and is therefore exempt from the RTCIP funding requirements. Nevertheless, the ETDIF is used for RAS projects, and is currently assessed at $16,479.00 per dwelling unit. This is substantially higher than the RTCIP transportation mitigation fee of $2,741.97 per dwelling unit. The Attachment shows the location of the WTDIF, BFDIF, and ETDIF in Chula Vista.

As referenced in last year's letter, the City is re-evaluating its transportation development impact fee programs in light of Senate Bill 743, the legislation requiring that transportation impacts to be evaluated based on Vehicle Miles Traveled for the purposes of the California Environmental Quality Act. It is anticipated that the City's transportation development impact fee programs will continue to collect the RTCIP minimum fee per dwelling unit.

276 Fourth Avenue, Chula Vista, CA 91910 | **www.chulavistaca.gov** | (619) 691-5101 | fax (619) 409-5861

Should you have any questions regarding our RTCIP funding programs, please contact me at 619-691-5247 or sbarker@chulavistaca.gov.

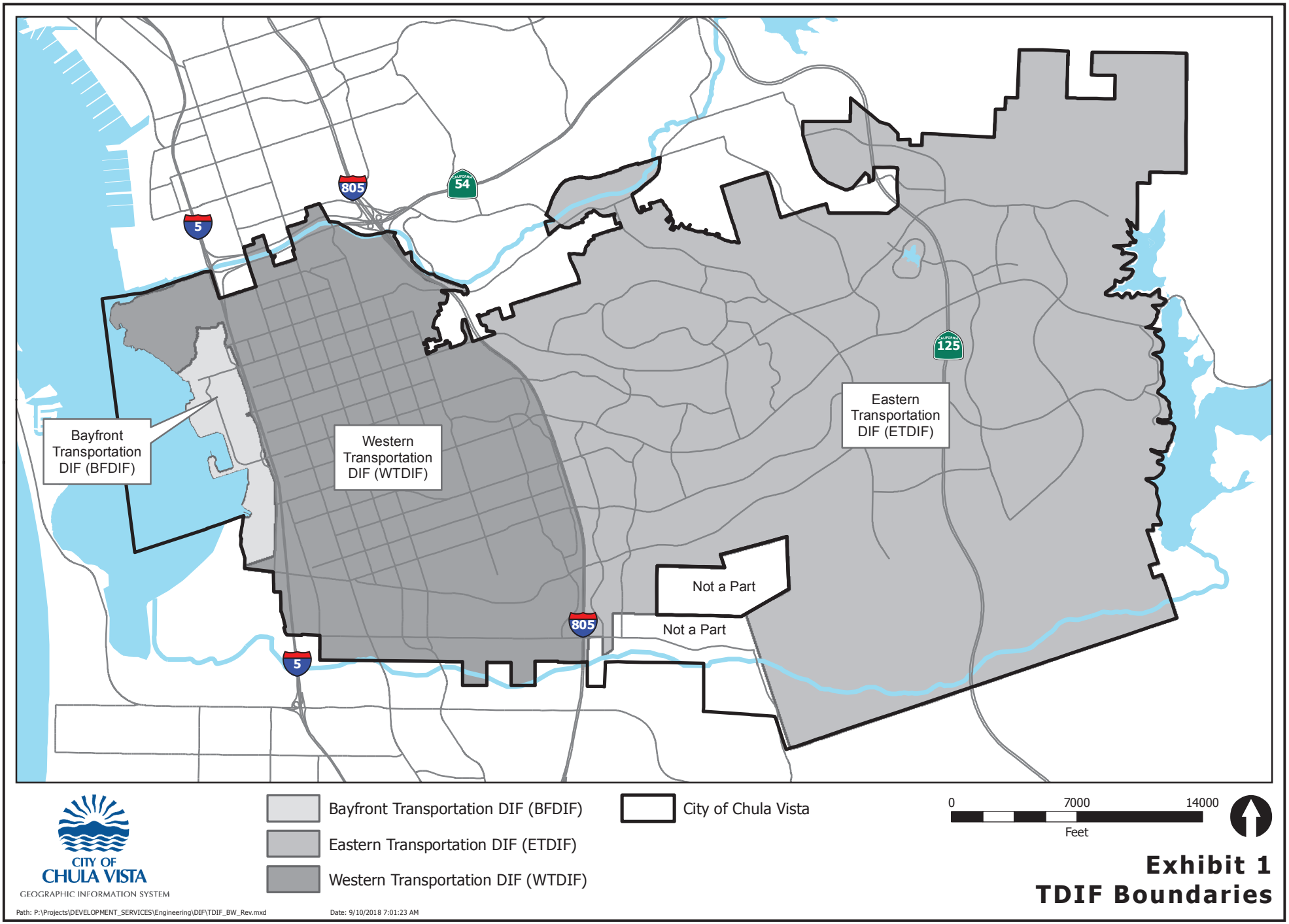
Sincerely,

Scott Barker, PE, AICP
Senior Transportation Engineer, Facilities Financing
Development Services Department

Cc: Tiffany Allen, Laura Black, Claudia Block, Kimberly Elliott, Frank Rivera, Sarah Schoen, William Valle (Chula Vista)

Ellison Takahashi, Michael Terlep, Marcus Pascual (SANDAG)

Attachment: City of Chula Vista TDIF Boundaries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CITY OF
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CITY OF CORONADO

101 B Avenue
CORONADO, CA 92118
WWW.CORONADO.CA.US

Public Services & Engineering
(619) 522-7380
FAX (619) 435-4479

March 1, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Coronado submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 21, 2023, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Jim Newton, City Engineer at 619-522-7313 or jnewton@coronado.ca.us.

Sincerely,

Jim Newton
City Engineer

CITY OF DEL MAR

March 8, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Del Mar submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on July 17, 2017 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you previously is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Mariel Cairns at 858-704-3677 or mcairns@delmar.ca.us.

Sincerely,

Joe Bride, Public Works Director
City of Del Mar

EL CAJON
The Valley of Opportunity
Incorporated 1912

Public Works

March 1, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:
The City of El Cajon submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on April 9, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Mario Sanchez of my staff at (619) 441-1651.

Sincerely,

Yazmin Arellano, P.E.
Director of Public Works

City of Encinitas

March 06, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Encinitas submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 27, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Lois Yum, Senior Management Analyst at 760-943-2231.

Sincerely,

Pamela Antil
City Manager

Julie Procopio, P.E.
City Engineer
201 North Broadway, Escondido, CA 92025
Phone: 760-839-4001 Fax: 760-839-4597

March 29, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Escondido submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at jprocopio@escondido.org or (760) 839-4001.

Sincerely,

Julie Procopio

Julie Procopio, P.E.
City Engineer

City of Imperial Beach, California
PUBLIC WORKS DEPARTMENT
825 Imperial Beach Blvd., Imperial Beach, CA 91932 Tel: (619) 423-8311 Fax: (619) 429-4861

March 1, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Imperial Beach submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2019, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Juan Larios, Public Works Director at 619-424-2214 or via email at jlarios@imperialbeachca.gov.

Sincerely,

Juan Larios
Public Works Director

CITY OF
LA MESA
JEWEL of the HILLS

PUBLIC WORKS DEPARTMENT

February 28, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of La Mesa submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) in April of 2021 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Michael Throne, Director of Public Works/City Engineer at 619-667-1388.

Sincerely,

Michael Throne
Director of Public Works/City Engineer

CC: E:\0150 Outside Agencies\40 SANDAG\RTCIP\2024 Update

CITY OF LEMON GROVE
"Best Climate On Earth"
Office of the City Manager

March 28, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Lemon Grove submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on February 9, 2022 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Izzy Murguia, Public Works Director, at (619) 825-3814, or via email at imurguia@lemongrove.ca.gov.

Sincerely,

Lydia Romero
City Manager

cc: Joseph Ware, Finance Director

3232 Main Street Lemon Grove California 91945-1705
619.825.3800 FAX: 619.825.3804 www.ci.lemon-grove.ca.us

..._CALIFORNIA.-

NATIONAL CITY
1887
INCORPORATED

March 31, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of National City submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to ITOC is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please feel free to contact Roberto Yano, Director of Engineering & Public Works at 619-336-4380 or via email at ryano@nationalcityca.gov.

Sincerely,

Brad Raulston
City Manager

Office of the City Manager
1243 National City Boulevard, National City, CA 91950-4397
619/336-4240 Fax 619/336-4327 www.nationalcityca.gov

CITY OF OCEANSIDE
DEVELOPMENT SERVICES DEPARTMENT / ENGINEERING DIVISION

March 1, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Oceanside submitted a bunding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 1, 2022 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect, and has not materially changed.

As in previous years, the City of Oceanside automatically adopts any "pass-through" increases in the RCTIP component of the City's transportation impact fee. For each residential dwelling unit, Oceanside collects the RCTIP fee (currently $2,687 and increasing to $2,742 beginning July 1, 2023).

Should you have any questions regarding our RCTIP funding program, please contact Mr. David Toschak, Principal Civil Engineer either or via telephone at 760.435.5106 or via email at dtoschack@oceansdieca.org.

Respectfully,

Brian K. Thomas, PE
City Engineer

STEVE VAUS, Mayor
BARRY LEONARD, Deputy Mayor
PETER DE HOFF, Councilmember
CAYLIN FRANK, Councilmember
BRIAN PEPIN, Councilmember

CITY OF POWAY

March 28, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Poway submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 2, 2008, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Tracy Beach, City Engineer, at (858) 668-4652, or via email at tbeach@poway.org.

Sincerely,

DEVELOPMENT SERVICES DEPARTMENT

Robert Manis
Director of Development Services

c: Tim McDermott, Interim Director of Finance
Tracy Beach, City Engineer

M:\Engineering\Traffic\SANDAG\RTCIP\2023\RTCIP Letter 2023 second attempt.docx

The City of SAN DIEGO

Planning Department

March 20, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego CA 92101

Dear Chair Frankel:

The City of San Diego submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 23, 2020 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that this program as approved by the Council of the City of San Diego in 2017 remains in effect, but has gone through changes as part of the Build Better San Diego initiative that went into effect on October 21, 2022.

As part of the Build Better San Diego initiative The City of San Diego RTCIP funding program (attached) was amended so that all residential development across the City pay towards the RTCIP fund as a component of the Citywide Mobility Development Impact Fee (DIF). This ensures that new development contributes their fair share towards the Regional Arterial System across the City, with no communities exempted. Also, this program update does not change the overall amount of the fee collected but does apply the RTCIP equally for both single family and multifamily development. The fee amount remains subject to SANDAG's annual adjustment of no less than 2 percent to ensure the RTCIP retains its purchasing power to improve the Regional Arterial System. Covenant Restricted Affordable Housing units will also remain exempt from the RTCIP Fee and that will be accounted for in the Citywide Mobility DIF.

The RTCIP Funding Program was also updated to prioritize RTCIP funding for biking, walking, rolling and transit that aligns with the City's Climate Action Goals. Lastly, to align with the rest of the City's DIFs, the payment of the RTCIP was amended to occur prior to final inspection rather than at building permit issuance.

Should you have any questions regarding our RTCIP Funding Program, please contact Alfonso Gastelum, agastelum@sandiego.gov.

Sincerely,

Sameera Rao

Sameera Rao
Assistant Deputy Director
Public Spaces Division
Planning Department

AG/ag

Enclosure: Build Better San Diego Regional Transportation Congestion Improvement Program (RTCIP) Funding Program.

SAN MARCOS
DISCOVER LIFE'S POSSIBILITIES

Development Services

March 21, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of San Marcos submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) on March 26, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to you last year is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact Rafe Cesmat at 760-744-1050 ext. 3226 and rcesmat@san-marcos.net.

Sincerely,

Digitally signed by Isaac Etchamendy
DN: C=US,
E=ietchamendy@san-marcos.net,
OU="", O=City of San Marcos,
CN=Isaac Etchamendy
Date: 2023.03.21 08:58:46-07'00'

Isaac Etchamendy
Development Services Director/City Engineer

cc: Lisa Fowler, Finance Director
David Yorba, Interim Building Official
Beth Herzog, Administrative Services Manager
Rafe Cesmat, Management Analyst

Santee
CALIFORNIA

DO MORE ▶ DUE EAST

Mayor
John W. Minto
City Council
Ronn Hall
Laura Koval
Rob McNelis
Dustin Trotter

March 1, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Mr. Frankel:

The City of Santee submitted a funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) in May 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the TransNet Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to ITOC in May 2008 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at 619-258-4100 extension 175 or at CSchmitz@cityofsanteeca.gov.

Sincerely,

Carl Schmitz
City Engineer

Cc: Heather Jennings, Santee Director of Finance
Steve Miller, Santee Principal Civil Engineer
Minjie Mei, Santee Principal Traffic Engineer

County of San Diego

DEREK R. GADE
INTERIM DIRECTOR

DEPARTMENT OF PUBLIC WORKS
5510 OVERLAND AVENUE, SUITE 410
SAN DIEGO, CA 92123-1237
(858) 694-2212
www.sdcounty.ca.gov/dpw/

March 21, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

San Diego County's Board of Supervisors first adopted the Regional Transportation Congestion Improvement Program (RTCIP) funding program and resolution on January 30, 2008. The County of San Diego (County) submitted its RTCIP funding program to the TransNet Independent Taxpayer Oversight Committee (ITOC) prior to April 1, 2008, in accordance with RTCIP requirements contained within the TransNet Extension Ordinance.

In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted last year is still in effect and has not materially changed.

Section 77.216 of the County's Transportation Impact Fee (TIF) ordinance (adopted October 31, 2012, and effective since January 1, 2013) confirms the RTCIP extraction amount matches the SANDAG established amount for the fiscal year for each non-exempt newly constructed residential housing unit. The TIF Ordinance can be viewed at the following link: https://www.sandiegocounty.gov/content/dam/sdc/dpw/LAND_DEVELOPMENT_DIVISION/landpdf/TIFOrdinance2012.pdf

If you have any questions or need additional information please contact Christopher Hanger, LUEG Program Manager. Mr. Hanger's contact information is: (858) 869-5815 or Christopher.Hanger@sdcounty.ca.gov.

Sincerely,

William Morgan, Deputy Director
Department of Public Work

CITY OF SOLANA BEACH FAX (858) 792-6513 / (858) 755-1782
635 SOUTH HIGHWAY 101 • SOLANA BEACH • CALIFORNIA 92075-2215 • (858) 720-2400

March 13, 2023

Jonathan Frankel, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair Frankel:

The City of Solana Beach submitted a funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on April 23, 2008 in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this letter confirms that the program approved and submitted to you in 2008 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact either myself or Dan Goldberg at (858) 720-2470 or pw-eng@cosb.org.

Sincerely,

Mohammad Sammak
Public Works Director/City Engineer

c. Finance Manager
Community Development Director

CITY OF VISTA
CALIFORNIA

March 9, 2023

Sunnie House, Chair
TransNet Independent Taxpayer Oversight Committee
c/o San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Chair House:

The City of Vista submitted a revised funding program to the *TransNet* Independent Taxpayer Oversight Committee (ITOC) on March 10, 2014, in accordance with the Regional Transportation Congestion Improvement Program (RTCIP) requirements contained within the *TransNet* Extension Ordinance. In accordance with the reporting requirements of the Ordinance, this is to confirm that the program approved and submitted to SANDAG in 2014 is still in effect and has not materially changed.

Should you have any questions regarding our RTCIP funding program, please contact me at (760) 643-5390.

Sincerely,

Patsy Chow
Deputy Director of Community Development / City Planner

cc: John Conley, City Manager
Mike Sylvia, Finance Director
Greg Mayer, City Engineer

AGENDA ITEM NO. +5.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE:	April 12, 2023
SUBMITTED BY:	Julianna Martinez, Office of the Clerk of the Board
ITEM TYPE:	Information
AGENDA SECTION:	Consent
SUBJECT:	Draft Schedule of ITOC Meeting Agenda Topics
SUGGESTED ACTION:	The ITOC is asked to review the proposed upcoming draft schedule of agenda topics.

ATTACHMENTS:
Item 5 - ITOC Master Calendar

ITOC 12 Month Look Ahead
Master Calendar

					Action			
Wednesday, May 10, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
QUARTERLY TransNet FINANCIAL REPORTS AND OTHER FINANCIAL DATA	X		X					
QUARTERLY FINANCE REPORT AND UPDATE ON FINANCIAL MARKETS	X		X					
REGIONAL BIKEWAY PROGRAM STATUS UPDATE: EARLY ACTION PROGRAM	X		X					
OUTGOING ITOC MEMBERS RECOGNITION		X	X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
APPOINTMENT OF SUBCOMMITTEE MEMBERS FOR FY 2023 FISCAL AND COMPLIANCE AUDIT		X						X
TransNet Local Street and Road Program: Annual Status Report		X	X					
2023 ITOC ANNUAL REPORT: DRAFT REPORT		X		X				
TENTATIVE: UPDATE ON TransNet EXTENSION ORDINANCE AMENDMENTS		X	X					
TENTATIVE: LOCAL AGENCY PRESENTATION (TBD)		X	X					
					Action			
Wednesday, June 14, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
ANNUAL SELECTION PROCESS FOR ITOC CHAIR AND VICE CHAIR	X		X					
TransNet MAJOR CORRIDOR: QUARTERLY STATUS REPORT	X		X					
FY 2024 TransNet TRIENNIAL PERFORMANCE AUDIT: FINAL SCOPE OF WORK AND SCHEDULE	X					X		
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
ITOC NEW MEMBER WELCOME		X	X					
STATE OF THE COMMUTE: ANNUAL REPORT		X		X				
TENTATIVE: UPDATE ON TransNet EXTENSION ORDINANCE AMENDMENTS		X	X					
					Action			
Wednesday, July 12, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
TransNet GRANT PROGRAMS: BIANNUAL STATUS UPDATE	X		X					
FY 2023-2024 ITOC GOALS UPDATE	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
LOCAL AGENCY PRESENTATION (TBD)		X	X					
ANNUAL SELECTION OF ITOC CHAIR AND VICE CHAIR		X						X
2023 REGIONAL TRANSPORTATION IMPROVEMENT PROGRAM AMENDMENT		X		X				
FY 2023 TransNet AGREED-UPON PROCEDURES		X				X		
TENTATIVE: UPDATE ON TransNet EXTENSION ORDINANCE AMENDMENTS		X	X					
ACCEPTANCE OF FY 2022 TransNet FISCAL AND COMPLIANCE AUDITS		X					X	
2023 ITOC ANNUAL REPORT: FINAL REPORT		X				X		
APPOINTMENT OF SUBCOMMITTEE MEMBERS FOR 2023 STATE OF THE COMMUTE		X						X
Wednesday, August 9, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
No meeting								

ITOC 12 Month Look Ahead
Master Calendar

					Action			
Wednesday, September 13, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
QUARTERLY TransNet FINANCIAL REPORTS AND OTHER FINANCIAL DATA	X		X					
QUARTERLY FINANCE REPORT AND UPDATE ON FINANCIAL MARKETS	X		X					
REGIONAL BIKEWAY PROGRAM STATUS UPDATE: EARLY ACTION PROGRAM	X		X					
TransNet MAJOR CORRIDOR: QUARTERLY STATUS REPORT AND REGIONAL BIKEWAY PROGRAM PROJECTS: BI-ANNUAL STATUS REPORT	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
NORTH COAST CORRIDOR STATUS UPDATE		X	X					
TransNet ENVIRONMENTAL MITIGATION PROGRAM: ANNUAL STATUS REPORT		X	X					
					Action			
Wednesday, October 12, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
FY 2023-2024 ITOC GOALS UPDATE	X		X					
TENTATIVE: FY 2018 AND FY 2021 TransNet TRIENNIAL PERFORMANCE AUDIT: IMPLEMENTATION OF RECOMMENDATIONS STATUS UPDATE		X		X				
Wednesday, November 8, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
2024 ITOC MEETING CALENDAR	X					X		
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
LOCAL AGENCY PRESENTATION (TBD)		X	X					
Wednesday, December 13, 2023	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
No meeting								
					Action			
Wednesday, January 10, 2024	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
TransNet ITOC MEMBER APPOINTMENT PROCESS	X		X					
TransNet GRANT PROGRAMS: BIANNUAL STATUS UPDATE	X		X					
TransNet MAJOR CORRIDOR: QUARTERLY STATUS REPORT	X		X					
QUARTERLY TransNet FINANCIAL REPORTS AND OTHER FINANCIAL DATA	X		X					
QUARTERLY FINANCE REPORT AND UPDATE ON FINANCIAL MARKETS	X		X					
REGIONAL BIKEWAY PROGRAM STATUS UPDATE : EARLY ACTION PROGRAM	X		X					
FY 2023-2024 ITOC GOALS UPDATE	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
					Action			
Wednesday, February 14, 2024	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
TransNet REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FEE ADJUSTMENT	X		X					

ITOC 12 Month Look Ahead
Master Calendar

ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
PROPOSED FY 2025 ITOC ANNUAL OPERATING BUDGET		X		X				
CITY OF SAN DIEGO TransNet PROGRAM UPDATE		X	X					
TransNet PROGRAM REVENUE ESTIMATES		X	X					
2024 ITOC ANNUAL REPORT: INITIAL INPUT		X		X				
					Action			
Wednesday, March 13, 2024	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
TransNet MAJOR CORRIDOR: QUARTERLY STATUS REPORT AND REGIONAL BIKEWAY PROGRAM PROJECTS: BI-ANNUAL STATUS REPORT	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
FY 2023 TransNet MAJOR CORRIDORS AND BIKEWAY PROGRAM PROJECT ANNUAL STATUS REPORT		X	X					
NORTH COAST CORRIDOR STATUS UPDATE		X	X					
DRAFT REPORT ON FY 2024 TransNet TRIENNIAL PERFORMANCE AUDIT		X	X					
INDEPENDENT AUDITOR'S DRAFT ANNUAL REPORT ON RESULTS OF FY 2023 TransNet COMPLIANCE AUDITS		X					X	
TENTATIVE: UPDATE ON TransNet EXTENSION ORDINANCE AMENDMENTS		X	X					
DRAFT FY 2025 CAPITAL PROGRAM BUDGET UPDATE		X		X				
					Action			
Wednesday, April 12, 2024	**Consent**	**Report**	**Information**	**Discussion**	**Recommend**	**Approve**	**Accept**	**Appoint**
MASTER CALENDAR	X		X					
ANNUAL SUBMITTAL OF REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM FUNDING PROGRAMS BY LOCAL JURISDICTIONS	X						X	
FY 2022 TRANSNET LOCAL STREET AND ROAD PROGRAM ANNUAL STATUS REPORT	X					X		
REGIONAL BIKEWAY PROGRAM STATUS UPDATE: EARLY ACTION PROGRAM	X		X					
FY 2023-2024 ITOC GOALS UPDATE	X		X					
ACTIONS BY THE TRANSPORTATION COMMITTEE AND BOARD OF DIRECTORS ON TransNet-RELATED AGENDA ITEMS		X	X					
2024 ITOC ANNUAL REPORT: PROGRESS UPDATE		X	X					
INDEPENDENT AUDITOR'S DRAFT ANNUAL REPORT ON RESULTS OF FY 2023 TransNet COMPLIANCE AUDITS		X					X	
TENTATIVE: FY 2018 AND FY 2021 TransNet TRIENNIAL PERFORMANCE AUDIT: IMPLEMENTATION OF RECOMMENDATIONS STATUS		X		X				
TENTATIVE: LOCAL AGENCY PRESENTATION (TBD)		X	X					

AGENDA ITEM NO. +6.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE: April 12, 2023

SUBMITTED BY: Julianna Martinez, Office of the Clerk of the Board

ITEM TYPE: Information

AGENDA SECTION: Consent

SUBJECT: ITOC Goals for FY 2023-2024: Quarterly Update

SUGGESTED ACTION: This report provides a quarterly update on progress made on the ITOC Goals for FY 2023-2024.

ATTACHMENTS:
Item 6 - ITOC Goals for FY 2023-2024 Progress
Att 1 - FY 2023 ITOC Goal Tracker

April 12, 2023

ITOC Goals for FY 2023-2024: Quarterly Update

Overview

At its October 10, 2022 meeting (Item No. 4), the TransNet Independent Taxpayer Oversight Committee (ITOC) members approved their goals for FY 2023–2024 (Attachment 1). These goals were created to help ensure voter mandates are carried out and recommendations for improvements to the financial integrity and performance of the program are made. The established goals center around goals for ITOC as well as goals for collaboration with SANDAG.

Action: **Information**
This report provides a quarterly update on progress made on the ITOC Goals for FY 2023-2024.

Fiscal Impact:
None.

Schedule/Scope Impact:
The next update on ITOC's goals for ITOC and SANDAG FY 2023-2024 is scheduled for summer 2023.

Key Considerations

Since October 2022, there has been progress in addressing the goals the ITOC established.

Progress on ITOC's Goals for ITOC FY 2023-2024

Progress highlights on ITOC's goals include presentations by multiple TransNet-recipient agencies (see Attachment 1) to highlight TransNet-program successes and challenges in delivering TransNet-funded projects.

The ITOC has also made progress on its goal to bring ITOC Bylaws and TransNet Extension Ordinance Amendments to the Board of Directors at its January 27, 2023, meeting (Item No.11). While the item did not receive the required vote, the ITOC has continued to discuss possible options for the next steps.

Progress on ITOC's Goals for SANDAG FY 2023-2024

Progress on ITOC's goals for SANDAG include the establishment of a Mobility Working Group Subcommittee to discuss amendments to the TransNet Extension Ordinance. Various topics such as Transit Operations and Transit Operator Eligibility; Bicycle, Pedestrian, and Neighborhood Safety; Local Streets and Road Program; and Dig Smart have been discussed and more discussions are expected to take place in the future.

Lastly, the ITOC discussed ways to streamline meetings at its October meeting, directing staff to reduce the number of subcommittees and reduce the volume of reports. This effort is complete and will be continuously maintained by staff.

Next Steps

The next update on ITOC's goals for FY 2023-2024 is scheduled for summer 2023.

Susan Huntington, Director of Financial Planning, Budgets and Grants

Key Staff Contact: Michael Terlep, (619) 699-1933, michael.terlep@sandag.org
Attachment: 1. ITOC's Goals for ITOC and SANDAG FY 2023-2024 Progress Tracker

ITOC/SANDAG Goals for FY 2023

GOAL			
ITOC Goals for FY 2023-2024	**METRIC**	**TIMELINE**	**PROGRESS**
1. Invite transit agencies, municipalities, grantees, and other recipients of TransNet funds to attend ITOC meetings and highlight their TransNet program successes and/or challenges in delivering TransNet-funded projects.	At least one presentation from such organizations per quarter	June 30, 2024	3/8/2023-Item 8 Caltrans staff presented an update on the North Coast Corridor program of projects. 3/8/2023-Item 12 Staff presented FY 2022 TransNet Major Corridor and Bikeway Program Projects Annual Status report. 2/8/2023-Item 14 City of San Diego presented update on TransNet Program and Transportation Improvement Program Update. 1/11/2023-Item 10 Staff presented an update on the progress and status of the Central Mobility Hub project. 1/11/2023-Item 11 Staff presented an overview of the status of the implementation of the Regional Bike Early Action projects. 11/9/2022-Item 9 City of Chula Vista presented update on the City's TransNet Local Street and Road Program. 11/9/2022-Item 11 Caltrans staff presented an update on the SR 94/125 Interchange and Arterial Operational Improvement project and scope modification. 11/9/2022-Item 12 Staff presented an update on the progress and status of the Bus on Shoulders project.

ITOC/SANDAG Goals for FY 2023

GOAL			
ITOC Goals for FY 2023-2024	**METRIC**	**TIMELINE**	**PROGRESS**
2. Enhance effectiveness and impact of ITOC in achieving its mission to ensure voter mandates are carried out and develop recommendations for improvements to the financial integrity and performance of the program.	Obtain ordinance amendments based on ITOC recommendation	June 30, 2024	3/08/2023-Item 10 Chair Frankel presented the amendments item and BOD action on this item to ITOC members to discuss the next steps. The ITOC members requested this item be brought back at a future meeting to ensure all committee members were present for discussion. 1/27/2023-Item 11 Chair Frankel presented the second reading of proposed amendments to TransNet Extension Ordinance and ITOC Bylaws amendments to the BOD; however, the motion did not reach the required vote. 1/13/2023-Item 11 Chair Frankel presented the first reading of proposed amendments to TransNet Extension Ordinance related to ITOC membership and selection process. 1/11/2023-Item 4 Chair Jonathan Frankel presented amendments to ITOC Bylaws that ITOC members proposed consistent with TransNet Ordinance amendments.
ITOC Goals for FY 2023-2024: SANDAG			
1. Consider how the TransNet program is supporting the 2021 Regional Plan priorities and policies.	Advance TransNet Ordinance amendments for ITOC and Board consideration	June 30, 2024	A Subcommittee of the Mobility Working Group has been formed to discuss amendments to the TransNet Extension Ordinance. The subcommittee met several times and discussed various topics such as Transit Operations and Transit Operator Eligibility; Bicycle, Pedestrian, and Neighborhood Safety; Local Streets and Road Program; and Dig Smart. Other topics to be discussed in the future.
2. Work closely with ITOC to develop and implement streamlining measures to enhance communication practices that continue increasing transparency and accountability, and simplify information provided to make it more digestible for ITOC members and the public.	Simplify agendas and consider ways to more efficiently provide TransNet Ordinance-required reporting	June 30, 2024	10/12/2022-Item 8 ITOC discussed and gave direction to staff on how to enhance communication practices and streamline ITOC meetings. Changes to the ITOC meeting have been made by staff and streamlining efforts will be maintained.

AGENDA ITEM NO. +7.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE:	April 12, 2023
SUBMITTED BY:	Julianna Martinez, Office of the Clerk of the Board
ITEM TYPE:	Information
AGENDA SECTION:	Consent
SUBJECT:	FY 2018 and FY 2021 TransNet Triennial Performance Audits: Implementation *of Recommendations* Status
SUGGESTED ACTION:	The ITOC is asked to review the updated implementation status of audit recommendations.

ATTACHMENTS:
Item 7 - FY 2018 and FY 2021 Triennial Performance Audits
FY 2018 TransNet Triennial Performance Audit Progress Tracker
FY 2021 TransNet Triennial Performance Audit Progress Tracker

April 12, 2023

FY 2018 and FY 2021 TransNet Triennial Performance Audits: Implementation of Recommendations Status

Overview

In July 2018, the Independent Taxpayer Oversight Committee (ITOC) accepted the FY 2018 TransNet Triennial Performance Audit (fourth audit). At its June 9, 2021, meeting, the ITOC accepted its most recent performance audit, the FY 2021 TransNet Triennial Performance Audit (fifth audit). At the April 12, 2023, ITOC meeting, staff will provide an overview of progress made in implementing recommendations from both audits.

Action: **Information**
The ITOC is asked to review the updated implementation status of audit recommendations.

Fiscal Impact:
The triennial performance audits are conducted by the ITOC and its independent performance auditor and funded through Overall Work Program Element No. 1500200 in the SANDAG Program Budget.

Schedule/Scope Impact:
TransNet Triennial Performance Audits include a review of all TransNet-recipient agencies involved in implementation of TransNet-funded projects and programs. The audit considers changes to contracting, construction, permitting, and related processes that could improve the efficiency and effectiveness of TransNet spending.

Key Considerations

FY 2021 TransNet Triennial Performance Audit

Overall, the FY 2021 TransNet Triennial Performance Audit concluded that SANDAG completed many planned Major Corridor projects as intended by the Ordinance. The audit also found that SANDAG was generally compliant with TransNet provisions, focused on transparency, and strengthened its financial models and controls. In addition, the audit noted areas for improvement such as better tracking and reporting against Ordinance goals, more enhanced quality control documentation, and the need for Board collaboration on Bike Early Action Program permitting issues, among other areas.

The FY 2021 Performance Audit included 26 recommendations. Most are in the process of being addressed (Attachment 1). Since the last update to the ITOC, staff has completed Recommendation Nos. 8, 22, 23, and 24. For the most part, remaining recommendations are anticipated to be completed by the time the next performance audit begins (July 1, 2023) or by summer 2024.

FY 2018 TransNet Triennial Performance Audit

The FY 2018 Performance Audit mostly found SANDAG and its TransNet partners were on track toward meeting the primary goals of TransNet and noted solid practices were in place over areas such as capital construction, Environmental Mitigation Program activities, and transit services. The audit also noted areas where SANDAG and its partner agencies could strengthen the effectiveness of the program such as more rigorous monitoring of economic conditions that may impact sales tax revenues and project costs as well as the development of a performance framework to analyze TransNet progress against Ordinance goals, among others.

The FY 2018 Triennial Performance Audit also included 26 recommendations. Staff has completed 14 recommendations in addition to partially completing four recommendations (Attachment 2), including Recommendation Nos. 5.e. and 25.b. since the last update to ITOC. Despite the challenges involved in implementing audit recommendations in a constrained funding environment with limited staff resources,

staff is committed to continue working with the ITOC and Board to set priorities and address remaining audit recommendations. Staff anticipates most to be completed by the time the next audit concludes (June 2024)[1].

Next Steps

The next regular update on audit recommendation implementation status is anticipated for presentation to the ITOC in Fall 2023 or sooner for specific recommendations as necessary.

Susan Huntington, Financial Planning and Budgeting Director

Key Staff Contacts: Zara Sadeghian, (619) 595-5395, zara.sadeghian@sandag.org

Michael Terlep, (619) 699-1933, michael.terlep@sandag.org

Attachments:
1. FY 2018 TransNet Triennial Performance Audit: Implementation of Recommendations Tracking Matrix as of December 2022
2. FY 2021 TransNet Triennial Performance Audit: Implementation of Recommendations Tracking Matrix as of December 2022

[1] When the ITOC approved the scope of work for the FY 2021 audit (April 2020), ITOC acknowledged that SANDAG was in a state of great change and that the new Regional Plan would influence the implementation of many recommendations from the FY 2018 audit. The FY 2021 audit results also recognized the many challenges the agency had faced in recent years, including Board governance modifications, the hiring of a new Chief Executive Officer, changes at the management level, strategic planning and reorganization, and significant work to create a new vision for the 2021 Regional Plan update. For these reasons, it was noted that FY 2018 audit recommendations would take longer to implement and implementation of certain recommendations from the FY 2018 audit would be evaluated under future audits and not the FY 2021 audit.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
Chapter 1:*TransNet* Financing (Items 1-4)									
	1	Enhance the Plan of Finance (POF) process and information provided to decision makers by implementing the following:							
◐	1. a	Leveraging historical data and previous POFs to provide additional information regarding estimates of future revenue sources, by comparing projections against historical data as well as comparing estimates from previous POFs against actual funding secured.	21-24	High	Spring 2023		Michelle Smith	Next Steps	The next Plan of Finance update is anticipated to be presented in Spring 2023.
								December 2022	The POF update is anticipated to be presented at the April 2023 ITOC and Board meetings and will include a comparison of projections to actuals.
								September 2022	Analysis of prior POFs completed in summer 2022 and will be presented along with the 2022 POF in fall 2022.
								June 2022	Staff presented a TransNet Funding Overview to the ITOC in April 2022.
								March 2022	In December 2021, an updated TransNet revenue forecast was presented to the Board. https://www.sandag.org/uploads/meetingid/meetingid_5685_31105.pdf (See agenda item no. 3) The presentation provided a funding overview, including an updated TransNet revenue forecast, project and program costs incurred to date, current obligations such as debt service, cost trends, and remaining funding available for each TransNet subprogram. In February 2022, a comprehensive regional funding overview, including a breakdown of non-TransNet funding sources currently used to advance the TransNet Ordinance priority projects and programs was presented https://www.sandag.org/uploads/meetingid/meetingid_6003_31532.pdf (See agenda item no. 8).
								July 2021	An updated revenue forecast was presented in January/February 2021. A TransNet Program Update is anticipated to be presented in spring 2022.
								November 2020	A TransNet Program Update was presented at the October 14, 2020, ITOC meeting.
								September 2020	A TransNet Program update was presented to the Board in February and March 2019 to the Board and ITOC, respectively. This update included a comparison of future revenue projections for the two most recent POFs (see Agenda Item No. 16 at the following link: https://www.sandag.org/uploads/meetingid/meetingid_5038_25307.pdf#page=19. In addition, an overview of costs and anticipated revenues information for the TransNet Major Corridors Program also was presented in July 2019. See link below: https://www.sandag.org/uploads/meetingid/meetingid_5147_26097.pdf. Also, in conjunction with Recommendation No. 3 below, staff is incorporating the latest Regional Plan assumptions for revenue sources into the next TransNet Major Corridors Plan of Finance taking into account actual competitive and formula funding secured. This historical data is used to inform estimates of future revenue sources. The next TransNet program update is anticipated to incorporate the impacts from the pandemic on sales tax collections and is anticipated to be presented in winter 2020/2021.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2020	Staff continues working to incorporate additional historical data such as actual funding secured.
								October 2019	A TransNet program update was presented to Independent Taxpayer Oversight Committee (ITOC) in September and to the Board in October 2019. It included a comparison of future revenue projections for the two most recent POFs. Staff continues working to incorporate additional historical data such as actual funding secured.
								March 2019	A TransNet program update is scheduled for presentation to the Board of Directors and ITOC in February and March 2019, respectively, and includes a comparison of future revenue projections for the two most recent POFs. Staff continues working to incorporate additional historical data such as actual.
								July 2018	This process will be more formally incorporated as part of the TransNet Major Corridors POF annual updates. Staff Lead - Michelle Smith (Financial Planning, Budgets, and Grants) Team – Timothy Coyne (Financial Planning, Budgets, and Grants)
	Chapter 2: Performance Framework (Items 5-8)								
	5	Establish a comprehensive performance framework by implementing the following:							
◐	5a.	Setting targets to measure TransNet performance against the TransNet Extension Ordinance goals in-line with federally mandated deadlines or at a faster pace. At a minimum, some narrative could accompany performance reporting to help others understand whether data and results were favorable or unfavorable.	46-50	Critical	Spring 2024		Grace Mino	Next Steps	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	Staff continued to work with Kimley Horn on finalizing the TPM framework report. Staff has also scheduled meetings with key staff throughout September on Kimley Horn's recommendations. These subgroups will go into detail regarding the progress, scope, costs, and whether or not some of the recommendations are already being work on or need additional vetting or funding with stakeholders and management. Staff is continuing to work on the recommendations by Kimley Horn and have started a few pilot projects for big data, safety, pavement, and distributed a survey to local jurisdictions re: data collection on their local streets and roads.
								December 2021 *(Due 1/12/21)*	Staff is continuing to work on the recommendations by Kimley Horn and have started a few pilot projects for big data and safety data.
								October 2021 (Due 11/10/21)	Staff is continuing to work on the recommendations by Kimley Horn and have started a few pilot projects for big data and safety data.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	In October 2020, the consultant presented an overview of the TPM project, and the work completed to date to the ITOC. The consultant is in the process of completing the TPM Framework. The Framework is anticipated to be completed by the end of 2020.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2020	At the May 8, 2019, ITOC meeting, staff presented an update on the FY2018 TransNet Performance Audit and efforts to establish a Comprehensive Performance Framework. See link below: https://www.sandag.org/uploads/meetingid/meetingid_5130_25760.pdf In Q3 of FY20, staff selected a consultant, Kimley-Horn and Associates, to conduct the Transportation Performance Monitoring (TPM) project. The consultant kicked off the project in Spring 2020 and reviewed and inventoried existing work programs and performance activities. The consultant is in the process of assessing existing performance monitoring and reporting activities and developing the TPM framework. The next steps in the process include conducting a Peer Review and to survey local partner agencies. It is anticipated that this phase in the process will be completed in September 2020. The framework component of the project, which is anticipated to include recommendations, is anticipated to be completed in November 2020. Following receipt of framework recommendations, staff will return to ITOC with an update on implementation efforts and anticipated next steps. In addition, the vision, goals and performance metrics that will be considered as part of the 2021 Regional Plan update will inform the implementation of a number of audit recommendations as noted in this matrix. Staff presented the vision for the 2021 Regional Plan to the Board of Directors on August 14, 2020. See the Vision for the 2021 Regional Plan at the following link:https://www.sandag.org/index.asp?meetingid=5412&fuseaction=meetings.detail The Draft and Final 2021 Regional Plan will be prepared in 2021 with Board adoption anticipated in fall 2021.
								March 2020	These recommendations will be addressed through a TransNet Performance Framework including consultant assistance which began in March 2020. The Framework is expected to be completed in late 2020. The SANDAG Board approved statewide 2020 safety targets in January 2020. These targets are regional in nature but could provide general performance data over time.
								October 2019	SANDAG staff is moving forward with addressing this and other related performance management activities including the TransNet Ten-Year performance-related action items. These recommendations will be addressed through the establishment of a TransNet Performance Framework. The Framework is expected to be completed in 2020.
◐	5b.	Capturing performance outcome data related to safety metrics, pavement condition, and bridge condition for highways, local roadways, and bicycle (bike) and pedestrian modes. 1.Use the California Highway Patrols' Statewide Integrated Traffic Records System (SWITRS) to measure and monitor	51-53	Critical	Phase I - interim processes prior to final TPM framework -		Samual Sanford	Next Steps	Regional Safety Data Dashboard outreach to local jurisdictions will continue with member agency staff receiving access to test and provide site feedback. The Safety Data Dashboard will have a formal Peer Review Process in early 2023 in advance of its release. Staff continue to work on dashboards for bridge and pavement asset conditions, integrating custom StreetLight data pulls for speed and average daily traffic into a dashboard, and timelines on making the SOC a dashboard for 2023.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
		safety statistics—both for motorized and non-motorized fatalities and serious injuries—especially against the new safety targets developed by Caltrans and adopted by SANDAG. 2.Track and report highway pavement and bridge condition available from Caltrans on the SANDAG website or provide a hyperlink to where that information is available for taxpayers. Additionally, work with Caltrans to determine if bridge and pavement data can be isolated for San Diego County from the Imperial County data contained within the Caltrans District 11 reported data. 3.Track and report on local jurisdiction pavement condition by requiring local jurisdictions to provide pavement condition index data as soon as pavement condition surveys are performed and results become available. 4.Obtain and use private sector data to analyze congestion and delay on local streets and roads or evaluate status of Caltrans' Performance Measurement System (PeMS) to capture road performance including level of coverage of detection.			summer 2023 Phase II - consistent with TPM framework			December 2022	Staff completed initial round of outreach with local jurisdictions regarding the Regional Safety Data Dashboard. SWITRS crash data have been geolocated and are undergoing additional quality assurance and quality control review. Transit crash data have been incorporated to the dashboard. National Bridge Inventory data have been onboarded and are being reviewed for use with bridge asset dashboard. Coordination with Caltrans on to assess Highway Performance Monitoring System as a possible source for pavement condition data on a subset of regional roadways.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	b.1. Staff presented the 2022 safety target setting for PM 1 at ITOC's December 8, 2021 meeting. The 2022 safety targets for PM1 were adopted by the SANDAG Board at the January 28, 2022 meeting. Staff has initiated a process of onboarding SWITRS data for internal review and analysis. b.2. Staff is evaluating Highway Performance Monitoring System (HPMS) and National Bridge Inventory (NBI) for possible use to support this area. b.3. Staff sent out a survey to the local jurisdictions regarding how they collect their pavement data. b.4. The modeling team is evaluating StreetLight data for congestion and delay on local streets and roads.
								November 2021	See status for recommendation No. 5.a. Staff drafted Appendix O: Federal System Performance Report to San Diego Forward: the 2021 Regional Plan which includes regionwide safety tracking, infrastructure conditions, and system performance targets and data.
								August 2021	See status for recommendation No. 5.a.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								November 2020	b.1. October 2020 - January 2021 SANDAG staff is presenting 2021 statewide targets for PM 1, which includes 5 metrics for fatalities and serious injuries on all public roads. November 2020 - January 2021 SANDAG staff is presenting 2020 regional targets and methodology for public transportation safety plans b.2. Additional tracking and reporting of highway pavement and bridge condition data for San Diego county will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. b.3. Tracking and reporting on local agency pavement condition will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. b.4. Use of private sector data to analyze congestion will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								September 2020	b.1. In January 2020, the SANDAG Board approved supporting the 2020 statewide targets for PM 1, which includes 5 metrics for fatalities and serious injuries on all public roads https://www.sandag.org/uploads/meetingid/meetingid_5397_27061.pdf Additionally, SANDAG will develop safety performance target recommendations for FHWA requirements and coordinate with MTS and NCTD on regional public transit safety targets for FTA. b.2. Upcoming work in FY21 Q1 and Q2 includes coordination with Caltrans on Mid Performance Period reports for FHWA on pavement, bridge, system performance, and Congestion Mitigation and Air Quality performance measures. In February 2020 the SANDAG Board approved regional Transit Asset Management targets in accordance with MAP-21/FAST Act requirements https://www.sandag.org/uploads/meetingid/meetingid_5398_27205.pdf) b.3. Tracking and reporting on local agency pavement condition will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. b.4. Use of private sector data to analyze congestion will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								October 2019	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	1.Staff reviewed historic regional safety data for San Diego County. 2.In October 2018, the SANDAG Transportation Committee established targets for the metrics in PM 2 (pavement and bridge condition for NHS facilities) and PM 3 (delay, emissions, and travel reliability metrics). 3.See status for recommendation No. 5.a. 4.See status for recommendation No. 5.a.
								July 2018	1.SANDAG staff is collaborating with Caltrans on target-setting for safety. Caltrans is helping to provide county level SWITRS data to MPOs for both motorized and non-motorized fatalities and serious injuries. SANDAG has supported the statewide 2018 safety targets and will be highlighting safety projects included in the 2018 RTIP and 2019 Regional Plan. Staff will continue to monitor and analyze SWITRS safety data as it becomes available. SANDAG and Caltrans will collaborate on establishing annual safety targets as per MAP-21/FAST Act requirements. 2.SANDAG is collaborating with Caltrans on target setting for bridge and pavement condition. Caltrans will be providing county level data for these measures for facilities on the National Highway System (NHS). SANDAG will look for opportunities to share this information as it may relate to TransNet projects. 3.For additional data collection efforts on Pavement Conditions, SANDAG staff will need to work with CTAC to determine an approach for reporting readily available pavement data. This may involve an amendment to the Ordinance to make such data collection a requirement. 4.Currently, SANDAG uses PeMS data, and use of private sector data will be examined subject to existing third data sources (INRIX). Examination of other sources is subject to implementation and efforts under Recommendation 5e. Staff Lead – Samual Sanford (Planning and Innovation) Team – Grace Miño (Research and Program Management)
◐	5c.	Conducting more robust analysis of cause and effect for all performance metrics to provide meaning to results or help determine if different strategies or projects should be employed to get a better result. For instance, consider using heat maps to identify where the majority or	51-53	High	Phase I - interim processes prior to final		Samual Sanford	Next Steps	Staff anticipates returning to the ITOC in the first quarter of CY2023 with an update on safety planning efforts.
								December 2022	Staff presented federal TPM target setting to ITOC during the November 9th meeting which covered safety, infrastructure conditions, and system performance. See status for recommendation No. 5.a.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
		significant severity accidents occur and work with Caltrans and local jurisdictions to inform solutions and future projects.			TPM framework - winter 2023 Phase II - consistent with TPM			June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
					framework			March 2022	See status for recommendation No. 5.a.
								December 2021	See status for recommendation No. 5.a.
								October 2021	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	c. Conducting more robust analysis of cause and effect for all performance metrics will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								September 2020	c. Conducting more robust analysis of cause and effect for all performance metrics will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	See status for recommendation No. 5.a.
								July 2018	The recommended analysis likely will require the use of modeling/other analytical tools and additional resources. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e. Staff Lead - Sam Sanford (Planning and Innovation) Team – Grace Miño (Research and Program Management)
◐	5d	Providing regular performance monitoring reports that consider past performance in relation to TransNet goals through quarterly updates to the SANDAG Board and committees, annual public reports on the status of TransNet, and website postings.	51-53	High	Spring 2024		Grace Mino	Next Steps	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	See status for recommendation No. 5.a.
								December 2021	See status for recommendation No. 5.a.
								October 2021	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	The ITOC formed a Subcommittee to work with staff on the 2020 State of the Commute report which is anticipated to incorporate ITOC feedback received during the 2019 State of the Commute update, e.g. active transportation, safety, big data, etc.
								September 2020	d. Providing regular performance monitoring reports that consider past performance in relation to TransNet goals will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. SANDAG staff met internally to discuss revamping the State of the Commute report and how to incorporate audit findings and ITOC subcommittee recommendations
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	Staff continues to assess viable consistent funding sources for third-party data such as INRIX. Funding commitment is necessary to establish new datasets in on-going monitoring and reporting. Staff continues to work with MTS/NCTD on initial annual reporting of transit travel times in the State of the Commute Report and also continues working on integration of additional roadway and transit data into quarterly reports.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2019	Staff continues investigating the potential to incorporate highway system performance from Caltrans PeMS into existing quarterly reporting. Transit data are not available quarterly, but the potential to report on a semi-annual basis is being reviewed. Agency agreement with INRIX expired in December 2018, and staff continues to work on a new agreement for local street and road performance data. Staff anticipates integration of available quarterly data into recurring quarterly reports in FY 2020.
								July 2018	More regular reporting is feasible for highway system performance, as more robust data is available via Caltrans PeMS. Local street and road performance (in terms of average speed and travel time) is now available via a third-party vendor (INRIX). Transit data reporting (in terms of passengers per revenue hour, passengers per revenue mile, operating cost per passenger, operating cost per revenue hour, revenue hours per employee, and farebox recovery ratios) also is feasible and can be made available via reporting currently conducted under Transportation Development Act monitoring. Staff Lead – Grace Mino (Research and Program Management) Team – Michelle Smith (Financial Planning, Budgets, and Grants)
◐	6	Explore and study public-private partnerships with entities such as Google, Waze, Scoop, TomTom, or others to integrate and summarize performance results as well as provide information on a real-time basis to travelers identifying different commute times and options.	51-53	Medium	Summer 2023		Grace Mino	Next Steps	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	See status for recommendation No. 5.a.
								December 2021	See status for recommendation No. 5.a.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								October 2021	See status for recommendation No. 5.a.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								August 2021	See status for recommendation No. 5.a.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	SANDAG staff continues to look for opportunities for partnering with third party vendors including the use of private sector data. These efforts will be examined in conjunction with future implementation efforts under Recommendation No. 5 above. The vision for establishing a Transportation Performance Management Framework was presented at the October ITOC meeting. Another presentation is scheduled for the December ITOC meeting.
								September 2020	Exploring and studying public-private partnerships will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	SANDAG staff continues to look for opportunities for partnering with third party vendors such as Google and Waze to explore ways to better integrate and summarize performance results and provide real-time information to travelers. This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								July 2018	SANDAG staff in the Operations Department have been working on partnerships with transportation information providers such as Google and Waze. Our current 511 system uses Google traffic and transit data as well as utilizes the Google map. Future plans are to extend the regional Data Hub into a Transportation Mobility Cloud with the intent of utilizing third-party data as well as sharing public data with the private sector. Staff Lead - Grace Mino/Alex Estrella (Planning and Innovation)
	7	Enhance the Story Map tool, TransNet project status listing (shown in Appendix A), or develop a different tool to capture project output details and track TransNet accomplishments over time by implementing the following:							
◐	7.b	Building upon planned output data currently captured through the Regional Transportation Improvement Program's automated ProjectTrak database and reported in the Annual Output and Outcome report by reconciling those planned outputs with actual accomplishments. Consider requiring local jurisdictions to provide a closeout report with updated, actual data as projects are completed.	53-54	High	Spring 2024		Suzanne Martinez/ Grace Mino	Next Steps	Prepare definition of performance fields for software update. Negotiate with software vendor and initiate project.
								December 2022	Staff is still evaluating software update and putting together a budget to fund.
								September 2022	Staff are evaluating a new version of ProjectTrak that will enable collection of performance information from local agencies to reconcile against planned outputs. If this software is selected, it will take approximately one year to implement
								June 2022	The Output/Outcome report for the 2023 RTIP will be prepared for ITOC review with presentation of the draft 2023 RTIP in July 2022.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	The Output/Outcome report for the 2023 RTIP will be prepared for ITOC review with presentation of the draft 2023 RTIP in May 2022.
								December 2021	See status for recommendation No. 5.a.
								October 2021	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	The Output/Outcome report was presented for ITOC review with presentation of the draft 2021 RTIP in December 2020.
								November 2020	b. The planned Output/Outcome report is prepared with the biannual update to the RTIP. It was last presented to the ITOC in 2018. See the 2018 TransNet Local Street and Road program Annual Status Report at link below: https://www.sandag.org/uploads/meetingid/meetingid_4752_24015.pdf This report detailing the planned Outputs/Outcomes of the 2021 RTIP is anticipated to be presented again for ITOC review with presentation of the draft 2021 RTIP in November 2020 and in conjunction with the Local Street and Road Program Report (covering prior year results). Staff will continue capturing planned data on an ongoing basis and, as a subsequent step in conjunction with future implementation efforts under Recommendation No. 5 above, also consider whether reconciling planned outputs against actual accomplishments and requiring local agencies to provide closeout reports with actual data completed is feasible.
								September 2020	b. The planned Output/Outcome report is prepared with the biannual update to the RTIP. It was last presented to the ITOC in 2018. See the 2018 TransNet Local Street and Road program Annual Status Report at link below: https://www.sandag.org/uploads/meetingid/meetingid_4752_24015.pdf This report detailing the planned Outputs/Outcomes of the 2021 RTIP is anticipated to be presented again for ITOC review with presentation of the draft 2021 RTIP in November 2020 and in conjunction with the Local Street and Road Program Report (covering prior year results). Staff will continue capturing planned data on an ongoing basis and, as a subsequent step in conjunction with future implementation efforts under Recommendation No. 5 above, also consider whether reconciling planned outputs against actual accomplishments and requiring local agencies to provide closeout reports with actual data completed is feasible.
								March 2020	b. This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	b. This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	b. The implementation of this recommendation will require changes to existing tools and processes. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	The implementation of this recommendation will require changes to existing tools and processes. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e. Staff Lead - Sue Alpert (Finance) Team – Grace Mino, Cindy Burke
	Chapter 3: Major Corridor Capital Construction (Items 8-9) **Chapter Recommendations Completed (see below)**								
◐	9	Begin gathering data on whether the Construction Manager/General Contractor (CMGC) method used on the Mid-Coast Corridor Transit project is delivering on expectations for cost savings, efficiencies, better quality, or collaboration to solve problems rather than using a typical silo-approach between design, construction, contractors, and owners by implementing the following: a.Comparing SANDAG's proposed metrics for assessing Mid-Coast Corridor project performance to the performance metrics and practices used by Caltrans' to determine whether there are any additional practices SANDAG may want to include or adopt, such as the Caltrans innovations log, to help formally track benefits, successes, and challenges. b. Addressing recent survey comments related to possible schedule impacts from project activities in addition to the perceived higher value of change orders.	65-71	Medium	Late 2024		Venky Ganesan/ Allan Kosup	Next Steps	b. continue close out activities and administration of construction contract, continue to gather contract data, initiate assessment of project performance between CM/GC and traditional DBB delivery.
								December 2022	b. Continuing to research and gather construction information on the Mission Valley East project from MTS to be used in the comparative analysis of delivery methods. Continuing close out activities and administration of the Mid Coast construction contract, continue to gather contract data for comparison includes review logs, risk matrix and RFI response process. To address the recommendation, an innovations log or other method of formally tracking will be developed. NCC CM/GC Performance Framework has been developed populated with project data and submitted to SANDAG. The NCC data represents a snapshot of the project at 80% complete milestone. The Framework will be repopulated at the project complete milestone in 2024.
								September 2022	a. Staff presented the update on July 13, 2022 (https://d3n9y02raazwpg.cloudfront.net/sandag/60e2ef93-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593309.pdf), b. Gathered construction information on the Mission Valley East project from MTS to be used in the comparative analysis of delivery methods. Continued close out activities and administration of construction contract, continue to gather contract data, initiate assessment of project performance between CM/GC and traditional DBB delivery. Complete
								June 2022	a. Project construction The Mid-Coast actual service date on November 21, 2021 was 39 days behind the baseline schedule date of September 27, 2021. This schedule was achieved despite granted working days for weather impacts and supply chain challenges. Project, Construction and CM/GC managers continue to meet regularly to review change orders and negotiate cost changes cooperatively and fairly, and the project is expected to complete within budget. Other SANDAG projects being built by the Mid-Coast contractor within the corridor CM/GC contract have been opened to the public and delivered within budget.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	a. Mid-Coast opened for service in November 2021. Remaining work is focused on landscaping, roadway restoration, punch list and other close-out activities. The Mid-Coast Project Team is focused on supporting completion of remaining construction and continues to compile and track resolution of design, including as-builts, change orders, risk register and quality metrics. The Caltrans performance metrics for NCC were reviewed and determined that SANDAG will report similar metrics. A comparison of contract outcomes in cost and schedule changes between Mid-Coast delivered by CM/GC and Mission Valley East delivered by DBB could start in late 2022. b. The Mid-Coast actual service date on November 21, 2021 was 39 days behind the baseline schedule date of September 27, 2021. This schedule was achieved despite granted working days for weather impacts and supply chain challenges. Project, Construction and CM/GC managers continue to meet regularly to review change orders and negotiate cost changes cooperatively and fairly, and the project is expected to complete within budget. Other SANDAG projects being built by the Mid-Coast contractor within the corridor CM/GC contract have been opened to the public and delivered within budget.
								September 2020	a. Mid-Coast is more the 80% complete with construction on schedule to open in late 2021. At-grade and elevated guideway and track are nearing completion. Remaining work is focused on stations and rail power and systems work. The Mid-Coast Project Team is focused on supporting construction efforts and continues to compile and update design and change review logs, risk matrix and track and respond to contractor request for information. A Rail Activation Plan and working group has been established with MTS. Rail Safety and Security working group is completing certifications pre-operation. A comparison of contract outcomes in cost and schedule changes between Mid-Coast and Mission Valley East could start in late 2020. b. The Mid-Coast schedule completion date continues to vary between 20 and 29 working days behind. Track and signal activities are being overlapped to meet a revenue service date of late 2021. Covid has not impacted progress. The CM/GC contract includes items of work that would be negotiated during construction when plans were close to final and subcontracting could be determined. The cost of some of the negotiated items increased over the GMP estimates due to market conditions for subcontracting and material costs. Project, Construction and CM/GC managers have met regularly to review change orders and have negotiated cost changes cooperatively and fairly. Most of the major cost items are negotiated and the project is expected to complete within budget. Other SANDAG projects being built by the Mid-Coast contractor within the corridor CM/GC contract are being finished within budget. c. For NCC, a CMGC coach facilitates surveys and partnering meetings to address program concerns related to schedule, cost and teamwork environment. Staff will continue gathering data on an ongoing basis on the CMGC project delivery method and whether expectations are being met. Complete

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2020	a. Comparison of scope, cost and schedule changes between Mid-Coast and Mission Valley East would start in 2020. b. For NCC, a CMGC coach was hired to facilitate surveys and partnering meetings to address program concerns related to schedule, cost and teamwork environment.
								October 2019	a. Comparison of scope, cost and schedule changes between Mid-Coast and Mission Valley East would start in 2020. b. The Mid-Coast schedule completion date continues to vary between 20 and 29 working days behind. Track and signal activities are being overlapped to meet schedule. The current construction environment has driven increases for sub-contractor costs. Project, Construction and CM/GC managers have met regularly to review cost change orders and are negotiating cost changes cooperatively and fairly. Several major cost related items should be settled next quarter.
								March 2019	a. The Mid-Coast Project Team is focused on supporting construction efforts and continues to compile and update design and change review logs, risk matrix and Request for Information responses. Preparation of a CM/GC innovation log will begin as civil and structure construction nears completion. Comparison of scope, cost and schedule changes between Mid-Coast and Mission Valley East would start in 2020. b. The Mid-Coast schedule completion date has varied between 20 and 29 days behind. Staff and builder agree that future track and signal activities could be overlapped to meet schedule. Staff continues to negotiate change costs. The current construction environment is driving increases for sub-contractor costs. Project, Construction, and CM/GC managers will continue to meet regularly to review change orders and schedule impacts identified in the survey.
								July 2018	Mid-Coast has procedures and tools in place to capture CM/GC savings and efficiencies including comment and review logs, risk matrix and RFI response process. To address the recommendation, an innovations log or other method of formally tracking will be developed. SANDAG will research industry standards for comparing construction contracting methods for application to CM/GC to Low Bid. Mid-Coast will be compared to Mission Valley East Light Rail Transit Extension as the closest side-by-side comparative example. Project, Construction, and CM/GC managers will continue to meet regularly to review change orders and schedule impacts identified in the survey.
◐	10	Gather and store documents to support “benefit” statistics tracked for the North Coast Corridor and the Mid-Coast Corridor whether using the innovations log utilized by Caltrans or another method used by SANDAG. Maintain supporting documentation, such as cost comparisons, in a centralized repository that is linked or reconciled with the log or summary statistics.	69-71	Medium	Winter 2023		Venky Ganesan/ Allan Kosup	Next Steps	Continue to maintain and gather construction cost information through Mid-Coast construction project close-out.
								December 2022	Construction records are currently maintained in Project SharePoint files and Construction Management software (Prolog). Continuing to develop process and formatting of data to be used in cost comparisons and other comparative analysis.
								September 2022	Project Performance Dashboard has been developed to track status on Safety, Quality, Cost, Schedule, and DBE Utilization. A preliminary framework for CMGC evaluation has been developed for future update on CMGC performance. Staff presented an update on progress and status of the North Coase Corridor program of projects to the ITOC on July 13, 2022 (https://d3n9y02raazwpg.cloudfront.net/sandag/60e2ef93-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593309.pdf)

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	Mid-Coast Corridor: The Project Team continues to document management processing including file Sharing, maintaining as-builts and storage of permanent documents on the SANDAG SharePoint server now on cloud storage. This activity will continue until project close-out in 2023. North Coast Corridor: As innovations arise on NCC, documentation is submitted to the CMGC coach for processing and to update the "benefit" statistics. Documents will continue to be gathered and stored on an ongoing basis to support benefit statistics tracked for the North Coast Corridor and the Mid-Coast Corridor. This activity will continue on an ongoing basis for both projects until major construction completion and close-out in 2022. Staff Leads - Sharon Humphreys/Greg Gastelum (SANDAG Engineering/Construction) - Allan Kosup (Caltrans)
								September 2020	Mid-Coast Corridor:- The Project Team continues document management processing including file sharing, maintaining as-builts and storage of permanent documents on the SANDAG SharePoint server now on cloud storage. This activity will continue until project close-out in 2022. Cost data for CM/GC comparison will be late 2021. North Coast Corridor:- As innovations arise on NCC, documentation is submitted to the CMGC coach for processing and to update the "benefit" statistics. Documents will continue to be gathered and stored on an ongoing basis to support benefit statistics tracked for the North Coast Corridor and the Mid-Coast Corridor. This activity will continue on an ongoing basis for both projects until major construction completion and close-out in 2022. Complete
								March 2020	Mid-Coast Corridor- FTA has reviewed the Document Management Plan. Staff is addressing minor comments. The Project Team continues document management processing including file sharing, maintaining as-builts and storage of permanent documents on the SANDAG SharePoint server now on cloud storage. This activity will continue until project close-out in 2022. Cost data for CM/GC comparison will be late 2021. North Coast Corridor- As innovations arise on NCC, documentation is submitted to the CMGC coach for processing and to update the "benefit" statistics.
								October 2019	Mid-Coast Corridor- The updated Mid-Coast Document Management Plan has been submitted to the FTA for Review. The Project Team continues document management processing including file sharing, maintaining as-builts and storage of permanent documents on the SANDAG SharePoint server. This activity will continue until project close-out in 2022. Cost data for CM/GC comparison will be late 2021. North Coast Corridor-The project team is continuing to gather and store documents, on a quarterly basis, to support the performance measures identified for the program. The CM/GC coach has continued to be the gatekeeper and store all data in a central repository. This activity will continue until major construction completion in 2021.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2019	Mid-Coast Corridor -The Project Team is updating the Document Management Plan in spring 2019. This is an update required by the FTA. With this update the Project Controls Team is making and documenting process improvements. The Project Team continues document management including file sharing, maintaining as-builts and permanent storage on SharePoint. This activity will continue until project close-out in 2022. Cost data for CM/GC comparison will be available late 2021. North Coast Corridor-The project team is gathering and storing documents to support the performance measures identified for the program. The project team designated the CM/GC coach to be the gatekeeper and store all data in a central repository.
								July 2018	Mid-Coast data are maintained on a project file sharing site and project record documents including logs and cost data will be permanently stored in a SANDAG SharePoint location. Staff Lead - John Haggerty/~~Ramon Ruelas~~ Greg Gastelum (Capital Programs and Regional Services), Allan Kosup (Caltrans) ITOC Leads – Kai RamerLes Hopper, Brad Barnum
	Chapter 4: Local Streets and Roads (Items 11-12)								
◐	11	Revisit the TransNet Extension Ordinance congestion relief and maintenance split to be more relevant with local needs as the TransNet lifecycle matures by considering elimination of the 70/30 split, change to the percentage limitations, or modification of the categorical definitions within the TransNet Extension Ordinance limitations.	75-76	Medium	Spring/ Summer 2023		Alex Estrella/Carson Barwinkel	Next Steps	This would be discussed as part of any potential Ordinance amendments that may be considered.
								December 2022	Draft Expenditure Guidelines developed with subject matter experts - discussed with leadership ahead of presentation to subcommittee in December.
								September 2022	Revisiting the TransNet Extension Ordinance congestion relief and maintenance split will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. The next ITOC presentation is planned for December.
								June 2022	TPM update was presented to ITOC in April 2022 meeting.
								March 2022	See status for recommendation No. 5.a.
								December 2021	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	Revisiting the TransNet Extension Ordinance congestion relief and maintenance split will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								November 2020	Revisiting the TransNet Extension Ordinance congestion relief and maintenance split will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above. The ITOC received a presentation on the vision for the Transportation performance Framework at its October meeting. The next presentation is scheduled for December.
								September 2020	Revisiting the TransNet Extension Ordinance congestion relief and maintenance split will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	Initial possible revisions were developed with input and feedback from CTAC in late 2018. Staff is continuing to work on examining proposed initial revisions and alignment with other audit report performance-related recommendations to determine potential implications to the Local Street and Road Program. The implementation of this recommendation will be examined in conjunction with Recommendation No. 5.e.
								July 2018	SANDAG staff is working with CTAC to determine an approach and possible implementation steps for examining the 70/30 split recommendation, and the CTAC has formed an ad-hoc work group to address this recommendation. Discussion outcomes will be reported to ITOC to determine possible next steps including Board Policy expenditure guidelines changes. Staff Lead - Alex Estrella (Planning and Innovation) Team – Yen Ho, Sue Alpert
	12	Continue to monitor compliance with SANDAG Board Policy No. 031, Rule 21, until otherwise amended, by implementing the following:							
◐	12.a	a.Following up on the results from the SANDAG Board Policy No. 031, Rule 21 evaluation conducted by SANDAG in 2014: 1.Use results from SANDAG Board Policy No. 031, local Rule 21 review to make identified changes to the Ordinance definitions and follow-up on areas of noncompliance noted during the review. 2.Work with locals to determine a method to demonstrate compliance with SANDAG Board Policy No. 031, Rule 21. 3. Amend or establish a SANDAG Board Policy to require local jurisdictions to track and report on the number of bike and pedestrian facilities implemented using TransNet funds.	78-79	High	Spring/ Summer 2023		Chris Kluth/Josh Clark	Next Steps	This also would be discussed as part of any potential Ordinance amendments that may be considered.
								December 2022	1. Board Policy No. 31 Rule 21 revisions were made by SANDAG staff on 10/28/22 in the "10 11 21 Board Policy No. 031_June 2021 for ordinance amendments markup" document. 2. Proposals will be brought to the Mobility Working Group Ordinance Amendments Subcommittee on 1/19/22 and 2/2/22. 3. Discuss with reporting changes recommended in 7. b.
								June 2022	TPM update was presented to ITOC in April 2022 meeting.
								March 2022	See status for recommendation No. 5.a.
								December 2021	See status for recommendation No. 5.a.
								October 2021	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	Staff is drafting a work plan which is currently under internal review.
								November 2020	In October 2020, an overview of the TPM project was presented to the ITOC. The consultant is in the process of completing the TPM Framework. The Framework is anticipated to be completed by the end of 2020.
								September 2020	Continuing to monitor compliance with SANDAG Board Policy No. 031, Rule 21, will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2020	Conducting another review of local projects in light of SANDAG's Complete Streets Policy will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is now anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	This recommendation is now anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	Staff developed a work plan for this effort and is currently providing informational updates and taking comments from the Active Transportation Working Group, Cities/County Transportation Advisory Committee, and Regional Planning Technical Working Group, and will be building upon that input to draft potential recommendations on additional monitoring and reporting and potential changes to board policy. Staff will continue to coordinate implementation of this recommendation with efforts to implement Recommendation No. 11.
								July 2018	Board Policy No. 031 Rule No. 21 addresses accommodation of bicyclists and pedestrians. SANDAG will conduct a compliance review using the existing processes of the Policy. Results will be reported to CTAC for discussion and determination of need to modify compliance guidelines and processes. SANDAG will amend applicable Board Policy to track development of bicycle and pedestrian projects built using TransNet funds. Staff Lead --Chris Kluth (Capital Programs and Regional Services) Team – Grace Miño, Sue Alpert, Chris Kluth
◐	12.b	Conducting another review of local projects and considering whether any adjustments are warranted in light of SANDAG's Complete Streets Policy.	78-79	High	Spring/ Summer 2023		Chris Kluth/Josh Clark	Next Steps	Staff anticipates returning to the ITOC for presentation of next steps in the TPM process in early 2023
								December 2022	SANDAG staff are reviewing local agencies' 2023 RTIP projects for consistency with Board Policy No. 031 Rule No. 21 Routine Accommodations for Bikes and Pedestrians. Adjustments will be proposed by SANDAG staff consistent with Recommendation Nos. 5.a-e, 7b, or others as necessary.
								March 2022	See status for recommendation No. 5.a.
								August 2021	See status for recommendation No. 5.a.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	In October 2020, the consultant presented an overview of the TPM project, and the work completed to date to the ITOC. The consultant is in the process of completing the TPM Framework. The Framework is anticipated to be completed by the end of 2020.
								September 2020	Conducting another review of local projects in light of SANDAG's Complete Streets Policy will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is now anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								October 2019	This recommendation is now anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2019	To be coordinated with implementation of recommendation No. 12.a.
								July 2018	SANDAG will conduct a compliance review using the existing processes of the Policy to determine if modifications are necessary to be more consistent with the SANDAG Complete Streets Policy. Staff Lead - Chris Kluth (Capital Programs and Regional Services)
	Chapter 5: Transit Services (Items 13-16)								
◐	13	Continue to analyze major transit commute routes and services and report on whether commute times have improved or should be improved.	87-88	Low	Summer 2023		Grace Mino	Next Steps	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	In December 2021, staff met with the State of the Commute Subcommittee to discuss 2021 State of the Commute report and variables. Data collection and draft State of the Commute report has been completed and will be shared with ITOC SOC subcommittee in April 2022.
								December 2021	Met with the State of the Commute Subcommittee to discuss 2021 State of the Commute report and variables
								October 2021	The 2021 State of the Commute Subcommittee is anticipated to begin meetings to develop the 2021 SOC in Winter 2021/2022.
								August 2021	The 2021 State of the Commute Subcommittee is anticipated to begin meetings to develop the 2021 SOC in Winter 2021/2022.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2021	The ITOC SOC subcommittee met throughout FY 2021 and developed the 2020 State of the Commute report in conjunction with staff. Remaining enhancements to the SOC are anticipated to be addressed in future reports. The 2021-2022 ITOC subcommittee was selected. The 2021 State of the Commute Subcommittee is anticipated to begin meetings to develop the 2021 SOC in Winter 2021/2022.
								November 2020	The ITOC formed a Subcommittee to work with staff on the 2020 State of the Commute report which is anticipated to incorporate ITOC feedback received during the 2019 State of the Commute update, e.g. active transportation, safety, big data, etc.
								September 2020	The 2019 State of the Commute was released in May 2020 and included system-based travel time reporting for light rail and Rapid bus routes. Staff has been analyzing initial input received from the State of the Commute Subcommittee and anticipates reconvening the Subcommittee in early 2021 to discuss recommendations for a phased implementation approach.
								September 2020	SANDAG staff met internally to discuss revamping the State of the Commute report and how to incorporate audit findings and ITOC subcommittee recommendations
								March 2020	An ITOC subcommittee was formed and met in February 2020 to review the results of the 2019 State of the Commute. The 2019 State of the Commute will be presented to ITOC in spring/summer 2020.
								October 2019	SANDAG staff is scheduled to present the State of the Commute report, including transit commute times, at the November 13, 2019, ITOC meeting.
								March 2019	SANDAG staff will continue to report on this area via the annual State of the Commute Report.
								July 2018	SANDAG staff will continue to report on this area via the annual State of the Commute Report. Staff Lead - Brian Lane (Planning and Innovation) Team – Grace Mino (Research and Program Management)
Chapter 7: Environmental Mitigation Program (Items 19-22)									
◐	22	Measure progress in meeting specific and detailed EMP goals, objectives, and action items for regional monitoring and management under the Management Strategic Plan. Specifically, develop metrics using the abundance of data to holistically understand the status and trend of the overall health of the preserve against the baselines established in regional conservation plans and formalize a system to communicate complex performance results to the public.	105	Medium	Spring 2023		Keith Greer/Kim Smith	Next Steps	Presentation to ITOC, TC, RPC and the SANDAG Board is anticipated to occur in Spring 2023 as part of the EMP annual progress report. Metrics will then be updated annually and be available to access on the SDMMP Portal.
								December 2022	Final metrics report anticipated for presentation to the Regional Habitat Conservation Taskforce on December 13, 2022. In addition, the metrics dashboard located on the SDMMP Portal will be finalized and included in the above presentation.
								September 2022	Draft Metrics Report received. Final report in review; anticipated in Fall of 2022. SDMMP working on finalizing the metrics dashboard located on the SDMMP portal. Presentation on the metrics will be included in the Annual EMP update given to ITOC, the PAC's and Board in Fall of 2022.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								June 2022	Draft Metrics Report received. Final report in review; anticipated in Fall of 2022. Presentation on the metrics will be included in the Annual EMP update given to ITOC, the PAC's and Board in Fall of 2022.
								March 2022	Draft Metrics Report in review by SANDAG. Information on goals, status and trends will be presented to the Board later this Spring as part of progress report on the EMP.
								October 2021 (Rev 11/10/21)	A draft Preserve Metrics Report has been submitted to SANDAG. The final report will be available in early 2022.
								July 2021	Staff sent the draft Preserve Metrics Report to EMPWG members in May for comments. Staff presented results of the draft Preserve Metrics Report to the EMPWG at the June 8, 2021 EMPWG meeting. A final Preserve Metrics Report is anticipated in early August 2021.
								November 2020	Staff continues to work on developing metrics and anticipates bringing a draft report outline to the EMPWG in September 2020; draft metric report in March 2021 with presentation to the EMPWG; and then completion of a final report in June of 2021. Presentation to ITOC and Board is anticipated to occur in January 2022 as part of the EMP annual progress report. Metrics will then be updated annually.
								September 2020	SANDAG is taking the recommendations made at the November 2019 EMPWG Metrics Workshop, in addition to the over ten years of data that the program has been collecting, to develop metrics to measure the status of the preserve system. During February 2020, staff worked with the SDMMP and a small subgroup to finalize a draft framework for the development of metrics and presented these to the EMPWG at its March 2020 meeting. Staff then came back to the EMPWG in June 2020 to present the framework with an example of metrics for each category. Staff will continue to work on developing metrics and anticipates bringing a draft report outline to the EMPWG in September 2020; draft metric report in March 2021 with presentation to the EMPWG; and then completion of a final report in June of 2021. Presentation to ITOC and Board is anticipated to occur in January 2022 as part of the EMP annual progress report. Metrics will then be updated annually.
								March 2020	SANDAG is taking the data collected at the November 2019 EMPWG Metrics Workshop to develop metrics to measure the status of the preserve system. During February, staff worked with SDMMP and a small subgroup to finalize a draft framework for the development of metrics and presented these to the EMPWG at its March 2020 meeting. Staff will continue to work on developing metrics and will also bring on an independent contractor to help determine how these metrics should be communicated to the public.
								October 2019	SANDAG continues to work internally with the regional entity (SDMMP) and a small stakeholder group to identify and develop metrics. Staff is planning a workshop to be held in November 2019 to gather input from various stakeholders on what should be measured.
								March 2019	SANDAG drafted a scope of work to contract with an outside entity to develop regional metrics to track the health of the preserve system. This effort was included in the TransNet EMP FY 2019-2020 Work Plan that was approved by the BOD in October 2018.

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								July 2018	SANDAG already has identified several similar efforts from around the country. SANDAG will develop a proposed approach to communicate these complex ideas to the public and report as a report card or similar evaluation system. Work will start in summer 2018 to develop a detailed work plan. Communications is involved in the planning effort and will work with the Planning department to produce informative pieces for distribution on multiple communication platforms. Staff Lead - Keith Greer (Planning and Innovation) Team – Kim Smith, Irene McCormack
	Chapter 8: Information and Transparency (Items 23-26)								
◐	23	Regularly report on implementation of TransNet Extension Ordinance goals by annually publishing progress on SANDAG's website, annual report, or other easily visible reporting tool.	110	High	Spring 2024	`	Grace Mino/Michelle Smith/Zara Sadeghian	Next Steps	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff returned to the ITOC for presentation of next steps in the TPM process in April 2022. The final annual report was approved by the ITOC and presented to the Board in June 2022. The annual report was also published on SANDAG's website.
								March 2022	In early 2022, the ITOC formed its 2022 ITOC Annual Report Subcommittee.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	In terms of reporting on TransNet Ordinance goals, the remainder of this recommendation to report on implementation of goals is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								September 2020	In terms of reporting on TransNet Ordinance goals, the remainder of this recommendation to report on implementation of goals is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								March 2020	In terms of reporting on TransNet Ordinance goals, the remainder of this recommendation to report on implementation of goals is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	In terms of reporting on TransNet Ordinance goals, the remainder of this recommendation to report on implementation of goals is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2019	Communications has incorporated the ITOC annual report into its overall yearly communication strategy that includes press releases, social media, the monthly Region publication and other regular email newsletters, as well as incorporation into speaking engagements and focused media attention on specific TransNet-funded projects. In addition, Communications routinely updates the KeepSanDiegoMoving.com web site to ensure that stakeholders have the best information on projects funded by TransNet.
								July 2018	Communications is working on a proactive annual plan for publishing progress that will entail multiple forms of communication pieces on a variety of communication platforms. Staff Lead -Robyn Wapner (Strategic Communications) Team – Michelle Smith/Zara Sadeghian
	25	Better link TransNet funding to project and program activities for general public awareness by implementing the following:							
◐	25.a	More prominently featuring the TransNet logo on SANDAG and TransNet partner websites as well as through other media such as Facebook and Twitter.	113-114	Low	Spring 2024		Andrea Villyard	Next Steps	Next steps include incorporating the Keep San Diego Moving projects into the SANDAG website and continue reminding member agencies to more prominently identify TransNet on their websites, where appropriate.
								December 2022	Implementation is ongoing and is being coordinated with the sandag.org redesign project so recommendations about which pages agencies can link to can be made. The SANDAG and TransNet logo lockup have been updated consistent with the new SANDAG brand guide for greater recognition. The new TransNet Program website includes a TransNet Dashboard with list of projects under TransNet program as well as TransNet Interactive Map.
								June 2022	Implementation is ongoing and is being coordinated with the sandag.org redesign project so recommendations about which pages agencies can link to can be made. The SANDAG and TransNet logo lockup have been updated consistent with the new SANDAG brand guide for greater recognition.
								March 2022	Implementation is ongoing and is being coordinated with the sandag.org redesign project so recommendations about which pages agencies can link to can be made.
								December 2021 *(Due 1/12/21)*	The findings from the review of partner agency websites were given to the project team in March 2021 and opportunities to see where TransNet can be more prominently identified will be pursued.
								July 2021	The findings from the review of partner agency websites were given to the project team in March 2021 and opportunities to see where TransNet can be more prominently identified will be pursued.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								November 2020	Implementation is ongoing and is being coordinated with the sandag.org redesign project so recommendations about which pages agencies can link to can be made. The findings from the review of partner agency websites will be presented to the project team in FY 2021 so opportunities to see where TransNet can be more prominently identified can be examined and recommendations to agencies can be made.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2020	Implementation is ongoing and is being coordinated with the sandag.org redesign project so recommendations about which pages agencies can link to can be made. The findings from the review of partner agency website will be presented to the project team in FY 2021 so opportunities to see where TransNet can be more prominently identified can be examined and are anticipated to be more prominently featured by spring/summer 2021.
								March 2020	Implementation is ongoing. The findings from the review of partner agency websites will be presented to the project team in the third quarter or FY 2020 so opportunities to see where TransNet can be more prominently identified can be examined.
								October 2019	Staff continued to make and recommend improvements to sandag.org/TransNet as requested. On social media, #TransNetSD continued to be added to posts that referenced TransNet-funded projects. SANDAG press releases continued to reference TransNet funding and social media campaigns specific to TransNet-funded efforts and accomplishments are being regularly pursued. The review of partner agency websites wrapped up and findings will be distributed by December 2019 to the project team to see where opportunities to more prominently feature TransNet exist.
								March 2019	Staff has reviewed and made improvements to sandag.org/TransNet, which included adding links to the TransNet Dashboard and TransNet grant program pages. On social media, #TransNetSD is being more consistently added to posts that referenced TransNet-funded projects. Social campaigns featuring TransNet-funded grant programs also were completed. In both press releases and social media, all funding source information is being consistently added where appropriate. SANDAG press releases continue to reference TransNet funding and social media campaigns specific to TransNet-funded efforts and accomplishments are being regularly pursued. The review of partner agency websites is expected to begin by spring 2019 and wrap-up by June 30, 2019.
								July 2018	SANDAG staff will review existing websites and make recommendations for additional TransNet logo and language placement to create stronger recognition of the TransNet Program. Staff also will begin review of partner agency websites to see where SANDAG and TransNet logos and corresponding language can be added/enhanced. SANDAG social media posts will reference the use of TransNet funding where appropriate, and #TransNetSD will continue to be used as a way of threading all TransNet-funded program and project posts together. Social media campaigns specific to TransNet-funded efforts and accomplishments will be more regularly pursued. Staff Leads - Andrea Villyard/Lisa Starace (Strategic Communications) Team – Michelle Smith
Completed Sections									
	Chapter 1:*TransNet* Financing (Items 1-4)								

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
●	1. b	Continuing efforts to increase the transparency of sales tax revenue forecasts by showing a range of possible values based on a true confidence interval. SANDAG staff should work with the ITOC and the Board to select a confidence level or levels that best communicates the range of possible values projected by the forecast including best case, worse case, or reasonably expected scenarios.	29-33	High		Sep-20	David Tedrow	September 2020	Sales tax revenues continue to be updated regularly to take into account the impact of the COVID-19 pandemic. The update presented to ITOC/TC and the Board in May/June 2020 included several recession scenarios. New, high frequency, data is being used to track retail sales spending and TransNet revenues as the economy reopens (See https://www.sandag.org/uploads/publicationid/publicationid_4655_27331.pdf and https://www.sandag.org/uploads/publicationid/publicationid_4677_27528.pdf for recent updates. Staff will continue efforts to increase the transparency of sales tax revenue forecasts to best communicate best case, worse case, or reasonably expected scenarios. **Complete**
								March 2020	Sales tax revenues continue to be updated regularly to take into account most recent economic conditions. The update was presented to ITOC/TC and the Board in February/March 2020. Scenario analysis were run to take into account the impact of the new DOF population forecast.
								October 2019	SANDAG staff are working on updating the revenue forecast with new revenue information from the CDTFA and third party forecast updates. An alternative recession scenario was considered to highlight the risks a U.S. recession would create for TransNet revenues.
								March 2019	Sales tax revenue forecasts continue to be updated regularly with the latest information. SANDAG staff are working on updates based on updated third party forecasts and Wayfair implementation guidance from the California Department of Tax and Fee Administration (CDTFA). The update is anticipated to be available for presentation in spring 2019.
								July 2018	SANDAG staff and economic consultants are working to create sales tax forecasts that incorporate ranges and scenarios and will present this work to ITOC for input. Staff Lead – Jim Miller/Marcia Smith/David Tedrow - Team - Michelle Smith
●	1.c	Developing a process or policy for more frequent reporting— such as quarterly—to oversight committees on cost increases and include factors used to estimate costs, project stage or milestone used as basis for cost, and reasons for cost increase such as inflation, materials spike, or scope changes using Dashboard data and other reliable data sources.	29-33	High		Mar-19	Sharon Humphreys / Michelle Smith	March 2022	Staff presented information on cost estimating practices and methods used to communicate cost changes to the ITOC, Transportation Committee, and Board in April/May 2018 for input and these reports will continue going forward. New staff leads assigned March 2022 will assess current status of effort, update as necessary and check in with DCEOs and Chief of Staff to determine if additional updates to ITOC, TC, and BOD should be provided. Staff Lead - Sharon Humphreys (Capital Projects and Programs), Michelle Smith (Financial Planning, Budgets, and Grants) **Complete**
								March 2019	Status reports on each major corridor are presented to the Transportation Committee on a quarterly basis. In addition, the TransNet Project Office presents a quarterly report to ITOC summarizing the completion of project milestone accomplishments, monthly/annual program expenditures, and trends in construction cost and number of bidders.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
●	2	Ensure the “Plan of Excellence” and its 7-point Data Accuracy and Modeling Work Plan are implemented to reduce the potential for data errors and develop formal procedures covering version control, periodic archival of dynamic or continuously updated data and documents, data validation and accuracy, and release and reporting of data. The status of the implementation of the 7-point plan and new procedures for data authentication should be documented and reported back to decision makers.	27-28	Critical		Mar-19	Grace Mino	March 2019	Over the past year, staff has successfully created, implemented, and formalized policies and procedures that ensure the accuracy, transparency, and reliability of the data SANDAG produces and the Board uses to make decisions regarding the future of the San Diego region. As part of these efforts, staff has completed a thorough review of the models, documented the impact of previous errors, and mapped process flow to improve future efforts. In addition, the Data, Analytics, and Modeling Department has been reorganized, creating teams that are now working more collaboratively than ever but have clearly delineated functions that include acquiring data, running the models, and data dissemination. At the same time, necessary skill sets have been added with a Data Base Administrator, the creation of an Office of Quality Assurance, and staff focused on project management. Closely related, two new processes have been formalized, both of which improve the availability and accuracy of the data produced and used by SANDAG. First, staff have created an electronic data request system that enables tracking what data requests the Data, Analytics, and Modeling Department is being asked to fulfill. This documentation helps to ensure the needs of stakeholders are being met and track how data is being used. Since September 2017, the Department has received over 250 data requests, with about 4 in 5 of these from entities outside SANDAG. Second, a formalized Peer Review Process has been created to ensure that data, analyses, reports, and other information are valid, reliable, and easy to understand. Since the first Peer Review Process (PRP) was conducted in March 2017, a total of 48 different topics have been peer reviewed, with half initiated by departments other than Data, Analytics, and Modeling, demonstrating its usefulness to the agency as a whole. Finally, SANDAG has implemented the development of a standards-based data governance program to ensure that all of the agency’s data are managed properly according to best practice. This is an ongoing improvement process and SANDAG remains committed to undertaking enhancement initiatives that are responsive to the needs of the Board, agency stakeholders, and members of the public. **Complete**
								July 2018	Significant progress has been made on the 7-Point Data Accuracy and Modeling Work Plan and ongoing efforts have been incorporated into the agency’s Plan of Excellence with progress tracked there. As part of the 7-Point Plan, staff determined that errors were limited to income variables (Point 1), have conducted a dependency analysis to determine where the income variables were used and correct as needed (Point 2), developed a comprehensive flow diagram showing interactions between data and modeling components (Point 3), surveyed agency staff to understand and document how data are disseminated and used (Point 4), convened a nationwide expert panel for recommendations for regional forecasting (Point 5), developed processes and standards to communicate data, methods, and analysis in a clear and transparent manner (Point 6), and (Point 7) realigned people, processes, and technology to support adequate staffing and expertise. Staff Lead- Grace Mino
	3	Regularly track and report on the *TransNet* Program’s financial capacity to complete projects and programs by implementing the following:							

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
●	3a.	Establishing a formal structured protocol to review funding sources and uses occurring in the last 10 to 20 years of the *TransNet* Extension Program to identify potential capacity and revenue constraints that would impact the ability to complete the major corridor projects by 2048 and assess options such as delaying projects, eliminating projects, or reducing scope as warranted. This capacity assessment should be formally revisited on a regular basis, so that decision makers are aware of periods in which the agency may have to consider delaying projects or reducing project scope as needed.	35-36	High		Sep-20	Susan Huntington	September 2020	In May 2020 a Peer Review Panel (PRP) was conducted to discuss and confirm the proposed 2021 Regional Plan revenues are reasonable and defensible. The PRP included both internal and external subject matter experts on transportation revenue. The Regional Plan assumptions for revenue sources used in the TransNet program are then incorporated into the TransNet Major Corridors Plan of Finance. Staff will continue regularly tracking and reporting on the program's financial capacity to complete projects so that decision makers are aware of periods in which the agency may have to consider delaying projects or reducing project scope as needed. **Complete**
								March 2020	Anticipated revenues to support completion of the *TransNet* Expenditure Plan are currently being contemplated in coordination with the development of the 2021 Regional Plan.
								October 2019	Staff provided the TransNet Program Update to the Board of Directors in February 2019 and is scheduled to present to ITOC in March 2019, noting the increase in the leveraging ratio required to complete all program projects by 2048. As part of the Board report, staff has consolidated remaining costs and estimated revenues onto one table, organized to clearly communicate ranges, the level of certainty of revenue estimates, and required leveraging ratio going forward. Staff will continue to provide regular/annual updates of this information, in this format, so that decision makers can assess program capacity. The next POF update will occur in early 2020, or in alignment with updates to the Regional Plan.
								March 2019	Cost estimates for all remaining Major Corridors projects as well as revenue assumptions were updated in 2018 as part of the development of the Regional Plan. Using these updated cost and revenue assumptions, the POF was updated to determine the financial feasibility of completing all the remaining projects by 2048.
								July 2018	This process will be more formally incorporated as part of the TransNet Major Corridors POF, in coordination with the adopted Regional Plan. Staff Lead - Susan Huntington (Finance) Team – Jim Linthicum ITOC Leads – Stewart Halpern and Private Sector/CEO Position Sunnie House
●	3b.	Monitoring TransNet revenues and debt service obligations against needed growth projections to better ensure that revenues are sufficient to meet debt service, as well as regularly reporting on results and options to oversight committees that could include restructuring, refinancing, or retiring existing debt or delaying the transition to a pay-as-you-go approach for financing capital projects.	37-40	High		Sep-20	Andre Douzdjian	September 2020	In early FY 2020, prior to the shutdown of NYC based on the current COVID pandemic, the Commission successfully issued the 2020 Series Green Bonds for $74.8M. The proceeds are for the Bike Early Action Program approved by the BOD in FY 2013. These bonds were issued at a rate of 2.62% which is the lowest for the program. This proposed bond issuance was presented to the ITOC and BOD. See agenda item no. 15 at the following link for the BOD report: https://www.sandag.org/uploads/meetingid/meetingid_5177_26864.pdf Staff started discussions with the TIFIA office in potentially refinancing the undrawn $537.5M loan, based on the current low interest rate environment. Based on these discussions, staff will submit a request to the TIFIA office with the goal to reset the interest rate by late fall 2020, early winter 2021. Staff will continue monitoring TransNet revenues and debt service obligations against needed growth projections to better ensure that revenues are sufficient to meet debt service. **Complete**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2020	The Commission successfully refinanced a portion of its 2012 Series A bonds and 2014 Series A bonds at lower interest rates, providing significant savings to taxpayers. The transaction took advantage of historically low taxable interest rates to reduce debt service. The Commission priced the 2019 Series A Bonds with a total principal amount of $442.6 million. The refinancing pays off certain 2012 Series A and 2014 Series A bonds with the lower cost 2019 Series A Bonds, reducing future debt service payments by approximately $93 million (or $63 million on a present value basis) and saving money for the region over the next 29 years.
								October 2019	The GANS issuance was very well received by the investment community and was ten times oversubscribed. SANDAG was able to lower the yield based on the high demand and ended up closing the deal in the Q1 of FY 2020 at an all-in-cost of 1.91%. Interest rates have come down significantly since the beginning of 2019 and there is the opportunity to refund some of the Senior Lien Debt. Staff issued a Request for Proposals (RFPs) for investment banking services and for bond and disclosure counsel for the refunding on a taxable basis which is anticipated to close in Q2 of FY 2020. Depending on market conditions at the time of issuance there is the potential to save up to $100M in cash flows. In addition, staff will potentially issue new money up to $100M for the TransNet Regional Bikeway Early Action Program (Bike EAP), which is supported by the TransNet Bicycle, Pedestrian and Neighborhood Safety Program (per the Ordinance, 2% off the top supports the RRNS program)
								March 2019	Staff issued a Request for Proposals (RFPs) for investment banking services and for bond and disclosure counsel for the Grant Anticipation Notes (GANS) financing based on the most recent POF and updated review of cash flows, which demonstrated proceeds from the GANS issuance for the Mid-Coast Corridor project would be needed by Q1 FY 2020. Subsequently, based on RFP results, staff hired Wells Fargo as the senior lead banker, with JP Morgan, Citigroup and Goldman Sachs as co-managers for the GANS issuance. Staff also started negotiations on the renewal of the Standby Bond Purchase Agreement (SBPA) for the Series A&B of the 2008 Variable Rate Demand Bonds (VRDBs), with JP Morgan which was set to expire in Q3 FY 2019. Norton Fulbright was hired as bond counsel and Orrick as bond disclosure counsel. A kick-off meeting of the entire assembled GANS team was held at SANDAG offices in the early part of Q3 FY 2019. There were no other notable changes to the debt program.
								July 2018	SANDAG Finance and TransNet staff will continue to communicate information on a regular basis, including cash flow needs, changes to project timing, and sales tax projections; meet and discuss with the SANDAG financial advisor any potential changes to needs; meet with investment bankers to understand instruments currently on the market that could fit SANDAG needs; and include all relevant information at regular intervals or on an as-needed basis at ITOC meetings. Staff Leads: Andre Douzdjian (Finance) Team- Dawn Vettese/Michelle Smith ITOC Leads- Stewart Halpern/ Sunnie House

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
●	3c.	Identifying methods to assess options, if needed, to delay, eliminate, or reduce scope of projects and whether the method would follow the same priority process used in the San Diego Forward: The Regional Plan or a different process would be used.	40-41	High		Sep-20	Phil Trom	March 2022	The 2021 Regional Plan was adopted in December 2021 which includes several billion dollars in technology improvements to both optimize the existing system and to provide maximum benefits of future capital projects. Specifically, the Plan includes $6.6 billion in Active Transportation Demand Management and Smart Intersection Systems projects along with $303 million in Next OS investments. **Complete**
								September 2020	As part of the 2021 Regional Plan update all projects, including TransNet projects, will be evaluated. The August 14, 2020, report to the Board of Directors presented the vision for assessing changes to projects and monitoring technologies. The Draft and Final 2021 Regional Plan will be prepared in 2021 with Board adoption anticipated in fall 2021. See the Vision for the 2021 Regional Plan at the following link: https://www.sandag.org/index.asp?meetingid=5412&fuseaction=meetings.detail Staff will continue identifying methods to assess options to delay, eliminate, or reduce project scope on an ongoing basis.
								March 2020	As part of the 2021 Regional Plan update all projects, including TransNet projects, will be evaluated
								October 2019	As part of the 2021 Regional Plan update all projects, including TransNet projects, will be evaluated.
								March 2019	The SANDAG Board approved moving forward with a new vision for the San Diego Forward: The Regional Plan, which is anticipated to be completed in late 2021. As part of the 2021 Regional Plan update, all projects, including TransNet projects, will be evaluated.
								July 2018	As part of the 2019 Regional Plan update all projects, including TransNet projects, will be evaluated. Staff Lead - Phil Trom (Planning and Innovation)Team – Tim DeWitt, Susan Huntington ITOC Leads – Stewart Halpern and Private Sector/CEO Position (Vacant)Sunnie House
●	3d.	Monitoring and reporting on the impacts of changing transportation technologies on the transportation network and future *TransNet* projects as part of long-term planning to avoid building expensive infrastructure that could be rendered obsolete.	40-41	Medium		Sep-20	Phil Trom	March 2022	The 2021 Regional Plan was adopted in December 2021 which includes several billion dollars in technology improvements to both optimize the existing system and to provide maximum benefits of future capital projects. Specifically, the Plan includes $6.6 billion in Active Transportation Demand Management and Smart Intersection Systems projects along with $303 million in Next OS investments. The Performance Monitoring Report for the 2021 Regional Plan will be prepared in 2023. **Complete**
								September 2020	SANDAG will include technology assumptions in both the development of the 5 Big Moves regional framework of projects and revenue constrained transportation scenarios for the 2021 Regional Plan. The August 14, 2020, report to the Board of Directors presented the vision for assessing changes to projects and monitoring technologies. The Draft and Final 2021 Regional Plan will be prepared in 2021 with Board adoption anticipated in fall 2021. See the Vision for the 2021 Regional Plan at the following link: https://www.sandag.org/index.asp?meetingid=5412&fuseaction=meetings.detail Staff will continue monitoring and reporting on impacts of changing transportation technology on an ongoing basis.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2020	SANDAG will include technology assumptions in both the development of the 5 Big Moves regional framework of projects and revenue constrained transportation scenarios for the 2021 Regional Plan.
								October 2019	SANDAG will include technology assumptions in both the development of the 5 Big Moves regional framework of projects and revenue constrained transportation scenarios for the 2021 Regional Plan.
								March 2019	The topic of emerging technologies has continued to inform the development of the transportation network for the Regional Plan and will continue to do so based on SANDAG Board approval and direction to move forward with a new vision for the San Diego Forward: The Regional Plan, which is anticipated to be completed in late 2021. SANDAG will include technology and innovation assumptions in the development of revenue constrained transportation scenarios for the 2021 Regional Plan.
								July 2018	SANDAG will include technology assumptions in the development of revenue constrained transportation scenarios for the 2019 Regional Plan. Staff Lead - Phil Trom (Planning and Innovation) Team – Tim DeWitt ITOC Leads – Stewart Halpern and Private Sector/CEO Position (Vacant)Sunnie House
●	4	Continue to work closely with the Metropolitan Transportation System (MTS) and North County Transit District (NCTD) to monitor the Transit Operations Plan by comparing actual TransNet revenues and operating costs against the Transit Operations Plan projections as additional services begin operations to highlight and mitigate the impact to the local operators, how to absorb any discrepancies through other funding sources, or potential scenarios for reductions in service if warranted. Communicate status, recommended actions, and any mitigation activities.	41-43	High		Sep-20	Coleen Clementson	September 2020	SANDAG is currently working with MTS to develop the Mid-Coast operations MOU with a targeted completion date of summer 2021. Staff will continue to assess the program on an ongoing basis to assure that any unanticipated changes that may affect operations or the operations budget are addressed. The next update to the full 2048 Operations Plan will be after both South Bay Rapid and Mid-Coast Trolley are operating for at least one year (likely Fall 2022). A presentation communicating status, recommended actions, and any mitigation activities would be provided to the Board and ITOC soon after. **Complete**
								March 2020	Staff continues to assess the program annually as well to assure that any unanticipated changes that may affect operations or the operations budget are addressed.
								October 2019	As part of the annual budget report, staff will use existing costs to update proposed 3-year costs for existing routes. Mid-Coast Trolley costs will be estimated in conjunction with MTS with an MOU for the operations. The next update to the full 2048 Operations Plan will be after both South Bay Rapid and Mid-Coast Trolley are operating for at least one year (likely Fall 2022).
								March 2019	SANDAG presented a new methodology for monitoring TransNet Transit Operations funding to the Transportation Committee on July 20, 2018. Based on feedback from the Transportation Committee in July 2018, staff will continue to monitor the revenues and operating costs of existing services and will wait to revisit the proposed and actuals until both South Bay Rapid and Mid-Coast Trolley are operating for at least one year (likely in the fall of 2022). In the interim, staff will assess the program annually as well to assure that any unanticipated changes that may affect operations or the operations budget are addressed.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	SANDAG will work with MTS and NCTD to develop a new methodology to proactively monitor TransNet Transit Operations funding, focusing on existing data for costs and revenues and recognizing the limitations of estimating costs and revenues over such a long term. Once a new methodology has been established, staff will report annually to ITOC and Transportation Committee. Staff Lead - Coleen Clementson (Planning and Innovation) Team – Brian Lane ITOC Leads –Stewart Halpern and Private Sector/CEO Position Sunnie House
	Chapter 2: Performance Framework (Items 5-8)								
●	5e.	Considering allocating funding for additional performance monitoring activities given that SANDAG will likely require more data sources, tools, and resources to track, validate, analyze, ensure quality, and report performance.	51-53	High		May-22	Susan Huntington Cindy Burke	May 2022	TPM update was presented to ITOC in April 2022. The Board is scheduled to consider the FY 2023 proposed Program Budget in May 2022. **Complete**
								March 2022	SANDAG staff will provide an update on Transportation Performance Management Overview at the April 2022 ITOC meeting. SANDAG FY23 Budget includes additional staff and contracted service activities related to conducting transportation data collection, assessment, and analysis activities.
								July 2021	On May 20, 2021, the FY 2018 TransNet Triennial Performance Audit Subcommittee received a presentation on the TPM framework.
								November 2020	A presentation on the vision for the Transportation Performance Framework was presented to the ITOC in October 2020. Subject to funding availability, staff will propose funding for the Board's consideration as part of the FY 2022 budget update process.
								September 2020	e. Considering allocating funding for additional performance monitoring will be analyzed in conjunction with future implementation efforts under Recommendation No. 5 above.
								March 2020	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	This recommendation is anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e. Specifically, staff reviewed a draft scope of work for the Performance Monitoring Framework project and determined that Planning On-Call consultants would be appropriate for this type of work. Issuing the Task Order can occur once the Planning On-Call Contracts are executed, which is anticipated to occur in FY2020.
								March 2019	SANDAG continues moving forward to implement performance-related recommendations provided by the ITOC TransNet Triennial Performance Audit and anticipates providing a progress update in FY 2020. Staff also is currently developing a draft scope of work for consultant to review best practices, opportunities, and costs associated with various degrees of levels of effort to address Recommendation Nos. 5.a. – 5.e.
								July 2018	SANDAG staff will develop options to implement this recommendation, including any potential budget impacts, and bring to the Transportation Committee and Board for review and direction. Staff Leads - Susan Huntington (Financial Planning, Budgets, and Grants)

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
●	7.a	Developing a comprehensive universe of TransNet projects completed, underway, and planned. Reconcile universe back to TransNet Extension Ordinance and what was expected to be delivered. Once universe is reconciled for historic projects, update universe as new projects are started and continue reconciliation of those new projects to the TransNet Extension Ordinance.	53-54	High		Sep-20	Michelle Smith	September 2020	a. The TransNet Story Map continues to be updated as necessary. All TransNet funded projects have been linked to their respective TransNet Ordinance in the Dashboard as of the FY21 Budget. Staff will continue updating the universe of projects as new projects are started and continue reconciliation efforts on an ongoing basis. **Complete**
								March 2020	a. TransNet Story Map continues to be updates as necessary. Work is in process to link all TransNet funded projects to the TransNet Ordinance in the Dashboard. This will affect current and future projects. This recommendation is also anticipated to be addressed in conjunction with Recommendation Nos. 5.a. – 5.e.
								October 2019	a. Story Map has been updated with the most recent set of completed projects for those jurisdictions that also provided photos. Staff is still working on reconciling prior TransNet projects and is looking into whether online reporting as part of the SANDAG website update may be feasible.
								March 2019	a. Story Map has been updated with the most recent set of completed projects for those jurisdictions that also provided photos. Staff is still working on reconciling prior TransNet projects and is looking into whether online reporting as part of the SANDAG website update may be feasible.
								July 2018	The implementation of this recommendation will require changes to existing tools and processes. SANDAG staff will propose an approach to implement this recommendation based on the outcome of Recommendation 5e. Staff Lead - Michelle Smith (Financial Planning, Budgets, and Grants) Team – Alex Estrella
Chapter 3: Major Corridor Capital Construction (Items 8-9)									
●	8	Update and refine the project listing started in the 10-Year Look-Back Review to ensure all major corridor projects are tracked back to those in the TransNet Extension Ordinance. Regularly report on project and financial status using the project listing developed in 10-Year Look-Back Review as a foundation or develop an alternate tool to accomplish the goal of tracking against the TransNet Extension Ordinance.	58-64	Medium		Sep-20	Susan Huntington	September 2020	TransNet Extension Ordinance numbers have been added into the existing Dashboard database. Ad hoc reports can be run which link actual expenditures to Ordinance Numbers. Deployment of the new dashboard is now anticipated fall 2020. **Complete**
								March 2020	Deployment of the new dashboard database is still anticipated in summer 2020.
								October 2019	Staff turnover and competing internal staff priorities have delayed progress on rolling out the new dashboard database. The revised anticipated deployment of the dashboard is summer 2020.
								March 2019	The new dashboard database, which includes the ordinance number field, is currently being developed and will be deployed in summer 2019.
								July 2018	Project Office staff will utilize the project list crosswalk created with the 10-Year Look-Back Review and incorporate the data field into the dashboard webform as part of the 2019 upgrade.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
	Chapter 5: Transit Services (Items 13-16)								
●	14	Regularly track and report on TransNet goals to increase services to seniors and persons with disabilities.	88-89	High		Sep-20	Brian Lane	September 2020	At their respective July 2020 meetings, the ITOC and Transportation Committee recommended and Board of Directors approved dedicating 25% of both TransNet Senior Mini-Grant and FTA 5310 funds to the SANDAG Consolidated Transportation Service Agency (CTSA) in response to prior feedback from ITOC and other stakeholders as a means to help increase services to seniors and persons with disabilities. See Specialized Transportation Grant Program Cycle 11 Call for Projects Evaluation Criteria report at link below: https://www.sandag.org/uploads/meetingid/meetingid_5411_27802.pdf Staff plans to return to the ITOC and Transportation Committee in fall 2020 with a proposed amended scope of work with the CTSA to include the expanded services and performance measures. Staff will continue tracking and reporting on efforts to increase services to seniors on an ongoing basis as part of regular quarterly reporting, and, as a subsequent step in conjunction with future implementation efforts under Recommendation No. 5 above, also track against TransNet goals. **Complete**
								March 2020	SANDAG staff continues looking into ways to report on this area via the annual State of the Commute Report. It is anticipated this will be incorporated into reporting scheduled to be presented with the next State of Commute Report.
								October 2019	SANDAG staff continues looking into ways to report on this area via the annual State of the Commute Report. It is anticipated this will be incorporated into reporting scheduled to be presented with the next State of Commute Report.
								March 2019	SANDAG staff continues looking into ways to report on this area via the annual State of the Commute Report. It is anticipated this will be incorporated into reporting scheduled to be presented in spring/summer 2019.
								July 2018	SANDAG staff will look at ways to report on this area via the annual State of the Commute Report beginning FY 2018. Staff Lead - Brian Lane (Planning and Innovation) Team – Grace Mino (Research and Program Management) ITOC Lead – Sunnie House
●	15	Work together with the region's transit operators to analyze options offsetting the impact subsidy disparities	89-91	Medium		Oct-19	Brian Lane	October 2019	**Complete**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
		have on available funds for expanding transit services, such as funding the pass subsidy disparity for seniors and persons with disabilities from other TransNet areas—as allowed by the TransNet Extension Ordinance—adjusting the discount offered for senior/disabled and youth riders, determining whether disparities can be funded through other sources, or maintaining existing funding and process.						March 2019	SANDAG staff worked with both transit operators' staff to implement this recommendation. Fare change proposals were presented to the Transportation Committee and ITOC. The Board of Directors approved the changes on February 8, 2019, with the planned implementation by the transit operators anticipated to occur in spring 2019.
								July 2018	SANDAG staff currently is working with the transit operators on a Regional Fare Study that may help offset the revenue impacts of the discount subsidies. Additionally, SANDAG staff will work with both transit operators' staff to study other options to increase ridership and revenues. Staff Lead - Brian Lane (Planning and Innovation) TOC Lead – Private Sector/CEO Position (Vacant)
●	16	Collaborate with the operators to revisit the operating cost ceiling tied to changes in the Consumer Price Index as specified in the TransNet Extension Ordinance so that operators have some flexibility with reasonable cost increases while still maintaining the intent of TransNet to provide some assurance of the reasonableness of those cost increases. This could include allowing for a wider variance in cost increases, setting a threshold for a not-to-exceed limit, expanding the target by a specified percent in years when changes to the Consumer Price Index decline, or allowing cost exclusions that can be supported, or modify TransNet Extension Ordinance language to apply the cost thresholds at the operator level rather than by individual mode.	91-92	Medium		Sep-20	Brian Lane	November 2020	At its September 2020 meeting, the ITOC considered the analysis conducted by its subcommittee and decided no changes were warranted at this time. **Complete**
								September 2020	The ITOC subcommittee met on August 28, 2020, to finalize its review of options for addressing this recommendation. Subcommittee members discussed and recommended no changes to the current process for requesting exceptions as allowed by the Ordinance. Staff anticipates returning to ITOC with this subcommittee recommendation for ITOC consideration at its September 9, 2020, meeting.
								March 2020	A PRP meeting was held in January 2020 to discuss SANDAG's use of CPI across the agency. Staff anticipates returning to ITOC with a recommendation for ITOC consideration at a future meeting.
								October 2019	A subcommittee of ITOC members was convened to review the discussion results from the SANDAG/MTS/NCTD meetings. ITOC subcommittee did not support portions of the audit recommendation but did ask staff and transit operators to further research the recommendation to expand the target by a specified percent in years when changes to the Consumer Price Index decline. SANDAG staff met to discuss progress on this item, and it was decided that Data, Analytics, and Modeling staff will convene a Peer Review Process (PRP) to evaluate all instances of CPI use throughout the agency and then come back with a recommendation based on those results.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2019	Staff from SANDAG, MTS, and NCTD met in January 2019 to discuss options to present to the ITOC. Staff from the MTS, NCTD, and SANDAG will prepare proposed amendment language for Section 4(C)(5) for consideration in spring 2019. Staff is scheduled to present options for implementation at the March 13, 2019, ITOC meeting. Pending ITOC input and final approval by the SANDAG Board of Directors, the amendments would be formalized in spring/summer 2019 for incorporation into the upcoming fiscal and compliance audit.
								July 2018	SANDAG Planning and Finance staff will meet with the operators to collaborate on possible solutions to address this recommendation. It is expected that these solutions could be included in a future amendment to the Ordinance. Staff Lead - Brian Lane (Planning and Innovation) Team – Yen Ho
	Chapter 6: Major Corridor Capital Construction (Items 17-18)								
●	17	Continue efforts to establish baseline data for bike and pedestrian volume to identify trends and set targets.	95-96	Medium		Sep-20	Chris Kluth	September 2020	SANDAG continues to capture and maintain baseline data to identify trends and establish targets. A quarterly status report was recently presented to ITOC and the Transportation Committee in July 2020. See Regional Bikeway Program Update at following link:https://www.sandag.org/uploads/meetingid/meetingid_5349_27683.pdf The FY 2019 Bikeway Program Annual Status Report was presented to ITOC in February 2020. See FY 2019 TransNet Major Corridors and Bikeway Program Project Status Reports at link below: https://www.sandag.org/uploads/meetingid/meetingid_5345_27134.pdf The FY 2020 Bikeway Program Annual Status Report will be presented to ITOC in late 2020/early 2021. This information will continue to be gathered and maintained on an ongoing basis to identify trends and, as a subsequent step in conjunction with future implementation efforts under Recommendation No. 5 above, also set targets. **Complete**
								March 2020	SANDAG continues to capture and maintain baseline data to identify trends and establish targets. The FY 2019 Bikeway Program Annual Status Report was presented to ITOC on February 12, 2020. A quarterly status report was recently presented to ITOC and the Transportation Committee in February 2020.
								October 2019	SANDAG continues to capture and maintain baseline data to identify trends and establish targets. FY18 data was included in the FY18 Bikeway Program Annual Status Report, which was presented to ITOC on September 12, 2018. FY 2019 data will be presented in the next Bikeway Program Annual Status Report in early 2020. A quarterly status report will be presented to the Transportation Committee in October 2019.
								March 2019	SANDAG continues to capture and maintain baseline data to identify trends and establish targets. FY 2018 data were included in the FY 2018 Bikeway Program Annual Status Report, which was presented to ITOC on September 12, 2018. FY 2019 data will be presented in the next Bikeway Program Annual Status Report in fall 2019. Ridership and pedestrian counts also are provided in the Bikeway Quarterly Status report that was provided to the Transportation Committee in October 2018. The next quarterly status report is scheduled for ITOC and Transportation Committee presentation in spring 2019.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	SANDAG will continue to capture and maintain baseline data to identify trends and establish targets. Staff Lead - Chris Kluth Team - Chelsea Gonzales
	18	Improve project management practices and project delivery for the Bike Early Action Program projects by implementing the following:							
●	18.a	Finalizing and implementing the in-progress Regional Bikeway Program Management Plan.	96-98	Medium		Oct-19	Chris Kluth	October 2019	**Complete**
								March 2019	SANDAG continues to capture and maintain baseline data to identify trends and establish targets. FY 2018 data were included in the FY 2018 Bikeway Program Annual Status Report, which was presented to ITOC on September 12, 2018. FY 2019 data will be presented in the next Bikeway Program Annual Status Report in fall 2019. Ridership and pedestrian counts also are provided in the Bikeway Quarterly Status report that was provided to the Transportation Committee in October 2018. The next quarterly status report is scheduled for ITOC and Transportation Committee presentation in spring 2019. SANDAG staff completed the Program Management Plan in July 2018 and held related project manager training in January 2019. An update will be presented to the ITOC in spring 2019.
								July 2018	SANDAG staff has completed the Program Management Plan. The SANDAG Active Transportation Team will have trainings with project managers to implement PMP practices. Staff Lead - Linda Culp (Capital Programs and Regional Services) Team – Chris Kluth
●	18.b	Using Dashboard data that currently tracks frequent causes of delays during the design and environmental phases of bike projects, to summarize lessons learned, identify and mitigate future preventable occurrences, and improve scheduled delivery of the remaining projects.	97-98	High		Oct-19	Linda Culp	October 2019	**Complete**
								March 2019	A Lessons Learned section was included in the final Program Management Plan. As this is a living document, updates will be provided to this and other applicable sections. In January 2019, SANDAG staff held a Lessons Learned/Risk Training Session for all project managers to step through the preliminary design of one of the Bike Early Action Program projects. **Complete**
								July 2018	Guidance on documenting lessons learned will be included in the Program Management Plan. SANDAG will work to develop procedures and tools to maintain lessons learned, identify and mitigate project risks, and improve schedule delivery. Staff Lead - Linda Culp (Capital Programs and Regional Services) Team – Lamont Dowell, Chris Kluth ITOC Leads – Stewart Halpern, Gregg Sadowsky
	Chapter 7: Environmental Mitigation Program (Items 19-22)								

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
	19	Continue efforts to establish a new Memorandum of Agreement with Caltrans, California Department of Fish and Game, and the U.S. Fish and Wildlife Service to replace current one expiring before funding expires in June 2018.	100	High		Mar-19	Keith Greer	March 2019	The new MOA was presented for feedback to the EMP Working Group, policy advisory committees, and ITOC in January/February 2019. The SANDAG Board of Directors approved the MOA on February 22, 2019. **Complete**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	The Memorandum of Agreement (MOA) has expired, but funding under the SANDAG CIP budget is available for FY 2019. SANDAG will be using the results of the Ten-Year Review Look-Back and the FY 2018 TransNet Triennial Performance Audit as the basis for a new MOA, which is currently under development and anticipated to be finalized by the end of calendar year 2018. Staff Lead – Keith Greer (Planning and Innovation) Team – Kim Smith
	20	1. Enhance the financing and use of TransNet funding for the Environmental Mitigation Program (EMP) by implementing the following:							
●	20.a	Reviewing and updating EMP cost estimates in light of higher costs than anticipated associated with restoring coastal wetlands.	102-103	High		Sep-20	Kim Smith	September 2020	Staff continues to actively track the changes in cost of the I-5 NCC Lagoon projects. The San Elijo Lagoon Restoration project construction will be complete in September of 2020, with plant establishment extending for one year. Ten years of long-term mitigation monitoring will then be required in order to satisfy permit requirements. The CMGC contractor for the San Dieguito W-19 project was selected and the Guaranteed Maximum Price (GMP) is anticipated sometime in Fall of 2020 that will include the cost of construction of this lagoon project. Staff will continue reviewing and updating EMP cost estimates in light of higher costs than anticipated associated with restoring coastal wetlands on an ongoing basis. **Complete**
								March 2020	Staff continues to actively track the changes in cost of the I-5 NCC Lagoon projects. The San Elijo Lagoon Restoration project construction will be complete in July of 2020. Ten years of long-term mitigation monitoring will then be required in order to satisfy permit requirements. The CMGC contractor for the W-19 project was selected and a GMP is anticipated sometime in summer of 2020 that will include the cost of construction of this lagoon project.
								October 2019	Staff continues to actively track the changes in cost for the I-5 NCC Lagoon projects. Construction for the San Elijo Lagoon Restoration Project is anticipated to be complete in June of 2020. A CMGC contractor was selected (Marathon Construction) for implementation of the San Dieguito W-19 Restoration Project. Construction is anticipated to begin in fall of 2020.
								March 2019	Staff is actively tracking the change in cost for San Elijo Lagoon. A CM/GC contract is anticipated to be executed in June 2019 for construction of the San Dieguito W-19 Restoration Project. SANDAG anticipates an estimate in late 2019, and construction to begin in fall 2020.
								July 2018	SANDAG is tracking the change in cost for the lagoon restoration efforts and comparing it to the cost savings associated with lower than estimated land acquisition costs. Staff Lead – Kim Smith (Planning and Innovation) ITOC Lead - Dustin Fuller
●	20.b	Considering the most efficient use of available funding and possible adjustments, as allowed by the TransNet Extension Ordinance, to focus on higher priority activities and projects such as restoring coastal wetlands, given updated revenue forecast information and cost estimates.	100-102	High		Oct-19	Kim Smith	October 2019	**Complete**
								March 2019	This recommendation is being addressed as part of the new MOA approved by the Board (Recommendation No. 19), which proposes to manage cash flow to address the highest priorities for the EMP.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	SANDAG has started discussing ways to address this issue which will be incorporated into the revised MOA identified in Recommendation19 above. Staff Lead - Keith Greer (Planning and Innovation) Team – Kim Smith, Susan Huntington ITOC Lead - Dustin Fuller
●	20.c	Revisiting the established economic benefit methodology to ensure the calculation accurately represents the cost savings that have been achieved.	103-104	High		Oct-19	Keith Greer	October 2019	See response to 19 above. The new MOA was signed and executed by all parties on May 23, 2019. It states in the MOA that additional funding for economic benefit would be considered after repayment of existing bond debt. **Complete**
								March 2019	This recommendation is being addressed as part of the new MOA approved by the Board (Recommendation No. 19). Additional funding for economic benefit would be considered after repayment of existing bond debt.
								July 2018	Cost savings are being tracked, but true cost savings will not occur until a project has completed close-out. This has not happened yet, but over the next year SANDAG will evaluate and assign a value considering the overall costs of the program as described in Recommendation 20a above. Staff Lead - Keith Greer (Planning and Innovation) Team – Stephanie Guichard
●	21	Make changes, as appropriate, to marketing efforts for the local streets and road mitigation bank funding available for local projects, consider revising eligibility criteria for public entities, or consider whether those monies could be better utilized within other EMP priority actions, as allowed under the TransNet Extension Ordinance.	104	High		Sep-20	Keith Greer	September 2020	SANDAG continues to work with the City of San Diego and developers in Chula Vista on Local Street and Roads mitigation credit availability. These projects are going through the process of being amended into the RTIP in order to qualify for this funding. A presentation on the availability of mitigation credits was provided at the RTIP Workshop on February 27, 2020. Periodic outreach to the jurisdictions will continue. Staff will continue marketing efforts for the local streets and road mitigation bank funding on an ongoing basis. **Complete**
								March 2020	SANDAG continues to work with the City of San Diego and developers in Chula Vista on Local Street and Roads mitigation credit availability. These projects are going through the process of being amended into the RTIP in order to qualify for this funding. A presentation on the availability of mitigation credits was provided at the RTIP Workshop on February 27, 2020.
								October 2019	SANDAG continues working with the City of San Diego and developers in Chula Vista on Local Streets and Roads mitigation credit availability. SANDAG will verify if these projects are programmed in the RTIP and meet with the jurisdictions to discuss mitigation needs by January 1, 2020.
								March 2019	SANDAG is working with Communications staff to establish a systematic approach to promote the availability of these credits, which may include an EMP Local Streets and Road Mitigation fact sheet that would be ready for distribution in summer/fall 2019.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								July 2018	SANDAG has made several attempts to promote the availability of these credits. SANDAG will work with Communications staff to establish a systematic approach. Communications has met with the Planning EMP staff and has calendared upcoming milestones in order to plan public information releases on all communication platforms. Staff Lead - Keith Greer (Planning and Innovation) Team – Susan Huntington, Irene McCormack ITOC Lead - Dustin Fuller
Chapter 8: Information and Transparency (Items 23-26)									
●	24	Modify staff reports for SANDAG Board and other oversight committees to summarize elements related to public input, pros and cons on recommended actions, and implications or impacts of those recommended actions. Ensure that staff reports are summarized to one or two pages.	111-112	Critical		Mar-19	Victoria Stachwick	March 2019	A new short-form report has been developed. Use of the new report format began in October 2018 for Board, Policy Advisory Committee, and ITOC meetings. Staff is developing internal guidelines to ensure consistent implementation of the new agenda production processes. Formal trainings are scheduled for spring 2019 to provide staff with additional resources and technical knowledge. **Complete**
								July 2018	A comprehensive review of the agenda production process, including report preparation, is being conducted based on the Board's Plan of Excellence to ensure transparency and clear, concise, and easily understandable information in reports and presentations. Subsequent review of all PACs and Committees has also commenced. Staff Lead - Victoria Stackwick (Government Relations) Team – Robyn Wapner
●	25.b	Revamping SANDAG website to capture documents pertinent to TransNet in a centralized area for each TransNet Extension Ordinance component. This includes linking Dashboard projects with those listed in the TransNet Extension Ordinance.	114-115	Low		Nov-22	Andrea Villyard	December 2022	Work on the sandag.org redesign completed, and the new site was launched November 2022. **Complete**
								June 2022	Work on the sandag.org redesign continues, and the new site is expected to launch in winder 2022/2023. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								March 2022	Work on the sandag.org redesign continues. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								December 2021 *(Due 1/12/21)*	Work on the sandag.org redesign continues. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								October 2021 (Due 11/10/21)	Work on the sandag.org redesign continues, and the new site is expected to launch in early 2022. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								July 2021	Work on the sandag.org redesign continues, and the new site is expected to launch in 2021. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								November 2020	Work on the sandag.org redesign continues, and the new site is expected to launch by spring 2021. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2020	Work on the sandag.org redesign continues, and the new site is expected to launch in winter 2020/2021. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								March 2020	Work on the sandag.org redesign continues. The project continues to align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								October 2019	The sandag.org website redesign project is underway, with completion scheduled in late spring 2020. The project will closely align with the TransNet Dashboard redesign so TransNet-funded project components can be shared between sites to allow for greater transparency.
								March 2019	Staff reviewed sandag.org/TransNet and added additional links, including one to the Dashboard and others to its various grant programs. SANDAG issued the notice to proceed for the website redesign project in December 2018. The project is expected to closely align with the TransNet Dashboard redesign, so TransNet-funded project components can be shared between sites, allowing for greater transparency. The SANDAG website redesign project is anticipated to be completed in FY 2020.
								July 2018	The sandag.org/TransNet web page will be reviewed and recommendations made will include each TransNet component, including the Dashboard. Staff has been pursuing a complete redesign of sandag.org, expected to begin in FY 2019, which is planned to include higher visibility of each TransNet component, including the Dashboard. Additionally, staff will begin a coordinated review of the Dashboard to determine the most effective way to link projects back to the Ordinance. Staff Leads - Andrea Villyard (Data Science) & ? Team – Michelle Smith/Zara Sadeghian
●	26	Ensure data on completed projects is maintained in the Dashboard—even if under an archived location still accessible to the public—and separate past and future expenditures between the original TransNet amounts and the TransNet Extension Ordinance amounts.	115-116	Medium		Mar-19	Michelle Smith	March 2019	Completed projects and expenditures have been added to the Dashboard and are available for public viewing. Information available at www.transnettrip.com **Complete**
								July 2018	SANDAG will ensure all completed projects are maintained in the Dashboard, and that all expenditures have been associated with the appropriate funding source. Staff Lead – Michelle Smith (Financial Planning, Budgets, and Grants)

Legend

○ = Not yet begun

◐ = Partially Complete

● = Completed

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
Chapter 1: Many TransNet Extension Ordinance Major Corridor Projects were Implemented or In-Progress as Intended, Although Delivery of Remaining Portfolio is Uncertain									
◐	1	Clearly identify whether the remaining TransNet Extension Ordinance projects will be part of the 2021 Regional Transportation Plan, before the SANDAG Board approves the 2021 plan, and provide a similar identification for any key changes in future Regional Transportation Plans.	15-19	Critical	Spring/ Summer 2023		Samual Sanford/ Michelle Smith	***Next Steps***	*Amendments to the Major Corridors portion of the Expenditure Plan specifically, are anticipated to be brought forward for Board consideration in Spring 2023.*
								December 2022	The Board adopted San Diego Forward: The 2021 Regional Plan (2021 Regional Plan) on December 10, 2021. Since late 2021, staff has been providing updates on TransNet ordinance amendment draft concepts to the Mobility Working Group, ITOC, Transportation Committee, and Board of Directors. Amendments to the Major Corridors portion of the Expenditure Plan specifically, are anticipated to be brought forward for Board consideration in Spring 2023.
								Thru March 2022	The Board adopted San Diego Forward: The 2021 Regional Plan (2021 Regional Plan) on December 10, 2021.
								June 2021	Special report shared with ITOC on July 7, 2021 to explain which TransNet projects are included in the Draft 2021 Regional Plan
								Initial Staff Response March 2, 2021	**SANDAG intends to comply with this recommendation.**
◐	2	Develop regular crosswalks to summarize and compare planned major corridor projects outlined in the TransNet Extension Ordinance with current improvement implementation status by identifying project progress in terms of “complete”, “in-progress”, “cancelled”, or “moved beyond 2048 and outside the TransNet Extension Ordinance period”. SANDAG should complete this reconciliation annually, at the minimum when it revises its Capital Improvement Program Budget, or when SANDAG makes a major update to the Regional Transportation Plan and explain deviations from the TransNet Extension Ordinance including scope expansions, reductions, or mergers with other project segments through a log that captures all explanations. When performing this reconciliation, SANDAG	12-15	High	Summer 2023		Michelle Smith	***Next Steps***	*The Ordinance requires consistency with the Regional Plan. Potential Ordinance amendments, in addition to Board Policy amendments, are anticipated to be brought forward for discussion, as necessary.*
								December 2022	On July 7, 2021 (https://d3n9y02raazwpg.cloudfront.net/sandag/60b70bd0-6219-11ed-95a3-0050569183fa-bef74d00-8272-4eff-8501-34134ded6938-1673300224.pdf - see item No. 2), staff provided a presentation to ITOC on TransNet Ordinance projects that are Complete, In-Progress, Future. TransNet Dashboard is updated with this information as well. All projects have been linked to a project number in the TransNet Ordinance. The new TransNet Dashboard allows SANDAG staff to run reports with TransNet Ordinance project IDs. The public facing Dashboard is still in progress.
								March 2022	On July 7, 2021, staff provided a presentation to ITOC on TransNet Ordinance projects that are Complete, In-Progress, Future. TransNet Dashboard is updated with this information as well. All projects have been linked to a project number in the TransNet Ordinance. The new TransNet Dashboard allows SANDAG staff to run reports with TransNet Ordinance project IDs. The public facing Dashboard is still in progress.
								Thru October 2021 *(Report Due*	On July 7, 2021, staff provided a presentation to ITOC on TransNet Ordinance projects that are Complete, In-Progress, Future. TransNet Dashboard is updated with this information as well. All projects have been linked to a project number in the TransNet Ordinance. The new TransNet Dashboard allows SANDAG staff to run reports with TransNet Ordinance project IDs. The public facing Dashboard is still in progress.
									July 7, 2021 - Presentation to ITOC on TransNet Ordinance projects that are Complete, In-Progress, Future. TransNet Dashboard is updated with this information as well.
								June 2021	As of June 30, 2021, the TransNet PM Tools has been updated to provide a TransNet Ordinance and CIP crosswalk to determine which Ordinance projects align with the Capital Improvement

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								Initial Staff Response March 2, 2021	**Staff has already developed a crosswalk to all TransNet funded projects and this list will be available through the recent updates to the TransNet Dashboard. Staff will also continue to review all CIPs during the annual budget process to identify those projects that are complete, in-progress or cancelled.**
Chapter 2: Improved Financial Models and Controls were in Place, but Plans are Needed to Address Insufficient Funds for Remaining Major Corridor Projects									
◐	3	Develop and adopt a formal process to address issues identified during annual Plan of Finance updates that discusses short-term and long-term funding scenarios and how options specifically impact the scope and schedule of remaining TransNet Extension Ordinance projects. The plan should include clear methodology, criteria, and triggers for making decisions on TransNet Extension Ordinance projects if funding does not materialize as expected and how to make choices to reduce scope, delay, or eliminate projects from the TransNet Extension Ordinance portfolio.	24-25	Critical	Spring 2023		Susan Huntington/ Michelle Smith	***Next Steps***	*The next Plan of Finance update is anticipated to be presented in Spring 2023.*
								December 2022	The POF update is anticipated to be presented at the April 2023 ITOC and Board meetings and will include a discussion of the methodology for making decisions on TransNet Ordinance projects.
								September 2022	Staff has initiated the 2022 Plan of Finance and bring forward any risks to delivering the remaining TransNet Extension Ordinance projects in fall 2022.
								March 2022	In December 2021, the SANDAG Board of Directors approved the 2021 Regional Plan. Staff will continue regularly tracking and reporting on the program's financial capacity to complete projects so that decision makers are aware of periods in which the agency may have to consider delaying projects or reducing project scope as needed.
								Thru October 2021	In December 2021 the SANDAG Board of Directors will consider approving the 2021 Regional Plan. Following adoption of the plan and any ordinance amendments required for implementation of the plan, staff will initiate the 2022 Plan of Finance and bring forward any risks to delivering the remaining TransNet Extension Ordinance projects
								June 2021	In December 2021 the SANDAG Board of Directors will consider approving the 2021 Regional Plan. Following adoption of the plan and any ordinance amendments required for implementation of the plan, staff will initiate the 2022 Plan of Finance and bring forward any risks to delivering the remaining TransNet Extension Ordinance projects
								Initial Staff Response March 2, 2021	**Staff looks to the approved Regional Plan for project prioritization, scope, and phasing and will document current processes and procedures to inform decisionmakers of potential risks to project delivery discovered through the annual Plan of Finance exercise.**
◐	4	Develop a risk-based approach for Quality Assurance/Quality Control testing and indication of review to strengthen documentation of Quality Assurance/Quality Control activities employed and results to better demonstrate data verifications.	28-29	Medium	Summer 2023		Cindy Burke/ Mike Duncan/ Purva Singh	***Next Steps***	*Staff will continue to adopt a risk based QA prioritization, improve procedures and documentation such as implementing a more formalized risk assessment matrix, and a project checklist to include appropriate data verification documentation. Staff will ensure QA Review closeout notices are issued only after critical documentation are available.*
								December 2022	Staff have continued implementing a risk and impact based prioritization while conducting quality assurance activities for teams across the agency. For example, staff worked with the modeling team on ensuring a rigorous QA review of the performance measures for the 2021 RP Amendment and establishing guidelines on documentation for the series 15 forecast products. Staff have also worked with the team implementing the Open Data Portal (ODP) to ensure supplementing documentation exists to ensure transparency and replicability of all the data and transformations.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2022	Staff worked with various teams across the agency to conduct risk based QA on variety of datasets. For example, for the Open Data Portal Soft Launch staff conducted two rounds of QA- first on the data assets and second on the Story Pages. Staff completed the automation of QC conducted on regional and sub-regional forecast and estimates produced by SANDAG and developed an automated PowerBI Dashboard to supplement the QC automation.
								June 2022	Staff continue to implement a risk-based approach to QA projects. The level of QC checks and documentation review differs depending on the risk associated with projects. In line with this effort, staff has been devoting considerable hours towards the automation of QC for the regional and sub-regional forecast and estimates produced by SANDAG to minimize errors. The automation process will include more effective documentation of the data verification steps taken such as project plan and a technical guide.
								March 2022	Staff continue to implement risk based prioritization while conducting quality assurance activities on multiple projects across the agency. Some notable efforts from the QA staff to reduce the risk of errors in data products were- developing and disseminating Excel guidelines at agency level data coordination meetings, automating quality control checks on the demographic forecasts using Python, and using APIs for sourcing external data directly from the source.
								October 2021	Staff continue to use risk based prioritization and include documentation to demonstrate data verifications that were employed. For higher risk/impact projects, the team has been documenting individual steps in test procedures in QC reviews.
								June 2021	Staff are using risk based prioritization in current projects, and include documentation regarding the data verifications undertaken. For higher risk/impact projects, the team has been documenting individual steps in test procedures in QC reviews.
								Initial Staff Response March 2, 2021	**Staff will develop a risk-based approach for review of QA/QC candidates, and complete documentation changes currently underway to better demonstrate data verifications**
◐	5	Enhance organization of Peer Review Process supporting documents by providing a corresponding table to capture topics discussed, reference items to checklists, and close out memos to better link what was planned, what was done, and how issues were addressed.	28-29	Medium	Summer 2023		Cindy Burke/ Mike Duncan/ Purva Singh	***Next Steps***	*Staff will experiment with new approaches to peer review, including substitution of narrative "white paper" documents for Power Point presentations in some cases, and outreach to staff regarding timing of PRPs, to avoid situations where a PRP is requested too late to effectively support data quality.*
								December 2022	Staff have continued to follow practices stated below, including emphasis on action items to be addressed in and after the PRP and their status, ensuring that key questions are emphasized and responded to by all participants, and conducted of QC checks on data to be presented in the PRP (whenever requested). For example, staff conducted a QC review of the performance measure spreadsheets presented in PRP 150 on RP Amendment Modeling.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								September 2022	Staff have continued to follow practices stated below, including emphasis on action items to be addressed in and after the PRP and their status, ensuring that key questions are emphasized and responded to by all participants, and conducted of QC checks on data to be presented in the PRP (whenever requested). In line with this effort, staff conducted QC reviews of all the SQL queries and Python codes used for extracting data that was used in the Central Mobility Hub PRP conducted on September 5th.
								June 2022	Staff have continued to follow practices stated below, including emphasis on action items to be addressed in and after the PRP and their status, ensuring that key questions are emphasized and responded to by all participants, and conducted of QC checks on data to be presented in the PRP (whenever requested).
								March 2022	Staff have continued to follow practices stated below, including emphasis on action items and status, and ensuring that key questions are emphasized and responded to by all participants.
								Thru October	Staff have continued to follow practices stated below, including emphasis on action items and status, and ensuring that key questions are emphasized and responded to by all participants.
								June 2021	Staff have added additional documentation to Peer Review Process, including detailed description of action items and status in closeout memos. Staff have formalized process of ensuring that all participants respond to key questions raised during the Peer Review.
								Initial Staff Response March 2, 2021	**Staff will implement this recommendation to improve Peer Review Process documentation.**
◐	6	Clearly describe to the Board the Quality Assurance/Quality Control sampling methodology employed, any limitations of the data, and associated cost-benefits or risks of the approach.	30	Low	Summer 2023		Cindy Burke/ Mike Duncan/ Purva Singh	***Next Steps***	*Staff continue working with management to ensure that future data driven presentations include QA/QC results and methods.*
								December 2022	Staff continue to work with teams to ensure that data presented to the board has undergone a QA review process (and a PRP process wherever necessary).
								June 2022	Staff continue to implement QA/QC of data presented to the board. With our Department Director's support, data to be used in presentations to the board is being flagged for QA review.
								March 2022	A major presentation was delivered to the board on April 2022 that includes information on Quality Assurance activities conducted on major data products. In December 2021, QA staff conducted a quality control review of the quarterly Transnet Revenue forecast.
								October 2021	Working with management to ensure that future data driven presentations include QA/QC results and methods.
								June 2021	QA/QC methods were included in Board presentation on Regional Plan data. This will be continued in future Board presentations on SANDAG data and modeling work.
								Initial Staff Response March 2, 2021	**Staff will implement this recommendation on Board communication of QA/QC results and methods.**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
◐	7	Continue valuable efforts to formalize and pursue a mature system of Quality Assurance/Quality Control policies and procedures as well as consistent implementation of the policies and procedures.	28-29	Low	Summer 2023		Cindy Burke/ Mike Duncan/ Purva Singh	***Next Steps***	*Project team guidance on proactive quality assurance to be included throughout 2025 Regional Plan modeling tools development throughout the remainder of FY 2023. In addition, the team will attempt more examples such as the revenue sources template to ensure that project teams use tools that support quality (structured presentation and formatting of data, distinguishing inputs, calculations, and outputs, and data protection).*
								December 2022	Staff continue to develop and use best practices around data quality management. Two most important efforts on this front were: 1) Working with the financial planning team to develop a template to streamline and standardize the documentation of revenue sources for 2025 regional plan. 2) Developing an estimates QC automation package that allows data preparation and visualization of SANDAG population and housing estimates that can be used by staff across the agency.
								September 2022	Staff continue to establish best practices around data quality and management across the agency. Major steps that were taken on this front are: 1) developing an excel template and conducting a demo on Power Query that could be used by Financial Planning team for the 2025 RP Revenue sources; 2) developing data quality best practices and process for the open data portal data assets and Story Pages.
								June 2022	Staff continue to make efforts to implement a mature quality management system. Some notable steps undertaken were: 1) development of documentation guidelines for Python based projects ; 2) development of Excel guidelines document that was shared with various teams at the agency to standardize the approach to Excel based data aproducts; 3) development of Excel templates that teams can use depending on the type of data projects.
								March 2022	QA staff conducted outreach programs with team leads of the data and modeling groups involved in the Regional Plan 2021. These meetings were conducted to gather understanding on managing data quality in a dynamic environment with multiple stakeholders and complex processes. Based on learnings from these meetings, in March 2022, QA staff will be conducting a workshop for developing requirements for the Series 15 Regional Forecast for use with the 2025 Regional Plan.
								Thru October 2021	Lack of staff resources and the need to prioritize Regional Plan related QA/QC efforts have pushed the timeline back on presentations to project teams. Initial presentations will begin in early December with projects related to data and modeling for the 2025 Regional Plan.
								June 2021	Staff has developed guidance for project teams on proactive quality assurance and risk management. Lack of staff resources and the need to prioritize Regional Plan related QA/QC efforts have pushed the timeline back on presentations to project teams. Initial presentations will begin in early December with projects related to data and modeling for the 2025 Regional Plan.
								Initial Staff Response March 2, 2021	**Staff will continue development and implementation of QA/QC policies and procedures.**
Chapter 3: SANDAG Focused on TransNet Extension Ordinance Compliance and Transparency, but it could Better Demonstrate Accountability									

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
◐	9	Demonstrate compliance with the TransNet Extension Ordinance by identifying, tracking, and reporting on various requirements and provisions to the Board and ITOC on a regular, periodic basis—such as quarterly or annually.	36-37	High	Spring 2024		Grace Mino/ Zara Sadeghian	***Next Steps:***	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The FY 22 ITOC Annual Report was presented to the Board in July 2022 (https://www.sandag.org/uploads/meetingid/meetingid_6011_32368.pdf - see item No. 7).
								June 2022	Staff has continued providing regular updates consistent with the FY 2022 ITOC goals established by the ITOC in September 2021. Updates on FY 2022 goals were presented to the ITOC in May 2022 (https://www.sandag.org/uploads/meetingid/meetingid_6046_32008.pdf - see agenda item No. 5) and June 2022 (https://www.sandag.org/uploads/meetingid/meetingid_6047_32245.pdf - see item No. 11). An update on the TPM effort was presented to ITOC in April 2022 (https://www.sandag.org/uploads/meetingid/meetingid_6045_31890.pdf - see item No. 14). The FY 22 ITOC Annual Report was presented to the ITOC in June 2022 (https://www.sandag.org/uploads/meetingid/meetingid_6047_32245.pdf - see item No. 7). Additionally, staff has been working with ITOC Subcommittee to Consider TransNet Ordinance Amendments on amendments to ITOC membership and selection process.
								March 2022	Staff has continued providing regular updates consistent with the FY 2022 ITOC goals established by the ITOC in September 2021.
								June 2021	At its September 8, 2021, meeting, the ITOC approved FY 2022 goals for the ITOC, and established two subcommittees to work with SANDAG staff toward goal implementation, including a Subcommittee on Regional Safety and a Subcommittee to Consider TransNet Ordinance Amendments. FY 2022 goals include working with staff to follow through on recommendations from ITOC performance audits, increasing transparency by presenting information on the status of various TransNet programs, and working with the ITOC to complete the FY 2018 triennial audit recommendations, among others. In December 2020, staff presented a draft performance data infographic that could be used to show progress against Ordinance goals and compliance with provisions of the TransNet Ordinance. https://www.sandag.org/uploads/meetingid/meetingid_5592_28491.pdf (see agenda item no. 9) Staff intends to provide an updated version of the Goals and Provisions document in alignment with the TPM effort.
								Initial Staff Response March 2, 2021	**Staff will continue working with ITOC members to provide regular reporting on compliance with the Ordinance.**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
◐	10	Implement shorter-term steps to report on performance, while waiting on the longer-term Transportation Performance Management Framework, including continued development of SANDAG's proposed "Goals and Provisions" document to distribute to the Board and ITOC.	38-40	High	Spring 2024		Grace Mino/ Zara Sadeghian	***Next Steps***	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	In May 2021, staff presented the 2020 State of the Commute report. Key data and performance statistics for 2020 were reviewed and initial input was received from the State of the Commute Subcommittee. The ITOC Subcommittee provided comments, such as including data for TransNet-funded projects in the region such as services for seniors, bike counts, and bikeway mileage. SANDAG staff met with the ITOC subcommittee on April 6, 2021, to review the draft 2020 State of the Commute report and provided updates to feedback that was received. SANDAG staff will continue to work with the Subcommittee to incorporate revisions into future State of the Commute reports.
								October 2021	Staff have been working on numerous fronts to report performance metrics.
								June 2021	In December 2020, staff presented a draft performance data infographic that could be used to show progress against Ordinance goals and compliance with provisions of the TransNet Ordinance. https://www.sandag.org/uploads/meetingid/meetingid_5592_28491.pdf (see agenda item no. 9) Staff intends to provide an updated version of the Goals and Provisions document in alignment with the TPM effort.
								Initial Staff Response March 2, 2021	**Staff has already started with this process and will continue to improve on reporting performance on a regular basis.**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
◐	11	Create summarized graphics to quickly indicate TransNet Extension Ordinance status based on data in the revised quarterly reports for reporting to the Board and ITOC.	34-40	Medium	Spring 2024		Grace Mino/ Zara Sadeghian	***Next Steps***	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								December 2022	Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on procurement processes for Inrix data for speed and Replica data for regional arterial ADT, updated timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								September 2022	The ITOC SOC Subcommittee was selected at the July 2022 meeting. Staff continue to conduct outreach to local jurisdictions re: the safety dashboard. Additionally, staff continue to work on dashboards for pavement, work on integrating the custom StreetLight data pull for speed and average daily traffic into a dashboard, drafted timelines on making the SOC a dashboard for 2023, train in the Open Data Portal, and are researching vendors for tracking the performance measures.
								June 2022	Staff presented overall TPM process to the ITOC during the April 12th meeting and the 2021 State of the Commute was approved by the ITOC subcommittee in May 2021 and presented to the full ITOC during the June meeting. The ITOC also recommended for safety to be recommended to the BOD. Staff has started outreach to local jurisdictions re: the safety dashboard. Additionally, staff have started dashboards for pavement, requested a custom StreetLight data pull for speed and average daily traffic, and have started timelines on making the SOC a dashboard for 2023.
								March 2022	In May 2021, staff presented the 2020 State of the Commute report. Key data and performance statistics for 2020 were reviewed and initial input was received from the State of the Commute Subcommittee. The ITOC Subcommittee provided comments, such as including data for TransNet-funded projects in the region such as services for seniors, bike counts, and bikeway mileage. SANDAG staff met with the ITOC subcommittee on April 6, 2021, to review the draft 2020 State of the Commute report and provided updates to feedback that was received. SANDAG staff will continue to work with the Subcommittee to incorporate revisions into future State of the Commute reports.
								October 2021	Staff have been working on numerous fronts to report performance metrics.
								June 2021	In December 2020, staff presented a draft performance data infographic that could be used to show progress against Ordinance goals and compliance with provisions of the TransNet Ordinance. https://www.sandag.org/uploads/meetingid/meetingid_5592_28491.pdf (see agenda item no. 9) Staff intends to provide an updated version of the Goals and Provisions document in alignment with the TPM effort.
								Initial Staff Response March 2, 2021	**Staff has already started with process and will continue to improve on data presentation.**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
Chapter 4: AB 805 Weighted Voting Did not Significantly Change Delivery of TransNet Extension Ordinance Programs and Projects – No recommendations in this Chapter.									
Chapter 5: Enhancements could be made to SANDAG's Regional Safety Planning Efforts, although Bicycle & Pedestrian Safety Improved									
◐	12	Consider the benefits of identifying a regional safety planning coordinator to synchronize safety efforts of the region and regularly communicate progress on safety goals to the Board and ITOC.	46-48	Medium	Summer 2023		Samual Sanford	***Next Steps***	*Staff will provide updates upon completion of the TPM study. Staff will provide a status update at the next meeting (May 2022) of the ITOC Subcommittee on Regional Safety and will provide ongoing updates as necessary to the subcommittee.*
								December 2022	Sam Sanford and Marisa Mangan continue to co-lead the development of the Region's Vision Zero Action Plan which includes a safety data dashboard anticipated to be deployed before end of FY23. Support via existing staff resources from Data Science, ARJIS, and Public Affairs has been integrated as part of the dashboard development and deployment process.
								September 2022	Sam Sanford and Marisa Mangan have been identified as co-leads in the development of the Region's Vision Zero Action Plan. As the program matures, resource needs will be evaluated for additional support.
								March 2022	Staff, with ITOC Subcommittee on Regional Safety direction, is developing a report on peer agency safety programs. This report is scheduled to be presented to ITOC at its June meeting. SANDAG staff has met with safety planning staff at Southern California Association of Governments (SCAG LA/Orange County), Metropolitan Transportation Commission (MTC - Bay Area), Denver Regional Council of Governments (DRCOG - Denver), Delaware Valley Regional Planning Commission (DVRPC - Philadelphia) and has reviewed safety material from more that a dozen MPOs.
								Thru October 2021	Staff has initiated a review of peer agencies safety programs and safety program coordinator positions.
								June 2021	Staff will seek direction from the TPM study to determine opportunities to develop a safety coordinator position.
								Initial Staff Response March 2, 2021	**Staff will consult with peer agencies to learn about best practices in the establishment of a safety coordinator position to understand the benefits to the San Diego Region.**
◐	13	Consider and prepare a regional safety plan that complements Caltrans' Statewide Plan and details SANDAG's vision, goals, objectives, and strategies to address regional trends, road conditions, and driving behaviors.	46-48	Medium	Summer 2024		Samual Sanford	***Next Steps***	*Staff will continue pre-plan development work for the Regional Vision Zero Action Plan and staff will provide a status update at the next meeting of the ITOC Subcommittee on Regional Safety.*
								December 2022	Staff are awaiting the outcome of the Safe Streets for All planning grant application. Application has been modified to incorporate City of Vista and La Jolla Band of Luiseno Indians applications per USDOT's request to reduce duplication of submissions within the region. Should the application not be funded, staff will determine how the safety plan can be included in the FY24 annual budget.
								September 2022	Staff applied for the federal Safe Streets and Roads for All planning grant in the amount of $2,500,000 to fund development of a Regional Vision Zero Action Plan. July 2022 the SANDAG Board approved the Regional Vision Zero Resolution.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								June 2022	Staff is preparing updates to the Transportation Committee and the Board of Directors on regional safety plan development including seeking Board approval to adopt a Vision Zero Resolution and approval to apply for a federal Safe Streets and Roads for All grant to fund development of a Regional Vision Zero Action Plan.
								March 2022	At the direction of the ITOC Subcommittee on Regional Safety staff is determining the level of local jurisdiction safety planning by requesting copies of local safety plans or updates on their development. These include Local Roadway Safety Plans, Systemic Safety Analysis Reports, and Vision Zero Plans. Staff are also evaluating data that would be needed for a regional safety planning effort. Staff presented a summary of local jurisdiction safety planning efforts to the ITOC Subcommittee on Regional Safety. Staff continues to participate in Caltrans safety planning efforts to provide a San Diego region perspective and better understand how regional safety planning may compliments statewide efforts. Safety data onboarding (SWITRS) continues and is a key initial step in any regional safety planning.
								Thru October 2021 *(Report Due 11/10/21)*	At the direction of the ITOC Subcommittee on Regional Safety staff is determining the level of local jurisdiction safety planning by requesting copies of local safety plans or updates on their development. These include Local Roadway Safety Plans, Systemic Safety Analysis Reports, and Vision Zero Plans. Staff are also evaluating data that would be needed for a regional safety planning effort.
								June 2021	Staff will seek direction from the TPM study to determine opportunities to develop a safety coordinator position. One of the first efforts of that role would be to prepare a regional safety plan.
								Initial Staff Response March 2, 2021	**Pending adoption of the 2021 Regional Plan, staff will implement strategy to develop Regional Vision Zero Plan/ Regional Safety Plan.**
◐	14	Consider ways to encourage state and local emergency, planning, and response entities to include SANDAG in discussions and local plans related to emergency capacity so that regional planners stay informed and collaborate on emergency and resilience issues.	48-51	Medium	Ongoing		Samual Sanford	***Next Steps***	*Staff will continue outreach and engagement process development, including emergency response stakeholders, for the Regional Vision Zero Action Plan. Staff will provide a status update at the next meeting of the ITOC Subcommittee on Regional Safety.*
								December 2022	A draft of the Technical Advisory Group structure has been drafted and will be finalized as work on the Vision Zero Action Plan commences.
								September 2022	A Technical Advisory Committee structure is being developed to support Regional Vision Zero Action Plan development, and this advisory body will include emergency response representation.
								March 2022	Staff provided data to San Diego County for the County's Emergency Operations Plan update. These data will be used in County's Annex Q on evacuations. SANDAG staff was able to review the draft plan to communicate SANDAG's interest in additional participation in emergency planning as appropriate.
								June 2021	Staff to consider this effort as part of FY22 activities.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								Initial Staff Response March 2, 2021	**Staff will consult with peer agencies to learn about best practices to engage with relevant agencies on emergency and resilience issues beyond current practices. This recommendation also would be examined as a responsibility of the Safety Coordinator Position, if established (#12).**
Chapter 6: Bike EAP will likely not be Completed when Expected, and Improvements are Needed to Communicate Challenges									
◐	15	Estimate and communicate to the Board and ITOC the quantifiable impact of permit delays on individual Bike Early Action Program projects and the overall Regional Bikeway Program.	57-59	Critical	Summer 2023		Chris Kluth/Josh Clark	***Next Steps***	*Staff will continue reporting this information as part of the annual Bikeway Program status reports and will consider any additional information that may be provided as part of the quarterly bikeway program status updates.*
								December 2022	SANDAG staff will update the quarterly report format in 2023 including changes recommended by the ITOC where feasible, pending given staff constraints, following the Regional Bikeway Program Status presentation to ITOC on January 11, 2023.
								September 2022	SANDAG will present updated quarterly report including changes recommended by ITOC to the ITOC in November 2022.
								March 2022	In December 2021, staff presented bikeway miles in final design in the City of San Diego as part of the 2021 Annual Project Status Report for the Bikeway Program. https://www.sandag.org/uploads/meetingid/meetingid_5611_31113.pdf (see agenda item no. 13).
								Thru October 2021	Bike program is beginning to bring on replacement staff. This item will be considered in conjunction with future quarterly status updates.
								June 2021	The bike program is beginning to bring on replacement staff. This item will be considered in conjunction with future quarterly status updates.
								Initial Staff Response March 2, 2021	**SANDAG staff will develop a rough order of magnitude estimate of these impacts within available staffing resources.**
◐	16	Work with the Board to have leadership collaborate with its representatives from the City of San Diego to rectify critical Bike Early Action Program project permit issues.	57-59	Critical	Ongoing		Chris Kluth/Josh Clark	***Next Steps***	*Staff will continue looking for additional ways to deliver the Bike EAP more effectively and continue working with partner agencies and other stakeholders to better coordinate and expedite project delivery going forward. SANDAG is working with the Engineering and Capital Projects Division at the City of San Diego to improve project review efficiency.*
								December 2022	Project review process with ECP continues, SANDAG is cost sharing with City of San Diego on project scope considered betterments for the City.
								September 2022	Project review process with ECP continues to evolve. SANDAG is also pursuing cost sharing with City of San Diego on project scope considered betterments for the City.
								Thru March 2022	Acting Sharon Humphreys replaced with permanent Bike Program Manager Chris Kluth.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	In December 2021, staff presented proposals to expedite delivery of TransNet Regional Bike Early Action Program projects https://www.sandag.org/uploads/meetingid/meetingid_5611_31113.pdf (see agenda item no. 12).
								June 2021	Setting up regular monthly meetings with City of San Diego executives to fully resolve outstanding issues on bike project plan reviews.
								Initial Staff Response March 2, 2021	**Recently, the City of San Diego has proposed a more streamlined review process and SANDAG staff will continue working on these details with city staff. SANDAG staff will also work with Board leadership on these issues.**
◐	17	Revise existing quarterly status reports to compare progress against initial Bike Early Action Program plans for costs, schedules, and miles expected and clearly communicate whether the 10-year Bike Early Action Program completion goals or other future project goals are realistic or in jeopardy—in addition to proposing action steps to remedy any identified issues.	63-64	Critical	Ongoing		Chris Kluth/Josh Clark	***Next Steps***	*Staff will continue looking for additional ways to deliver the Bike EAP more effectively and continue working with partner agencies and other stakeholders to better coordinate and expedite project delivery going forward. Staff will also continue reporting this information as part of the annual Bikeway Program status reports and will consider any additional information that may be provided as part of the quarterly bikeway program status updates.*
								December 2022	Crosswalk has been updated with the revisions requested here for presentation to ITOC on January 11, 2023.
								September 2022	SANDAG will present updated quarterly report including changes recommended by ITOC to the ITOC in November 2022.
								Thru March 2022	Acting Sharon Humphreys replaced with permanent Bike Program Program Manager Chris Kluth
								March 2022	In December 2021, staff presented proposals to expedite delivery of TransNet Regional Bike Early Action Program projects https://www.sandag.org/uploads/meetingid/meetingid_5611_31113.pdf (see agenda item no. 12). Also in December 2021, staff presented bikeway miles in final design in the City of San Diego as part of the 2021 Annual Project Status Report for the Bikeway Program. https://www.sandag.org/uploads/meetingid/meetingid_5611_31113.pdf (see agenda item no. 13).
								Thru October 2021	Identified metrics to track progress on bike program EAP that will be assessed quarterly.
								June 2021	Staff will identify metrics to track progress on bike program EAP that will be assessed quarterly.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								Initial Staff Response March 2,	**SANDAG staff will revise the existing quarterly status reports as recommended.**
◐	18	Develop a crosswalk that summarizes and compares planned Bike Early Action Program projects outlined in the Regional Bikeway Program with current project segment implementation status by budget, schedule, phase, and miles. SANDAG should complete this reconciliation annually, at a minimum when it revises its Capital Improvement Program Budget, and explain any deviations from Bike Early Action Program plans including scope expansions, reductions, or mergers with other project segments through a log that captures all explanations.	63-64	High	Ongoing		Chris Kluth/Josh Clark	***Next Steps***	*Staff will further analyze this recommendation to ensure best use of staff resources and whether there may be other reporting tools that may be more useful and cost-effective.*
								December 2022	Crosswalk has been updated for presentation to ITOC on January 11, 2023.
								September 2022	Crosswalk is up to date.
								Thru March 2022	Acting Sharon Humphreys replaced with permanent Bike Program Program Manager Chris Kluth
								March 2022	Annual updates to the initial crosswalk are pending given staff constraints.
								Thru October 2021	Pending future development
								June 2021	Annual updates to the initial crosswalk are pending given staff constraints.
								Initial Staff Response March 2, 2021	**SANDAG has developed an initial crosswalk as part of this audit process and will continue to make updates annually.**
◐	19	Modify TransNet Dashboard data or Board reports to compare actual individual project data against original baseline budgets and schedule by project phase to more clearly show progress against initial plans and provide explanatory context in addition to aligning TransNet Dashboard project phase categories with those used in individual project management tools.	59-61	Medium	Fall 2023		Chris Kluth/Josh Clark	***Next Steps***	*During the next update, staff will provide an update on the estimated completion date for the revamped public Dashboard and details about how this recommendation will be addressed on the new site.*
								December 2022	Pending future Dashboard and Board reporting developments, in the meantime, the Crosswalk has been updated with the requested information for presentation to ITOC on January 11, 2023.
								September 2022	Pending future development
								March 2022	Pending future development, included in metrics to track progress on bike program EAP that will be assessed quarterly. Staff is actively working on the development of the new Dashboard with internal staff and an outside consultant. The tentative go-live date for the new public Dashboard is the first quarter of FY23. We are still evaluating options to include explanatory notes for missing data that is not applicable to certain projects within the new website structure and format.
								Thru October 2021	Pending future development, included in metrics to track progress on bike program EAP that will be assessed quarterly.
								June 2021	We are currently in the process of redeveloping the TransNet Dashboard to align with changes being made on the sandag.org website and to be more user-friendly.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								Initial Staff Response March 2, 2021	**SANDAG staff will consider adding this additional detail to Board reports in addition to the modifications already being made through Recommendation Nos. 17 and 18.**
◐	20	Track and analyze more granular internal project milestones within Bike Early Action Program project phases—such as planned and actual schematic design, detailed design, right-of-way, utility coordination, and construction documents, to better identify where possible impediments and delays occur and may need to be addressed.	59-61	Medium	Ongoing		Chris Kluth/Josh Clark	***Next Steps***	*Staff will further analyze this recommendation to ensure best use of staff resources and whether there may be other reporting tools that may be more useful and cost-effective.*
								December 2022	Implementation of this recommendation in the Bikeways Quarterly Status Report has been discussed with the team, incorporation is pending given staff constraints.
								September 2022	Implementation of this recommendation is pending given staff constraints.
								Thru March 2022	Acting Sharon Humphreys replaced with permanent Bike Program Program Manager Chris Kluth
								March 2022	Implementation of this recommendation is pending given staff constraints.
								Thru October 2021 *(Report*	Pending future development
								June 2021	A long-term goal for the Project Office is to be able to maintain these intermediate milestones to help project managers better monitor schedules.
								Initial Staff Response March 2, 2021	**SANDAG tracks internal milestones such as permitting schedules and can consider adding other internal milestone to this tracking.**
◐	21	Provide extra scrutiny on less certain Regional Bikeway Program assumed funding from less certain sources, including the state's Active Transportation Program competitive grant source, during subsequent updates to the Regional Bikeway Program Plan of Finance to identify potential capacity and revenue constraints or opportunities and have annual processes in place to evaluate and modify the mix of projects if funding does not occur as expected.	61-63	Medium	Spring 2023		Susan Huntington	***Next Steps***	*Finance staff will continue working closely with Regional Bikeway Program staff, within available staffing resources, to identify potential capacity and revenue constraints and opportunities to evaluate/modify bikeway program projects and funding as needed. The next Plan of Finance is anticipated to be presented in spring 2023.*
								December 2022	The POF update is anticipated to be presented at the April 2023 ITOC and Board meetings and will include a discussion of the methodology for making decisions on TransNet Ordinance projects.
								March 2022	Staff will continue to work to identify funding opportunities to advance projects.
								Thru October 2021 *(Report Due*	Finance staff worked closely with Regional Bikeway Program staff to identify known capacity and evaluate/modify bikeway program projects and funding. Additional funds (CRRSA and RSTP) were added to advance projects and staff will continue to work to identify funding opportunities.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								June 2021	Finance staff worked closely with Regional Bikeway Program staff to identify known capacity and evaluate/modify bikeway program projects and funding. Additional funds (CRRSA and RSTP) were added to advance projects and staff will continue to work to identify funding opportunities.
								Initial Staff Response March 2, 2021	**Finance staff will continue working closely with Regional Bikeway Program staff, within available staffing resources, to identify potential capacity and revenue constraint and opportunities to evaluate/modify bikeway program projects and funding as needed.**
Chapter 7: ITOC Practices Aligned with Other Entities Reviewed									
◐	25	Consider expanding the ITOC qualifications to include knowledge of emerging topics SANDAG presents before the committee such as multi-modal planning, active transportation, transportation system management and operations, transportation planning, performance measures, and legal issues.	68	Low	Winter 2023		Zara Sadeghian	***Next Steps***	*The Ordinance amendments specific to the ITOC Membership and Selection Process will be brought forward for Board consideration winter 2022-fall 2023.*
								December 2022	The Subcommittee to Consider TransNet Ordinance Amendments worked with staff to incorporate the TransNet Extension Ordinance amendments related to ITOC membership and selection process into the ITOC Bylaws; and subsequently, to update the TransNet Ordinance amendments with additional revisions the subcommittee proposed to Section C.2 Additional Term of the ITOC Bylaws. In October 2022 the subcommittee presented the updated TransNet Extension Ordinance amendments to the full ITOC. The ITOC voted to recommend that the Board of Directors approve the updated TransNet Extension Ordinance amendments specific to the ITOC membership makeup and selection process. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e7d726-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667589878.pdf - see item No. 9).
								September 2022	In July 2022 the Subcommittee to Consider TransNet Ordinance Amendments presented the proposed amendments related to the ITOC membership and selection process to the full ITOC. The ITOC voted to recommend that the Board of Directors approve the proposed amendments. The ITOC also requested that those amendments be incorporated into the ITOC Bylaws for consistency. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e2ef93-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593309.pdf - see item No. 8).
								June 2022	Staff has been working with the Subcommittee to Consider TransNet Ordinance amendments for implementation of this recommendation. In April 2022 ITOC Chair Sunnie House met with SANDAG Board of Directors Chair Mayor Catherine Blakespear to discuss ITOC's proposed TransNet Ordinance amendments. Chair Blakespear's feedback was discussed at the subcommittee meeting in May 2022. In June 2022 the subcommittee presented its draft proposed amendments to the ITOC membership and selection process to the full ITOC. (https://www.sandag.org/uploads/meetingid/meetingid_6047_32245.pdf - see item No. 9).

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	At its September 8, 2021, meeting, the ITOC approved FY 2022 goals for the ITOC, and established a Subcommittee to Consider TransNet Ordinance amendments. The subcommittee also contracted outside counsel to advise the ITOC on the possible amendments needed to implement the recommendations listed in the 2021 Triennial Performance Audit. The Subcommittee has met several times to discuss ITOC proposed amendments to ITOC membership, selection process, and ITOC terms, which were presented at both the January and February ITOC meetings. In February, ITOC Chair Sunnie House and Vice Chair Stewart Halpern met with SANDAG staff including Coleen Clementson, Ray Major, Andre Douzdjian, Susan Huntington, and Ariana zur Nieden to discuss ITOC proposed TransNet Ordinance amendments. SANDAG staff expressed support for the addition of two new ITOC member categories as proposed by ITOC. In October 2021, staff presented peer agency comparisons for ITOC consideration.
								Thru October	The ITOC formed a subcommittee to discuss, review and revise the ITOC subject matter expert categories. The subcommittee has also solicited outside counsel to advise the ITOC on the possible
								June 2021	Staff surveyed similar agencies on their processes and created a matrix for comparison for presentation to ITOC.
								Initial Staff Response March 2, 2021	**Staff will work with ITOC and Board members to consider expansion of ITOC qualifications.**
◐	26	Explore options and feasibility of moving ITOC candidate screening and selection process outside of the SANDAG Board to maximize appointment transparency and minimize any perceived selection bias.	68-69	Low	Winter 2023		Zara Sadeghian	***Next Steps***	*The Ordinance amendments specific to the ITOC Membership and Selection Process will be brought forward for Board consideration winter 2022-fall 2023.*
								December 2022	The Subcommittee to Consider TransNet Ordinance Amendments worked with staff to incorporate the TransNet Extension Ordinance amendments related to ITOC membership and selection process into the ITOC Bylaws; and subsequently, to update the TransNet Ordinance amendments with additional revisions the subcommittee proposed to Section C.2 Additional Term of the ITOC Bylaws. In October 2022 the subcommittee presented the updated TransNet Extension Ordinance amendments to the full ITOC. The ITOC voted to recommend that the Board of Directors approve the updated TransNet Extension Ordinance amendments specific to the ITOC membership makeup and selection process. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e7d726-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667589878.pdf - see item No. 9).
								September 2022	In July 2022 the Subcommittee to Consider TransNet Ordinance Amendments presented the proposed amendments related to the ITOC membership and selection process to the full ITOC. The ITOC voted to recommend that the Board of Directors approve the proposed amendments. The ITOC also requested that those amendments be incorporated into the ITOC Bylaws for consistency. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e2ef93-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593309.pdf - see item No. 8).

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								June 2022	Staff has been working with the Subcommittee to Consider TransNet Ordinance amendments for implementation of this recommendation. In April 2022 ITOC Chair Sunnie House met with SANDAG Board of Directors Chair Mayor Catherine Blakespear to discuss ITOC's proposed TransNet Ordinance amendments. Chair Blakespear's feedback was discussed at the subcommittee meeting in May 2022. In June 2022 the subcommittee presented its draft proposed amendments to the ITOC membership and selection process to the full ITOC. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e1052c-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593488.pdf - see item No. 9).
								March 2022	At its September 8, 2021, meeting, the ITOC approved FY 2022 goals for the ITOC, and established a Subcommittee to Consider TransNet Ordinance amendments. The subcommittee also contracted outside counsel to advise the ITOC on the possible amendments needed to implement the recommendations listed in the 2021 Triennial Performance Audit. The Subcommittee has met several times to discuss ITOC proposed amendments to ITOC membership, selection process, and ITOC terms, which were presented at both the January and February ITOC meetings. In February, ITOC Chair Sunnie House and Vice Chair Stewart Halpern met with SANDAG staff including Coleen Clementson, Ray Major, Andre Douzdjian, Susan Huntington, and Ariana zur Nieden to discuss ITOC proposed TransNet Ordinance amendments. SANDAG staff expressed support for the addition of two new ITOC member categories as proposed by ITOC. In October 2021, staff presented peer agency comparisons for ITOC consideration.
								October 2021	At its September 8, 2021, meeting, the ITOC approved FY 2022 goals for the ITOC, and established a Subcommittee to Consider TransNet Ordinance amendments. The subcommittee also contracted outside counsel to advise the ITOC on the possible amendments needed to implement the recommendations listed in the 2021 Triennial Performance Audit.
								June 2021	Staff surveyed similar agencies on their processes and created a matrix for comparison for presentation to ITOC.
								Initial Staff Response March 2, 2021	**Staff will work with ITOC and Board members to consider moving selection process for members outside of the Board**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
Completed Sections									
Chapter 3: SANDAG Focused on TransNet Extension Ordinance Compliance and Transparency, but it could Better Demonstrate Accountability									
●	8	Clearly and comprehensively report on actual progress and accomplishments (or lack thereof) against the TransNet Extension Ordinance on a regular, periodic basis—such as quarterly or annually— for project scope, costs, schedule, accomplishments, and outcomes against promises.	35-36	Critical	**Spring 2022**	Jul-22	Michelle Smith	***Next Steps***	*This item has been completed.*
								December 2022	Dashboard has been updated and includes all necessary information. Staff provided update to the ITOC on October 12, 2022 (https://d3n9y02raazwpg.cloudfront.net/sandag/60e7d726-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667589878.pdf) **Complete**
								March 2022	The TransNet Dashboard has been postponed to start in the first quarter of FY23. Due to the delay of SANDAG's website redevelopment we have had to postpone this.
								Thru October	SANDAG provides a Quarterly report to the ITOC on the TransNet program; looking to incorporate additional information to add to this report and incorporate the audit request. We are currently in
								June 2021	SANDAG provides a Quarterly report to the ITOC on the TransNet program; looking to incorporate additional information to add to this report and incorporate the audit request. We are currently in
								Initial Staff Response	**Staff already provides this information via TransNet Report Cards and the ITOC Annual report. Going forward, staff will review projects and compare against TransNet Ordinance to provide a**
Chapter 6: Bike EAP will likely not be Completed when Expected, and Improvements are Needed to Communicate Challenges									
●	22	Ensure TransNet Dashboard Bike Early Action Program schedule and budget fields are complete and include explanatory notes on why particular data may not be applicable to a project stage in addition to consider splitting certain projects and their related cost and schedule data into phases on the TransNet Dashboard when SANDAG plans for a staggered delivery.	63-64	Low	**Fall 2022**	Jul-22	Chelsea Gonzales	December 2022	The new TransNet Dashboard was released in July 2022 (https://transnetdashboard.sandag.org/). In this new site, only the applicable milestones and budget phases are displayed for each CIP to eliminate the confusion that there are missing data fields when certain information does not apply to certain projects. Staff continues to split up projects, and their related cost and schedule data, into separate CIPs when planning for a staggered delivery so that the delivery of each phase is clearly defined to the public. **Complete**
								June 2022	Staff is finalizing the development of the new TransNet Dashboard with internal staff and an outside consultant. The go-live date is scheduled for July 2022. In this new site, only the applicable milestones and budget phases will be displayed for each CIP. This will eliminate the confusion that there are missing data fields when certain information just does not apply to certain projects. Staff continues to split up projects, and their related cost and schedule data, into separate CIPs when planning for a staggered delivery so that the delivery of each phase is clearly defined to the public.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	Staff is actively working on the development of the new Dashboard with internal staff and an outside consultant. The tentative go-live date for the new public Dashboard is the first quarter of FY23. We are still evaluating options to include explanatory notes for missing data that is not applicable to certain projects within the new website structure and format. Staff has continued to split up projects, and their related cost and schedule data, into separate CIPs when planning for a staggered delivery. For example, the 7 mile Inland Rail Trail bikeway project was all previously under CIP 1223023 (Inland Rail Trail), but has now been split into 3 separate CIPs based on their different project delivery schedules. 1223023 (Inland Rail Trail Phases 1 & 2) is the first 4 miles and is open to the public already; 1223094 (Inland Rail Trail Phase 3) is 1 mile and is scheduled to advertise to the construction community in FY23; and 1223095 (Inland Rail Trail Phase 4) is for the final 2 miles and is currently in final design. Staff will continue splitting up CIPs, when necessary, so that the delivery of each phase can be more clearly defined to the public.
								Thru October 2021 *(Report Due 11/10/21)*	We are still redeveloping the public Dashboard to align with changes being made on the sandag.org website and to be more user-friendly. As part of this website redevelopment process, we are evaluating options to include explanatory notes for missing data that is not applicable to certain projects. Due to additional work that was needed to update our internal Dashboard site, which is our *TransNet* capital budgeting tool, the timeline for completion of the public Dashboard has been delayed. We are still planning to go-live with the public Dashboard in FY22 and will address this recommendation as part of the redevelopment efforts. Staff continues to consider opportunities for splitting up projects, and their related cost and schedule data, into separate CIPs when planning for a staggered delivery. For example, in the FY22 budget CIP 1223023 (Inland Rail Trail) is now separated into 3 CIPs: 1223023 (Inland Rail Trail Phases 1 & 2), 1223094 (Inland Rail Trail Phase 3), and 1223095 (Inland Rail Trail Phase 4). Staff will continue splitting up CIPs, when necessary, so that the delivery of each phase can be more clearly defined to the public.
								June 2021	We are currently in the process of redeveloping the TransNet Dashboard to align with changes being made on the sandag.org website and to be more user-friendly. As part of this website redevelopment process, we are evaluating options to include explanatory notes for missing data that is not applicable to certain projects. The new TransNet Dashboard is tentatively planned to go-live in the 2nd quarter of FY22 so we plan to have this item addressed by then. Staff continues to consider opportunities for splitting up projects, and their related cost and schedule data, into separate CIPs when planning for a staggered delivery. For example, in the FY22 budget, CIP 1223023 (Inland Rail Trail) was separated into 2 CIPs: 1223023 (Inland Rail Trail Phases 1 & 2) and 1223094 (Inland Rail Trail Phase 3). Staff will continue splitting up CIPs, when necessary, so that the delivery of each phase can be more clearly defined to the public.
								Initial Staff Response March 2, 2021	**The Dashboard will be updated to include explanatory notes for missing data that is not applicable to certain projects. Staff will consider options to more clearly display project status information for projects delivered in multiple phases.**

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
Chapter 7: ITOC Practices Aligned with Other Entities Reviewed									
●	23	Incorporate existing conflict-of-interest policy clarifications from ITOC new member on-boarding resources into recruitment materials, emphasize in recruitment efforts that a potential conflict does not automatically disqualify prospective applicants, and clarify when members should recuse themselves from certain decisions because of potential perceived conflicts.	68	High	Winter 2022	Dec-22	Zara Sadeghian	December 2022	The next new ITOC member recruitment is anticipated to occur in May 2023. The conflict of interest clarifications have been incorporated into the ITOC member recruiting materials and will be utilized for the future recruiting processes. **Complete**
								September 2022	Staff is working to update recruitment materials in time for the next new member recruitment process.
								June 2022	Staff is working to update recruitment materials in time for the next new member recruitment process.
								March 2022	Staff is working to update recruitment materials in time for the next new member recruitment process.
								October 2021	The ITOC has requested that the conflict of interest memo be updated by legal. Once updated the new conflict if interest memo will be combined with the current recruitment materials.
								June 2021	Staff surveyed similar agencies on their processes and created a matrix for comparison for presentation to ITOC.
								Initial Staff Response March 2, 2021	**Recruitment materials will be updated to incorporate conflict of interest provisions.**
●	24	Modify the TransNet Extension Ordinance language to be consistent with the service limits for all members regardless of whether a member joins the committee to fill a full-term position or mid-term vacancy.	66-67	Medium	Winter 2022/2023	Jun-22	Michelle Smith/Zara Sadeghian	June 2022	To ensure all stakeholders had ample opportunity to participate in a comprehensive and thorough review of any potential Ordinance amendments, additional discussions on potential amendments continued in 2022. The staff has been working with the Subcommittee to Consider TransNet Ordinance amendments to implement this recommendation. In April 2022 ITOC Chair Sunnie House met with SANDAG Board of Directors Chair Mayor Catherine Blakespear to discuss ITOC's proposed TransNet Ordinance amendments. Chair Blakespear's feedback was discussed at the subcommittee meeting in May 2022. After careful consideration, the subcommittee revised their proposed amendments and removed changes to member service limit. (https://d3n9y02raazwpg.cloudfront.net/sandag/60e1052c-5b01-11ed-95a3-0050569183fa-d29b0136-78d2-4528-b04d-6b6fd99c88ba-1667593488.pdf - see item No. 9). The ITOC recommended to move forward with the rest of the proposed Ordinance amendments (excluding changed to member service limits) for Board's consideration.

Progress	Item No.	Item Description	Report Page	Priority	Target Completion Date	Actual Completion Date	Staff Lead	Response Date	Implementation Status
								March 2022	At its September 8, 2021, meeting, the ITOC approved FY 2022 goals for the ITOC, and established a Subcommittee to Consider TransNet Ordinance amendments. The subcommittee also contracted outside counsel to advise the ITOC on the possible amendments needed to implement the recommendations listed in the 2021 Triennial Performance Audit. The Subcommittee has met several times to discuss ITOC proposed amendments to ITOC membership, selection process, and ITOC terms, which were presented at both the January and February ITOC meetings. In February, ITOC Chair Sunnie House and Vice Chair Stewart Halpern met with SANDAG staff including Coleen Clementson, Ray Major, Andre Douzdjian, Susan Huntington, and Ariana zur Nieden to discuss ITOC proposed TransNet Ordinance amendments. SANDAG staff expressed support for the addition of two new ITOC member categories as proposed by ITOC. In October 2021, staff presented peer agency comparisons for ITOC consideration.
								October 2021	The ITOC formed a subcommittee to discuss, review and revise the ITOC member service limits. The subcommittee has also solicited outside counsel to advise the ITOC on the possible amendments needed to implement the recommendations listed in the 2021 Triennial Performance Audit.
								June 2021	Staff surveyed similar agencies on their processes and created a matrix for comparison for presentation to ITOC.
								Initial Staff Response March 2, 2021	**Staff will propose an amendment to the Ordinance to modify service limit language.**

Legend

○ = Not yet begun

◐ = Partially Complete

● = Completed

AGENDA ITEM NO. 8.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE: April 12, 2023

SUBMITTED BY: Julianna Martinez, Office of the Clerk of the Board

ITEM TYPE: Information

AGENDA SECTION: Reports

SUBJECT:

Actions by the Transportation Committee and Board of Directors on Transnet-Related Agenda Items

SUGGESTED ACTION:

Staff will present an update on actions taken by the Transportation Committee and Board of Directors on agenda items that the ITOC has reviewed.

AGENDA ITEM NO. +9A.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE: April 12, 2023

SUBMITTED BY: Julianna Martinez, Office of the Clerk of the Board

ITEM TYPE: Discussion

AGENDA SECTION: Reports

SUBJECT: Independent Auditors Annual Report on Results of the FY 2022 TransNet Compliance Audits

SUGGESTED ACTION:

9A. The ITOC is asked to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on April 21, 2023.

ATTACHMENTS:

Item 9A - FY22 TNet Fiscal & Compliance Audits
Att 1 Summary Report FY2022
Supporting Materials

SANDAG

TransNet Independent Taxpayer Oversight Committee

Item: **9A**

April 12, 2023

FY 2022 TransNet Fiscal and Compliance Audits: Initial Findings and Recommendations

Overview

In accordance with the TransNet Extension Ordinance, the TransNet Independent Taxpayer Oversight Committee (ITOC) has the responsibility to conduct the annual fiscal and compliance audits of agencies that receive TransNet funds. The TransNet Extension Ordinance requires the ITOC to share the initial audit findings and its recommendations with the Transportation Committee 60 days prior to its release to resolve any inconsistencies and technical issues.

Action: **Accept**

The ITOC is asked to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on May 5, 2023.

Fiscal Impact:

The annual TransNet fiscal and compliance audits are conducted by the ITOC and its independent fiscal auditor and funded through Overall Work Program Element No. 1500200 in the FY 2022 Program Budget.

Schedule/Scope Impact:

The FY 2022 TransNet Fiscal and Compliance Audit is an annual review of all agencies that receive TransNet funding.

Key Considerations

Davis Farr, LLP, performed the audit of the FY 2022 TransNet sales tax revenue recipient agencies using the agreed-upon procedures (AUP) approved by the ITOC at its September 14, 2022, meeting. These AUP include requirements specific to the TransNet Extension Ordinance and SANDAG Board Policy No. 031. Attachment 1, includes both the independent auditor's summary of results of the draft AUP and recipient agency FY 2022 TransNet draft AUP reports.

Next Steps

In accordance with the fiscal and compliance audit procedures outlined in Board Policy No. 031, proposed dates for upcoming audit activities are discussed below:

- **April 2023**: Auditors issue a report of compliance audit results and present to the ITOC at its April 12, 2023, meeting. The ITOC presents initial results and finding(s) of the audit and its recommendations to the Transportation Committee at its May 5, 2023, meeting.
- **July 4, 2023**: Earliest date the ITOC could accept and issue the final compliance audit results (60 days following the report of the initial draft audit findings to the Transportation Committee on May 5).
- **July 2023**: Acceptance of the final summary of results of the AUP for issuance is scheduled for ITOC consideration, and the ITOC Annual Report, which includes results of the annual compliance audit, is presented to the ITOC and Board of Directors. The ITOC meeting is scheduled for July 12, 2023.

André Douzdjian, Chief Financial Officer

Key Staff Contact: Marcus Pascual, (619)-699-1988, marcus.pascual@sandag.org

Attachment: 1. FY22 Summary Report

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Year Ended June 30, 2022

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Year Ended June 30, 2022

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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, 2022. We performed the procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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

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

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

The procedures performed were approved by the ITOC prior to commencing fieldwork. The 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

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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 October 2022 through December 2022.

Results of Procedures

TransNet and *TransNet* Extension Expenditures

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

During our fieldwork, we obtained the following items:

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

The objectives of the procedures were to ensure the following:

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

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

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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, 2022 with the exception of City of Del Mar and City of San Marcos. See Attachment A for a summary of compliance with the MOE requirements.

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

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

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

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

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

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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

Local Street Improvements – Congestion Relief vs. Maintenance

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

- Inquired and obtained source data used to calculate the Local Street Improvements Allocation Schedule in SANDAG's TTrak program (SANDAG's *TransNet* tracking program) and recalculated the total fund distribution per jurisdiction; and

- Reviewed the FY 2022 *TransNet* Streets and Road Fund Allocation Schedule and determined that at least 70% of the revenues provided for local street and road purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

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

Local Street Improvements: Maintenance Monitoring

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

Indirect Costs Allocated to Projects in RTIP

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

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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 $2,636 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, Escondido, La Mesa, Lemon Grove, and Poway were in compliance with the RTCIP requirements. See the Summary of Findings by Recipient Agency for further information.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

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, 2021 and June 30, 2022;
- Calculated the increase in the CPI for San Diego County between June 30, 2021 and June 30, 2022; 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.

Both North County Transit District (NCTD) and San Diego Metropolitan Transit System (MTS) are in compliance with the rail operator portion of the eligibility requirements.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

Summary of Findings by Recipient Agency

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

Recipient Agency	Finding	Management Response
City of Coronado	Need to use approved exaction fee	In process of collecting
City of Escondido	Need to use approved exaction fee	Recovered all under-collected exaction fees
City of La Mesa	Need to use approved exaction fee	In process of collecting
City of Lemon Grove	Need to use approved exaction fee	In process of collecting
City of Poway	RTCIP funding not expended nor committed within seven years of collection	RTCIP funding will be programmed in subsequent years
City of Del Mar	Need to be in compliance with the MOE requirement	City plans to make up shortfall next year
City of San Marcos	Need to be in compliance with the MOE requirement	City plans to make up shortfall next year

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

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Compliance With Maintenance of Effort Requirement

	Fiscal Year 2022				
Recipient Agency	In Compliance	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	Deficit Amount
Carlsbad	Yes	$6,746,377	–	–	–
Chula Vista	Yes	4,387,018	–	–	–
Coronado	Yes	984,388	–	–	–
Del Mar	**No**	602,608	27,766	–	72,462
El Cajon	Yes	1,849,773	–	–	–
Encinitas	Yes	2,279,925	63	–	–
Escondido	Yes	3,352,190	–	–	–
Imperial Beach	Yes	233,219	–	–	–
La Mesa	Yes	2,023,372	–	–	–
Lemon Grove	Yes	203,027	–	–	–
National City	Yes	2,029,966	–	–	–
Oceanside	Yes	3,120,588	–	–	–
Poway	Yes	1,327,553	–	–	–
San Diego	Yes	25,854,722	191,311	1,029,903	–
San Marcos	**No**	4,893,432	–	–	629,185
Santee	Yes	658,301	–	–	–
Solana Beach	Yes	535,585	–	–	–
Vista	Yes	2,703,364	–	–	–
County of San Diego (1)	–	–	–	–	–

Yes = In Compliance No = Not in compliance – = Not applicable

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

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Compliance With 30 Percent Fund Balance Limitation FY 2020 – FY 2022

	Fiscal Year 2022				Fiscal Year 2021				Fiscal Year 2020			
Recipient Agency	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount
Streets and Roads												
Carlsbad	Yes	1,259,563	830,551	–	Yes	1,050,395	988,467	–	Yes	973,589	206,020	–
Chula Vista	Yes	2,523,474	(344,144)	–	Yes	2,088,184	(1,458,118)	–	Yes	1,918,568	824,267	–
Coronado	Yes	231,738	(361,259)	–	Yes	210,209	6,844	–	Yes	183,503	28,443	–
Del Mar	Yes	37,385	3,167	_	Yes	50,095	3,090		**No**	5,675	19,864	14,189
El Cajon	Yes	989,663	(629,159)	_	Yes	828,745	13,665	–	Yes	766,120	247,927	–
Encinitas	Yes	666,660	(204,026)	–	Yes	561,554	(362,369)	–	Yes	521,630	(997,941)	–
Escondido	Yes	1,509,225	(1,659,886)	–	Yes	1,251,187	800,965	–	Yes	1,157,749	(2,303,687)	–
Imperial Beach	Yes	196,519	(19,704)	_	Yes	151,770	(223,434)	_	Yes	200,610	(305,978)	_
La Mesa	Yes	473,545	(855,519)	–	Yes	373,337	(673,595)	–	Yes	334,733	(201,623)	–
Lemon Grove	Yes	281,219	(90,478)	_	**No**	239,316	412,100	172,784	Yes	221,852	54,508	–
National City	**No**	578,295	1,373,673	795,378	**No**	482,679	772,606	289,927	Yes	364,376	135,199	–
Oceanside	Yes	1,358,351	(2,697,217)	–	Yes	1,065,681	(1,902,567)	–	Yes	1,028,052	(2,653,098)	–
Poway	Yes	584,864	(104)	_	Yes	492,613	303,658	_	Yes	457,992	291,809	_
San Diego, City	Yes	13,742,311	6,041,776	–	Yes	11,337,079	9,192,856	–	Yes	10,579,579	6,485,121	–
San Marcos	Yes	725,011	397,603	–	Yes	577,713	(213,880)	–	Yes	506,094	(1,052,975)	–
Santee	Yes	330,212	(63,042)	–	Yes	280,125	(14,233)	–	Yes	178,621	(3,635)	–
Solana Beach	Yes	102,117	(131,456)	–	Yes	76,283	(85,154)	–	Yes	67,681	(34,431)	–
Vista	Yes	944,059	518,622	–	Yes	779,208	(175,525)	–	Yes	734,225	343,646	–
County of San Diego	Yes	5,752,318	1,264,885	–	Yes	4,749,403	3,260,471	–	Yes	4,441,940	3,223,622	–
Transit												
Metropolitan Transit System (MTS)	Yes	12,923,070	–	–	Yes	10,729,134	–	–	Yes	10,219,817	–	–
North County Transit District (NCTD)	Yes	4,823,047	–	–	Yes	3,948,871	(2,127,862)	–	Yes	3,650,375	–	–

Yes = In Compliance

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

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Compliance with Allocation of Local Street Improvements Revenues

Recipient Agency	Fiscal Year 2022		
	Allocation of Sales Tax Revenues Received	70% Congestion Relief Allocated	30% Maintenance Allocated
Carlsbad	$4,198,544	$2,938,981	$1,259,563
Chula Vista	8,411,581	5,888,107	2,523,474
Coronado	772,459	540,721	231,738
Del Mar	259,298	181,509	77,789
El Cajon	3,298,876	2,309,213	989,663
Encinitas	2,222,202	1,555,542	666,660
Escondido	5,030,749	3,521,524	1,509,225
Imperial Beach	959,998	671,998	288,000
La Mesa	2,085,625	1,459,937	625,688
Lemon Grove	937,398	656,179	281,219
National City	1,927,651	1,349,356	578,295
Oceanside	6,093,275	4,265,292	1,827,983
Poway	1,949,548	1,364,684	584,864
San Diego, City	46,004,502	32,203,151	13,801,351
San Marcos	3,047,650	2,133,355	914,295
Santee	1,896,888	1,327,822	569,066
Solana Beach	558,143	390,700	167,443
Vista	3,146,863	2,202,804	944,059
County of San Diego	20,474,211	14,331,948	6,142,263

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

Local Street Improvements: Maintenance Monitoring

Recipient Agency	Cumulative Revenue	30% of Cumulative Revenue	Cumulative Maintenance Expenditures	Available Maintenance Funds	Cumulative % Expended for Maintenance	In Compliance
Carlsbad	$50,327,162	$15,098,149	$1,274,895	$13,823,254	2.53%	Yes
Chula Vista	86,177,344	25,853,203	19,324,458	6,528,745	22.42%	Yes
Coronado	8,982,076	2,694,623	283,272	2,411,351	3.15%	Yes
Del Mar	7,182,845	2,154,854	403,270	1,751,584	5.61%	Yes
El Cajon	34,840,462	10,452,139	6,792,170	3,659,969	19.50%	Yes
Encinitas	26,445,958	7,933,787	1,117,046	6,816,741	4.22%	Yes
Escondido	57,599,617	17,279,885	16,211,348	1,068,537	28.14%	Yes
Imperial Beach	12,121,911	3,636,573	2,837,104	799,469	23.40%	Yes
La Mesa	28,827,975	8,648,393	4,815,373	3,833,020	16.70%	Yes
Lemon Grove	10,143,827	3,043,148	2,649,932	393,216	26.12%	Yes
National City	23,856,157	7,156,847	0	7,156,847	0.00%	Yes
Oceanside	76,309,682	22,892,905	15,002,233	7,890,672	19.66%	Yes
Poway	21,355,433	6,406,630	5,899,482	507,148	27.63%	Yes
San Diego, City	489,669,479	146,900,844	134,045,176	12,855,668	27.37%	Yes
San Marcos	46,784,614	14,035,384	3,738,035	10,297,349	7.99%	Yes
Santee	38,441,509	11,532,453	3,971,977	7,560,476	10.33%	Yes
Solana Beach	11,970,657	3,591,197	289,587	3,301,610	2.42%	Yes
Vista	35,062,454	10,518,736	7,125,998	3,392,738	20.32%	Yes
San Diego, County	225,423,392	67,627,018	10,758,518	56,868,500	4.77%	Yes

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Indirect Costs Allocated to RTIP

Recipient Agency	2022 Total *TransNet* Expenditures	2022 Indirect Costs Charged to *TransNet*	2022 Indirect Costs as a % of Total *TransNet* Expenditures	Last Allocation Plan Approval	2021 Indirect Costs as a % of Total *TransNet* Expenditures
Carlsbad	$1,715,063	$91,684	5.35%	n/a	4.07%
Chula Vista	1,366,818	72,441	5.30%	n/a	19.70%
Coronado	847,640	0	0.00%	n/a	0.00%
Del Mar	152,669	0	0.00%	n/a	0.00%
El Cajon	2,095,955	42,740	2.04%	n/a	2.45%
Encinitas	2,859,437	0	0.00%	n/a	0.00%
Escondido	6,199,488	892,691	14.40%	2020[1]	5.40%
Imperial Beach	661,020	0	0.00%	n/a	0.00%
La Mesa	1,780,117	0	0.00%	n/a	0.00%
Lemon Grove	753,183	123,792	16.44%	2019[1]	20.6%
National City	1,672,305	0	0.00%	n/a	0.00%
Oceanside	2,381,745	40,797	1.71%	n/a	8.43%
Poway	1,052,774	0	0.00%	n/a	0.00%
San Diego, City	39,394,569	5,231,694	13.28%	n/a	14.54%
San Marcos	1,173,166	0	0.00%	n/a	0.00%
Santee	1,043,391	5,460	0.52%	n/a	4.07%
Solana Beach	329,836	0	0.00%	n/a	0.00%
Vista	2,248,374	0	0.00%	n/a	0.00%
Caltrans	28,252,574	1,198,279	4.24%	2021[2]	7.86%
San Diego, County	3,478,702	49,448	1.42%	n/a	9.97%
SANDAG	172,849,481	5,161,159	2.99%	2022[2]	3.10%

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

[1] – approved by City Council

[2] – approved by federal cognizant agency

CALTRANS

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

Year Ended June 30, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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 of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: Per discussion with Caltrans Management, *TransNet* revenues and expenditures are not recorded in a separate fund, but are part of the State

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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	$ 18,008,700
TransNet revenue recorded by Caltrans	5,616,200
Variance	$12,392,500

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The variance was a result of the following:

Paid by SANDAG in 2021 but received by Caltrans in 2022	$(1,204,000)
Paid by SANDAG in 2022 but received by Caltrans in 2023	13,596,500
Variance	$12,392,500

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

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

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

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

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

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

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

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

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

Results: Caltrans recorded total *TransNet* expenditures in the amount of $28,252,574. We selected $8,601,127 (30.44%) for testing. No exceptions were noted as a result of our procedures.

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

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

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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 48.52% of direct labor costs associated with each project with SANDAG being considered a self-help county. The indirect cost rate plan is reviewed and updated by Caltrans on an annual basis. Caltrans' indirect cost rate plan has been reviewed by the State of California Department of Finance and the Federal Highway Administration. Caltrans allocated a total of $1,198,279 of indirect costs in the RTIP, resulting in 4.24% 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

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TransNet-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

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

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

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

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

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

i. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2022.

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

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

Results: MPO ID CAL 26 and CAL 330 had no activity over the past two years. No exceptions were noted as a result of our procedures.

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

Results: SANDAG approved the reason for the inactivity on January 20, 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: No exceptions were noted as a result of our procedures.

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

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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, 2022 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

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

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

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

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

   Results: This procedure is not applicable as there were no commercial paper or bonds outstanding as of June 30, 2022.

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, 2022.

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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, 2022. 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
_____, 2023

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GLOSSARY OF TERMS

"Current Fiscal Year" means the fiscal period of July 1, 2021, through June 30, 2022.

"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.

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CALTRANS
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID/ Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2022	Notes
	TransNet:							
	Highways:							
CAL26	Route 52	$ 13,864	$ -	$ -	$ -	$ -	$ 13,864	(a)
	Total Highways	13,864	-	-	-	-	13,864	
	Total *TransNet*	$ 13,864	$ -	$ -	$ -	$ -	$ 13,864	
	***TransNet* Extension:**							
	Major Corridor:							
CAL09	I-5 North Coast	$ 699,977	$ (616,519)	$ -	$ (3,345,829)	$ -	$ (3,262,371)	(b)
CAL09 C	I-805 HOV / Carroll Canyon DAR	(29,816)	29,816	-	-	-	-	
CAL29 B	SR 76 East	(161,411)	892,000	-	425,596	-	1,156,185	
CAL38	SR-905 New Freeway	1,628	(1,628)	-	-	-	-	
CAL68	94/125 S to E Connector	(7,071)	44,000	-	(158,248)	-	(121,319)	(b)
CAL75	I-5 Genesee	2,669,503	309,000	-	(2,928,162)	-	50,341	
CAL78 B	I-805 North	7,382	61,000	-	(68,014)	-	368	
CAL78 C	I-805 South	(41,711)	58,000	-	(38,911)	-	(22,622)	(b)
CAL78 D	I-805 South Soundwalls	(49,898)	107,000	-	(52,776)	-	4,326	
CAL114	I-5/56 Interchange	26,973	458,000	-	(705,711)	-	(220,738)	(b)
CAL277A	SR78/I-5 Express Lanes	(8,248)	(31,000)	-	38,203	-	(1,045)	(b)
CAL 550	CMCP--Coast, Canyons, Trails SR-52	-	232,000	-	74,385	(255,012)	51,373	(c) (d)
CAL 552	CMCP--South Bay to Sorrento	-	258,575	-	-	(258,575)	-	(c) (d)
CAL 553	CMCP--SPRINTER/Palomar Airport SR78/76	-	301,846	-	-	(301,846)	-	(c) (d)
SAN23	Mid-Coast LRT	(5,331)	9,000	-	(33,600)	-	(29,931)	(b)
SAN26 C	I-15 BRT Stations - South	329	-	-	(243)	-	86	
SAN47	I-805 BRT	9,256	-	-	(109)	-	9,147	
SAN224	I-805/SR-94 Bus on Shoulder Demonstration	(21,659)	50,000	-	(52,478)	-	(24,137)	(b)
SAN253	CMCP--Central Mobility Hub Connections/Militar	-	-	-	(38,099)	-	(38,099)	(b)
V-11	SR-11	-	-	-	(175,338)	-	(175,338)	(b)
V-15	I-5 Gilman Dr Bridge	(1,527)	2,000	-	(1,005)	-	(532)	(b)
V-20	CMCP	(827,343)	-	-	-	827,343	-	(d)
V-22	CMCP--San Vicente Corridor SR 67	-	11,910	-	-	(11,910)	-	(c) (d)
	Total Major Corridor	$ 2,261,033	$ 2,175,000	$ -	$ (7,060,339)	$ -	$ (2,624,306)	

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(Continued)

CALTRANS
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID/ Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2022	Notes
	Major Corridor Environmental: Mitigation Program (MC EMP):							
V-07	Mitigation Program	$ 1,904,164	$ 3,441,200	$ -	$ (21,192,235)	$ -	$ (15,846,871)	(b)
	Total MC EMP	1,904,164	3,441,200	-	(21,192,235)	-	(15,846,871)	
	***TransNet* Bike, Pedestrian & Neighborhood Safety (BPNS) Program:**							
CAL330	SR-15 Bike Path	1,227	-	-	-	-	1,227	(e)
SAN156	Coastal Rail Trail: E St to Chesterfield	185,712	-	-	-	-	185,712	(e)
	Total *TransNet* BPNS Program	186,939	-	-	-	-	186,939	
	Total *TransNet* Extension	$ 4,352,136	$ 5,616,200	$ -	$ (28,252,574)	$ -	$ (18,284,238)	
	Total *TransNet* and *TransNet* Extension	$ 4,366,000	$ 5,616,200	$ -	$ (28,252,574)	$ -	$ (18,270,374)	

Notes:
(a) All projects related to CAL 26 in the *TransNet* Highway section are in the final vouchering process and the goal is to complete it by FY2024.
(b) Negative ending balance will be removed with the next invoice to SANDAG in FY2023.
(c) New project added to the 2022 audit.
(d) In FY 22, SANDAG has split MPO V20 into 4 new MPO ID's . V-20 had $827,343 in expenditures ($0 in funds received) as of the project Status July 1, 2021. Those expenditures are shown in the Caltrans Adjustments column being removed from V-20 to CAL 550, CAL 552, CAL 553, and V-22. This split (at this time) has left V-20 with $0 in expenditures and $0 in received.
(e) MPO ID CAL330 will final voucher in FY2023 and MPO ID SAN156 is in the process of final voucher and the goal is to complete it in FY2024.

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CALTRANS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
	***TransNet* Extension:**				
	Major Corridor:				
CAL09	I-5 North Coast	$ 99,548,125	$ -	$ (102,810,496)	$ (3,262,371)
CAL09 C	I-805 HOV / Carroll Canyon DAR	27,273,401	-	(27,273,401)	-
CAL29	SR 76 Middle	39,397,631	-	(39,397,631)	-
CAL29 B	SR 76 East	49,570,496	-	(48,414,311)	1,156,185
CAL38	SR-905 New Freeway	612,439	-	(612,439)	-
CAL68	94/125 S to E Connector	318,603	-	(439,922)	(121,319)
CAL75	I-5 Genesee	13,099,000	-	(13,048,659)	50,341
CAL78 B	I-805 North	12,233,604	-	(12,233,236)	368
CAL78 C	I-805 South	135,756,214	-	(135,778,836)	(22,622)
CAL78 D	I-805 South Soundwalls	4,668,374	-	(4,664,048)	4,326
CAL114	I-5/56 Interchange	1,140,000	-	(1,360,738)	(220,738)
CAL 277A	SR78/I-5 Express Lanes	2,627,478	-	(2,628,523)	(1,045)
CAL278	SR-78 HOV / Managed Lanes	1,662,367	-	(1,662,367)	-
CAL 550	CMCP--Coast, Canyons, Trails SR-52	(23,012)	-	74,385	51,373
CAL 552	CMCP--South Bay to Sorrento	-	-	-	-
CAL 553	CMCP--SPRINTER/Palomar Airport SR78/76	-	-	-	-
SAN23	Mid-Coast LRT	395,000	-	(424,931)	(29,931)
SAN26 C	I-15 BRT Stations - South	11,994,160	-	(11,994,074)	86
SAN47	I-805 BRT	2,948,327	-	(2,939,180)	9,147
SAN73	San Elijo Lagoon Double Track	7,786,582	-	(7,786,582)	-
SAN73A	Chesterfield Dr Crossing	3,154,106	-	(3,154,106)	-
SAN224	I-805/SR-94 Bus on Shoulder Demonstration	100,000	-	(124,137)	(24,137)
SAN253	CMCP--Central Mobility Hub Connections/Military	-	-	(38,099)	(38,099)
V-11	SR-11	1,558,550	-	(1,733,888)	(175,338)
V-15	I-5 Gilman Dr Bridge	115,999	-	(116,531)	(532)
V-18	I-5 Voigt	686,952	-	(686,952)	-
V-20	CMCP	827,343	-	(827,343)	-
V-22	CMCP--San Vicente Corridor SR 67	-	-	-	-
1200100	Program Office	221,956	-	(221,956)	-
	Total Major Corridor	417,673,695	-	(420,298,001)	(2,624,306)

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CALTRANS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
	***TransNet* Extension:**				
	MC EMP				
V-07	Mitigation Program	$ 166,713,385	$ -	$ (182,560,256)	$ (15,846,871)
	Total MC EMP	166,713,385	-	(182,560,256)	(15,846,871)
	TransNet* BPNS Program*:				
CAL330	SR-15 Bike Path	2,907,000	-	(2,905,773)	1,227
SAN156	Coastal Rail Trail: E St to Chesterfield	4,786,000	-	(4,600,288)	185,712
	Total *TransNet* BPNS Program	7,693,000	-	(7,506,061)	186,939
	Subtotal Cumulative *TransNet* Extension	592,080,080	-	(610,364,318)	(18,284,238)
	Completed Projects:				
	Major Corridor	230,583,691	-	(230,583,691)	-
	Mitigation Program (MC EMP)	14,279,000	-	(14,279,000)	-
	TransNet Local Program	3,093,119	-	(3,093,119)	-
	Total Completed Projects	247,955,810	-	(247,955,810)	-
	Total Cumulative *TransNet* Extension	$ 840,035,890	$ -	$ (858,320,128)	$ (18,284,238)

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CITY OF CARLSBAD, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $1,793,411. We selected $548,589 (30.59%) 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. 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 120% from July 1, 2021 to August 31, 2021 and charged 116% for the remaining part of the FY22, which was determined by a consultant. The City allocated a total of $91,684 of indirect costs in the RTIP, resulting in 5.35% of indirect costs compared to total TransNet expenditures. The City's indirect cost plan was last updated in August 2021. 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: This procedure is not applicable as there are no amounts reflected in the "Adjustment" 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: This procedure is not applicable as there are no completed projects.

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

Results: 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.

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i. 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 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, "CB17 is a completed project. The City will transfer the remaining funds during the annual RTIP update in April 2023 by direction of SANDAG." The City indicated that, "CB53 project will be reprogrammed for funding with the project from construction to engineering in FY23." The statuses 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 30, 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 any non-*TransNet* activity during FY22.

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.

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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 2022 apportionment	$4,198,544
Less: debt service payment	-
Net estimated apportionment	4,198,544
30% base	30%
Fiscal year 2022 30% threshold	1,259,563
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	511,782
Maintenance fund balance	318,769
Total Local Streets and Roads and Local Street Improvement fund balance	830,551
Fund balance under apportionment	$ 429,012

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 is indicated on the following page:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$511,782	$ 9,847,384	$10,359,166
Maintenance	318,769	12,991,468	13,310,237
Totals	$830,551	$22,838,852	$23,669,403

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 2.53% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$25,802,857	$ 8,263,691	$34,066,548
Maintenance	1,579,825	12,338,299	13,918,124
Interest	105,628	2,236,862	2,342,490
Total local street and road revenue	$27,488,310	$22,838,852	$50,327,162
30% of total local street and road revenue			$15,098,149
Less maintenance expenditures incurred to date			(1,274,895)
Available maintenance funds			$13,823,254
Cumulative percentage expended for maintenance			2.53%

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, 2022.

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:

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$19,594,460
Less MOE base year requirement	(6,746,377)
Excess MOE for the year ended June 30, 2022	$12,848,083

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.

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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 ethe 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 $767,466. We selected $302,553 (39.42%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no RTCIP unallowable expenditures identified during FY22.

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 RCTIP payroll amounts did not exceed the 20% threshold during FY22.

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.

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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 18, 2022.

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.

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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, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CB44	N/A	Regional Arterial Management Systems	$ -	$ 11,700	$ -	$ (11,700)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	11,700	-	(11,700)	-	-	
		Congestion Relief:							
CB12	36364	College Rch A, Cannon Reach 4A	(1,394)	670,000	-	(483,437)	-	185,169	
CB17	60143	Carlsbad Blvd Bridge - Powerplant	48,392	-	-	-	-	48,392	(a)
CB17	60532	CB Blvd Railing East Side	9,728	-	-	-	-	9,728	(a)
		Total CB17 Projects	58,120	-	-	-	-	58,120	
CB20	60011	Pavement Management - Overlay	256,048	-	-	(36,092)	-	219,956	
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	281,341	42,000	-	(16,690)	-	306,651	
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	107,521	8,000	-	(1,896)	-	113,625	
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	6,556	-	-	(73)	-	6,483	
CB36	60311	Carlsbad Blvd Realignment	(133)	-	-	(541)	-	(674)	(b)
CB43	60491	ADA Improvements	3,372	500,000	-	(836,779)	-	(333,407)	(b)
CB46	60543	Terramar Area Coastal Improvements	-	-	-	(579)	-	(579)	(b)
CB49	60751	Kelly and Park Dr. Street Improvements	2,398	21,000	-	(73,388)	-	(49,990)	(b)
CB51	63261	Adaptive Traffic Signal Program	1	-	-	-	-	1	
CB52	40152	Village/Barrio Traffic Circles	7,904	150,000	-	(53,960)	-	103,944	
CB53	60681	Carlsbad Blvd. Pedestrian Roadway Lighting	45,607	-	-	-	-	45,607	(c)
CB59	60941	ECR Wid-SunnyCrk to Jackspar	(94,809)	145,000	-	(199,928)	-	(149,737)	(b)
		Interest Income	-	-	6,613	-	-	6,613	
		Total Congestion Relief	672,532	1,536,000	6,613	(1,703,363)	-	511,782	
		Maintenance:							
CB58	60622	Street Light Bulb Replacement Program	315,935	-	-	-	-	315,935	
		Interest Income	-	-	2,834	-	-	2,834	
		Total Maintenance	315,935	-	2,834	-	-	318,769	
		Total Local Street Improvements	988,467	1,547,700	9,447	(1,715,063)	-	830,551	

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Bikes and Pedestrian (BPNS):							
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	$ 17,677	$ 33,178	$ -	$ (78,348)	$ -	$ (27,493)	(b)
		Total Bikes and Pedestrian (BPNS):	17,677	33,178	-	(78,348)	-	(27,493)	
		Total *TransNet* Extension	1,006,144	1,580,878	9,447	(1,793,411)	-	803,058	
		GASB 31 Fair Market Value Adjustment	(9,804)	-	(47,836)	-	-	(57,640)	
		Total *TransNet* Extension after GASB 31 Adjustment	996,340	1,580,878	(38,389)	(1,793,411)	-	745,418	
		Total *TransNet* Extension after GASB 31 Adjustment and Non-*TransNet*	$ 996,340	$ 1,580,878	$ (38,389)	$ (1,793,411)	$ -	$ 745,418	

Notes:
(a) The City will transfer the remaining funds during the annual RTIP update in April 2023 by direction of SANDAG.
(b) Projects ending with negative cash balance at end of FY was a result of no remaining funds left to withdraw for FY22. The City will be drawing funds to clear negative balances in FY23.
(c) City will reprogram for funding within the project from construction to engineering in FY23.

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass Through:				
CB44	N/A	Regional Arterial Management Systems	$ 117,000	$ -	$ (117,000)	$ -
		Total Congestion Relief-Pass Through	117,000	-	(117,000)	-
		Congestion Relief:				
CB12	36364	College Rch A, Cannon Reach 4A	671,900	-	(486,731)	185,169
CB17	60143	Carlsbad Blvd Bridge-Powerplant	232,278	2,224	(186,110)	48,392
CB17	60532	CB Blvd Railing East Side	10,000	433	(705)	9,728
CB20	60011	Pavement Management - Overlay	10,421,709	18,059	(10,219,812)	219,956
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	442,000	1,790	(137,139)	306,651
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	837,000	3,032	(726,407)	113,625
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	235,000	3,906	(232,423)	6,483
CB36	60311	Carlsbad Blvd Realignment	3,000,135	14,529	(3,015,338)	(674)
CB43	60491	ADA Improvements	1,630,000	1,308	(1,964,715)	(333,407)
CB46	60543	Terramar Area Coastal Improvements	-	-	(579)	(579)
CB49	60751	Kelly and Park Dr. Street Improvements	696,000	991	(746,981)	(49,990)
CB51	63261	Adaptive Traffic Signal Program	2,642,000	42	(2,642,041)	1
CB52	40152	Village/Barrio Traffic Circles	622,000	50	(518,106)	103,944
CB53	60681	Carlsbad Blvd. Pedestrian Roadway Lighting	65,000	1,628	(21,021)	45,607
CB59	60941	ECR Wid-SunnyCrk to Jackspar	278,000	-	(427,737)	(149,737)
		Interest Income	-	6,613	-	6,613
		Total Congestion Relief	21,783,022	54,605	(21,325,845)	511,782
		Maintenance:				
CB58	60622	Street Light Bulb Replacement Program	1,295,000	10,988	(990,053)	315,935
		Interest Income	-	2,834	-	2,834
		Total Maintenance	1,295,000	13,822	(990,053)	318,769
		Total Local Street Improvements	23,195,022	68,427	(22,432,898)	830,551

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Bikes and Pedestrian (BPNS):				
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	$ 138,001	$ 114	$ (165,608)	$ (27,493)
		Total Bikes and Pedestrian (BPNS):	138,001	114	(165,608)	(27,493)
		Subtotal Cumulative *TransNet* Extension	23,333,023	68,541	(22,598,506)	803,058
		Completed Projects:				
		Congestion Relief	3,902,835	37,070	(3,939,905)	-
		Maintenance	284,825	17	(284,842)	-
		Bikes and Pedestrian	564,048	-	(564,048)	-
		Environmental Mitigation Grant	384,947	-	(384,947)	-
		Total Completed Projects	5,136,655	37,087	(5,173,742)	-
		Total Cumulative *TransNet* Extension	$ 28,469,678	$ 105,628	$ (27,772,248)	$ 803,058

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022	CB04A	$ 623,822	$ 6,962	$ (630,784)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2016	June 30, 2023	CB04A	470,174	-	(470,174)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024	CB04A	1,727,814	-	(1,727,814)	-	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025	CB04A	751,460	-	(751,460)	-	-	-	396,480
For Fiscal Year ended June 30, 2019	June 30, 2026	CB04A	715,030	-	(370,986)	-	-	344,044	715,030
For Fiscal Year ended June 30, 2020	June 30, 2027		773,020	-	-	-	-	773,020	773,020
For Fiscal Year ended June 30, 2021	June 30, 2028		373,424	-	-	-	-	373,424	373,424
For Fiscal Year ended June 30, 2022	June 30, 2029		57,981	-	-	-	-	57,981	-
Interest Income			-	92,794	-	-	-	92,794	62,951
Total RTCIP Funds			$ 5,492,725	$ 99,756	$ (3,951,218)	$ -	$ -	$ 1,641,263	$ 2,320,905

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CITY OF CHULA VISTA, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $2,854,846. We selected $1,144,978 (40.11%) 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: The City recorded total *TransNet* payroll expenditures in the amount of $1,294,377, which represented 45.34% 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

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

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. 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. Total staff time costs (which includes both direct and indirect costs) included within projects on the RTIP were $1,366,818. Total indirect cost was $72,441, or 5.30% of total *TransNet* expenditures. In order to verify that the City was allocating their indirect cost appropriately, we tested four 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 October 2020. The plan is not approved by the City Council. The City's indirect cost plan has not been reviewed by a federal or state agency or audited by an independent CPA firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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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, 2023.

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 FY22.

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 FY22.

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: Although there were transfers made during the year, majority of the transfers were made within the same MPO ID. There was an adjustment made between projects STL0404 and STL0454 as the Expenditures in FY20 and FY21 were erroneously charged to CHV53 - STL0404. These expenses were actually for CHV22 - STL0404, which shares an internal CIP number.

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

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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 2022 apportionment	$8,411,581
Less: debt service payment	-
Net estimated apportionment	8,411,581
30% base	30%
Fiscal year 2022 30% threshold	2,523,474
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	276,280
Maintenance fund balance	(620,424)
Total Local Streets and Roads and Local Street Improvement fund balance	(344,144)
Fund balance under apportionment	$2,867,618

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$276,280	$8,940,354	$9,216,634
Maintenance	(620,424)	7,586,755	6,966,331
Totals	$(344,144)	$16,527,109	$16,182,965

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 22.42% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$50,890,477	$7,832,511	$58,722,988
Maintenance	18,681,061	7,126,828	25,807,889
Interest	78,697	1,567,770	1,646,467
Total local street and road revenue	$69,650,235	$16,527,109	$86,177,344
30% of total local street and road revenue			$25,853,203
Less maintenance expenditures incurred to date			(19,324,458)
Available maintenance funds			$ 6,528,745
Cumulative percentage expended for maintenance			22.42%

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, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$4,597,643
Less MOE base year requirement	(4,387,018)
Excess MOE for the year ended June 30, 2022	$ 210,625

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.

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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 ethe 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 $659. We selected $84 (12.75%) for testing. No exceptions noted as a result of our procedures.

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

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

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

Results: The City recorded total RTCIP payroll expenditures in the amount of $241, which represented 36.57% of total expenditures. We selected one pay period and one employee for testing, which represented the entirety of staff who charged payroll time to RTCIP projects. No exceptions were noted as a result of our procedures.

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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 26, 2022.

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.

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

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

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

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

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

    Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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, 2022. 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.

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Irvine, California
XXXX, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CHV39	N/A	Regional Arterial Management Systems	$ -	$ 15,500	$ -	$ (15,500)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	15,500	-	(15,500)	-	-	
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
CHV39	TRF0350	Traffic Signal System Optimization	(45,871)	295,000	-	(238,093)	-	11,036	
CHV39	TRF0400	Signal Retiming of Yellow	174	16,400	-	(78,947)	-	(62,373)	(a)
CHV39	TRF0423	Traffic Signal Comm Improv W of 805	103	5,000	-	(180)	-	4,923	
CHV39	TRF0426	Adapt Signl Expansion Otay Lakes Rd	-	2,699	-	(1,334)	-	1,365	
		Total CHV39 Projects	(45,594)	319,099	-	(318,554)	-	(45,049)	
CHV44	TRF0356	Otay Mesa Transportation System	(1,575)	5,277	-	(2,195)	-	1,507	
CHV48	STM0393	Major Pavement Rehabilitation FY2017/18	257,726	-	-	-	-	257,726	
CHV48	STM0397	Major Pavement Rehabilitation FY2018/19	(524,669)	716,000	-	(177,128)	-	14,203	
CHV48	STM0408	Pavement Major Rehabilitation Program	-	251,000	-	(246,649)	-	4,351	
		Total CHV44 Projects	(266,943)	967,000	-	(423,777)	-	276,280	
CHV51	STL0382	Cross Gutter Rehabilitation	(210,670)	210,670	-	-	-	-	(b)
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	(13,252)	255,000	-	(264,442)	-	(22,694)	(a)
CHV58	STM0405	ADA Path Install at Otay Lakes Rd	-	1,556	-	(1,310)	-	246	
CHV58	TRF0414	3rd Ave @ Seavale Pedestrian Improv	173	679	-	(851)	-	1	
		Total CHV58 Projects	(13,079)	257,235	-	(266,603)	-	(22,447)	
		Subtotal Congestion Relief	(537,861)	1,759,281	-	(1,011,129)	-	210,291	

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CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Balance carried forward - Congestion Relief	$ (537,861)	$ 1,759,281	$ -	$ (1,011,129)	$ -	$ 210,291	
CHV60	STL0437	EB Right Turn Lane Instal/ East H St Study	62	388	-	(386)	-	64	
CHV60	TRF0398	Traffic Sig Instal at Main St and Jacqua St	67	5,500	-	(1,779)	-	3,788	
CHV60	TRF0407	Traffic Sig Mod at Five Intersections	1,954	-	-	-	-	1,954	
CHV60	TRF0412	Traffic Signal Upgrades at Two Locations	104	-	-	(30)	-	74	
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	11,596	23,800	-	(66,251)	-	(30,855)	(a)
CHV60	TRF0424	Ped Hybr Beacon Upgrade	131	58,800	-	(122,557)	-	(63,626)	(a)
		Total CHV60 Projects	13,914	88,488	-	(191,003)	-	(88,601)	
CHV70	STM0384	Bike Lanes onBrdwy FsbltyStudy	(211,897)	212,000	-	-	-	103	
CHV70	STM0392	Bike Lanes on Broadway	2,299	63,000	-	(70,977)	-	(5,678)	(a)
		Total CHV70 Projects	(209,598)	275,000	-	(70,977)	-	(5,575)	
CHV77	TRF0395	SANDAG MainSt Fiber OpticAddtl	18	3,757	-	(1,779)	-	1,996	
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	151	18,700	-	(9,126)	-	9,725	
CHV79	TRF0446	Left Turn Imp Bonita Rd@ Bonita Glen	(5,290)	29,500	-	(13,827)	-	10,383	
		Total CHV79 Projects	(5,139)	48,200	-	(22,953)	-	20,108	
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	(68,930)	304,000	-	(155,965)	-	79,105	
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	690	4,040	-	-	-	4,730	
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	(25,556)	54,000	-	(24,977)	-	3,467	
		Interest Income	47,110	-	3,649	-	-	50,759	
		Total Congestion Relief	(785,352)	2,536,766	3,649	(1,478,783)	-	276,280	

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CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Maintenance:							
CHV06	CTY0219	Pavement Management System	(38,240)	225,700	-	(230,352)	-	(42,892)	(a)
CHV06	STL0445	Pavement Minor Rehab	79	-	-	-	-	79	
CHV06	STL0455	Pavement Maintenance Program FY2021/22	-	9,300	-	(9,233)	-	67	
		Total CHV06 Projects	(38,161)	235,000	-	(239,585)	-	(42,746)	
CHV22	CTY0202	CIP Advanced Planning	(36,117)	65,700	-	(79,933)	-	(50,350)	(a)
CHV22	CTY0208	CIP Management & Equipment Purchase	2,325	-	-	(860)	-	1,465	
CHV22	CTY0232	ADA Pedestrian Connectivity Program	98	6,100	-	(4,503)	-	1,695	
CHV22	STL0404	Bikeway Master Plan2016 Update	-	-	-	-	(54,128)	(54,128)	(a)(c)
CHV22	STM0406	Bay Boulevard at L Street Sidewalk Improvements Study	-	38,200	-	(37,661)	-	539	
		Total CHV22 Projects	(33,694)	110,000	-	(122,957)	(54,128)	(100,779)	
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	206	95,700	-	(95,531)	-	375	
CHV33	STM0380	Sidewalk Replacement E H Street Study	275	-	-	-	-	275	
CHV33	TRF0345	School Zone Traffic Calming	444	13,000	-	(12,901)	-	543	
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	(35,093)	131,300	-	(170,671)	-	(74,464)	(a)
CHV33	TRF0417	Enhanced Crosswalks School Zones	10,555	-	-	(5,104)	-	5,451	
		Total CHV33 Projects	(23,613)	240,000	-	(284,207)	-	(67,820)	
CHV34	SW0292	Indtrl Blvd &Main St Swr Imprv	109	-	-	(55)	-	54	
CHV34	TRF0327	Neighborhood Safety Program	(26,673)	56,800	-	(29,997)	46	176	
CHV34	TRF0394	Ped Crsswlk Enhanc @UncntrldIn	46	-	-	-	(46)	-	(b)
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	64	3,800	-	(2,944)	-	920	
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Program	121	3,000	-	(3,091)	-	30	
CHV34	TRF0416	Intersection Safety Improvements	53	26,800	-	(26,675)	-	178	
CHV34	TRF0422	Radar Speed Feedback Signs	-	1,400	-	(916)	-	484	
CHV34	TRF0429	Pedestr and Guardrail Imprv Various	-	9,000	-	(22,614)	-	(13,614)	(a)
		Total CHV34 Projects	(26,280)	100,800	-	(86,292)	-	(11,772)	
		Subtotal Maintenance	(121,748)	685,800	-	(733,041)	(54,128)	(223,117)	

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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, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Balance carried forward - Maintenance	$ (121,748)	$ 685,800	$ -	$ (733,041)	$ (54,128)	$ (223,117)	
CHV35	TRF0332	Signing and Stripping Program	(6,194)	15,000	-	(12,654)	-	(3,848)	(a)
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	275	1,400	-	(1,587)	-	88	
CHV35	TRF0402	Traffic Signal Mod Broadway/F and Broadway/G	(129,847)	133,000	-	(23)	-	3,130	
CHV35	TRF0421	Engineering & Traffic Survey Updates Program	-	841	-	(782)	-	59	
		Total CHV35 Projects	(135,766)	150,241	-	(15,046)	-	(571)	
CHV45	STM0369	Bikeway Facilities Gap Project	-	5,700	-	(25,656)	-	(19,956)	(a)
CHV45	TRF0321	Citywide Traffic Count Program	22,591	-	-	(9,146)	-	13,445	
CHV45	TRF0354	Traffic Congestion Relief Program	-	6,000	-	(5,572)	-	428	
		Total CHV45 Projects	22,591	11,700	-	(40,374)	-	(6,083)	
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	(426,737)	385,300	-	(110)	55,733	14,186	
CHV50	DR0207	Drainage Infra Assesmnt in ROW	55,828	-	-	(95)	(55,733)	-	(b)
CHV50	DR0217	CMP Repair ROW FY20/21	324	25,000	-	(25,266)	-	58	
CHV50	STM0385	Bridge Maintenance	339	57,500	-	(56,996)	-	843	
		Total CHV50 Projects	(370,246)	467,800	-	(82,467)	-	15,087	
CHV53	STL0404	Bikeway Master Plan2016 Update	(54,128)	-	-	-	54,128	-	(c)
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	861	26,200	-	(280,630)	-	(253,569)	(a)
CHV75	STL0447	ADA Pedestgrian Curb Ramps Prog	(7,197)	24,600	-	(153,482)	-	(136,079)	(a)
CHV75	STL0454	ADA Pedestrian Curb Ramps Program FY2021/22	-	10,160	-	(17,994)	-	(7,834)	(a)
		Total CHV75 Projects	(6,336)	60,960	-	(452,106)	-	(397,482)	
CHV83	STL0404	Bikeway Master Plan2016 Update	(27,346)	-	-	-	-	(27,346)	(a)
CHV83	STM0394	Local Street Utility Undergrounding District	23	17,000	-	(27,192)	-	(10,169)	(a)
CHV83	STM0407	F Street Undergrounding Phase 2 - Street Light Desig	-	17,801	-	(9,252)	-	8,549	
		Total CHV83 Projects	(27,323)	34,801	-	(36,444)	-	(28,966)	
		Subtotal Maintenance	(692,956)	1,411,302	-	(1,359,478)	-	(641,132)	

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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, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Balance carried forward - Maintenance	$ (692,956)	$ 1,411,302	$ -	$ (1,359,478)	$ -	$ (641,132)	
CHV90	TRF0427	North Second Avenue Shoulder Improv	-	-	-	(1,046)	-	(1,046)	(a)
		Interest Income	20,190	-	1,564	-	-	21,754	
		Total Maintenance	(672,766)	1,411,302	1,564	(1,360,524)	-	(620,424)	
		Total Local Street Improvements	(1,458,118)	3,963,568	5,213	(2,854,807)	-	(344,144)	
		Major Corridor Environmental Mitigation:							
CHV08	CTY0227	Cstl Ccts WrenHabitat Restrn	39	-	-	(39)	-	-	(b)
CHV08	CTY0230	Rice Canyon Sensitive Plant Species (227355-7901)	(15,629)	15,629	-	-	-	-	(b)
		Total CHV08 Projects	(15,590)	15,629	-	(39)	-	-	
		Total Major Corridor Environmental Mitigation	(15,590)	15,629	-	(39)	-	-	
		Smart Growth:							
CHV86	STL0406	3rd Ave Streetscp Imprv Phs 3	(284,750)	284,750	-	-	-	-	(d)
		Total Smart Growth	(284,750)	284,750	-	-	-	-	
		Total *TransNet* Extension	(1,758,458)	4,263,947	5,213	(2,854,846)	-	(344,144)	
		GASB 31 Market Value Adjustment	(3,061)	-	-	-	-	(3,061)	
		Total *TransNet* Extension after GASB 31 Adjustmen	$ (1,761,519)	$ 4,263,947	$ 5,213	$ (2,854,846)	$ -	$ (347,205)	

Notes:
(a) To be covered by drawdown in FY23.
(b) Project closed/completed.
(c) Adjustment to move balance to CHV22; Previously reported in CHV53 in error; Corrected CIP # from STM0404 to STL0404.
(d) Grant complete; Remainder of project to be funded thru CHV80.

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass Through:				
CHV39	N/A	Regional Arterial Management Systems	$ 155,000	$ -	$ (155,000)	$ -
		Total Congestion Relief-Pass Through	155,000	-	(155,000)	-
		Congestion Relief:				
CHV39	TRF0350	Traffic Signal System Optimization	1,910,413	833	(1,900,210)	11,036
CHV39	TRF0400	Signal Retiming of Yellow	24,976	-	(87,349)	(62,373)
CHV39	TRF0423	Traffic Signal Comm Improv W of 805	5,295	-	(372)	4,923
CHV39	TRF0426	Adapt Signl Expansion Otay Lakes Rd	2,699	-	(1,334)	1,365
		Total CHV39 Projects	1,943,383	833	(1,989,265)	(45,049)
CHV44	TRF0356	Otay Mesa Transportation System	31,455	-	(29,948)	1,507
CHV48	STM0393	Major Pavement Rehabilitation FY2017/18	3,137,082	-	(2,879,356)	257,726
CHV48	STM0397	Major Pavement Rehabilitation FY2018/19	2,875,414	-	(2,861,211)	14,203
CHV48	STM0408	Pavement Major Rehabilitation Program	251,000	-	(246,649)	4,351
		Total CHV 48 Projects	6,263,496	-	(5,987,216)	276,280
CHV51	STL0382	Cross Gutter Rehabilitation	386,272	-	(386,272)	-
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	570,119	-	(592,813)	(22,694)
CHV58	STM0405	ADA Path Install at Otay Lakes Rd	1,556	-	(1,310)	246
CHV58	TRF0414	3rd Ave @ Seavale Pedestrian Improv	5,864	-	(5,863)	1
		Total CHV58 Projects	577,539	-	(599,986)	(22,447)
		Subtotal Congestion Relief	9,202,145	833	(8,992,687)	210,291

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 9,202,145	$ 833	$ (8,992,687)	$ 210,291
CHV60	STL0437	EB Right Turn Lane Instal/ East H St Study	1,988	-	(1,924)	64
CHV60	TRF0398	Traffic Sig Instal at Main St and Jacqua St	11,861	-	(8,073)	3,788
CHV60	TRF0407	Traffic Sig Mod at Five Intersections	181,954	-	(180,000)	1,954
CHV60	TRF0412	Traffic Signal Upgrades at Two Locations	192,380	-	(192,306)	74
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	43,100	-	(73,955)	(30,855)
CHV60	TRF0424	Ped Hybr Beacon Upgrade	128,945	-	(192,571)	(63,626)
		Total CHV60 Projects	560,228	-	(648,829)	(88,601)
CHV70	STM0384	Bike Lanes onBrdwy FsbltyStudy	1,995,495	-	(1,995,392)	103
CHV70	STM0392	Bike Lanes on Broadway	960,423	-	(966,101)	(5,678)
		Total CHV70 Projects	2,955,918	-	(2,961,493)	(5,575)
CHV77	TRF0395	SANDAG Main St Fiber OpticAddtl	41,530	-	(39,534)	1,996
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	69,292	-	(59,567)	9,725
CHV79	TRF0446	Left Turn Imp Bonita Rd@ bonita Glen	43,830	-	(33,447)	10,383
		Total CHV79 Projects	113,122	-	(93,014)	20,108
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	2,644,038	-	(2,564,933)	79,105
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	603,381	-	(598,651)	4,730
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	926,850	-	(923,383)	3,467
		Interest Income	-	50,759	-	50,759
		Total Congestion Relief	17,047,212	51,592	(16,822,524)	276,280

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance:				
CHV06	CTY0219	Pavement Management System	1,271,688	-	(1,314,580)	(42,892)
CHV06	STL0445	Pavement Minor Rehab	32,432	-	(32,353)	79
CHV06	STL0455	Pavement Maintenance Program FY2021/22	9,300	-	(9,233)	67
		Total CHV06 Projects	1,313,420	-	(1,356,166)	(42,746)
CHV22	CTY0202	CIP Advanced Planning	789,476	-	(839,826)	(50,350)
CHV22	CTY0208	CIP Management & Equipment Purchase	45,873	-	(44,408)	1,465
CHV22	CTY0232	ADA Pedestrian Connectivity Program	17,950	-	(16,255)	1,695
CHV22	STL0404	Bikeway Master Plan2016 Update	-	-	(54,128)	(54,128)
CHV22	STM0406	Bay Boulevard at L Street Sidewalk Improvements Study	38,200	-	(37,661)	539
		Total CHV 22 Projects	891,499	-	(992,278)	(100,779)
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	225,368	-	(224,993)	375
CHV33	STM0380	Sidewalk Replacement E H Street Study	148,612	-	(148,337)	275
CHV33	TRF0345	School Zone Traffic Calming	540,107	-	(539,564)	543
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	287,996	-	(362,460)	(74,464)
CHV33	TRF0417	Enhanced Crosswalks School Zones	27,000	-	(21,549)	5,451
		Total CHV 33 Projects	1,229,083	-	(1,296,903)	(67,820)
CHV34	SWR0292	Indtrl Blvd &Main St Swr Imprv	139,401	-	(139,347)	54
CHV34	TRF0327	Neighborhood Safety Program	1,855,008	-	(1,854,832)	176
CHV34	TRF0394	Ped Crsswlk Enhanc @UncntrldIn	81,954	-	(81,954)	-
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	12,069	-	(11,149)	920
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Program	14,806	-	(14,776)	30
CHV34	TRF0416	Intersection Safety Improvements	125,500	-	(125,322)	178
CHV34	TRF0422	Radar Speed Feedback Signs	1,400	-	(916)	484
CHV34	TRF0429	Pedestr and Guardrail Imprv Various	9,000	-	(22,614)	(13,614)
		Total CHV 34 Projects	2,239,138	-	(2,250,910)	(11,772)
		Subtotal Maintenance	5,673,140	-	(5,896,257)	(223,117)

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance balance carried forward	$ 5,673,140	$ -	$ (5,896,257)	$ (223,117)
CHV35	TRF0332	Signing and Stripping Program	508,163	-	(512,011)	(3,848)
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	1,947,248	-	(1,947,160)	88
CHV35	TRF0402	Traffic Signal Mod Broadway/F and Broadway/G	133,000	-	(129,870)	3,130
CHV35	TRF0421	Engineering & Traffic Survey Updates Program	841	-	(782)	59
		Total CHV 35 Projects	2,589,252	-	(2,589,823)	(571)
CHV45	STM0369	Bikeway Facilities Gap Project	429,003	-	(448,959)	(19,956)
CHV45	TRF0321	Citywide Traffic Count Program	521,191	-	(507,746)	13,445
CHV45	TRF0354	Traffic Congestion Relief Program	6,000	-	(5,572)	428
		Total CHV 45 Projects	956,194	-	(962,277)	(6,083)
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	2,114,350	-	(2,100,164)	14,186
CHV50	DR0207	Drainage Infra Assesmnt in ROW	136,194	-	(136,194)	-
CHV50	DR0217	CMP Repair ROW FY20/21	79,550	-	(79,492)	58
CHV50	STM0385	Bridge Maintenance	118,485	-	(117,642)	843
		Total CHV 50 Projects	2,448,579	-	(2,433,492)	15,087
CHV53	STL0404	Bikeway Master Plan2016 Update	120,752	-	(120,752)	-
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	96,550	-	(350,119)	(253,569)
CHV75	STL0447	ADA Pedestrian Curb Ramps Program	50,140	-	(186,219)	(136,079)
CHV75	STL0454	ADA Pedestrian Curb Ramps Program FY2021/22	10,160	-	(17,994)	(7,834)
						-
		Total CHV 75 Projects	156,850	-	(554,332)	(397,482)
CHV83	STL0404	Bikeway Master Plan 2016 Update	-	-	(27,346)	(27,346)
CHV83	STM0394	Local Street Utility Undergrounding District	56,340	-	(66,509)	(10,169)
CHV83	STM0407	F Street Undergrounding Phase 2 - Street Light Design	17,801	-	(9,252)	8,549
		Total CHV 83 Projects	74,141	-	(103,107)	(28,966)
		Subtotal Maintenance	12,018,908	-	(12,660,040)	(641,132)

(Continued)

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance balance carried forward	$ 12,018,908	$ -	$ (12,660,040)	$ (641,132)
CHV90	TRF0427	North Second Avenue Shoulder Improv	-	-	(1,046)	(1,046)
		Interest Income	-	21,754	-	21,754
		Total Maintenance	12,018,908	21,754	(12,661,086)	(620,424)
		Total Local Street Improvements	29,221,120	73,346	(29,638,610)	(344,144)
		Major Corridor Environmental Mitigation:				
CHV08	CTY0227	Cstl Ccts WrenHabitat Restrn	189,820	-	(189,820)	-
CHV08	CTY0230	Rice Canyon Sensitive Plant Species	30,170	-	(30,170)	-
						-
		Total Major Corridor Environmental Mitigation	219,990	-	(219,990)	-
		Smart Growth:				
CHV86	STL0406	3rd Ave Streetscp Imprv Phs 3	2,148,132	-	(2,148,132)	-
		Total Smart Growth	2,148,132	-	(2,148,132)	-
		Subtotal Cumulative *TransNet* Extension	31,589,242	73,346	(32,006,732)	(344,144)
		Completed Projects:				
		LSI - Congestion Relief	33,688,265	4,132	(33,692,397)	-
		LSI - Maintenance	6,662,153	1,219	(6,663,372)	-
		Major Corridor Environmental Mitigation	852,688	-	(852,688)	-
		Smart Growth	4,104,566	-	(4,104,566)	-
		Bike and Pedestrian	828,582	-	(828,582)	-
		Total Completed Projects	46,136,254	5,351	(46,141,605)	-
		Total Cumulative *TransNet* Extension	$ 77,725,496	$ 78,697	$ (78,148,337)	$ (344,144)

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022		$ 90,931	$ 502	$ (91,433)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023		90,345	-	(75,914)	-	-	14,431	15,090	
For Fiscal Year ended June 30, 2017	June 30, 2024		5,708	-	-	-	-	5,708	5,708	
For Fiscal Year ended June 30, 2018	June 30, 2025		389,773	-	-	-	-	389,773	389,773	
For Fiscal Year ended June 30, 2019	June 30, 2026		120,066	-	-	(4,387)	-	115,679	120,066	(a)
For Fiscal Year ended June 30, 2020	June 30, 2027		68,068	-	-	-	-	68,068	68,068	
For Fiscal Year ended June 30, 2021	June 30, 2028		564,393	-	-	(8,152)	-	556,241	560,006	(b)
For Fiscal Year ended June 30, 2022	June 30, 2029		1,033,556	-	-	-	-	1,033,556	-	
Interest Income			-	84,055	-	-	-	84,055	55,506	
Subtotal RTCIP Funds			2,362,840	84,557	(167,347)	(12,539)	-	2,267,511	1,214,217	
GASB 31 Market Value Adjustment			-	(65,186)	-	-	-	(65,186)	(7,215)	
Total RTCIP Funds			$ 2,362,840	$ 19,371	$ (167,347)	$ (12,539)	$ -	$ 2,202,325	$ 1,207,002	

Notes:
(a) Adjustment is for a refund from FY19 applied in FY21. This adjustment was erroneously included as a FY21 adjustment in the FY21 Report, and has since been moved to FY19.
(b) Adjustment is for refunds from FY21 applied in FY22.

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CITY OF CORONADO, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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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, 2022. 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, 2022. 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.

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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.

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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 $847,640. We selected $468,599 (55.28%) 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 FY22.

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated during FY22.

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.

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, 2023.

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.

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

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

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

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 FY22.

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.

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

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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 2022 apportionment	$772,459
Less: debt service payment	-
Net estimated apportionment	772,459
30% base	30%
Fiscal year 2022 30% threshold	231,738
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(361,259)
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	(361,259)
Fund balance under apportionment	$ 592,997

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(361,259)	$ 145,459	$(215,800)
Maintenance	-	2,456,392	2,456,392
Totals	$(361,259)	$2,601,851	$2,240,592

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 3.15% of cumulative local street and road revenue for maintenance as indicated below:

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	City	SANDAG	Total
Congestion relief	$6,075,318	$ (16,785)	$6,058,533
Maintenance	282,949	2,396,349	2,679,298
Interest	21,958	222,287	244,245
Total local street and road revenue	$6,380,225	$2,601,851	$8,982,076
30% of total local street and road revenue			$2,694,623
Less maintenance expenditures incurred to date			(283,272)
Available maintenance funds			$2,411,351
Cumulative percentage expended for maintenance			3.15%

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 are no commercial paper and bonds outstanding as of June 30, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$1,319,714
Less MOE base year requirement	(984,388)
Excess MOE for the year ended June 30, 2022	$ 335,326

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 $2,635.50. For 2 permits issued, the exaction fee collected was based upon the prior year exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $155. 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

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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, 2022.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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, 2022.

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.

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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 23, 2022.

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 improper timekeeping records to support staff time worked on projects included within the RTIP. As the City did not incur any payroll expenditures for projects included within the RTIP for the fiscal year ended June 30, 2022, we were unable to test whether this finding has been resolved.

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.

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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, 2022. 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
XXXX, 2023

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CITY OF CORONADO, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) Need to Use Approved Exaction Fee

The City did not consistently collect the required exaction fee amount of $2,635.50. For 2 permits issued, the exaction fee collected was based upon the prior year exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $155 as follows:

Permit Number	Audited Amount	Amount Required	Variance
NC2112-001	$2,584	$2,636	$52
NC1909-003	5,168	5,271	103
Totals	$7,752	$7,907	$155

SANDAG Board recommendations as of February 10, 2021 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 $2,583.82 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 $155 for FY22. 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

Management agrees with the finding, and we are evaluating additional controls to prevent errors in collections in the future. During the review of collections for Fiscal Year 2022 it was brought to our attention that the fees in the system were not updated

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from Fiscal Year 2021. Staff confirmed that the fees have now been updated to collect the correct exaction fee.

City Departments are working together to improve controls and have reinforced with staff the need to review the correctness of fees before finalizing permits. Additionally, the City will work with staff and evaluate the process of fee collection to establish steps to correct fee assessment.

During the fiscal year 2023 the City will make every effort to collect and record the under-collected amounts of the exaction fees.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Congestion Relief:							
COR 07	9740-20002	Street, Curb & Gutter-FY19/FY20	$ 6,844	$ 100,000	$ -	$ -	$ -	$ 106,844	
COR 25	9712-18003	Ocean Blvd. Street Improvement	-	379,042	-	(847,640)	-	(468,598)	(a)
		Interest Income	-	-	495	-	-	495	
		Total Congestion Relief	6,844	479,042	495	(847,640)	-	(361,259)	
		Total *TransNet* Extension	6,844	479,042	495	(847,640)	-	(361,259)	
		GASB 31 Market Value Adjustment	(390)	-	(2,882)	-	-	(3,272)	
		Total *TransNet* Extension after GASB 31 adjustment	$ 6,454	$ 479,042	$ (2,387)	$ (847,640)	$ -	$ (364,531)	

Notes:
(a) The City will request a drawdown to remove the deficit in FY23.

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SCHEDULE B

CITY OF CORONADO, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
COR 07	9740-20002	Street, Curb & Gutter-FY19 and FY20	$ 187,579	$ -	$ (80,735)	$ 106,844
COR 25	9712-18003	Ocean Blvd. Street Improvement	459,042	3,866	(931,506)	(468,598)
		Interest Income	-	495	-	495
		Total Congestion Relief	646,621	4,361	(1,012,241)	(361,259)
		Total Local Street Improvements	646,621	4,361	(1,012,241)	(361,259)
		Subtotal Cumulative *TransNet* Extension	646,621	4,361	(1,012,241)	(361,259)
		Completed Projects:				
		LSI - Congestion Relief	5,428,697	17,274	(5,445,971)	-
		LSI - Maintenance	282,949	323	(283,272)	-
		Senior Mini Grant	89,083	-	(89,083)	-
		Total Completed Projects	5,800,729	17,597	(5,818,326)	-
		Total Cumulative *TransNet* Extension	$ 6,447,350	$ 21,958	$ (6,830,567)	$ (361,259)

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CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	COR24	$ 24,273	$ 1,267	$ (25,540)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	COR24	18,536	876	(19,412)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	COR24	21,213	1,327	(3,671)	-	-	18,869	18,752	
For Fiscal Year ended June 30, 2018	June 30, 2025		14,425	862	-	-	-	15,287	15,192	
For Fiscal Year ended June 30, 2019	June 30, 2026		26,446	1,438	-	-	-	27,884	27,711	
For Fiscal Year ended June 30, 2020	June 30, 2027		16,072	555	-	-	-	16,627	16,395	
For Fiscal Year ended June 30, 2021	June 30, 2028		-	-	-	-	-	-	-	
For Fiscal Year ended June 30, 2022	June 30, 2029		12,919	81	-	-	-	13,000	-	
Total RTCIP Funds			133,884	6,406	(48,623)	-	-	91,667	78,050	
GASB 31 Market Value Adjustment			-	(123)	-	-	-	(123)	584	
Total RTCIP Funds			$ 133,884	$ 6,283	$ (48,623)	$ -	$ -	$ 91,544	$ 78,634	

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CITY OF DEL MAR, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $18,000, excluding debt. We selected $18,000 (100%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as 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.

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.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 2022 apportionment	$ 259,298
Less: debt service payment	(134,680)
Net estimated apportionment	124,618
30% base	30%
Fiscal year 2022 30% threshold	37,385
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(3,167)
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	(3,167)
Fund balance under apportionment	$ 34,218

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$3,167	$(195,552)	$(192,385)
Maintenance	-	485,304	485,304
Totals	$3,167	$ 289,752	$ 292,919

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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 5.61% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$6,482,207	$ (216,141)	$6,266,066
Maintenance	402,626	477,518	880,144
Interest	8,260	28,375	36,635
Total local street and road revenue	$6,893,093	$ 289,752	$7,182,845
30% of total local street and road revenue			$ 2,154,854
Less maintenance expenditures incurred to date			(403,270)
Available maintenance funds			$ 1,751,584
Cumulative percentage expended for maintenance			5.61%

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

    Results: The results are summarized below.

	Balance July 1, 2021	Bond Refunding	Principal Payments	Balance June 30, 2022	Interest and Other Adjustments
2014 Series A Bonds	$188,775	$ -	$65,000	$140,000	$ 10,240
2019 Series A Bonds	855,000	-	-	855,000	27,245
2021 Series A Bonds	1,610,000	-	-	1,610,000	32,184

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.

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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, 2022. The City had an outstanding unmet MOE requirement for the prior year in the amount of $257,096 for the 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, 2022, is summarized as follows:

	Street & Roads	Specialized Transportation	Total
Current year local discretionary expenditures	$787,242	$60,000	$847,242
Less MOE base year requirement	(602,608)	(27,766)	(630,374)
Excess (shortfall) MOE for the year ended June 30, 2022	$184,634	$32,234	$216,868

Calculation of remaining MOE deficit for Street & Roads is as follows:

Fiscal Year Ended June 30	Additional MOE	MOE Deficit Balance
2021	$ -	$(257,096)
2022	184,634	(72,462)

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.

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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 $5,000. We selected $5,000 (100%) for testing. No exceptions were noted as a result of our procedures.

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

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

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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.

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.

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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 24, 2022.

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 that the City of Del Mar did not meet its MOE requirement for Senior Transportation and was in a shortfall in the amount of $257,096. Our testing of the MOE requirement for the year ended June 30, 2022 identified a reduction of shortfall to $72,462. As such, the finding has yet to be resolved.

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, 2022. However, the MOE requirement for Senior Transportation continues to result in a shortfall current year. See the Findings and Recommendations section of the 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, 2022. 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.

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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
_____, 2023

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CITY OF DEL MAR, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) Need to Meet Maintenance of Effort (MOE) Requirement

The City did not meet its MOE requirement for Streets and Roads as follows:

Current year local discretionary expenditures	$ 787,242
Less: MOE Requirement for FY 2021	(602,608)
Shortfall of MOE expenditures	184,634
Less: FY2021 Shortfall	(257,096)
Remaining Shortfall	$ (72,462)

TransNet Extension Ordinance Section 8 states, in part:

> "Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to operative date as of this Ordinance…"

Recommendation

We recommend that the City budget and incur adequate discretionary expenditures in order to meet its MOE requirement.

Management Response

Due to the Fiscal Year 2020-21 projected revenue loss of $3.1 million caused by the Coronavirus pandemic, in June 2020, the City Council had to approve extreme cuts in order to offset the anticipated revenue loss. Among other expenditure cuts, Capital Projects, including street related projects had to be deferred and only essential projects that were legally required and/or critical to public health and safety were included in the updated Fiscal Year 2020-21 budget. Unfortunately, these required cuts led to the City not meeting the MOE requirement for Fiscal Year 2020-21. Although revenues are gradually recovering to pre-pandemic levels, the City will never recover the revenue that was lost since March 2020.

In accordance with Section 8 of the *TransNet* Extension Ordinance, the City of Del Mar has requested that the commission review and approve a request to allow the City to make up the shortfall by June 30, 2024. This request was formally made on March 1, 2022. The request was approved on the following dates:

Independent Taxpayer Oversight Committee March 9, 2022
SANDAG Transportation Committee April 15, 2022
SANDAG Board of Directors April 22, 2022

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		TransNet Extension:							
		Local Street Improvements:							
		Congestion Relief:							
DM06	44.7000.7009	Sidewalk, Street and Drainage Project	$ 3,090	$ 18,000	$ 77	$ (18,000)	$ -	$ 3,167	
		2014 Series A Bond	-	75,240	-	(75,240)	-	-	
		2019 Series A Bond	-	27,245	-	(27,245)	-	-	
		2021 Series A Bond	-	32,184	-	(32,184)	-	-	
		Total Congestion Relief	3,090	152,669	77	(152,669)	-	3,167	
		Maintenance:							
DM01	44.7000.XXXX	Resurfacing and Drainage Project	-	-	-	-	-	-	
		Total Maintenance	-	-	-	-	-	-	
		Total Local Street Improvements	3,090	152,669	77	(152,669)	-	3,167	
		Total *TransNet* Extension	3,090	152,669	77	(152,669)	-	3,167	
		GASB 31 Market Value Adjustment	-	-	(411)	-	-	(411)	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 3,090	$ 152,669	$ (334)	$ (152,669)	$ -	$ 2,756	

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CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
DM02	44.6121.5900	Local Match to Bridge Retrofit Projects	$ 207,386	$ 459	$ (207,845)	$ -
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	4,253,985	5,746	(4,256,564)	3,167
		2014 Series A Bonds	1,221,704	-	(1,221,704)	-
		2019 Series A Bonds	53,404	-	(53,404)	-
		2021 Series A Bonds	40,423	-	(40,423)	-
		Total Congestion Relief	5,776,902	6,205	(5,779,940)	3,167
		Maintenance:				
DM01	44.6101.5900	Resurfacing and Drainage Project	402,626	644	(403,270)	-
		Total Maintenance	402,626	644	(403,270)	-
		Total Local Street Improvements	6,179,528	6,849	(6,183,210)	3,167
		Total Cumulative *TransNet* Extension	6,179,528	6,849	(6,183,210)	3,167
		Completed Projects:				
		LSI - Commercial Paper Debt Service	1,082	-	(1,082)	-
		LSI - Congestion Relief	704,223	1,411	(705,634)	-
		Bikes and Pedestrian	812,000	-	(812,000)	-
		Total Completed Projects	1,517,305	1,411	(1,518,716)	-
		Total Cumulative *TransNet* Extension	$ 7,696,833	$ 8,260	$ (7,701,926)	$ 3,167

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CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2014	June 30, 2021	DM01	$ 2,209	$ 49	$ (2,258)	$ -	$ -	$ -	$ 17
For Fiscal Year ended June 30, 2015	June 30, 2022		-	-	-	-	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023		-	-	-	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024		-	-	-	-	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025	DM06	2,404	25	(2,429)	-	-	-	2,429
For Fiscal Year ended June 30, 2019	June 30, 2026	DM06	2,483	68	(2,551)	-	-	-	2,551
For Fiscal Year ended June 30, 2020	June 30, 2027	DM06	2,533	125	(3)	-	-	2,655	2,658
For Fiscal Year ended June 30, 2021	June 30, 2028		2,584	131	-	-	-	2,715	2,715
For Fiscal Year ended June 30, 2022	June 30, 2029		2,636	58	-	-	-	2,694	-
Subtotal RTCIP Funds			14,849	456	(7,241)	-	-	8,064	10,370
GASB 31 Market Value Adjustment			-	(215)	-	-	-	(215)	-
Total RTCIP Funds			$ 14,849	$ 241	$ (7,241)	$ -	$ -	$ 7,849	$ 10,370

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CITY OF EL CAJON, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $2,095,955. We selected $863,448 (41.20%) 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. 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 on October 19, 2020. The dollar amount of the indirect costs charged to the *TransNet* program was $42,740 resulting in 2.04% of indirect costs compared to total *TransNet* expenditures. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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.

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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, 2023.

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: Project PW3690 has been inactive for the last two years as the City received funding in FY21, but has elected not to use the funding as originally assigned; the remaining balance will be reprogrammed once the City has identified an appropriate project to reassign funding.

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

Results: SANDAG approved of the inactive project on February 2, 2023. No exceptions were noted as a result of our procedures.

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

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

m. We 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 FY22.

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

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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 2022 apportionment	$3,298,876
Less: debt service payment	-
Net estimated apportionment	3,298,876
30% base	30%
Fiscal year 2022 30% threshold	989,663
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(80,686)
Maintenance fund balance	(548,473)
Total Local Streets and Roads and Local Street Improvement fund balance	(629,159)
Fund balance under apportionment	$1,618,822

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

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Congestion Relief and Maintenance from the SANDAG FY 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ (80,686)	$ 3,398,481	$ 3,317,795
Maintenance	(548,473)	4,209,307	3,660,834
Totals	$(629,159)	$ 7,607,788	$ 6,978,629

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 19.50% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$20,982,128	$ 3,000,809	$23,982,937
Maintenance	6,240,761	4,050,811	10,291,572
Interest	9,785	556,168	565,953
Total local street and road revenue	$27,232,674	$ 7,607,788	$34,840,462
30% of total local street and road revenue			$ 10,452,139
Less maintenance expenditures incurred to date			(6,792,170)
Available maintenance funds			$ 3,659,969
Cumulative percentage expended for maintenance			19.50%

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, 2022.

12. We reviewed the MOE requirement.

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

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$2,310,687
Less MOE base year requirement	(1,849,773)
Excess MOE for the year ended June 30, 2022	$ 460,914

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.

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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, 2022.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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, 2022.

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

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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 17, 2022.

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

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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: Per inquiry and documentation with the City we have determined that the PY finding has been resolved and all RTCIP exaction fees have been collected.

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, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
EL06	N/A	Regional Arterial Management Systems	$ -	$ 9,700	$ -	$ (9,700)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	9,700	-	(9,700)	-	-	
		Congestion Relief:							
EL03	PW50020	Overlay 2020	169,099	594,000	-	(962,080)	-	(198,981)	(a)
EL06	PW3687	Traffic Signal System Upgrades 2020	4,046	-	-	-	-	4,046	(b)
EL06	PW3688	Jamacha Road Safety Improvements	21,355	16,699	-	(24,265)	-	13,789	
EL06	PW3689	Madison Avenue Safety Improvements	(2,171)	-	-	(354)	-	(2,525)	(a)
EL06	PW3690	El Cajon Transit Center Improvements	28,514	-	-	-	-	28,514	(c)
EL06	PW3691	Main/Green Street Gateway Improvements	6,000	-	-	-	-	6,000	
EL06	PW3720	Traffic Signal System Upgrades 2021	8,103	-	-	-	-	8,103	(d)
EL06	PW3744	Traffic Signal System Upgrades 2022	-	215,250	-	(199,645)	-	15,605	
EL06	PW50020	Overlay 2020	-	51	-	(13)	-	38	
		Total EL06 Projects	65,847	232,000	-	(224,277)	-	73,570	
EL18	PW3658	Street Light LED Retrofit Program 2019	(17,462)	-	-	-	-	(17,462)	(a)
EL18	PW3685	Repair and Replacement of Street Light System	912	-	-	-	-	912	(b)
EL18	PW3688	Jamacha Road Safety Improvements	(18,645)	8,100	-	(24,265)	-	(34,810)	(a)
EL18	PW3689	Madison Avenue Safety Improvements	1,894	18,600	-	(59,761)	-	(39,267)	(a)
EL18	PW3718	Street Light LED Retrofit Program 2021	(88,607)	57,000	-	(7,143)	-	(38,750)	(d)
EL18	PW3743	Street Light LED Retrofit Program 2022	-	107,300	-	(100,210)	-	7,090	
		Total EL18 Projects	(121,908)	191,000	-	(191,379)	-	(122,287)	
EL29	PW3686	Traffic Safety Calming 2020	157,283	-	-	-	-	157,283	(d)
EL29	PW3719	Traffic Safety Calming 2021	380	4,000	-	(1,500)	-	2,880	(d)
		Total EL29 Projects	157,663	4,000	-	(1,500)	-	160,163	
		Interest Income	6,849	-	-	-	-	6,849	
		Total Congestion Relief	277,550	1,021,000	-	(1,379,236)	-	(80,686)	

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CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Maintenance:							
EL11	PW3688	Jamacha Road Safety Improvements	$ (17,645)	$ 6,335	$ -	$ (24,265)	$ -	$ (35,575)	(a)
EL11	PW3689	Madison Avenue Safety Improvements	(19,815)	30,500	-	(15,834)	-	(5,149)	(a)
EL11	PW3690	El Cajon Transit Center Improvements	2,596	24,965	-	(27,520)	-	41	
EL11	PW3691	Main/Green Street Gateway Improvements	5,000	12,500	-	(19,925)	-	(2,425)	(a)
EL11	PW52020	Concrete Grind 2020	8,842	-	-	-	-	8,842	(b)
EL11	PW52021	Concrete Grind 2021	8,806	-	-	-	-	8,806	(b)
EL11	PW52022	Concrete Sidewalk Slicing	-	16,100	-	(40,605)	-	(24,505)	(a)
EL11	PW53020	ADA Concrete Improvements 2020	(1,998)	29,500	-	(179,609)	-	(152,107)	(a)
EL11	PW53021	ADA Concrete Improvements 2021	-	1,100	-	(1,045)	-	55	
		Total EL11 Projects	(14,214)	121,000	-	(308,803)	-	(202,017)	
EL21	PW51020	Slurry 2020	(237,656)	-	-	-	-	(237,656)	(a)
EL21	PW51021	Slurry 2021	(14,951)	156,000	-	(252,785)	-	(111,736)	(a)
		Total EL21 Projects	(252,607)	156,000	-	(252,785)	-	(349,392)	
		Interest Income	2,936	-	-	-	-	2,936	
		Total Maintenance	(263,885)	277,000	-	(561,588)	-	(548,473)	
		Total Local Street improvements	13,665	1,298,000	-	(1,940,824)	-	(629,159)	
		Smart Growth:							
EL40	MG5488	El Cajon Transit Center Community Connection Improvements	(40,148)	44,168	-	(36,775)	-	(32,755)	(a)
EL41	MG5489	Main Street/Green Street Gateway	(78,776)	113,076	-	(108,656)	-	(74,356)	(a)
		Total Smart Growth	(118,924)	157,244	-	(145,431)	-	(107,111)	
		Total *TransNet* Extension	(105,259)	1,464,944	-	(2,095,955)	-	(736,270)	
		GASB 31 Market Value Adjustment	258	-	(258)	-	-	-	
		Total *TransNet* Extension after GASB 31 Adjustment	$ (105,001)	$ 1,464,944	$ (258)	$ (2,095,955)	$ -	$ (736,270)	

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Notes:
(a) City will request funds during FY23.
(b) Projects completed in Fiscal Year 2020-21. Remaining balances will be reprogrammed with Fiscal Year 2022-23 RTIP amendment in May 2023.
(c) The City has elected not to use the EL06 funding as originally assigned; the balance will be reprogrammed once the City has identified an appropriate project to reassign funding.
(d) Projects completed in Fiscal Year 2021-22. Remaining balances will be reprogrammed with Fiscal Year 2022-23 RTIP amendment in May 2023.

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
EL06	N/A	Regional Arterial Management Systems	$ 97,000	$ -	$ (97,000)	$ -
		Total Congestion Relief - Pass-Through	97,000	-	(97,000)	-
		Congestion Relief:				
EL03	PW50020	Overlay 2020	837,683	-	(1,036,664)	(198,981)
EL06	PW3687	Traffic Signal System Upgrades 2020	77,000	-	(72,954)	4,046
EL06	PW3688	Jamacha Road Safety Improvements	87,699	-	(73,910)	13,789
EL06	PW3689	Madison Avenue Safety Improvements	89,000	-	(91,525)	(2,525)
EL06	PW3690	El Cajon Transit Center Improvements	28,514	-	-	28,514
EL06	PW3691	Main/Green Street Gateway Improvements	6,000	-	-	6,000
EL06	PW3720	Traffic Signal System Upgrades 2021	170,920	-	(162,817)	8,103
EL06	PW3744	Traffic Signal System Upgrades 2022	215,250	-	(199,645)	15,605
EL06	PW50020	Overlay 2020	51	-	(13)	38
		Total EL06 Projects	674,434	-	(600,864)	73,570
EL18	PW3658	Street Light LED Retrofit Program 2019	138,873	-	(156,335)	(17,462)
EL18	PW3685	Repair and Replacement of Street Light System	186,000	-	(185,088)	912
EL18	PW3688	Jamacha Road Safety Improvements	39,100	-	(73,910)	(34,810)
EL18	PW3689	Madison Avenue Safety Improvements	21,600	-	(60,867)	(39,267)
EL18	PW3718	Street Light LED Retrofit Program 2021	97,000	-	(135,750)	(38,750)
EL18	PW3743	Street Light LED Retrofit Program 2022	107,300	-	(100,210)	7,090
		Total EL18 Projects	589,873	-	(712,160)	(122,287)
EL29	PW3686	Traffic Safety Calming 2020	263,189	-	(105,906)	157,283
EL29	PW3719	Traffic Safety Calming 2021	9,000	-	(6,120)	2,880
		Total EL29 Projects	272,189	-	(112,026)	160,163
		Interest Income	-	6,849	-	6,849
		Total Congestion Relief	$ 2,374,179	$ 6,849	$ (2,461,714)	$ (80,686)

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(Continued)

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance:				
EL11	PW3688	Jamacha Road Safety Improvements	$ 38,335	$ -	$ (73,910)	$ (35,575)
EL11	PW3689	Madison Avenue Safety Improvements	86,021	-	(91,170)	(5,149)
EL11	PW3690	El Cajon Transit Center Improvements	69,965	-	(69,924)	41
EL11	PW3691	Main/Green Street Gateway Improvements	17,500	-	(19,925)	(2,425)
EL11	PW52020	Concrete Grind 2020	100,000	-	(91,158)	8,842
EL11	PW52021	Concrete Grind 2021	107,000	-	(98,194)	8,806
EL11	PW52022	Concrete Sidewalk Slicing	16,100	-	(40,605)	(24,505)
EL11	PW53020	ADA Concrete Improvements 2020	153,500	-	(305,607)	(152,107)
EL11	PW53021	ADA Concrete Improvements 2021	1,100	-	(1,045)	55
		Total EL11 Projects	589,521	-	(791,538)	(202,017)
EL21	PW51020	Slurry 2020	485,018	-	(722,674)	(237,656)
EL21	PW51021	Slurry 2021	165,000	-	(276,736)	(111,736)
		Total EL21 Projects	650,018	-	(999,410)	(349,392)
		Interest Income	-	2,936	-	2,936
		Total Maintenance	1,239,539	2,936	(1,790,948)	(548,473)
		Total Local Street Improvements	3,710,718	9,785	(4,349,662)	(629,159)
		Smart Growth:				
EL40	MG5488	El Cajon Transit Center Community Connection Improvements	294,797	-	(327,552)	(32,755)
EL41	MG5489	Main Street/Green Street Gateway	271,405	-	(345,761)	(74,356)
		Total Smart Growth	566,202	-	(673,313)	(107,111)
		Subtotal Cumulative *TransNet* Extension	$ 4,276,920	$ 9,785	$ (5,022,975)	$ (736,270)
		Completed Projects:				
		Congestion Relief	18,510,949	-	(18,510,949)	-
		Maintenance	5,001,222	-	(5,001,222)	-
		Smart Growth	537,626	-	(537,626)	-
		Total Completed Projects	24,049,797	-	(24,049,797)	-
		Total Cumulative TransNet Extension	$ 28,326,717	$ 9,785	$ (29,072,772)	$ (736,270)

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CITY OF EL CAJON CALIFORNIA

TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative					Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments	Funds Committed at June 30, 2022	June 30, 2022	June 30, 2021
For Fiscal Year ended June 30, 2014	June 30, 2022	EL21	$ 132,986	$ 442	$ (133,428)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2015	June 30, 2023	EL21	13,860	991	(14,851)	-	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2024	EL21	260,933	-	(260,933)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2025	EL21	50,449	-	(50,449)	-	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2026	EL21	302,985	-	(4,614)	-	-	298,371	298,371
For Fiscal Year ended June 30, 2019	June 30, 2027		298,912	-	-	-	-	298,912	298,912
For Fiscal Year ended June 30, 2020	June 30, 2028		79,997	-	-	-	-	79,997	79,997
For Fiscal Year ended June 30, 2021	June 30, 2029		44,648	-	-	-	-	44,648	-
Interest Income			-	48,687	-	-	-	48,687	40,329
Total RTCIP Funds			$ 1,184,770	$ 50,120	$ (464,275)	$ -	$ -	$ 770,615	$ 717,609

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CITY OF ENCINITAS, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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 for the fiscal year ended June 30, 2022. 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. As such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

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

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

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

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

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

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

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

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

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5. We obtained a detailed listing 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 the 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.

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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 the check or EFT wire).

Results: The City recorded total *TransNet* expenditures in the amount of $2,859,437. We selected $1,443,354 (50.48%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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, 2022.

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

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

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

Results: This procedure is not applicable as there were no amounts reflected in the adjustments column which 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: This procedure is not applicable as there were no completed projects which ended with a positive balance.

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, 2022.

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

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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.

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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 2022 apportionment	$2,222,202
Less: debt service payment	-
Net estimated apportionment	2,222,202
30% base	30%
Fiscal year 2022 30% threshold	666,660
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(204,026)
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	(204,026)
Fund balance under apportionment	$ 870,686

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(204,026)	$(5,181,216)	$(5,385,242)
Maintenance	-	6,536,305	6,536,305
Totals	$(204,026)	$1,355,089	$1,151,063

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.

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Results: The City has expended 4.22% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$23,924,712	$(5,671,204)	$18,253,508
Maintenance	1,117,046	6,344,552	7,461,598
Interest	49,111	681,741	730,852
Total local street and road revenue	$25,090,869	$1,355,089	$26,445,958
30% of total local street and road revenue			$7,933,787
Less maintenance expenditures incurred to date			(1,117,046)
Available maintenance funds			$6,816,741
Cumulative percentage expended for maintenance			4.22%

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, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$12,224,427
Less MOE base year requirement	(2,279,988)
Excess MOE for the year ended June 30, 2022	$9,944,502

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.

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

Results: This procedure is not applicable as 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 $18,025. We selected $7,135 (39.58%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2022.

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, 2022.

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

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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, 2022.

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.

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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 the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2021. 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
XXXX, 2023

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2020 through June 30, 2021.

"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.

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CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief Pass-Through:							
ENC28	CS02G	Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
ENC14A	CS20A	FY 19/20 Annual Street Overlay	(41,037)	84,991	31	(45,252)	1,267	-	(a)
ENC14A	CS21A	FY 20/21 Annual Street Overlay	(206,180)	1,268,743	467	(1,062,563)	(467)	-	(a)
ENC14A	CS22A	FY 21/22 Annual Street Overlay	-	1,004,965	369	(1,051,322)	(800)	(46,788)	(b)
		Total ENC14A Projects	(247,217)	2,358,699	867	(2,159,137)	-	(46,788)	
ENC20	CS04D	No. Coast Hwy 101 Streetscape	(115,152)	650,575	239	(692,900)	-	(157,238)	(b)
		Total Congestion Relief	(362,369)	3,009,274	1,106	(2,852,037)	-	(204,026)	
		Total Local Street Improvements	(362,369)	3,009,274	1,106	(2,852,037)	-	(204,026)	
		Total *TransNet* Extension	$ (362,369)	$ 3,016,674	$ 1,106	$ (2,859,437)	$ -	$ (204,026)	

Notes:
(a) Project Complete.
(b) Funding will be requested in FY23 to remove the deficit.

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CITY OF ENCINITAS, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
ENC28	CS02G	Regional Arterial Management Systems	$ 74,000	$ -	$ (74,000)	$ -
		Total Congestion Relief - Pass-Through	74,000	-	(74,000)	-
		Congestion Relief:				
ENC14A	CS20A	FY 19/20 Annual Street Overlay	1,736,214	2,787	(1,739,001)	-
ENC14A	CS21A	FY 20/21 Annual Street Overlay	1,272,568	474	(1,273,042)	-
ENC14A	CS22A	FY 21/22 Annual Street Overlay	1,004,165	369	(1,051,322)	(46,788)
		Total ENC14A Projects	4,012,947	3,630	(4,063,365)	(46,788)
ENC20	CS04D	No. Coast Hwy 101 Streetscape	6,525,647	25,198	(6,708,083)	(157,238)
		Total Congestion Relief	10,538,594	28,828	(10,771,448)	(204,026)
		Subtotal Cumulative *TransNet* Extension	10,612,594	28,828	(10,845,448)	(204,026)
		Completed Projects:				
		LSI - Congestion Relief	$ 13,312,118	$ 20,283	$ (13,332,401)	$ -
		LSI - Maintenance	1,117,046	-	(1,117,046)	-
		Environmental Mitigation Grant	52,744	-	(52,744)	-
		Total Completed Projects	14,481,908	20,283	(14,502,191)	-
		Total Cumulative *TransNet* Extension	$ 25,094,502	$ 49,111	$ (25,347,639)	$ (204,026)

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CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022	ENC46	$ 207,323	$ 891	$ (208,214)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2016	June 30, 2023	ENC46	242,595	-	(242,595)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024	ENC46	94,233	-	(94,233)	-	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025	ENC28/ENC46	125,062	-	(125,062)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	ENC28	151,651	-	(151,651)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	ENC28	157,055	-	(78,796)	-	-	78,259	96,284
For Fiscal Year ended June 30, 2021	June 30, 2028		98,317	-	-	-	-	98,317	98,317
For Fiscal Year ended June 30, 2022	June 30, 2029		89,720	-	-	-	-	89,720	-
Interest Income			-	90,297	-	-	-	90,297	102,836
Total RTCIP Funds			$ 1,165,956	$ 91,188	$ (900,551)	$ -	$ -	$ 356,593	$ 297,437

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CITY OF ESCONDIDO, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $6,199,488. We selected $2,008,613 (32.40%) 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 total expenditures in FY22.

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. 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 160% that was determined by a consultant. The City allocated a total of $892,691 of indirect costs in the RTIP, resulting in 14.40% of indirect costs compared to total TransNet expenditures. The City's indirect cost plan was last updated in June 2020. 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: 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.

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i. 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 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 is one project that has been inactive over the past two years. The City indicated that they are currently working with a developer with an active entitlement application for project ESC24. These improvements may be completed by the developer. If not, the City will complete these improvements by December 2024. 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 9, 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: 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.

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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 2022 apportionment	$5,030,749
Less: debt service payment	-
Net estimated apportionment	5,030,749
30% base	30%
Fiscal year 2022 30% threshold	1,509,225
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(668,058)
Maintenance fund balance	(991,828)
Total Local Streets and Roads and Local Street Improvement fund balance	(1,659,886)
Fund balance under apportionment	$3,169,111

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ (668,058)	$11,879,617	$11,211,559
Maintenance	(991,828)	1,406,110	414,282
Totals	$(1,659,886)	$13,285,727	$11,625,841

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 28.14% of cumulative local street and road revenue for maintenance as indicated on the following page:

	City	SANDAG	Total
Congestion relief	$29,064,097	$10,727,930	$39,792,027
Maintenance	15,208,711	904,848	16,113,559
Interest	41,082	1,652,949	1,694,031
Total local street and road revenue	$44,313,890	$13,285,727	$57,599,617
30% of total local street and road revenue			$17,279,885
Less maintenance expenditures incurred to date			(16,211,348)
Available maintenance funds			$ 1,068,537
Cumulative percentage expended for maintenance			28.14%

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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, 2022.

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, 2022, is summarized as follows:

Current year local discretionary expenditures	$7,520,604
Less MOE base year requirement	(3,352,190)
Excess MOE for the year ended June 30, 2022	$4,168,414

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.

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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 17 permits issued. See 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 ethe 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 any non-payroll RTCIP expenditures for the fiscal year ending June 30, 2022.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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

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

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the

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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 25, 2022.

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

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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, 2022, the City collected all of the $13,227.13 of uncollected fees and the finding is resolved.

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, 2022. 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.

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Irvine, California
_____, 2023

CITY OF ESCONDIDO

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

Finding and Recommendation

Year Ended June 30, 2022

(1) Need to Use Approved Exaction Fee

Per review of the City's exaction fee collections for the year ended June 30, 2022, the City did not consistently collect the required exaction fee amount of $2,635.50. For 17 permits issued, the exaction fee collected was based upon the FY21 exaction fee amount of $2,583.82. This resulted in an under-collection of the exaction fee in the amount of $878.56 as follows:

Customer	Amount Charged	Amount Required	Variance
Lennar Homes of Cal Inc.	$33,589.66	$34,261.50	$671.84
Galey Homes Inc.	10,335.28	10,542.00	206.72
Totals	$43,924.94	$44,803.50	$878.56

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…"

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

Recommendation

We recommend that the City recover the under-collection of exaction fees in the amount of $878.56. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

Management Response

The City was able to recover all under-collected exaction fees. In June 2022, the City recovered $671.84 and accrued the remaining $206.72, for which payment was received in July 2022. The City will update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status June 30, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
ESC02A	691705	East Valley/Valley Center Road	$ 12,771	$ -	$ -	$ -	$ -	$ 12,771	
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	(35,372)	629,000	-	(635,729)	-	(42,101)	(a)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	7,746	-	-	-	-	7,746	
ESC08	690309	Felicita Ave/Juniper Street	(22,083)	120,000	-	(78,747)	-	19,170	
ESC24	690029	Centre City/Highway 78 to Mission Ave	5,580	-	-	-	-	5,580	(b)
ESC48	699902	Grand Ave Streetscape Improvements	16,118	638,400	-	(699,339)	-	(44,821)	(a)
ESC49	699901	Quince/Tulip Pedestrian Signal	(11,745)	70,000	-	(34,561)	-	23,694	
ESC51	698201	Comprehensive Active Transp. Strategy	-	-	-	(13,987)	-	(13,987)	(a)
		Subtotal Congestion Relief	(26,985)	1,457,400	-	(1,462,363)	-	(31,948)	
ESC38	694801	Pavement Rehabilitation FY 18	115,502	-	-	(88,622)	-	26,880	
ESC38	694901	Pavement Rehabilitation FY 19	7,071	-	-	-	-	7,071	
ESC38	694102	Pavement Rehabilitation FY 21	64,839	255,000	-	(1,102,645)	-	(782,806)	(a)
ESC38	694103	Pavement Rehabilitation FY 22	-	95,000	-	(17,077)	-	77,923	
		Total ESC38 Project	187,412	350,000	-	(1,208,344)	-	(670,932)	
ESC39	691901	Traffic Signals FY 19	18,659	-	-	(2,384)	-	16,275	
ESC39	691001	Traffic Signals FY 20	(7,920)	65,000	-	(42,754)	-	14,326	
		Total ESC39 Project	10,739	65,000	-	(45,138)	-	30,601	
		Interest Income	3,632	-	589	-	-	4,221	
		Total Congestion Relief	174,798	1,872,400	589	(2,715,845)	-	(668,058)	

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(continued)

CITY OF ESCONDIDO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status June 30, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Maintenance:							
ESC37	697901	Pavement Maintenance FY 19	$ 74,942	$ -	$ -	$ (70,168)	$ -	$ 4,774	
ESC37	687001	Pavement Maintenance FY 20	351,657	100,000	-	(474,219)	-	(22,562)	(a)
ESC37	687101	Pavement Maintenance FY 21	198,012	200,000	-	(884,846)	-	(486,834)	(a)
ESC37	687201	Pavement Maintenance FY 22	-	610,000	-	(1,099,014)	-	(489,014)	(a)
		Total ESC37 Project	624,611	910,000	-	(2,528,247)	-	(993,636)	
		Interest Income	1,556	-	252	-	-	1,808	
		Total Maintenance	626,167	910,000	252	(2,528,247)	-	(991,828)	
		Total Local Street Improvements	800,965	2,782,400	841	(5,244,092)	-	(1,659,886)	
		Smart Growth:							
ESC44	699601	Transit Center Active Transportation Connectio	(6,611)	-	-	(279)	-	(6,890)	(c)
ESC48	699902	Grand Ave Streetscape Improvements	(84,090)	748,311	-	(955,117)	-	(290,896)	(c)
		Total Smart Growth	(90,701)	748,311	-	(955,396)	-	(297,786)	
		Total *TransNet* Extension	710,264	3,530,711	841	(6,199,488)	-	(1,957,672)	
		GASB 31 market value adjustment	-	-	-	-	-	-	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 710,264	$ 3,530,711	$ 841	$ (6,199,488)	$ -	$ (1,957,672)	

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Notes:
(a) More project expenditures incurred in June 2022 than anticipated, drawdowns were requested in FY 2023 for ESC04, ESC51, ESC48, ESC38, ESC37
(b) ESC24-The City is currently working with a developer with an active entitlement application. These improvements may be completed by the developer. If not, the City will complete these improvements. Estimated Completion Date: December 2024
(c) 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, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		TransNet* Extension*:				
		Local Street Improvements:				
		Congestion Relief:				
ESC02A	691705	East Valley/Valley Center Road	$ 5,160,417	$ 8,686	$ (5,156,332)	$ 12,771
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	2,769,637	321	(2,812,059)	(42,101)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	2,698,084	-	(2,690,338)	7,746
ESC08	690309	Felicita Ave/Juniper Street	162,000	-	(142,830)	19,170
ESC24	690029	Centre City/Highway 78 to Mission Ave	110,000	-	(104,420)	5,580
ESC47	699901	Quince/Tulip Pedestrian Signal	75,000	-	(51,306)	23,694
ESC48	699902	Grand Ave Streetscape Improvements	837,900	-	(882,721)	(44,821)
ESC51	698201	Comprehensive Active Transp. Strategy	-	-	(13,987)	(13,987)
		Subtotal Congestion Relief	11,813,038	9,007	(11,853,993)	(31,948)
ESC38	694801	Pavement Rehabilitation FY 18	2,709,453	-	(2,682,573)	26,880
ESC38	694901	Pavement Rehabilitation FY 19	684,873	-	(677,802)	7,071
ESC38	694102	Pavement Rehabilitation FY 21	395,094	-	(1,177,900)	(782,806)
ESC38	694103	Pavement Rehabilitation FY 22	95,000	-	(17,077)	77,923
		Total ESC38 Project	3,884,420	-	(4,555,352)	(670,932)
ESC39	691901	Traffic Signals FY 19	120,000	-	(103,725)	16,275
ESC39	691001	Traffic Signals FY 20	65,000	-	(50,674)	14,326
		Total ESC39 Project	185,000	-	(154,399)	30,601
		Interest Income	-	4,221	-	4,221
		Total Congestion Relief	15,882,458	13,228	(16,563,744)	(668,058)

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(continued)

CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance:				
ESC37	697901	Pavement Maintenance FY19	$ 1,676,757	$ -	$ (1,671,983)	$ 4,774
ESC37	687001	Pavement Maintenance FY20	1,053,243	2,121	(1,077,926)	(22,562)
ESC37	687101	Pavement Maintenance FY21	555,000	-	(1,041,834)	(486,834)
ESC37	687201	Pavement Maintenance FY22	610,000	-	(1,099,014)	(489,014)
		Total ESC37 Project	3,895,000	2,121	(4,890,757)	(993,636)
		Interest Income	-	1,808	-	1,808
		Total Maintenance	3,895,000	3,929	(4,890,757)	(991,828)
		Total Local Street Improvements	19,777,458	17,157	(21,454,501)	(1,659,886)
		Smart Growth:				
ESC44	699601	Transit Center Active Transportation Connections	1,165,172	-	(1,172,062)	(6,890)
ESC48	699902	Grand Ave Streetscape Improvements	914,674	-	(1,205,570)	(290,896)
		Total Smart Growth	2,079,846	-	(2,377,632)	(297,786)
		Subtotal Cumulative *TransNet* Extension	21,857,304	17,157	(23,832,133)	(1,957,672)
		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	$ 48,605,703	$ 41,082	$ (50,604,457)	$ (1,957,672)

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CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022	ESC04	$ 200,779	$ 1,423	$ (165,042)	$ -	$ -	$ 37,160	$ 39,445
For Fiscal Year ended June 30, 2016	June 30, 2023	ESC04	267,312	-	-	-	-	267,312	267,312
For Fiscal Year ended June 30, 2017	June 30, 2024	ESC04	453,403	-	-	-	-	453,403	453,403
For Fiscal Year ended June 30, 2018	June 30, 2025	ESC04	726,884	-	-	-	-	726,884	726,884
For Fiscal Year ended June 30, 2019	June 30, 2026	ESC04	64,347	-	-	-	-	64,347	64,347
For Fiscal Year ended June 30, 2020	June 30, 2027	ESC04	106,094	-	-	-	-	106,094	106,094
For Fiscal Year ended June 30, 2021	June 30, 2028		1,074,561	-	-	-	-	1,074,561	1,074,561
For Fiscal Year ended June 30, 2022	June 30, 2029		726,410	-	-	-	-	726,410	-
Interest Income			-	188,895	-	-	-	188,895	161,883
Total RTCIP Funds			$ 3,619,790	$ 190,318	$ (165,042)	$ -	$ -	$ 3,645,066	$ 2,893,929

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CITY OF IMPERIAL BEACH, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $356,085. We selected $123,794 (34.77%) 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP during FY22.

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, 2023.

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.

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

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

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

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

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

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

Results: This procedure is not applicable as the agency does not report non-TransNet activity within their 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

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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 2022 apportionment	$ 959,998
Less: debt service payment	(304,935)
Net estimated apportionment	655,063
30% base	30%
Fiscal year 2022 30% threshold	196,519
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(19,806)
Maintenance fund balance	102
Total Local Streets and Roads and Local Street Improvement fund balance	(19,704)
Fund balance under apportionment	$ 216,223

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ (19,806)	$ 181,240	$ 161,434
Maintenance	102	185,411	185,513
Totals	$ (19,704)	$ 366,651	$ 346,947

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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 23.40% of cumulative local street and road revenue for maintenance as indicated as follows:

	City	SANDAG	Total
Congestion relief	$ 8,879,704	$ 140,506	$ 9,020,210
Maintenance	2,835,402	169,306	3,004,708
Interest	40,154	56,839	96,993
Total local street and road revenue	$11,755,260	$ 366,651	$12,121,911
30% of total local street and road revenue			$ 3,636,573
Less maintenance expenditures incurred to date			(2,837,104)
Available maintenance funds			$ 799,469
Cumulative percentage expended for maintenance			23.40%

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

    Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest	Total
Commercial Paper Debt Services	$1,095,290	$ -	$296,928	$798,362	$8,007	$304,935

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:

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$660,658
Less MOE base year requirement	(233,219)
Excess MOE for the year ended June 30, 2022	$427,439

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.

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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 ethe 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 RCTIP expenditures in the amount of $55,097. We selected $47,030 (85.36%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures for fiscal year ending June 30, 2022.

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.

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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 17, 2022.

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.

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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, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
IB12	S18101/S20102/S20108/ S21101/S22101	Major Street Improvements	$ (248,173)	$ 289,260	$ -	$ (44,942)	$ -	$ (3,855)	(a)
IB18	S19105	Imperial Beach Blvd. Safe Routes to School	(9)	-	-	-	9	-	(b)(c)
IB21	S20112	SR-75 Signal Interconnection Project	-	-	-	(15,951)	-	(15,951)	(a)
		Commercial Paper Debt Service	-	304,935	-	(304,935)	-	-	
		Total Congestion Relief	(248,182)	594,195	-	(365,828)	9	(19,806)	
		Maintenance:							
IB02	N/A	Street Maintenance - Operations	24,748	205,352	102	(230,100)	-	102	
IB02	S20107	Residential City Wide Street Lighting Infill	-	-	-	-	-	-	(c)
		Total IB02 Projects	24,748	205,352	102	(230,100)	-	102	
		Total Maintenance	24,748	205,352	102	(230,100)	-	102	
		Total Local Street Improvements	(223,434)	799,547	102	(595,928)	9	(19,704)	
		Active Transport Grants							
IB22	S22101	9th St. Active Transportation Corridor	-	-	-	(65,092)	-	(65,092)	(a)
		Total Active Transport Grants	-	-	-	(65,092)	-	(65,092)	
		Total *TransNet* Extension	(223,434)	799,547	102	(661,020)	9	(84,796)	
		GASB 31 Market Value Adjustment	2,722	-	-	-	-	2,722	
		Total *TransNet* Extension after GASB 31 Adjustment	$ (220,712)	$ 799,547	$ 102	$ (661,020)	$ 9	$ (82,074)	

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Notes:
(a) The City will request drawdown in FY23 to address the deficit.
(b) Adjustment to true-up Imperial Beach Blvd Project expenditures to match revenue received.
(c) Project complete.

CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		TransNet Extension:				
		Local Street Improvements:				
		Congestion Relief:				
IB12	S18101/S20102/S20108/S21101/S22101	Major Street Improvements	$ 6,749,463	$ 38,350	$ (6,791,668)	$ (3,855)
IB18	S19105	Imperial Beach Blvd. Safe Routes to School	1,300,009	-	(1,300,009)	-
IB21	S20112	SR-75 Signal Interconnection Project	155,000	-	(170,951)	(15,951)
		Commercial Paper Debt Services	675,232	-	(675,232)	-
		Total Congestion Relief	8,879,704	38,350	(8,937,860)	(19,806)
		Maintenance:				
IB02	N/A	Street Maintenance - Operations	2,818,025	1,804	(2,819,727)	102
IB02	S20107	Residential City Wide Street Lighting Infill	17,377	-	(17,377)	-
		Total IB02 Projects	2,835,402	1,804	(2,837,104)	102
		Total Maintenance	2,835,402	1,804	(2,837,104)	102
		Total Local Street Improvements	11,715,106	40,154	(11,774,964)	(19,704)
		Active Transport Grants:				
IB22	S22101	9th St. Active Transportation Corridor	-	-	(65,092)	(65,092)
		Total Active Transport Grants	-	-	(65,092)	(65,092)
		Completed Projects:				
		Smart Growth Grant	795,281	-	(795,281)	-
		Bicycles and Pedestrian	1,800,000	-	(1,800,000)	-
		Active Transport Grants	50,000	-	(50,000)	-
		Total Completed Projects	2,645,281	-	(2,645,281)	-
		Total Cumulative *TransNet* Extension	$ 14,360,387	$ 40,154	$ (14,485,337)	$ (84,796)

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CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	IB11	$ 42,832	$ 645	$ (43,477)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	IB11	48,510	386	(48,896)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	IB11	197,988	-	(197,988)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	IB11	352,277	-	(288,159)	-	-	64,118	119,215	
For Fiscal Year ended June 30, 2019	June 30, 2026	IB11	38,178	-	-	-	-	38,178	38,178	
For Fiscal Year ended June 30, 2020	June 30, 2027	IB11	61,329	-	-	-	-	61,329	61,329	
For Fiscal Year ended June 30, 2021	June 30, 2028		25,838	-	-	-	-	25,838	25,838	
For Fiscal Year ended June 30, 2022	June 30, 2029		31,626	-	-	-	-	31,626	-	
Interest Income			-	12,915	-	-	-	12,915	10,905	
Total RTCIP Funds			798,578	13,946	(578,520)	-	-	234,004	255,465	
GASB 31 Market Value Adjustment			-	(4,796)	-	-	-	(4,796)	-	
Total RTCIP Funds			$ 798,578	$ 9,150	$ (578,520)	$ -	$ -	$ 229,208	$ 255,465	

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CITY OF LA MESA, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 $1,272,974. We selected $617,291 (48.49%) 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 FY22.

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

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

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

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

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

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

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

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

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2023.

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.

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Results: There was one project, LAM17, that had been inactive over the past two years. The City and SANDAG agreed to reprogram the excess funding rather than have the City return the funding to SANDAG. The City obtained the reprograming procedures from SANDAG.

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

Results: The City of La Mesa reached out to SANDAG for procedures on how to reprogram the money. SANDAG provided instructions to the City on February 16, 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.

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.

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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 2022 apportionment	$2,085,625
Less: debt service payment	(507,143)
Net estimated apportionment	1,578,482
30% base	30%
Fiscal year 2022 30% threshold	473,545
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(545,953)
Maintenance fund balance	(309,566)
Total Local Streets and Roads and Local Street Improvement fund balance	(855,519)
Fund balance under apportionment	$1,329,064

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are reported as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(545,953)	$ 151,261	$(394,692)
Maintenance	(309,566)	2,870,883	2,561,317
Totals	$(855,519)	$3,022,144	$2,166,625

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.

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Results: The City has expended 16.70% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$21,299,516	$(126,204)	$21,173,312
Maintenance	4,505,615	2,751,381	7,256,996
Interest	700	396,967	397,667
Total local street and road revenue	$25,805,831	$3,022,144	$28,827,975
30% of total local street and road revenue			$8,648,393
Less maintenance expenditures incurred to date			(4,815,373)
Available maintenance funds			$3,833,020
Cumulative percentage expended for maintenance			16.70%

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: The results are summarized below:

	Balance July 1, 2021	Additions	Repayments	Balance June 30, 2022	Interest Expense
Commercial Paper	$999,992	$-	$(500,004)	$499,988	$7,139

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;

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$11,875,233
Less MOE base year requirement	(2,023,372)
Excess MOE for the year ended June 30, 2022	$ 9,851,861

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.

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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 ethe 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 $535,824. We selected $238,907 (44.59%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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 FY22.

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.

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation to us for review on October 26, 2022.

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.

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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, 2022. 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
_____, 2023

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CITY OF LA MESA, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) Need to Use Approved Exaction Fee

Per review of the City's exaction fee collections for the year ended June 30, 2022, the City did not consistently collect the required exaction fee amount of $2,635.50. There were four permits issued where the exaction fees collected were based on FY18, FY19 and FY20 in the amounts of $2,404.14, $2,483.48, and $2,533.15, respectively. This resulted in an under-collection of the exaction fees in the amount of $1,956.26 as follows:

Fee #	Record #	Units	Amount Required	Amount Charged	Variance
17196400	B21-194	1	2,635.50	2,533.15	102.35
17194645	B20-360	1	2,635.50	2,533.15	102.35
17198839	B20-031	1	2,635.50	2,404.14	231.36
17194253	B19-209	10	26,355.00	24,834.80	1,520.20
	Totals	13	$34,261.50	$32,305.24	$1,956.26

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 $1,956.26. Additionally, we recommend that the City update and collect the proper exaction on a yearly basis to be in compliance with the RTCIP fees.

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

Management Response

The City currently implemented a new permitting system. After further 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 permitting system to the new one. Prior to this discovery, four permits were processed using the new software and charging incorrect RTCIP exaction fees. This was immediately corrected and an audit of the new permit system was done to look for additional errors. None were found. The new permitting system has been updated. A reminder has been set within the system to verify RTCIP exaction fees going forward. City staff is aware of this issue and has put procedures in place to ensure updated RTCIP exaction fees are updated as needed per SANDAG updates. The Finance Department will be working with Community Development to collect fees as they close out the permits.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF LA MESA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
LAM46	n/a	Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
LAM17	302120TR	Street Reconstruction 12	2,928	-	-	-	-	2,928	(a)
LAM34	302202TR	Street Lights/ OH Utilities 20	-	-	-	(4,510)	-	(4,510)	(b)
LAM34	302212TR	Street Lights/ OH Utilities 21	-	-	-	(42,188)	-	(42,188)	(b)
LAM34	302222TR	Street Lights/ OH Utilities 22	-	-	-	(16,678)	-	(16,678)	(b)
		Total LAM34 Projects	-	-	-	(63,376)	-	(63,376)	
LAM37	302203TR	Traffic Signal Upgrades 20	(29,220)	29,220	-	-	-	-	(c)
LAM37	302213TR	Traffic Signal Upgrades 21	(65,004)	65,004	-	(34,991)	-	(34,991)	(b)
LAM37	302223TR	Traffic Signal Upgrades 22	-	-	-	(50,865)	-	(50,865)	(b)
		Total LAM37 Projects	(94,224)	94,224	-	(85,856)	-	(85,856)	
LAM39	302204TR	Traffic Calming Program 20	(19,212)	19,212	-	(499)	-	(499)	(b)
LAM40	302205TR	Street Construction 20	(188,116)	188,116	-	(13,582)	-	(13,582)	(b)
LAM40	302215TR	Street Construction 21	-	-	-	(43,066)	-	(43,066)	(b)
LAM40	302225TR	Street Construction 22	-	-	-	(160,339)	-	(160,339)	(b)
		Total LAM40 Projects	(188,116)	188,116	-	(216,987)	-	(216,987)	
LAM44	304190TR	Roadway Drainage Improvements 19	15	-	-	-	(15)	-	(b)
LAM44	304210TR	Roadway Drainage Improvements 21	(75,686)	75,686	-	(182,686)	15	(182,671)	(b)
		Total LAM44 Projects	(75,671)	75,686	-	(182,686)	-	(182,671)	
		Commercial Paper Debt Service	-	507,143	-	(507,143)	-	-	
		Interest Income	508	-	-	-	-	508	
		Total Congestion Relief	$ (373,787)	$ 884,381	$ -	$ (1,056,547)	$ -	$ (545,953)	

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(Continued)

CITY OF LA MESA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Maintenance:							
LAM31	General Fund	Street Maintenance	$ (300,000)	$ 150,000	$ -	$ -	$ -	$ (150,000)	(b)
LAM33	302211TR	Curb, Gutter, Sidewalk 21	-	-	-	(126,445)	-	(126,445)	(b)
LAM33	302222TR	Curb, Gutter, Sidewalk 22	-	-	-	(33,313)	-	(33,313)	(b)
		Total LAM33 Projects	-	-	-	(159,758)	-	(159,758)	
		Interest Income	192	-	-	-	-	192	
		Total Maintenance	(299,808)	150,000	-	(159,758)	-	(309,566)	
		Total Local Street Improvements	(673,595)	1,041,781	-	(1,223,705)	-	(855,519)	
		Senior Mini-Grants:							
LAM27	212001	La Mesa Rides4Neighbors	(26,255)	67,955	-	(87,777)	-	(46,077)	(d)
		Total Senior Mini-Grants	(26,255)	67,955	-	(87,777)	-	(46,077)	
		Smart Growth Grant							
LAM47	302168OT	North Spring Street	(58,598)	97,659	-	(406,546)	-	(367,485)	(d)
LAM49	30220EOT	Complete Streets Design Manual	(9,248)	55,880	-	(62,089)	-	(15,457)	(d)
		TotalSmart Growth Grant	(67,846)	153,539	-	(468,635)	-	(382,942)	
		Total *TransNet* Extension	$ (767,696)	$ 1,263,275	$ -	$ (1,780,117)	$ -	$ (1,284,538)	

Notes:
(a) This is a closed project. Per conversation with SANDAG, the City will be reprogramming the funds in FY23.
(b) Funding has been programmed in FY22 and will be drawndown in FY23.
(c) Project was completed during FY22.
(d) This is a reimbursable funding source and expenditures are expected to be in excess of funding while the project is active.

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CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		TransNet Extension:				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
LAM46	n/a	Regional Arterial Management Systems	$ 74,000	$ -	$ (74,000)	$ -
		Total Congestion Relief - Pass-Through	74,000	-	(74,000)	-
		Congestion Relief:				
LAM17	302120TR	Street Reconstruction 12	253,601	-	(250,673)	2,928
LAM34	302202TR	Street Lights/ OH Utilities 20	-	-	(4,510)	(4,510)
LAM34	302212TR	Street Lights/ OH Utilities 21	3,602	-	(45,790)	(42,188)
LAM34	302222TR	Street Lights/ OH Utilities 22	-	-	(16,678)	(16,678)
		Total LAM34 Projects	3,602	-	(66,978)	(63,376)
LAM37	302203TR	Traffic Signal Upgrades 20	100,001	-	(100,001)	-
LAM37	302213TR	Traffic Signal Upgrades 21	65,004	-	(99,995)	(34,991)
LAM37	302223TR	Traffic Signal Upgrades 22	-	-	(50,865)	(50,865)
		Total LAM 37 Projects	165,005	-	(250,861)	(85,856)
LAM39	302204TR	Traffic Calming Program 20	73,047	-	(73,546)	(499)
LAM40	302205TR	Street Construction 20	217,873	-	(231,455)	(13,582)
LAM40	302215TR	Street Construction 21	915	-	(43,981)	(43,066)
LAM40	302225TR	Street Construction 22	-	-	(160,339)	(160,339)
		Total LAM40 Projects	218,788	-	(435,775)	(216,987)
LAM44	304190TR	Roadway Drainage Improvements 19	386	-	(386)	-
LAM44	304210TR	Roadway Drainage Improvements 21	75,701	-	(258,372)	(182,671)
		Total LAM44 Projects	76,087	-	(258,758)	(182,671)
		Commercial Paper Debt Service	1,542,164	-	(1,542,164)	-
		Interest Income	-	508	-	508
		Total Congestion Relief	2,332,294	508	(2,878,755)	(545,953)

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CITY OF LA MESA, CALIFORNIA
TransNet and TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance:				
LAM31	General Fund	Street Maintenance	$ 1,508,281	$ -	$ (1,658,281)	$ (150,000)
LAM33	302211TR	Curb, Gutter, Sidewalk 21	-	-	(126,445)	(126,445)
LAM33	302222TR	Curb, Gutter, Sidewalk 22	-	-	(33,313)	(33,313)
		Total LAM44 Projects	-	-	(159,758)	(159,758)
		Interest Income	-	192	-	192
		Total Maintenance	1,508,281	192	(1,818,039)	(309,566)
		Total Local Street Improvements	$ 3,914,575	$ 700	$ (4,770,794)	$ (855,519)
		Senior Mini-Grants:				
LAM27	212001	La Mesa Rides4Neighbors	$ 1,418,122	$ -	$ (1,464,199)	$ (46,077)
		Total Senior Mini-Grants	1,418,122	-	(1,464,199)	(46,077)
		Smart Growth Grant				
LAM47	302168OT	North Spring Street	625,029	-	(992,514)	(367,485)
LAM49	30220EOT	Complete Streets Design Manual	139,114	-	(154,571)	(15,457)
		Total Smart Growth	764,143	-	(1,147,085)	(382,942)
		Subtotal Cumulative *TransNet* Extension	$ 6,096,840	$ 700	$ (7,382,078)	$ (1,284,538)
		Completed Projects:				
		Local Street Improvements				
		Congestion Relief	$ 18,967,375	$ -	$ (18,967,375)	$ -
		Maintenance	2,997,334	-	(2,997,334)	-
		Smart Growth	2,000,000	-	(2,000,000)	-
		Bikes and Pedestrians	449,000	-	(449,000)	-
		Total Completed Projects	24,413,709	-	(24,413,709)	-
		Total Cumulative *TransNet* Extension	$ 30,510,549	$ 700	$ (31,795,787)	$ (1,284,538)

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SCHEDULE C

CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPOID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022		$ 675,754	$ -	$ (675,754)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2016	June 30, 2023		52,962	-	(52,962)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024		43,984	-	(43,984)	-	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025		382,078	-	(382,078)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026		519,185	-	(519,185)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027		572,799	-	(539,998)	-	-	32,801	568,625
For Fiscal Year ended June 30, 2021	June 30, 2028		2,533	-	-	-	-	2,533	2,533
For Fiscal Year ended June 30, 2022	June 30, 2029		185,105	-	-	-	-	185,105	-
Interest Income			-	43,813	-	-	-	43,813	39,451
Subtotal RTCIP Funds			2,434,400	43,813	(2,213,961)	-	-	264,252	610,609
GASB 31 Market Value Adjustment			-	(27,368)	-	-	-	(27,368)	(5,256)
Total RTCIP Funds			$ 2,434,400	$ 16,445	$ (2,213,961)	$ -	$ -	$ 236,884	$ 605,353

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CITY OF LEMON GROVE, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $753,183. We selected $267,566 (35.52%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. The City implemented a formal cost allocation plan that was adopted by City Council in June 2019. The cost allocation plan charges a percentage of payroll and positions charged to the TransNet fund. In FY22, salaries and benefits charged to the TransNet fund were $57,098. 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 FY22, total expenditures charged to TransNet for Rick Engineering were $66,694 (8.85%). In total, the City allocated $123,792 of indirect costs to the TransNet program, which represents 16.44% of total TransNet expenditures made during FY22. Overhead costs are then allocated to Congestion Relief and Maintenance projects based on actual expense for the current year. 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 Adjustment 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.

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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, 2023.

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 FY22.

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 FY22.

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

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

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

Results: This procedure is not applicable as the City did not have any non-*TransNet* activity during FY22.

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.

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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 during FY22.

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 2022 apportionment	$937,398
Less: debt service payment	-
Net estimated apportionment	937,398
30% base	30%
Fiscal year 2022 30% threshold	281,219
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(67,260)
Maintenance fund balance	(23,218)
Total Local Streets and Roads and Local Street Improvement fund balance	(90,478)
Fund balance under apportionment	$371,697

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(67,260)	$ 702,880	$ 635,620
Maintenance	(23,218)	398,150	374,932
Totals	$(90,478)	$1,101,030	$1,010,552

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 26.12% of cumulative local street and road revenue for maintenance as indicated on the following page:

	City	SANDAG	Total
Congestion relief	$6,400,002	$582,308	$6,982,310
Maintenance	2,626,374	346,753	2,973,127
Interest	16,421	171,969	188,390
Total local street and road revenue	$9,042,797	$1,101,030	$10,143,827
30% of total local street and road revenue			$ 3,043,148
Less maintenance expenditures incurred to date			(2,649,932)
Available maintenance funds			$ 393,216
Cumulative percentage expended for maintenance			26.12%

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, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$545,840
Less MOE base year requirement	(203,027)
Excess MOE for the year ended June 30, 2022	$342,813

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.

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Results: The City did not collect the correct exaction fee for 89 of 99 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 ethe 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, 2022.

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2022.

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

Results: This procedure is not applicable as there were no RTCIP payroll expenditures identified during FY22.

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

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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 25, 2022.

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

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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 FY20 relating to not using the approved exaction fee. As of June 30, 2022, the City was unable to collect the $129.15 and plans to transfer the amount from the City's General Fund in FY23.

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, 2022. 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.

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Irvine, California
XXXX, 2023

CITY OF LEMON GROVE, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) Need to Use Approved Exaction Fee

The City did not consistently collect the required exaction fee amount of $2,635.50 during the fiscal year ended June 30, 2022. For one permit issued, the exaction fee collected was based upon the FY20 exaction fee amount of $2,533.15. For 88 permits issued, the exaction fee collected was based upon the FY21 exaction fee amount of $2,583.82. This resulted in an under-collection of the exaction fee in the amount of $4,650.19 as follows:

Customer	Batch	Receipt #	Amount Required	Amount Charged	Variance
Skylark Partners	202-4-2022	43072	$ 2,635.50	$ 2,533.15	$ 102.35
Citymark Construction	232-2-2022	42464	173,943.00	170,532.12	3,410.88
Edward & Zumrad Berki	204-4-2022	43109	2,635.50	2,583.82	51.68
Snyder Properties	Various	Various	15,813.00	15,502.92	310.08
The Grove Partners	235-6-2022	44079	39,532.50	38,757.30	775.20
		Totals	$234,559.50	$229,909.31	$4,650.19

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…"

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

Recommendation

We recommend that the City recover the under-collection of exaction fees in the amount of $4,650.19. Additionally, we recommend that the City update and collect the proper exaction fee on a yearly basis to be in compliance with the RTCIP fees requirement.

Management Response

Although, the fee amount was updated in the City's ERP system to be effective as of July 1, 2021, City staff did not realize that the system automatically pulls in the fees that were effective as of the 'effective date' of the permit, not the effective date of payment.

To fix this, RTCIP fee must be manually updated prior to payment of the fee. Due to a turnover in regular and contracted staff, this process did not occur and the City under collected the exaction fee by $4,650.19.

The report recommended that the City (1) recover the under-collected fees and (2) update the exaction fee on a yearly basis.

The City will address these items as follows:

(1) City staff will prepare letters to the permit holders who had underpaid in FY2021-22 requesting payment of the outstanding balance of their exaction fee. Since the permits were previously issued, the City lacks leverage on the permit holder to pay. To this end, any fees the City is not able to collect by the end of the current fiscal year, the City will cover the fees from the General Fund.

(2) The task of updating the exaction fee in the software system is part of the year end process. It is completed upon notification from SANDAG of the new rate with an effective date as stipulated by SANDAG. City staff has been trained on updating the fee for permits initiated to the current fiscal year and will be monitored to help reduce or eliminate under collection in the future.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	$ 18,924	$ 22,269	$ 45	$ (24,307)	$ -	$ 16,931	
LG20	7300	Street Improvements - Congestion Relief	381,216	9,714	396	(475,517)	-	(84,191)	(a)
		Total Congestion Relief	400,140	31,983	441	(499,824)	-	(67,260)	
		Maintenance:							
LG14	7310	Traffic Improvements - Preventive Maintenance	10,471	88,111	73	(114,700)	-	(16,045)	(a)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	192	19,662	42	(23,157)	-	(3,261)	(a)
LG17	7150	Street Improvements - Preventive Maintenance	1,297	7,857	26	(13,092)	-	(3,912)	(a)
		Total Maintenance	11,960	115,630	141	(150,949)	-	(23,218)	
		Total Local Street Improvements	412,100	147,613	582	(650,773)	-	(90,478)	
		Smart Growth Grant:							
LG26	7340	Connect Main St	(23,627)	45,814	-	(102,410)	-	(80,223)	(a)
		Total Smart Growth Grant	(23,627)	45,814	-	(102,410)	-	(80,223)	
		Total *TransNet* Extension	$ 388,473	$ 193,427	$ 582	$ (753,183)	$ -	$ (170,701)	

Notes:
(a) City will request additional funds in FY23.

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CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	$ 1,096,574	$ 2,931	$ (1,082,574)	$ 16,931
LG20	7300	Street Improvements - Congestion Relief	3,715,008	646	(3,799,845)	(84,191)
		Total Congestion Relief	4,811,582	3,577	(4,882,419)	(67,260)
		Maintenance:				
LG14	7310	Traffic Improvements - Preventive Maintenance	1,291,933	124	(1,308,102)	(16,045)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	603,767	124	(607,152)	(3,261)
LG17	7150	Street Improvements - Preventive Maintenance	730,674	92	(734,678)	(3,912)
		Total Maintenance	2,626,374	340	(2,649,932)	(23,218)
		Total Local Street Improvements	7,437,956	3,917	(7,532,351)	(90,478)
		Smart Growth Grant:				
LG26	7340	Connect Main St	292,175	-	(372,398)	(80,223)
		Total Smart Growth Grant	292,175	-	(372,398)	(80,223)
		Subtotal Cumulative *TransNet* Extension	7,730,131	3,917	(7,904,749)	(170,701)
		Completed Projects:				
		Congestion Relief	1,588,420	12,504	(1,600,924)	-
		Smart Growth Grant	3,275,001	-	(3,275,001)	-
		Total Completed Projects	4,863,421	12,504	(4,875,925)	-
		Total Cumulative *TransNet* Extension	$ 12,593,552	$ 16,421	$ (12,780,674)	$ (170,701)

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CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	LG 13	$ 130,777	$ 737	$ (131,514)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	LG 13	272,580	2,383	(274,963)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	LG 13	51,854	2,997	(54,851)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	LG 13	50,484	5,909	(56,393)	-	-	-	-	
For Fiscal Year ended June 30, 2019	June 30, 2026	LG 13	52,888	2,012	(54,882)	-	-	18	18	
For Fiscal Year ended June 30, 2020	June 30, 2027	LG 13	40,351	-	-	-	-	40,351	40,351	
For Fiscal Year ended June 30, 2021	June 30, 2028		35,229	-	-	-	-	35,229	35,229	
For Fiscal Year ended June 30, 2022	June 30, 2029		259,986	-	-	(3,722)	-	256,264	-	(a)
Interest Income			-	1,744	-	-	-	1,744	659	
Total RTCIP Funds			$ 894,149	$ 15,782	$ (572,603)	$ (3,722)	$ -	$ 333,606	$ 76,257	

Notes:

(a) Accessory Dwelling Unit is exempt from RTCIP exaction fee requirement. City will process a refund during FY23.

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CITY OF NATIONAL CITY, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $1,672,305. We selected $879,866 (52.61%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as the City did not allocate indirect costs to projects on 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 are no adjustments included within Schedule A in FY22.

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, 2023.

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.

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Results: This procedure is not applicable as there were no inactive projects included within Schedule A in FY22.

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

Results: This procedure is not applicable as there were no inactive projects included within Schedule A in FY22.

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 FY22.

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

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

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

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

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

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

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

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

   Results: The City is not in compliance with the 30% requirement as follows:

Fiscal year 2022 apportionment	$1,927,651
Less: debt service payment	-
Net estimated apportionment	1,927,651
30% base	30%
Fiscal year 2022 30% threshold	578,295
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	1,373,673
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	1,373,673
Fund balance over apportionment	$ 795,378

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$1,373,673	$(4,446,068)	$(3,072,395)
Maintenance	-	6,058,015	6,058,015
Totals	$1,373,673	$ 1,611,947	$ 2,985,620

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.

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Results: The City has expended 0.00% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$22,192,333	$(4,812,211)	$17,380,122
Maintenance	-	5,926,539	5,926,539
Interest	51,877	497,619	549,496
Total local street and road revenue	$22,244,210	$1,611,947	$23,856,157
30% of total local street and road revenue			$7,156,847
Less maintenance expenditures incurred to date			-
Available maintenance funds			$7,156,847
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 are no commercial paper and bonds outstanding as of June 30, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$2,150,040
Less MOE base year requirement	(2,029,966)
Excess MOE for the year ended June 30, 2022	$ 120,074

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

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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, 2022.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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, 2022.

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

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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, 2022.

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: While the City did not have any findings related to the report for the fiscal year ended June 30, 2021, there were unresolved findings for the reports for the fiscal years ended June 30, 2018, June 30, 2019, and June 30, 2020 related to charging incorrect exaction fees. The current year testing of the exaction fee (procedure 13.c.i) did not result in a finding. As of the date of this report, the under-collections of $3,666 and $156 relating to the fiscal years ended June 30, 2018 and June 30, 2019 had not been recovered, nor was the over-collection of $162 relating

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to the fiscal year ended June 30, 2020 refunded to the developer. As such, we followed up with the City for an explanation of their planned course of action to remedy these findings in the next fiscal year. Per the City, they have exhausted its effort in collecting the under-collected exaction fees from FY 2018 & FY 2019. A fund transfer in the amount of $3,822 from the General Fund will take place to cover for it in FY 2023. As for the over collected fees of $162 the City will attempt to contact the developer to refund the 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, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through							
NC04	6558	Regional Arterial Management Systems	$ -	$ 8,000	$ -	$ (8,000)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	8,000	-	(8,000)	-	-	
		Congestion Relief:							
NC03	6035	Street Resurfacing Project	243,971	1,100,000	499	(430,925)	-	913,545	
NC04	6558	Traffic Signal Install/Upgrade	392,230	126,500	67	(404,972)	-	113,825	
NC15	6166	Citywide Safe Routes to School	136,405	236,000	189	(26,291)	-	346,303	
		Total Congestion Relief	772,606	1,462,500	755	(862,188)	-	1,373,673	
		Total Local Street Improvements	772,606	1,470,500	755	(870,188)	-	1,373,673	
								-	
		Smart Growth:							
NC29	6604	24th Street TOD Overlay	(126,365)	119,494	-	(49,313)	-	(56,184)	(a)
NC36	6605	Roosevelt Ave Corridor	(623,162)	906,856	-	(675,899)	-	(392,205)	(a)
NC37	6606	Sweetwater Rd Protected Bikeway	(87,077)	43,513	-	(76,905)	-	(120,469)	(a)
		Total Smart Growth	(836,604)	1,069,863	-	(802,117)	-	(568,858)	
		Bike and Pedestrian:							
NC34	6603	Waterfront To Homefront Connectivity	(12,447)	-	-	-	-	(12,447)	(a)
NC35	6602	National City Bike Parking Enhancements	(1,801)	-	-	-	-	(1,801)	(a)
		Total Bike and Pedestrian	(14,248)	-	-	-	-	(14,248)	
		Total *TransNet* Extension	$ (78,246)	$ 2,540,363	$ 755	$ (1,672,305)	$ -	$ 790,567	

Notes:
(a) Grant expenditures will be requested for reimbursement in FY23.

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CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
NC04	6558	Regional Arterial Management Systems	$ 80,000	$ -	$ (80,000)	$ -
		Total Congestion Relief - Pass-Through	80,000	-	(80,000)	-
		Congestion Relief:				
NC03	6035	Street Resurfacing Project	11,913,110	5,900	(11,005,465)	913,545
NC04	6558	Traffic Signal Install/Upgrade	2,326,233	21,958	(2,234,366)	113,825
NC15	6166	Citywide Safe Routes to School Tax	3,101,701	12,928	(2,768,326)	346,303
		Total Congestion Relief	17,341,044	40,786	(16,008,157)	1,373,673
		Total Local Street Improvements	17,421,044	40,786	(16,088,157)	1,373,673
		Smart Growth:				
NC29	6604	24th Street TOD Overlay	446,426	-	(502,610)	(56,184)
NC36	6605	Roosevelt Ave Corridor	1,671,602	-	(2,063,807)	(392,205)
NC37	6606	Sweetwater Rd Protected Bikeway	272,570	-	(393,039)	(120,469)
		Total Smart Growth	2,390,598	-	(2,959,456)	(568,858)
		Active Transportation Grant:				
		Bike and Pedestrian:				
NC 34	6603	Waterfront To Homefront Connectivity	185,554	-	(198,001)	(12,447)
NC 35	6604	Waterfront To Homefront Connectivity	46,072	-	(47,873)	(1,801)
		Total Bike and Pedestrian	231,626	-	(245,874)	(14,248)
		Subtotal Cumulative *TransNet* Extension	20,043,268	40,786	(19,293,487)	790,567

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(Continued)

CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Completed Projects:				
		Congestion Relief	$ 4,771,289	$ 11,091	$ (4,782,380)	$ -
		Smart Growth	7,145,000	-	(7,145,000)	-
		Bike and Pedestrian	1,806,861	-	(1,806,861)	-
		Total Completed Projects	13,723,150	11,091	(13,734,241)	-
		Total Cumulative *TransNet* Extension	$ 33,766,418	$ 51,877	$ (33,027,728)	$ 790,567

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CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022	NC01	$ 351,669	$ 595	$ (352,264)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2016	June 30, 2023	NC01	13,860	-	(13,860)	-	-	-	-
For Fiscal Year ended June 30, 2017	June 30, 2024	NC01	28,096	-	(28,143)	47	-	-	-
For Fiscal Year ended June 30, 2018	June 30, 2025	NC01	494,561	-	(114,556)	-	-	380,005	380,005
For Fiscal Year ended June 30, 2019	June 30, 2026		141,430	-	-	-	-	141,430	141,430
For Fiscal Year ended June 30, 2020	June 30, 2027		1,061,746	-	-	-	-	1,061,746	1,061,746
For Fiscal Year ended June 30, 2021	June 30, 2028		136,652	-	-	-	-	136,652	136,652
For Fiscal Year ended June 30, 2022	June 30, 2029		220,926	-	-	-	-	220,926	-
Interest Income			-	59,809	-	-	-	59,809	52,226
Subtotal RTCIP Funds			2,448,940	60,404	(508,823)	47	-	2,000,568	1,772,059
GASB 31 Market Value Adjustment			-	(7,021)	-	-	-	(7,021)	(15,557)
Total RTCIP Funds			$ 2,448,940	$ 53,383	$ (508,823)	$ 47	$ -	$ 1,993,547	$ 1,756,502

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CITY OF OCEANSIDE, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $816,306. We selected $303,465 (37.18%) 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. The City does not have a formal indirect cost plan. The City allocates costs based on all expenses charged to the designated Engineering Account, as a percentage of each active CIP account on a quarterly basis. The City allocated a total of $40,797 of indirect costs in the RTIP, resulting in 1.71% 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: 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, 2023.

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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. The City indicated that, "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." Additionally, "The design for O46 is underway, but efforts have been focused on obtaining ATP Grant for construction prior to completing design." Finally, "O47 is an on-going project. Drawing for Preliminary Design and Public Outreach have been prolonged because City and Coastal Commission staff vet alternative improvements. Design likely through FY24 and construction through mid FY26." The status of these 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 28, 2022.

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.

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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 2022 apportionment	$6,093,275
Less: debt service payment	(1,565,439)
Net estimated apportionment	4,527,836
30% base	30%
Fiscal year 2022 30% threshold	1,358,351
Less:	
Local Streets and Roads fund balance	270,440
Local Street Improvement:	
Congestion Relief fund balance	(2,708,129)
Maintenance fund balance	(259,528)
Total Local Streets and Roads and Local Street Improvement fund balance	(2,697,217)
Fund balance under apportionment	$4,055,568

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are indicated on the following page:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(2,708,129)	$2,892,841	$184,712
Maintenance	(259,528)	6,140,379	5,880,851
Totals	$(2,967,657)	$9,033,220	$6,065,563

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 19.66% of cumulative local street and road revenue for maintenance as indicated on the following page:

	City	SANDAG	Total
Congestion relief	$52,383,112	$2,218,561	$54,601,673
Maintenance	14,677,923	5,840,047	20,517,970
Interest	215,427	974,612	1,190,039
Total local street and road revenue	$67,276,462	$9,033,220	$76,309,682
30% of total local street and road revenue			$22,892,905
Less maintenance expenditures incurred to date			(15,002,233)
Available maintenance funds			$ 7,890,672
Cumulative percentage expended for maintenance			19.66%

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

    Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest Payments
Commercial Paper Debt Service	$1,554,937	$ -	$1,544,937	$ -	$10,502

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$5,101,598
Less MOE base year requirement	(3,120,588)
Excess MOE for the year ended June 30, 2022	$1,981,010

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.

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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 ethe 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 $429,734. We selected $165,356 (38.48%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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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 3, 2022.

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.

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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 (for the year ended June 30, 2021) included a finding related to the incorrect charge of exaction fees of developers. The current year testing of the exaction fee (procedure 13.c.i) did not result in a finding. As of the date of this report, a portion of the prior year under-collection has been recovered. In the prior year, the City under-collected exactions by $7,499, of which $6,050 has been recovered. The City does not believe it will be able to recover the remaining $1,449 from developers and will request a transfer from the general fund of the City Council to cover the outstanding balance in FY23.

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, 2022.

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, 2022. 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
_____, 2023

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		TransNet:							
		Local Streets and Roads:							
O14	914560800212	Douglas Dr. Bridge Seismic Retro	$ 106,487	$ -	$ -	$ (37,305)	$ -	$ 69,182	
O14	914560900212	No Coast Hwy Bridge Seismic Retro	204,302	-	-	(3,044)	-	201,258	
		Total Local Streets and Roads	310,789	-	-	(40,349)	-	270,440	
		Total *TransNet*	310,789	-	-	(40,349)	-	270,440	
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
O35	N/A	Regional Arterial Management Systems	-	11,200	-	(11,200)	-	-	
		Total Congestion Relief - Pass-Through	-	11,200	-	(11,200)	-	-	
		Congestion Relief:							
O17	905120100212	Loma Alta Creek Detention Basins	-	-	-	-	-	-	(a)
O24	902754200212	Street Restoration	(1,553,028)	-	-	(142,765)	-	(1,695,793)	(b)
O25	902146516212	Downtown Fiber-Optic	(23,048)	-	-	-	-	(23,048)	(b)
O33	902131200212	Coast Hwy Corridor Study/EIR	124,277	-	-	-	-	124,277	(c)
O33	902137100212	Coast Hwy Vision EIR-SA	-	-	-	-	-	-	(c)
O33	902162120212	Coast Hwy Corridor Design	(15,000)	-	-	(31,285)	-	(46,285)	(b)
		Total O33 Projects	109,277	-	-	(31,285)	-	77,992	
		Subtotal Congestion Relief	(1,466,799)	-	-	(174,050)	-	(1,640,849)	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA

TransNet and *TransNet* Extension Activities

Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Congestion Relief - balance carried forward	$ (1,466,799)	$ -	$ -	$ (174,050)	$ -	$ (1,640,849)	
O37	902135600212	Bicycle Master Plan/Bike Sfty	(34,623)	-	-	(75,674)	-	(110,297)	(b)
O37	902165720212	Loma Alta Bike Trail	(532)	-	-	-	-	(532)	(b)
		Total O37 Projects	(35,155)	-	-	(75,674)	-	(110,829)	
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	(95,253)	-	-	(183,019)	-	(278,272)	(b)
O38	902135500212	Neighborhood Traffic Sfty Impr	(236,461)	-	-	-	-	(236,461)	(b)
O38	902165620212	El Corazon N Roundabout	(21,471)	-	-	-	80	(21,391)	(b)(d)
		Total O38 Projects	(353,185)	-	-	(183,019)	80	(536,124)	
O40	902135400212	Mainline R/R Xing Sfty	(104,174)	-	-	-	-	(104,174)	(e)
O41	907118100212	Lot 23 Transit Parking Strctr	(265,986)	-	-	-	-	(265,986)	(b)
O45	902147216212	Douglas Dr Median HSIP-City	(14,920)	-	-	(176,935)	-	(191,855)	(f)
O46	902162320212	Coastal Rail Trail Design	(16,060)	-	-	(4,923)	-	(20,983)	(b)
O46	904146616212	Coastal Rail Trail Oblvd Morse	(21,724)	-	-	-	-	(21,724)	(b)(g)
		Total O46 Projects	(37,784)	-	-	(4,923)	-	(42,707)	
		Subtotal Congestion Relief	(2,278,003)	-	-	(614,601)	80	(2,892,524)	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Congestion Relief balance carried forward	$ (2,278,003)	$ -	$ -	$ (614,601)	$ 80	$ (2,892,524)	
O47	907146416212	Pier Restoration	33,750	-	-	-	-	33,750	(h)
		Commercial Paper Debt Services	-	1,565,439	-	(1,565,439)	-	-	
		Interest income	143,382	-	7,263	-	-	150,645	
		Total Congestion Relief	(2,100,871)	1,565,439	7,263	(2,180,040)	80	(2,708,129)	
		Maintenance:							
O18	425411212	Misc Traffic Markings	(53,948)	-	-	(46,631)	-	(100,579)	(b)
O18	425418212	Neighborhood Traffic Improvement	(77,735)	-	-	(103,525)	-	(181,260)	(b)
O18	425426212	Misc Street Projects	(42,251)	-	-	-	-	(42,251)	(b)
		Total O18 Projects	(173,934)	-	-	(150,156)	-	(324,090)	
		Interest Income	61,449	-	3,113	-	-	64,562	
		Total Maintenance	(112,485)	-	3,113	(150,156)	-	(259,528)	
		Total Local Street Improvements	(2,213,356)	1,576,639	10,376	(2,341,396)	80	(2,967,657)	
		Bike and Pedestrian:							
O47	902157419212	Pier VWay Bridge Replacement PDR	(37,311)	-	-	-	-	(37,311)	(i)
		Total Bike and Pedestrian	(37,311)	-	-	-	-	(37,311)	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Smart Growth:							
O49	836164419272	Coastal Rail Trail Extension	$ (145,041)	$ 145,041	$ -	$ -	$ -	$ -	
		Total Smart Growth	(145,041)	145,041	-	-	-	-	
		Total *TransNet* Extension	(2,395,708)	1,721,680	10,376	(2,341,396)	80	(3,004,968)	
		Total *TransNet* and *TransNet* Extension	(2,084,919)	1,721,680	10,376	(2,381,745)	80	(2,734,528)	
		GASB 31 Market Value Adjustment	14,110	-	(58,384)	-	-	(44,274)	
		Total *TransNet and TransNet* Extension after GASB 31 Adjustment	$ (2,070,809)	$ 1,721,680	$ (48,008)	$ (2,381,745)	$ 80	$ (2,778,802)	

Notes:
(a) This project is scheduled to be resumed 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.
(b) City will request a drawdown to remove the deficit in FY23.
(c) 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.
(d) An adjustment was made to reverse internal service charges previously expended for this project.
(e) Project is complete. Staff is coordinating with the CPUC, Caltrans and the Federal Rail Authority (FRA) to close out the project. A draw down to reconcile this negative balance is being processed for SANDAG's review and approval.
(f) Project is completed. We are working with Caltrans to finalize and close out the project. A draw down request to cover this negative balance is being processed for SANDAG's review and approval.
(g) Design for this project is underway, but efforts have been focused on obtaining ATP Grant for construction prior to completing design.
(h) This is an on-going project. Drawing for Preliminary Design and Public Outreach have been prolonged because City and Coastal Commission staff vet alternative improvements. Design likely through FY24 and construction through mid FY26.
(i) Grant funding will be requested for reimbursement in FY23.

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CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
O35	N/A	Regional Arterial Management Systems	$ 112,000	$ -	$ (112,000)	$ -
		Total Congestion Relief - Pass-Through	112,000	-	(112,000)	-
		Congestion Relief:				
O17	905120100212	Loma Alta Creek Detention Basins	2,394,236	-	(2,394,236)	-
O24	902754200212	Street Restoration	24,414,021	-	(26,109,814)	(1,695,793)
O25	902146516212	Downtown Fiber-Optic	146,900	-	(169,948)	(23,048)
O33	902131200212	Coast Hwy Corridor Study/EIR	1,159,218	-	(1,034,941)	124,277
O33	902137100212	Coast Hwy Vision EIR-SA	323,068	-	(323,068)	-
O33	902162120212	Coast Hwy Corridor Design	-	-	(46,285)	(46,285)
		Total O33 Projects	1,482,286	-	(1,404,294)	77,992
O37	902135600212	Bicycle Master Plan/Bike Sfty	283,065	-	(393,362)	(110,297)
O37	902165720212	Loma Alta Bike Trail	-	-	(532)	(532)
		Total O37 Projects	283,065	-	(393,894)	(110,829)
		Subtotal Congestion Relief	28,720,508	-	(30,472,186)	(1,751,678)

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 28,720,508	$ -	$ (30,472,186)	$ (1,751,678)
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	722,500	-	(1,000,772)	(278,272)
O38	902135500212	Neighborhood Traffic Sfty Impr	246,629	-	(483,090)	(236,461)
O38	902165620212	El Corazon N Roundabout	-	-	(21,391)	(21,391)
		Total O38 Projects	969,129	-	(1,505,253)	(536,124)
O40	902135400212	Mainline R/R Xing Sfty	5,440,000	-	(5,544,174)	(104,174)
O41	907118100212	Lot 23 Transit Parking Strctr	3,416,993	-	(3,682,979)	(265,986)
O45	902147216212	Douglas Dr Median HSIP-City	119,214	-	(311,069)	(191,855)
O46	902162320212	Coastal Rail Trail Design	-	-	(20,983)	(20,983)
O46	904146616212	Coastal Rail Trail Oblvd Morse	115,000	-	(136,724)	(21,724)
		Total O45 Projects	115,000	-	(157,707)	(42,707)
O47	907146416212	Pier Restoration	500,000	-	(466,250)	33,750
		Subtotal Congestion Relief	39,280,844	-	(42,139,618)	(2,858,774)

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CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 39,280,844	$ -	$ (42,139,618)	$ (2,858,774)
		Commercial Paper Debt Services	4,914,124	-	(4,914,124)	-
		Interest Income	-	150,645	-	150,645
		Total Congestion Relief	44,194,968	150,645	(47,053,742)	(2,708,129)
		Maintenance:				
O18	425411212	Misc Traffic Markings	374,670	-	(475,249)	(100,579)
O18	425418212	Neighborhood Traffic Improvement	820,190	-	(1,001,450)	(181,260)
O18	425426212	Misc Street Projects	8,194,617	-	(8,236,868)	(42,251)
		Total O18 Projects	9,389,477	-	(9,713,567)	(324,090)
		Interest Income	-	64,562	-	64,562
		Total Maintenance	9,389,477	64,562	(9,713,567)	(259,528)
		Total Local Street Improvements	53,696,445	215,207	(56,879,309)	(2,967,657)
		Bike and Pedestrian:				
O47	902157419212	Pier VWay Bridge Replacement PDR	-	-	(37,311)	(37,311)
		Total Bike and Pedestrian	-	-	(37,311)	(37,311)

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CITY OF OCEANSIDE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Smart Growth:				
O49	836164419272	Coastal Rail Trail Extension	$ 339,517	$ -	$ (339,517)	$ -
		Total Smart Growth	339,517	-	(339,517)	-
		Subtotal Cumulative *TransNet* Extension	54,035,962	215,207	(57,256,137)	(3,004,968)
		Completed Projects:				
		LSI - Congestion Relief	8,076,144	-	(8,076,144)	-
		LSI - Maintenance	5,288,446	220	(5,288,666)	-
		Bike and Pedestrian	567,620	-	(567,620)	-
		Smart Growth	431,451	-	(431,451)	-
		Senior Mini-Grant	1,756,754	13	(1,756,767)	-
		Total Completed Projects	16,120,415	233	(16,120,648)	-
		Total Cumulative *TransNet* Extension	$ 70,156,377	$ 215,440	$ (73,376,785)	$ (3,004,968)

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CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	O22	$ 128,478	$ 911	$ (129,389)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	O22	256,521	1,798	(258,319)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	O22	912,159	7,156	(919,315)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	O22	951,228	-	(951,228)	-	-	-	382,947	
For Fiscal Year ended June 30, 2019	June 30, 2026	O22	623,484	-	(46,787)	-	-	576,697	623,484	
For Fiscal Year ended June 30, 2020	June 30, 2027		509,334	-	-	-	-	509,334	509,334	
For Fiscal Year ended June 30, 2021	June 30, 2028		398,288	-	-	-	-	398,288	398,288	
For Fiscal Year ended June 30, 2022	June 30, 2029		1,153,320	-	-	-	-	1,153,320	-	
Interest Income			-	22,749	-	-	-	22,749	14,600	
Total RTCIP Funds			$ 4,932,812	$ 32,614	$ (2,305,038)	$ -	$ -	$ 2,660,388	$ 1,928,653	

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CITY OF POWAY, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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 performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

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

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

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

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

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

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

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

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

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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.

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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 $1,052,774. We selected $995,415 (94.55%) 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 FY22.

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated during FY22.

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 with balances remaining.

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, 2023.

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.

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

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

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

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 FY22.

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

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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 2022 apportionment	$1,949,548
Less: debt service payment	-
Net estimated apportionment	1,949,548
30% base	30%
Fiscal year 2022 30% threshold	584,864
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	153,836
Maintenance fund balance	(153,940)
Total Local Streets and Roads and Local Street Improvement fund balance	(104)
Fund balance under apportionment	$584,968

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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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$153,836	$2,374,141	$2,527,977
Maintenance	(153,940)	628,495	474,555
Totals	$ (104)	$3,002,636	$3,002,532

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 27.63% of cumulative local street and road revenue for maintenance as indicated on the following page:

	City	SANDAG	Total
Congestion relief	$12,571,395	$2,278,651	$14,850,046
Maintenance	5,740,898	590,909	6,331,807
Interest	45,504	133,076	173,580
Total local street and road revenue	$18,352,797	$3,002,636	$21,355,433
30% of total local street and road revenue			$6,406,630
Less maintenance expenditures incurred to date			(5,899,482)
Available maintenance funds			$ 507,148
Cumulative percentage expended for maintenance			27.63%

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: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$3,386,795
Less MOE base year requirement	(1,327,553)
Excess MOE for the year ended June 30, 2022	$2,059,242

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 between 2011 and 2015 within the required seven year timeframe. We obtained a response from the City which included a plan of action to remedy this issue, and included a footnote within Schedule C of the

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Report. 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 between 2011 and 2015 within the required seven year timeframe. We obtained a response from the City which included a plan of action to remedy this issue, and included a footnote within Schedule C of the Report. 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: The City recorded total RTCIP expenditures in the amount of $181,226. We selected $XXX (X%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as there were no RTCIP payroll expenditures for the fiscal year ending June 30, 2022.

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.

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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 4, 2022.

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.

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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 the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2022. 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.

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Irvine, California
XXXX, 2023

CITY OF POWAY, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) RTCIP funding not expended nor committed within seven years of collection

The City did not expend or commit RTCIP funding collected during fiscal years 2011 through 2015 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

RTCIP eligible project expenditures were actually incurred in the fiscal year ended June 30, 2022, which were inadvertently charged to the incorrect funding source. The City will make a transfer of RTCIP funds to reimburse the General Fund for RTCIP eligible project expenditures that were incurred but charged to the General Fund in error, which will then bring the City into compliance with the seven-year spend down requirement. Management will also ensure that any communication or other gaps are addressed in order to ensure the correct funding sources are charged in the future as project costs are incurred.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief Pass-Through:							
POW 29	411040-43204	Regional Arterial Management Systems	$ -	$ 7,300	$ -	$ (7,300)	$ -	$ -	
		Total Congestion Relief Pass-Through	-	7,300	-	(7,300)	-	-	
		Congestion Relief:							
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	126,399	-	490	-	-	126,889	
POW 38	411040-43202	Annual Reconstruction and Overlay Project	177,733	595,553	105	(746,444)	-	26,947	
		Total Congestion Relief	304,132	595,553	595	(746,444)	-	153,836	
		Maintenance:							
POW 30	411040-43203	Street Maintenance Project	(474)	145,564	-	(299,030)	-	(153,940)	(a)
		Total Maintenance	(474)	145,564	-	(299,030)	-	(153,940)	
		Total Local Street Improvement	303,658	748,417	595	(1,052,774)	-	(104)	
		Subtotal *TransNet* Extension	303,658	748,417	595	(1,052,774)	-	(104)	
		GASB 31 Market Value Adjustment	3,141	-	-	-	(3,141)	-	(b)
		Total *TransNet* Extension	$ 306,799	$ 748,417	$ 595	$ (1,052,774)	$ (3,141)	$ (104)	

Notes:
(a) Funding will be requested in FY23 to remove the deficit.
(b) Beginning in FY22, the City no longer includes the fair adjustment as a component of interest income for *TransNet* Funds. As such, an adjustment to zero out the GASB 31 Market Value Adjustment line was made.

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CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
POW 29	0411-4320D	Regional Arterial Management Systems	$ 73,000	$ -	$ (73,000)	$ -
		Total Congestion Relief Pass-Through	73,000	-	(73,000)	-
		Congestion Relief:				
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	123,744	3,145	-	126,889
POW 38	411040-43202	Annual Reconstruction and Overlay Project	2,510,558	12,833	(2,496,444)	26,947
		Total Congestion Relief	2,634,302	15,978	(2,496,444)	153,836
		Maintenance:				
POW 30	411040-43203	Street Maintenance Project	1,420,198	-	(1,574,138)	(153,940)
		Total Maintenance	1,420,198	-	(1,574,138)	(153,940)
		Subtotal Cumulative *TransNet* Extension	4,127,500	15,978	(4,143,582)	(104)
		Completed Projects:				
		Local Street Improvements:				
		Congestion Relief	9,864,093	19,882	(9,883,975)	-
		Maintenance	4,320,700	4,644	(4,325,344)	-
		Total Completed Projects	14,184,793	24,526	(14,209,319)	-
		Total Cumulative *TransNet* Extension	$ 18,312,293	$ 40,504	$ (18,352,901)	$ (104)

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CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2011	June 30, 2018	POW37/POW48	$ 158,156	$ -	$ (158,156)	$ -	$ -	$ -	$ 27,803	
For Fiscal Year ended June 30, 2012	June 30, 2019	POW37/POW48	6,369	-	(6,369)	-	-	-	6,369	
For Fiscal Year ended June 30, 2013	June 30, 2020	POW37/POW48	30,310	-	(16,701)	-	-	13,609	30,310	(a)
For Fiscal Year ended June 30, 2014	June 30, 2021		17,672	-	-	-	-	17,672	17,672	(a)
For Fiscal Year ended June 30, 2015	June 30, 2022		20,336	-	-	-	-	20,336	20,336	(a)
For Fiscal Year ended June 30, 2016	June 30, 2023		25,360	-	-	-	-	25,360	25,360	
For Fiscal Year ended June 30, 2017	June 30, 2024		32,998	-	-	-	-	32,998	32,998	
For Fiscal Year ended June 30, 2018	June 30, 2025		43,275	-	-	-	-	43,275	43,275	
For Fiscal Year ended June 30, 2019	June 30, 2026		17,464	-	-	-	-	17,464	17,464	
For Fiscal Year ended June 30, 2020	June 30, 2027		43,064	-	-	-	-	43,064	43,064	
For Fiscal Year ended June 30, 2021	June 30, 2028		364,319	-	-	-	-	364,319	364,319	
For Fiscal Year ended June 30, 2022	June 30, 2029		279,363	-	-	-	-	279,363	-	
Interest Income			-	40,993	-	-	-	40,993	38,895	
Subtotal RTCIP Funds			1,038,686	40,993	(181,226)	-	-	898,453	667,865	
GASB 31 Market Value Adjustment			-	(6,140)	-	6,140	-	-	(1,060)	(b)
Total RTCIP Funds			$ 1,038,686	$ 34,853	$ (181,226)	$ 6,140	$ -	$ 898,453	$ 666,805	

Notes:
(a) POW48 was completed in early FY23. RTCIP funding will be programmed in subsequent years for Arterial Signal Upgrades.
(b) Beginning in FY22, the City no longer includes the fair market adjustment in the calculation of investment income for RTCIP funds. As such, an adjustment to zero out the GASB 31 Market Value Adjustment line was made.

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CITY OF SAN DIEGO, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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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, 2022. 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, 2022. 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.

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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.

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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 $39,394,569. We selected $11,214,795 (28.47%) 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

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documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, two city departments charged labor and applied indirect costs to projects in the RTIP. The indirect cost rates charged by the departments ranged from 10.0% to 287.0% of direct labor. Total indirect costs included within projects in the RTIP were $5,231,694 or 13.33% of total *TransNet* expenditures. The City's cost allocation plan has not been reviewed by a federal or state agency, nor has it been audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our 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, 2023.

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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 is one project that has been inactive over the past two years. The City indicated that, "SD90 has an estimated completion date of 4/30/2024."

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

Results: SANDAG approved the reason for the inactivity on November 3, 2022.

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

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

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

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

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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 2022 apportionment	$46,004,502
Less: debt service payment	(196,798)
Net estimated apportionment	45,807,704
30% base	30%
Fiscal year 2022 30% threshold	13,742,311
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	8,666,365
Maintenance fund balance	(2,624,589)
Total Local Streets and Roads and Local Street Improvement fund balance	6,041,776
Fund balance under apportionment	$7,700,535

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$8,666,365	$32,451,385	$41,117,750
Maintenance	(2,624,589)	6,796,804	4,172,215
Totals	$6,041,776	$39,248,189	$45,289,965

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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 27.37% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$318,668,922	$28,511,505	$347,180,427
Maintenance	131,420,587	4,917,654	136,338,241
Interest	331,781	5,819,030	6,150,811
Total local street and road revenue	$450,421,290	$39,248,189	$489,669,479
30% of total local street and road revenue			$ 146,900,844
Less maintenance expenditures incurred to date			(134,045,176)
Available maintenance funds			$ 12,855,668
Cumulative percentage expended for maintenance			27.37%

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

    Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest Payment
Commercial paper	$26,167,000	$ -	$ -	$26,167,000	$196,798

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

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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, 2022, is summarized as follows:

	Street and Road	Specialized Transportation Services	Transit Bus Subsidies	Total
Current year local discretionary expenditures	$41,508,184	$191,311	$1,242,063	$42,941,558
Less MOE Discretionary in Transit Bus Subsidies	(770,259)	-	-	(770,259)
Less MOE base year requirement	(25,854,722)	(191,311)	(1,029,903)	(27,075,936)
Excess MOE for the year ended June 30, 2022	$14,883,203	$ -	$ 212,160	$15,095,363

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.

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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 ethe 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 $3,854,824. We selected $796,221 (20.66%) for testing. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no unallowable expenditures identified in 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: No exceptions were noted as a result of our procedures.

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

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

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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 17, 2022.

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.

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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, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		TransNet* Extension*:							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SD16A	13001747	Regional Arterial Management Systems	$ -	$ 67,600	$ -	$ (67,600)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	67,600	-	(67,600)	-	-	
		Congestion Relief - Commercial Paper:							
SD70	S00871	Commercial Paper	26,167,000	-	-	-	-	26,167,000	(a)
		Total Congestion Relief - Commercial Paper:	26,167,000	-	-	-	-	26,167,000	
		Congestion Relief:							
SD09	AIK.00001	New Walkways	767,294	2,364,029	-	(1,916,078)	-	1,215,245	
SD15	AIH.00001	Installation of City Owned Street Lights	172,731	680,787	-	(398,633)	-	454,885	
SD16A	21004805	Traffic Signals - Modifications/ Modernization	243,756	300,000	-	(155,813)	-	387,943	
SD16A	AIL.00002	Traffic Signal Interconnect Projects	585,590	-	-	(214,062)	-	371,528	
SD16A	AIL.00004	Traffic Signals - Citywide	396,046	1,200,000	-	(1,282,458)	-	313,588	
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	422,086	254,394	-	(610,626)	-	65,854	
		Total SD16A Projects	1,647,478	1,754,394	-	(2,262,959)	-	1,138,913	
SD18	AIL.00001	Traffic Calming	610,841	175,730	-	(113,115)	-	673,456	
		Subtotal Congestion Relief	3,198,344	4,974,940	-	(4,690,785)	-	3,482,499	

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Congestion Relief balance carried forward	$ 3,198,344	$ 4,974,940	$ -	$ (4,690,785)	$ -	$ 3,482,499	
SD23	ACA.00001	Drainage Projects	1,442,843	1,000,000	-	(2,426,393)	-	16,450	
SD32	S00841	Carroll Canyon Rd Sorrento Valley Road to I-805	170,762	-	-	-	(170,762)	-	(b)(c)
SD34	S00856	El Camino Real Road and Bridge Widening	192,015	-	-	(203,138)	11,123	-	(c)
SD38	S00863	Georgia St Bridge Improvements	-	-	-	(12,313)	12,313	-	(c)
SD49	AIG.00001	Median Installation	274,095	744,327	-	(573,445)	-	444,977	
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	438,591	-	-	(17,270)	-	421,321	
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	-	-	-	(2,254,854)	232,869	(2,021,985)	(c)(d)
SD83	S00851	State Route 163 and Friars Road	-	-	-	(24,911)	24,911	-	(c)
SD90	S00905	SR163/Clairemont Mesa Blvd Interchange	5,388	-	-	-	-	5,388	(e)
		Subtotal Congestion Relief	5,722,038	6,719,267	-	(10,203,109)	110,454	2,348,650	

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2022

MPOP ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Congestion Relief balance carried forward	$ 5,722,038	$ 6,719,267	$ -	$ (10,203,109)	$ 110,454	$ 2,348,650	
SD96	AID.00005	Street Resurfacing and Reconstruction	578,552	2,521,406	-	(2,823,933)	-	276,025	
SD99	AIE.00001	Bridge Rehabilitation	75,729	635,000	-	(54,129)	-	656,600	
SD102A	S11060	Otay Mesa Truck Route Phase 4	504,217	2,782,568	-	(2,306,383)	-	980,402	
SD129	S00915	University Avenue Mobility	-	-	-	(22,761)	22,761	-	(c)
SD137	S00913	Palm Avenue Roadway Improvements	-	-	-	(92,687)	92,687	-	(b)(c)
SD164	S00880	Miramar Road / I-805 Easterly Ramps	97,595	-	-	(27,599)	(69,996)	-	(b)(c)
SD166	AIA.00001	Minor Bicycle Facilities	625,529	467,102	-	(570,924)	(103,763)	417,944	
SD166	21004803	Minor Bicycle Facilities (Non-Capital)	96,421	600,000	-	(800,184)	103,763	-	
		Total SD166 Projects	721,950	1,067,102	-	(1,371,108)	-	417,944	
SD186	21002143	Administrative Expenses - Finance	-	123,894	-	(110,199)	-	13,695	
SD186	21002273	Administrative Expenses - Engineering	-	241,486	-	(219,435)	-	22,051	
		Total SD186 Projects	-	365,380	-	(329,634)	-	35,746	
		Subtotal Congestion Relief	7,700,081	14,090,723	-	(17,231,343)	155,906	4,715,367	

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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, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Congestion Relief balance carried forward	$ 7,700,081	$ 14,090,723	$ -	$ (17,231,343)	$ 155,906	$ 4,715,367	
SD188	various	Congestion Relief /Traffic Signal Operations	-	3,283,730	-	(3,283,730)	-	-	
SD200	S14009	SR56 / Euclid Avenue Interchange Phase 2	-	-	-	-	-	-	
SD209	S00877	Torrey Pines Road Slope Reconstruction	-	-	-	(5,763)	5,763	-	(b)(c)
SD226	S00870	Old Otay Road Westerly	-	-	-	(3,386)	3,386	-	(c)
SD235	S15023	Torrey Pine Road Improvement Phase 2	-	-	-	(452)	452	-	(b)(c)
SD237	S00951	Coastal Rail Trail	1,017,630	640,475	-	(132,681)	151,721	1,677,145	(f)
SD245	S16061	Market St-47th St to Euclid Complete St	164,523	1,972,647	-	(1,356,229)	-	780,941	
SD249	S18000	Steamview Drive Improvement Phase 2	249,968	500,000	-	(73,315)	-	676,653	
SD250	S15018	La Media Road Improvements	(24,500)	3,000,000	-	(2,457,920)	-	517,580	
SD252	S18001	University Ave Complete Street Phase 1	(12,249)	425,000	-	(17,975)	24,281	419,057	(f)
SD263	B19020	La Media Impr-Siempre Viva to Truck Rte	-	-	-	(120,378)	-	(120,378)	(d)
		Commercial Paper Debt Services	-	196,798	-	(196,798)	-	-	
		Interest income - Congestion Relief 70%	97,403	-	68,104	-	(165,507)	-	(c)
		Total Congestion Relief	9,192,856	24,109,373	68,104	(24,879,970)	176,002	8,666,365	

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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, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Maintenance:							
SD176	Various I/Os	Slurry Seal & Crack Repairs	$ -	$ -	$ -	$ (2,624,589)	$ -	$ (2,624,589)	(d)
SD176	13000768	Maintenance	-	10,851,786	-	(10,851,786)	-	-	
		Total SD176 Projects	-	10,851,786	-	(13,476,375)	-	(2,624,589)	
		Interest income - Maintenance 30%	-	-	-	-	-	-	
		Total Maintenance	-	10,851,786	-	(13,476,375)	-	(2,624,589)	
		Total Local Street Improvements	35,359,856	35,028,759	68,104	(38,423,945)	176,002	32,208,776	
		Active Transportation:							
SD259	1000530-2018	Move Free SD Education, Encouragement, and Awareness Campaign	(11,360)	32,632	-	(21,272)	-	-	(g)
		Total Active Transportation	(11,360)	32,632	-	(21,272)	-	-	
		Smart Growth:							
SD253	1000529-2018	Clairemont TOD Design Concepts	(71,804)	64,204	-	(129,625)	-	(137,225)	(h)
SD254	1000527-2018	College Area Smart Growth Study	(155,555)	265,602	-	(233,482)	-	(123,435)	(h)
SD255	5005471	E Street Greenway Master Plan	(19,412)	19,412	-	-	-	-	(g)
SD256	1000525-2018	Mira Mesa Transit Oriented Development Concept Plan	(75,100)	36,379	-	(29,479)	-	(68,200)	(h)
SD257	1000528-2018	University Community Smart Growth Concept Study	(124,707)	110,823	-	(57,855)	-	(71,739)	(h)
		Subtotal Smart Growth	(446,578)	496,420	-	(450,441)	-	(400,599)	

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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, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Smart Growth balance carried forward	$ (446,578)	$ 496,420	$ -	$ (450,441)	$ -	$ (400,599)	
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	(881,045)	1,128,084	-	(384,231)	-	(137,192)	(h)
SD261	5005485	Downtown San Diego Wayfinding Signage - Cycle Network	(49,378)	59,163	-	(38,013)	-	(28,228)	(h)
SD262	5005486	East Village Green Park Phase 1	(6,607)	4,722	-	(4,834)	-	(6,719)	(h)
		Total Smart Growth	(1,383,608)	1,688,389	-	(877,519)	-	(572,738)	
		Environmental Mitigation:							
VO8	1000531-2018	Otay Res Cactus Wren	(27,229)	29,110	-	(16,931)	-	(15,050)	(h)
VO8	1000532-2018	San Pasq Cactus Wren	(32,291)	47,201	-	(54,902)	-	(39,992)	(h)
		Total Environmental Mitigation	(59,520)	76,311	-	(71,833)	-	(55,042)	
		Total *TransNet* Extension	$ 33,905,368	$ 36,826,091	$ 68,104	$ (39,394,569)	$ 176,002	$ 31,580,996	
		GASB 31 Market Value Adjustment	25,219	-	(227,724)	-	-	(202,505)	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 33,930,587	$ 36,826,091	$ (159,620)	$ (39,394,569)	$ 176,002	$ 31,378,491	

Notes:

(a) Proceeds from the Commercial Paper were subsequently transferred as an interfund loan for the West Mission Bay Blvd Bridge Project. The Commercial Paper principal will be returned to SANDAG after the expenditures for this project have been reimbursed by the Federal grant.
(b) Project is complete.
(c) City Council approval obtained for the transfer of funds per Resolution R-314515 on December 9, 2022.
(d) FY23 draws will provide coverage for MPO ID projects with negative balances as of June 30, 2022.
(e) Inactive Projects per TransNet: SD90 4/30/2024 estimated completion date.
(f) Prior year expenditures were reclassified to other funding sources or grants in FY22.
(g) Grant is complete.
(h) Negative grant balance as of June 30, 2022 covered by grant reimbursement in FY23 or withheld retention to be released when the project is completed.

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CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		TransNet* Extension*:				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SD16A	13001747	Regional Arterial Management Systems	$ 676,000	$ -	$ (676,000)	$ -
		Total Congestion Relief - Pass-Through	676,000	-	(676,000)	-
		Congestion Relief - Commercial Paper:				
SD70	S00871	Commercial paper	26,167,000	-	-	26,167,000
		Total Congestion Relief - Commercial Paper	26,167,000	-	-	26,167,000
		Congestion Relief:				
SD09	AIK.00001	New Walkways	14,198,711	(8,383)	(12,975,083)	1,215,245
SD15	AIH.00001	Installation of City Owned Street Lights	3,895,425	(4,702)	(3,435,838)	454,885
SD16A	21004805	Traffic Signals - Modifications/modernization	832,107	-	(444,164)	387,943
SD16A	AIL.00002	Traffic Signal Interconnect Projects	2,539,290	(1,572)	(2,166,190)	371,528
SD16A	AIL.00004	Traffic Signals - Citywide	7,454,404	(4,826)	(7,135,990)	313,588
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	7,999,624	(3,471)	(7,930,299)	65,854
		Total SD16A Projects	18,825,425	(9,869)	(17,676,643)	1,138,913
SD18	AIL.00001	Traffic Calming	5,025,798	(2,224)	(4,350,118)	673,456
		Subtotal Congestion Relief	41,945,359	(25,178)	(38,437,682)	3,482,499

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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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 41,945,359	$ (25,178)	$ (38,437,682)	$ 3,482,499
SD23	ACA.00001	Drainage Projects	13,869,512	(1,690)	(13,851,372)	16,450
SD32	S00841	Carroll Canyon Rd Sorrento Valley Road to I-805	-	-	-	-
SD34	S00856	El Camino Real Road and Bridge Widening	836,313	2,965	(839,278)	-
SD38	S00863	Georgia St Bridge Improvements	2,469,835	916	(2,470,751)	-
SD49	AIG.00001	Median Installation	4,901,046	(4,375)	(4,451,694)	444,977
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	1,319,652	1,817	(900,148)	421,321
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	2,428,198	(1,394)	(4,448,789)	(2,021,985)
SD83	S00851	State Route 163 and Friars Road	31,600,527	(27,402)	(31,573,125)	-
SD90	S00905	SR163/Clairemont Mesa Blvd Interchange	8,323,823	(10,234)	(8,308,201)	5,388
SD96	AID.00005	Street Resurfacing and Reconstruction	34,547,554	-	(34,271,529)	276,025
		Subtotal Congestion Relief	142,241,819	(64,575)	(139,552,569)	2,624,675

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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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 142,241,819	$ (64,575)	$ (139,552,569)	$ 2,624,675
SD99	AIE.00001	Bridge Rehabilitation	3,729,752	(492)	(3,072,660)	656,600
SD102A	S11060	Otay Mesa Truck Route Phase 4	8,397,326	-	(7,416,924)	980,402
SD106	S00839	Mission Beach Boardwalk Bulkhead	487,762	-	(487,762)	-
SD129	S00915	University Avenue Mobility	1,774,530	(1,380)	(1,773,150)	-
SD137	S00913	Palm Avenue Roadway Improvements	4,460,051	(1,627)	(4,458,424)	-
SD164	S00880	Miramar Road / I-805 Easterly Ramps	90,874	15,385	(106,259)	-
SD166	AIA.00001	Minor Bicycle Facilities	2,832,042	(171)	(2,413,927)	417,944
SD166	21004803	Minor Bicycle Facilities (Non-Capital)	803,763	-	(803,763)	-
		Total SD166 Projects	3,635,805	(171)	(3,217,690)	417,944
SD186	21002143	Administrative Expenses - Comptrollers	1,244,455	2,320	(1,233,080)	13,695
SD186	21002273	Administrative Expenses - Engineering	2,513,706	431	(2,492,086)	22,051
		Total SD186 Projects	3,758,161	2,751	(3,725,166)	35,746
		Subtotal Congestion Relief	168,576,080	(50,109)	(163,810,604)	4,715,367

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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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Congestion Relief balance carried forward	$ 168,576,080	$ (50,109)	$ (163,810,604)	$ 4,715,367
SD188	various	Congestion Relief /Traffic Signal Operations	32,150,164	39,944	(32,190,108)	-
SD200	S14009	SR56 / Euclid Avenue Interchange Phase 2	3,091,842	-	(3,091,842)	-
SD209	S00877	Torrey Pines Road Slope Reconstruction	1,161,754	18,448	(1,180,202)	-
SD226	S00870	Old Otay Mesa Road - Westerly	9,695,312	10,213	(9,705,525)	-
SD235	S15023	Torrey Pine Road Improvement Phase 2	1,538,753	108,738	(1,647,491)	-
SD237	S00951	Coastal Rail Trail	3,490,475	-	(1,813,330)	1,677,145
SD245	S16061	Market St-47th St to Euclid Complete St	5,025,875	-	(4,244,934)	780,941
SD249	S18000	Steamview Drive Improvement Phase 2	1,510,000	-	(833,347)	676,653
SD250	S15018	La Media Road Improvements	3,000,000	-	(2,482,420)	517,580
SD252	S18001	University Ave Complete Street Phase 1	875,000	-	(455,943)	419,057
SD263	B19020	La Media Impr-Siempre Viva to Truck Rte	-	-	(120,378)	(120,378)
		Commercial Paper Debt Services	339,366	-	(339,366)	-
		Interest Income - Congestion Relief	(165,507)	165,507	-	-
		Total Congestion Relief	230,289,114	292,741	(221,915,490)	8,666,365

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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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Maintenance:				
SD176	Various I/Os	Slurry Seal & Crack Repairs	$ -	$ -	$ (2,624,589)	$ (2,624,589)
SD176	13000768	Maintenance	125,370,187	-	(125,370,187)	-
		Total SD176 Projects	125,370,187	-	(127,994,776)	(2,624,589)
		Interest Income - Maintenance	-	-	-	-
		Total Maintenance	125,370,187	-	(127,994,776)	(2,624,589)
		Total Local Street Improvements	382,502,301	292,741	(350,586,266)	32,208,776
		Active Transportation:				
SD259	1000530-2018	Move Free SD Education, Encouragement, and Awareness Campaign	124,998	-	(124,998)	-
		Total Active Transportation	124,998	-	(124,998)	-
		Smart Growth:				
SD253	1000529-2018	Clairemont TOD Design Concepts	354,728	-	(491,953)	(137,225)
SD254	1000527-2018	College Area Smart Growth Study	376,379	-	(499,814)	(123,435)
SD255	5005471	E Street Greenway Master Plan	94,997	-	(94,997)	-
SD256	1000525-2018	Mira Mesa Transit Oriented Development Concept Plan	431,800	-	(500,000)	(68,200)
SD257	1000528-2018	University Community Smart Growth Concept Study	428,253	-	(499,992)	(71,739)
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	2,362,809	-	(2,500,001)	(137,192)
SD261	5005485	Downtown San Diego Wayfinding Signage Cycle Network	127,179	-	(155,407)	(28,228)
SD262	5005486	East Village Green Park Phase 1	49,606	-	(56,325)	(6,719)
		Total Smart Growth	4,225,751	-	(4,798,489)	(572,738)

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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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Environmental Mitigation:				
V08	1000531-2018	Otay Res Cactus When	$ 67,066	$ -	$ (82,116)	$ (15,050)
V08	1000532-2018	San Pasq Cactus Wren	64,900	-	(104,892)	(39,992)
		Total Environmental Mitigation	131,966	-	(187,008)	(55,042)
		Subtotal Cumulative *TransNet* Extension	386,985,016	292,741	(355,696,761)	31,580,996
		Completed Projects:				
		Major Corridor	3,774,000	35,001	(3,809,001)	-
		LSI-Congestion Relief	61,536,808	4,039	(61,540,847)	-
		LSI-Maintenance	6,050,400	-	(6,050,400)	-
		Bikes and Pedestrian	1,543,659	-	(1,543,659)	-
		Smart Growth	6,380,858	-	(6,380,858)	-
		Environmental Mitigation	356,304	-	(356,304)	-
		Total Completed Projects	79,642,029	39,040	(79,681,069)	-
		Total Cumulative *TransNet* Extension	$ 466,627,045	$ 331,781	$ (435,377,830)	$ 31,580,996

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CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	various	$ 4,291,606	$ 48,891	$ (4,340,497)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	various	8,067,505	222,436	(8,289,941)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	various	6,897,302	140,438	(7,037,740)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	various	6,311,935	130,648	(5,343,128)	(14,984)	1,084,471	1,084,471	4,954,279	(a)
For Fiscal Year ended June 30, 2019	June 30, 2026	various	5,300,604	-	-	-	5,300,604	5,300,604	5,300,604	
For Fiscal Year ended June 30, 2020	June 30, 2027	various	4,563,070	-	-	-	4,563,070	4,563,070	4,563,070	
For Fiscal Year ended June 30, 2021	June 30, 2028	various	7,643,260	-	-	-	7,643,260	7,643,260	7,643,260	
For Fiscal Year ended June 30, 2022	June 30, 2029	various	9,466,104	-	-	-	6,196,932	9,466,104	-	
Interest Income			-	1,436,974	-	-	-	1,436,974	1,227,706	
Total RTCIP Funds			$ 52,541,386	$ 1,979,387	$ (25,011,306)	$ (14,984)	$ 24,788,337	$ 29,494,483	$ 23,688,919	

Notes:
(a) An adjustment of $14,984 corrects an overstatement of cumulative available fund balance during FY2018.

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CITY OF SAN MARCOS, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $542,220. We selected $328,600 (60.60%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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

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

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

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

Results: This procedure is not applicable as there were no adjustments made during FY22.

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, 2023.

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

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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. The City indicated that for project SM48 "additional spending and drawdowns are expected through FY24 to complete the project." The status of this 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 November 23, 2022.

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, 2022.

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 present on Schedule A for the fiscal year ended June 30, 2022.

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.

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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 2022 apportionment	$3,047,650
Less: debt service payment	(630,946)
Net estimated apportionment	2,416,704
30% base	30%
Fiscal year 2022 30% threshold	725,011
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	374,395
Maintenance fund balance	23,208
Total Local Streets and Roads and Local Street Improvement fund balance	397,603
Fund balance under apportionment	$ 327,408

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$374,395	$5,157,711	$5,532,106
Maintenance	23,208	5,565,568	5,588,776
Totals	$397,603	$10,723,279	$11,120,882

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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 7.99% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$32,282,095	$4,397,645	$36,679,740
Maintenance	3,738,035	5,248,418	8,986,453
Interest	41,205	1,077,216	1,118,421
Total local street and road revenue	$36,061,335	$10,723,279	$46,784,614
30% of total local street and road revenue			$14,035,384
Less maintenance expenditures incurred to date			(3,738,035)
Available maintenance funds			$10,297,349
Cumulative percentage expended for maintenance			7.99%

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

    Results: The results are summarized below.

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest Payments
2010 Series A Bonds	$15,139,627	$ -	$ -	$15,139,627	$599,402
2019 Series A Bonds	1,025,000	-	-	1,025,000	31,544

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

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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 not 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, 2022, is summarized as follows:

Current year local discretionary expenditures	$4,853,444
Less MOE base year requirement	(4,893,432)
Less Prior Year shortfall	(589,197)
Amount over (under) MOE requirement for the year ended June 30, 2022	$(629,185)

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.

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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 $3,822,408. We selected $792,187 (20.72%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as the City did not have payroll expenditures that exceeded 20% of total RTCIP expenditures.

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

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

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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 13, 2022.

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.

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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. The current year testing of the MOE Requirement (procedure 12) also resulted in a finding. See the Findings and Recommendations section of the report for further detail.

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

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

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, 2022. 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.

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Irvine, California
XXXX, 2023

CITY OF SAN MARCOS, CALIFORNIA

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

Findings and Recommendations

Year Ended June 30, 2022

(1) Need to Meet Maintenance of Effort (MOE) Requirement

The City did not meet its MOE requirement for Streets and Roads, which included a shortfall from the Prior Year, as follows:

Current year local discretionary expenditures	$4,853,444
Less MOE base year requirement	(4,893,432)
Less Prior Year shortfall	(589,197)
Amount over (under) MOE requirement for the year ended June 30, 2022	$(629,185)

TransNet Extension Ordinance Section 8 states in part:

> "Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to operative date as of this Ordinance…"

Recommendation

We recommend the City budget and incur adequate discretionary expenditures in order to meet its MOE requirement.

Management Response

In accordance with Section 8 of the TransNet Extension Ordinance, the City of San Marcos requested on March 1, 2022 and the commission reviewed and approved a request to allow the City to make up the FY21 shortfall of $589,197 by June 30, 2024. During FY22, the City made every effort to increase activity to offset the maintenance project delays due to COVID-19 impacts. However, an FY22 shortfall of $39,988 resulting from incremental project progress as remnants of project interruptions due to COVID-19 continued during the subsequent fiscal year. The City continues to appropriate additional discretionary funds in FY23 and FY24 to allow the City to meet it MOE requirements and eliminate the reported shortfall. In accordance with Section 8 of the TransNet Extension Ordinance, the City of San Marcos will request that the commission review and approve a request to allow the City to make up the FY22 shortfall by June 30, 2025.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF SAN MARCOS, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SM54	N/A	Regional Arterial Management Systems	$ -	$ 10,800	$ -	$ (10,800)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	10,800	-	(10,800)	-	-	
		Congestion Relief:							
SM22	88179	South Santa Fe from Bosstick to Smilax	(3,341)	17,382	-	(36,719)	-	(22,678)	(a)
SM31	88265	Discovery Street Improvements	1	-	-	-	-	1	
SM32	88264	Via Vera Cruz Bridge and Street Improvement	(46,312)	700,067	-	-	-	653,755	
SM48	88505	SM Creek Specific Plan	54	-	-	-	-	54	(b)
SM56	88263	Bent Ave Bridge and Street Improvement	87,400	-	-	-	-	87,400	
SM59	86009	Annual Street Overlay Project	27	-	-	-	-	27	
SM63	TR001	Rancho Santa Fe and Grandon Traffic Signal Mod	(128,347)	252,152	-	(125,045)	-	(1,240)	(a)
SM67	86002	San Marcos Blvd at Discovery St	(113,166)	-	-	(236,833)	-	(349,999)	(c)
SM68	88532	Traffic Management System Enhancement	(46,312)	170,029	-	(132,823)	-	(9,106)	(a)
		2010 Series A Bonds Debt Service	-	599,402	-	(599,402)	-	-	
		2019 Series A Bonds	-	31,544	-	(31,544)	-	-	
		Subtotal Congestion Relief	(249,996)	1,770,576	-	(1,162,366)	-	358,214	
		Interest Income	13,890	-	2,291	-	-	16,181	
		Total Congestion Relief	(236,106)	1,770,576	2,291	(1,162,366)	-	374,395	
		Maintenance:							
SM71	TR006	Cycle Track on TOVR near Double Peak K-8	-	-	-	-	-	-	(d)
		Interest Income	22,226	-	982	-	-	23,208	
		Total Maintenance	22,226	-	982	-	-	23,208	
		Total Local Street Improvements	(213,880)	1,781,376	3,273	(1,173,166)	-	397,603	
		Total *TransNet* Extension	$ (213,880)	$ 1,781,376	$ 3,273	$ (1,173,166)	$ -	$ 397,603	

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(Continued)

CITY OF SAN MARCOS, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes

Notes:
(a) The City will request drawdown from programmed funds in FY23.
(b) This project (SM48) has been inactive over the past two years, but additional spending and drawdowns are expected through FY24 to complete the project.
(c) This is currently a future project in ProjectTrak. Once a formal amendment is opened and the project updated, a drawdown will occur.
(d) Project is estimated to be completed in FY23.

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CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SM54	N/A	Regional Arterial Management Systems	$ 97,200	$ -	$ (97,200)	$ -
		Total Congestion Relief - Pass-Through	97,200	-	(97,200)	-
		Congestion Relief:				
SM22	88179	South Santa Fe from Bosstick to Smilax	159,185	-	(181,863)	(22,678)
SM31	88265	Discovery Street Improvements	3,954,800	-	(3,954,799)	1
SM32	88264	Via Vera Cruz Bridge and Street Improvement	2,431,529	-	(1,777,774)	653,755
SM48	88505	SM Creek Specific Plan	2,771,657	-	(2,771,603)	54
SM56	88263	Bent Ave Bridge and Street Improvement	1,324,723	-	(1,237,323)	87,400
SM59	86009	Annual Street Overlay Project	138,527	-	(138,500)	27
SM63	TR001	Rancho Santa Fe and Grandon Traffic Signal Mod	255,167	-	(256,407)	(1,240)
SM67	86002	San Marcos Blvd at Discovery St	-	-	(349,999)	(349,999)
SM68	88532	Traffic Management System Enhancement	808,324	-	(817,430)	(9,106)
		2010 Series A Bonds Debt Service	6,907,008	-	(6,907,008)	-
		2019 Series A Bonds	79,891	-	(79,891)	-
		Subtotal Congestion Relief	18,830,811	-	(18,472,597)	358,214
		Interest Income	-	16,181	-	16,181
		Total Congestion Relief	18,830,811	16,181	(18,472,597)	374,395
		Maintenance:				
SM71	TR006	Cycle Track on TOVR near Double Peak K-8	14,331	-	(14,331)	-
		Interest Income	-	23,208	-	23,208
		Total Maintenance	14,331	23,208	(14,331)	23,208
		Total Local Street Improvements	18,942,342	39,389	(18,584,128)	397,603
		Subtotal Cumulative *TransNet* Extension	18,942,342	39,389	(18,584,128)	397,603

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(Continued)

CITY OF SAN MARCOS, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Completed projects:				
		Congestion Relief	$ 13,354,084	$ 148	$ (13,354,232)	$ -
		Maintenance	3,723,704	-	(3,723,704)	-
		Bikes and Pedestrian	948,941	1,668	(950,609)	-
		Senior Mini-Grant	34,992	-	(34,992)	-
		Smart Growth	1,000,000	-	(1,000,000)	-
		Total Completed Projects	19,061,721	1,816	(19,063,537)	-
		Total Cumulative *TransNet* Extension	$ 38,004,063	$ 41,205	$ (37,647,665)	$ 397,603

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CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
For Fiscal Year ended June 30, 2015	June 30, 2022	SM31/SM42	$ 166,795	$ 991	$ (167,786)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2016	June 30, 2023	SM31/SM42	364,168	-	(364,168)	-	-	-	343,851
For Fiscal Year ended June 30, 2017	June 30, 2024	SM31/SM42	874,955	-	(874,955)	-	-	-	874,955
For Fiscal Year ended June 30, 2018	June 30, 2025	SM31/SM42	1,345,318	-	(1,345,318)	-	-	-	1,345,318
For Fiscal Year ended June 30, 2019	June 30, 2026	SM31/SM42	466,033	-	(466,033)	-	-	-	466,033
For Fiscal Year ended June 30, 2020	June 30, 2027	SM31/SM42	890,385	-	(792,251)	-	-	98,134	890,385
For Fiscal Year ended June 30, 2021	June 30, 2028		328,796	-	-	-	-	328,796	328,796
For Fiscal Year ended June 30, 2022	June 30, 2029		1,047,857	-	-	-	-	1,047,857	-
Interest Income			-	391,236	-	-	-	391,236	357,184
Total RTCIP Funds			$ 5,484,307	$ 392,227	$ (4,010,511)	$ -	$ -	$ 1,866,023	$ 4,606,522

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CITY OF SANTEE, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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Main: 949.474.2020 | Fax: 949.263.5520

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, 2022. 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, 2022. 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.

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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.

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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 $1,050,791. We selected $852,993 (81.18%) 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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. The City charges indirect costs at the rate of 22.3% of direct salary and benefit costs associated with each project. The City allocated a total of $16,938 of indirect costs in the RTIP, resulting in 0.52% of indirect costs compared to total project expenditures. We then extrapolated this percentage to calculate total TransNet indirect costs of $5,460. The City does not have a formal written indirect cost plan. The City's indirect cost allocation is reviewed internally and updated annually. The City's indirect cost allocation has not been reviewed by a federal or state agency or audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

Results: This procedure is not applicable as there were no adjustments included within Schedule A in FY22.

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.

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i. 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 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 FY22.

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.

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Results: This procedure is not applicable as there were no adjustments included within Schedule A in FY22.

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 2022 apportionment	$1,896,887
Less: debt service payment	(796,182)
Net estimated apportionment	1,100,706
30% base	30%
Fiscal year 2022 30% threshold	330,212
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(37,836)
Maintenance fund balance	(25,206)
Total Local Streets and Roads and Local Street Improvement fund balance	(63,042)
Fund balance under apportionment	$393,254

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are reflected on the following page:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(37,836)	$(798,562)	$(836,398)
Maintenance	(25,206)	2,149,820	2,124,614
Totals	$(63,042)	$1,351,258	$1,288,216

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

    Results: The City has expended 10.33% of cumulative local street and road revenue for maintenance as indicated on the following page:

	City	SANDAG	Total
Congestion relief	$33,142,083	$(985,541)	$32,156,542
Maintenance	3,945,504	2,083,376	6,028,880
Interest	2,752	253,335	256,087
Total local street and road revenue	$37,090,339	$1,351,170	$38,441,509
30% of total local street and road revenue			$11,532,453
Less maintenance expenditures incurred to date			(3,971,977)
Available maintenance funds			$ 7,560,476
Cumulative percentage expended for maintenance			10.33%

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

    Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest and Other Adjustments
2014 Bonds	$620,000	$ -	$(195,000)	$425,000	$27,489
2020 Bonds	3,625,000	87,500	(330,000)	3,295,000	172,600
2021 Bonds	2,870,000	-	-	2,870,000	63,584
Total	$7,115,000	-	$(525,000)	$6,590,000	$263,673

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$1,713,883
Less MOE base year requirement	(658,301)
Excess MOE for the year ended June 30, 2022	$1,055,582

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.

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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 ethe 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 $98,752. We selected $84,214 (85.28%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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, 2022.

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

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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, 2022.

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, 2022. 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
XXXX, 2023

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SNT20		Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
SNT04	2021-02	Citywide Pavement Repair & Rehab 2021	(15,212)	321,250	-	(306,038)	-	-	(a)
SNT04	2022-01	Citywide Pavement Repair & Rehab 2022	-	28,249	-	(66,144)	-	(37,895)	(b)
		Subtotal SNT04	(15,212)	349,499	-	(372,182)	-	(37,895)	
SNT28	2022-03	Pavement Condition Report	-	70,000	-	(70,000)	-	-	(a)
		2014 Bonds Debt Service	-	225,086	-	(225,086)	-	-	
		2020 Bonds Debt Service	-	507,600	-	(507,600)	-	-	
		2021 Bonds Debt Service	-	63,584	-	(63,584)	-	-	
		Interest Income	-	-	59	-	-	59	
		Total Congestion Relief	(15,212)	1,215,769	59	(1,238,452)	-	(37,836)	
		Maintenance:							
SNT22	2021-03	Citywide Slurry Seal & Roadway Maintenance 2021	979	573,111	-	(575,000)	-	(910)	(b)
SNT22	2022-02	Citywide Slurry Seal & Roadway Maintenance 2022	-	1,888	-	(17,733)	-	(15,845)	(b)
SNT22	2022-07	Citywide Crack Sealing Program 2022	-	-	-	(8,383)	-	(8,383)	(b)
SNT22	2023-04	Citywide Crack Sealing Program 2023	-	-	-	(93)	-	(93)	(b)
		Subtotal SNT22	979	574,999	-	(601,209)	-	(25,231)	
		Interest Income	-	-	25	-	-	25	
		Total Maintenance	979	574,999	25	(601,209)	-	(25,206)	

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(Continued)

CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Total Local Street Improvements	$ (14,233)	$ 1,798,168	$ 84	$ (1,847,061)	$ -	$ (63,042)	
		Total *TransNet* Extension	(14,233)	1,798,168	84	(1,847,061)	-	(63,042)	
		GASB 31 Market Value Adjustment	2	-	(4)	-	-	(2)	
		Total *TransNet* Extension after GASB 31 Adjustment	$ (14,231)	$ 1,798,168	$ 80	$ (1,847,061)	$ -	$ (63,044)	

Notes:
(a) Completed project.
(b) Funding for this project will be drawn down in FY 2022-23.

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SCHEDULE B

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass Through:				
SNT20		Regional Arterial Management Systems	$ 74,000	$ -	$ (74,000)	$ -
		Total Congestion Relief - Pass Through	74,000	-	(74,000)	-
		Congestion Relief:				
SNT04	2021-02	Citywide Pavement Repair & Rehab 2021	345,421	17	(345,438)	-
SNT04	2022-01	Citywide Pavement Repair & Rehab 2022	28,249	-	(66,144)	(37,895)
		Subtotal SNT04	373,670	17	(411,582)	(37,895)
SNT28	2022-03	Pavement Condition Report	70,000	-	(70,000)	-
		2014 Bonds Debt Service	2,400,511	-	(2,400,511)	-
		2020 Bonds Debt Service	1,157,698	-	(1,157,698)	-
		2021 Bonds Debt Service	79,854	-	(79,854)	-
		Interest Income	-	59	-	59
		Total Congestion Relief	4,081,733	76	(4,119,645)	(37,836)
		Maintenance:				
SNT22	2021-03	Citywide Slurry Seal & Roadway Maintenance 2021	574,090	-	(575,000)	(910)
SNT22	2022-02	Citywide Slurry Seal & Roadway Maintenance 2022	1,888	-	(17,733)	(15,845)
SNT22	2022-07	Citywide Crack Sealing Program 2022	-	-	(8,383)	(8,383)
SNT22	2023-04	Citywide Crack Sealing Program 2023	-	-	(93)	(93)
		Subtotal SNT22	575,978	-	(601,209)	(25,231)
		Interest Income	-	25	-	25
		Total Maintenance	575,978	25	(601,209)	(25,206)
		Total Local Street Improvements	4,731,711	101	(4,794,854)	(63,042)

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CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Completed Projects				
		LSI - Congestion Relief	$ 19,356,956	$ 1,409	$ (19,358,365)	$ -
		LSI - Maintenance	3,369,526	1,242	(3,370,768)	-
		Commercial Paper Debt Service	9,629,394	-	(9,629,394)	-
		Bikes and Pedestrian	423,141	-	(423,141)	-
		Total Completed Projects	32,779,017	2,651	(32,781,668)	-
		Total Cumulative *TransNet* Extension	$ 37,510,728	$ 2,752	$ (37,576,522)	$ (63,042)

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CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	SNT23, SNT26	$ 106,441	$ 637	$ (107,078)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	SNT23, SNT26	275,865	-	(275,865)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	SNT23, SNT26	228,629	-	(228,629)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	SNT23, SNT26	1,079,459	-	(152,852)	(38,182)	-	888,425	987,177	(a)
For Fiscal Year ended June 30, 2019	June 30, 2026		255,798	-	-	-	-	255,798	255,798	
For Fiscal Year ended June 30, 2020	June 30, 2027		672,284	-	-	-	-	672,284	672,284	
For Fiscal Year ended June 30, 2021	June 30, 2028		258,688	-	-	-	-	258,688	258,688	
For Fiscal Year ended June 30, 2022	June 30, 2029		301,308	-	-	-	-	301,308	-	
Interest Income			-	73,094	-	-	-	73,094	114,338	
Total RTCIP Funds			$ 3,178,472	$ 73,731	$ (764,424)	$ (38,182)	$ -	$ 2,449,597	$ 2,288,285	

Notes:

(a) Adjustment made in FY19 to correct FY18 revenue incorrectly reported in the RTCIP fund in error.

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CITY OF SOLANA BEACH, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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 for the fiscal year ended June 30, 2022. 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 performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

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

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

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

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

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

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

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

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

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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 FY22.

      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 FY22.

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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 $112,082. We selected $53,258 (47.52%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects in FY22.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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

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

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

Results: This procedure is not applicable as there were no adjustments included within Schedule A for FY22.

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.

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, 2023.

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

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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 2022 apportionment	$558,143
Less: debt service payment	(217,754)
Net estimated apportionment	340,389
30% base	30%
Fiscal year 2022 30% threshold	102,117
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(131,456)
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	(131,456)
Fund balance under apportionment	$233,573

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(131,456)	$(527,371)	$(658,827)
Maintenance	-	1,583,554	1,583,554
Totals	$(131,456)	$ 1,056,183	$924,727

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 2.42% of cumulative local street and road revenue for maintenance as indicated on the following page:

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	City	SANDAG	Total
Congestion relief	$10,620,608	$(641,312)	$9,979,296
Maintenance	289,587	1,538,365	1,827,952
Interest	4,279	159,130	163,409
Total local street and road revenue	$10,914,474	$ 1,056,183	$11,970,657
30% of total local street and road revenue			$3,591,197
Less maintenance expenditures incurred to date			(289,587)
Available maintenance funds			$3,301,610
Cumulative percentage expended for maintenance			2.42%

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

    Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest Payments
2010 Series A Bonds	$5,500,000	$ -	$ -	$5,500,000	$217,754

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$1,670,838
Less MOE base year requirement	(535,585)
Excess MOE for the year ended June 30, 2022	$1,135,253

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

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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 the City expended fees within seven years.

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, 2022.

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2022.

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, 2022.

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

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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, 2022.

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.

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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 the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2022. 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
XXXX, 2023

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2020 through June 30, 2021.

"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.

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CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
SB16	9362.17	Annual Pavement Management	$ (1,830)	$ 1,830	$ -	$ -	$ -	$ -	(a)
SB16	9362.21	Annual Pavement Management	(23,846)	19,100	-		-	(4,746)	(b)
SB16	9362.22	Annual Pavement Management	-	-	-	(56,900)	-	(56,900)	(b)
		Total SB16 Projects	(25,676)	20,930	-	(56,900)	-	(61,646)	
SB19	9382.01	Lomas Santa Fe Corridor Study II	(2,500)	2,500	-	-	-	-	(a)
SB19	9382.03	Lomas Santa Fe Corridor Study III	(60,254)	42,350	-	(6,091)	-	(23,995)	(b)
		Total SB19 Projects	(62,754)	44,850	-	(6,091)	-	(23,995)	
SB21	9525.00	Santa Helena Roadside Park	-	-	-	(17,020)	-	(17,020)	(b)
SB21	9538.21	Sidewalks and Associated Street Improvements At Various Locations - Incl. Safe Routes to SchoolLocal Match	(581)	-	-	(32,071)	-	(32,652)	(b)
		Total SB21 Projects	(581)	-	-	(49,091)	-	(49,672)	
		2010 Series A Bonds	-	217,754	-	(217,754)	-	-	
		Interest Income	3,857	-	-	-	-	3,857	
		Total Congestion Relief	(85,154)	283,534	-	(329,836)	-	(131,456)	
		Maintenance:							
SB18		Pavement Maintenance	-	-	-	-	-	-	(c)
		Total Maintenance	-	-	-	-	-	-	
		Total Local Street Improvements	(85,154)	283,534	-	(329,836)	-	(131,456)	

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(Continued)

CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		Total *TransNet* Extension	$ (85,154)	$ 283,534	$ -	$ (329,836)	$ -	$ (131,456)	
		GASB 31 Fair Market Value Adjustment	-	-	-	-	-	-	
		Total *TransNet* Extension after GASB 31 Adjustment	$ (85,154)	$ 283,534	$ -	$ (329,836)	$ -	$ (131,456)	

Notes:
(a) Project Complete.
(b) To clear the deficit balance, the City will request a drawdown in FY 22-23.
(c) Project expected to resume in FY 23.

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CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
SB16	9362.17	Annual Pavement Management	$ 418,322	$ -	$ (418,322)	$ -
SB16	9362.21	Annual Pavement Management	89,100	-	(93,846)	(4,746)
SB16	9362.22	Annual Pavement Management	-	-	(56,900)	(56,900)
		Total SB16 Projects	507,422	-	(569,068)	(61,646)
SB19	9382.01	Lomas Santa Fe Corridor Study II	2,500	-	(2,500)	-
SB19	9382.03	Lomas Santa Fe Corridor Study III	42,350	-	(66,345)	(23,995)
		Total SB19 Projects	44,850	-	(68,845)	(23,995)
SB21	9525.00	Santa Helena Roadside Park	-	-	(17,020)	(17,020)
SB21	9538.21	Sidewalks and Assiciated Street Improvements At Various Locations	-	-	(32,652)	- (32,652)
		Total SB21 Projects	-	-	(49,672)	(49,672)
		2010 Series A Bonds	2,581,763	-	(2,581,763)	-
		Interest Income	-	3,857	-	3,857
		Total Congestion Relief	3,134,035	3,857	(3,269,348)	(131,456)
		Maintenance:				
SB18		Pavement Maintenance	125,350	-	(125,350)	-
		Total Maintenance	125,350	-	(125,350)	-
		Total Local Street Improvements	3,259,385	3,857	(3,394,698)	(131,456)

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(Continued)

CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Subtotal Cumulative *TransNet* Extension	$ 3,259,385	$ 3,857	$ (3,394,698)	$ (131,456)
		Completed Projects				
		LSI - Congestion Relief	7,486,573	422	(7,486,995)	-
		LSI - Maintenance	164,237	-	(164,237)	-
		Bikes and Pedestrian	135,986	-	(135,986)	-
		Pavement Maintenance	125,350	-	(125,350)	-
		Total Completed Projects	7,912,146	422	(7,912,568)	-
		Total Cumulative *TransNet* Extension	$ 11,171,531	$ 4,279	$ (11,307,266)	$ (131,456)

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CITY OF SOLANA BEACH CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021
Year ended June 30, 2015	June 30, 2022	SB16	$ 13,768	$ -	$ (13,768)	$ -	$ -	$ -	$ -
Year ended June 30, 2016	June 30, 2023	SB16	19,566	-	(18,812)	-	-	754	754
Year ended June 30, 2017	June 30, 2024		29,714	-	-	-	-	29,714	29,714
Year ended June 30, 2018	June 30, 2025		36,233	-	-	-	-	36,233	36,233
Year ended June 30, 2019	June 30, 2026		46,381	-	-	-	-	46,381	46,381
Year ended June 30, 2020	June 30, 2027		7,246	-	-	-	-	7,246	7,246
Year ended June 30, 2021	June 30, 2028		10,869	-	-	-	-	10,869	10,869
Year ended June 30, 2022	June 30, 2029		88,418	-	-	-	-	88,418	-
Interest Income			-	7,055	-	-	-	7,055	6,168
Subtotal RTCIP Funds			252,195	7,055	(32,580)	-	-	226,670	137,365
GASB 31 Market Value Adjustment			-	(4,008)	-	-	-	(4,008)	-
Total RTCIP Funds			$ 252,195	$ 3,047	$ (32,580)	$ -	$ -	$ 222,662	$ 137,365

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CITY OF VISTA, CALIFORNIA

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

Year Ended June 30, 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $2,248,374. We selected $1,245,573 (55.40%) 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 in FY22.

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*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: This procedure is not applicable as there were no indirect costs allocated to projects on Schedule A in FY22.

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, 2023.

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.

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Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years during FY22.

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 FY22.

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

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

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

Results: This procedure is not applicable as there was no non-TransNet activity reported 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,

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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 2022 apportionment	$3,146,863
Less: debt service payment	-
Net estimated apportionment	3,146,863
30% base	30%
Fiscal year 2022 30% threshold	944,059
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	544,120
Maintenance fund balance	(25,498)
Total Local Streets and Roads and Local Street Improvement fund balance	518,622
Fund balance under apportionment	$425,437

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$544,120	$1,132,803	$1,676,923
Maintenance	(25,498)	2,574,487	2,548,989
Totals	$518,622	$3,707,290	$4,225,912

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 20.32% of cumulative local street and road revenue for maintenance as indicated on the following page:

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	City	SANDAG	Total
Congestion relief	$24,277,951	$758,639	$25,036,590
Maintenance	7,100,328	2,395,741	9,496,069
Interest	(23,115)	552,910	529,795
Total local street and road revenue	$31,355,164	$3,707,290	$35,062,454
30% of total local street and road revenue			$10,518,736
Less maintenance expenditures incurred to date			(7,125,998)
Available maintenance funds			$ 3,392,738
Cumulative percentage expended for maintenance			20.32%

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, 2022.

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.

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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, 2022, is summarized as follows:

Current year local discretionary expenditures	$2,830,216
Less MOE base year requirement	(2,703,364)
Excess MOE for the year ended June 30, 2022	$ 126,852

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

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in the RTIP before ethe 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 $67,214. We selected $157,939 (42.56%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

Results: This procedure is not applicable as 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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation to us for review on October 21, 2022.

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.

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
VISTA 56	N/A	Regional Arterial Management Systems	$ -	$ 8,800	$ -	$ (8,800)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	8,800	-	(8,800)	-	-	
		Congestion Relief:							
VISTA 46	8225	Street Construction/Overlay-Annual	(37,509)	2,737,064	-	(2,156,757)	7,511	550,309	(a)
VISTA 54	8289	Paseo Santa Fe Streetscape Improvements Ph II	7,511	-	-	-	(7,511)	-	(a)(b)
VISTA 55	8290	Pedestrian Mobility Sidewalks	(2,770)	32,722	-	(38,161)	-	(8,209)	(c)
		Interest Income	971	-	1,049	-	-	2,020	
		Total Congestion Relief	(31,797)	2,769,786	1,049	(2,194,918)	-	544,120	
		Maintenance:							
VISTA 53	8262	Annual Street Maintenance & Resurfacing	(143,830)	162,886	-	(44,656)	-	(25,600)	(c)
		Interest Income	102	-	-	-	-	102	
		Total Maintenance	(143,728)	162,886	-	(44,656)	-	(25,498)	
		Total Local Street Improvements	(175,525)	2,941,472	1,049	(2,248,374)	-	518,622	
		Bikes and Pedestrian							
VISTA 54/V10	TNSGG	Paseo Santa Fe Streetscapes Phase II	(370,000)	370,000	-	-	-	-	(d)
		Total Bikes and Pedestrian	(370,000)	370,000	-	-	-	-	
		Total *TransNet* Extension	$ (545,525)	$ 3,311,472	$ 1,049	$ (2,248,374)	$ -	$ 518,622	

Notes:
(a) City council approved a transfer of funds of $7,511 from RTIP project VISTA54 To RTIP project VISTA46 in the 2023 RTIP update, City Council Resolution 2022-68.
(b) Project complete.
(c) City will request reimbursement of programmed funds to eliminate negative balance.
(d) Grant complete.

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SCHEDULE B

CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
VISTA 56	N/A	Regional Arterial Management Systems	$ 79,200	$ -	$ (79,200)	$ -
		Total Congestion Relief - Pass-Through	79,200	-	(79,200)	-
		Congestion Relief:				
VISTA 46	8225	Street Construction/Overlay-Annual	12,194,421	-	(11,644,112)	550,309
VISTA 54	8289	Paseo Santa Fe Streetscape Improvements Ph II	1,935,232	12,988	(1,948,220)	-
VISTA 55	8290	Pedestrian Mobility Sidewalks	323,500	3	(331,712)	(8,209)
		Interest Income	-	2,020	-	2,020
		Total Congestion Relief	14,453,153	15,011	(13,924,044)	544,120
		Maintenance:				
VISTA 53	8262	Annual Street Maintenance & Resurfacing	3,683,853	-	(3,709,453)	(25,600)
		Interest Income	-	102	-	102
		Total Maintenance	3,683,853	102	(3,709,453)	(25,498)
		Total Local Street Improvements	18,216,206	15,113	(17,712,697)	518,622

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CITY OF VISTA, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
VISTA 54/V10	TNSGG	**Bikes and Pedestrian**				
		Paseo Santa Fe Streetscapes Phase II	$ 3,700,000	$ -	$ (3,700,000)	$ -
		Total Bikes and Pedestrian	3,700,000	-	(3,700,000)	-
		Subtotal Cumulative *TransNet* Extension	21,916,206	15,113	(21,412,697)	518,622
		Completed Projects:				
		LSI - Congestion Relief	9,745,598	(38,298)	(9,707,300)	-
		LSI - Maintenance	3,416,475	70	(3,416,545)	-
		Senior Mini Grants	554,261	-	(554,261)	-
		Smart Growth Grants	4,399,203	-	(4,399,203)	-
		Bikes and Pedestrian	372,534	-	(372,534)	-
		Total Completed Projects	18,488,071	(38,228)	(18,449,843)	-
		Total Cumulative *TransNet* Extension	$ 40,404,277	$ (23,115)	$ (39,862,540)	$ 518,622

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CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022	VISTA15/46	$ 200,606	$ 1,862	$ (202,468)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023	VISTA15/46	214,830	-	(214,830)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	VISTA15/46	172,061	-	(172,061)	-	-	-	-	
For Fiscal Year ended June 30, 2018	June 30, 2025	VISTA15/46	317,346	-	(317,346)	-	-	-	16,584	
For Fiscal Year ended June 30, 2019	June 30, 2026	VISTA15/46	2,148,210	-	(141,355)	-	-	2,006,855	2,148,210	
For Fiscal Year ended June 30, 2020	June 30, 2027		488,898	-	-	-	-	488,898	488,898	
For Fiscal Year ended June 30, 2021	June 30, 2028		250,631	-	-	-	-	250,631	250,631	
For Fiscal Year ended June 30, 2022	June 30, 2029		166,037	-	-	-	-	166,037	-	
Interest Income			-	212,889	-	-	-	212,889	177,288	
Total RTCIP Funds			3,958,619	214,751	(1,048,060)	-	-	3,125,310	3,081,611	
GASB 31 Market Value Adjustment			-	(156,539)	-	-	-	(156,539)	(50,762)	
Total RTCIP Funds			$ 3,958,619	$ 58,212	$ (1,048,060)	$ -	$ -	$ 2,968,771	$ 3,030,849	

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COUNTY OF SAN DIEGO, CALIFORNIA

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

Year Ended June 30, 2022

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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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, 2022. 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, 2022. 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.

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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.

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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 $3,478,702. We selected $934,455 (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: 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

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documented the basis of allocation and evaluated the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been reviewed by a Federal or State agency or audited by an independent certified public accounting firm (CPA).

Results: Indirect costs were allocated to the projects included in the RTIP, using an overhead ratio of total overhead costs to direct labor costs. Multiple rates were used due to different cost codes. A total of $49,448 of indirect costs were charged to the *TransNet* program, which resulted in an average indirect cost rate of 1.42% compared to total *TransNet* expenditures. The indirect cost rate has not been reviewed by a federal or state agency or audited by an independent CPA firm. The indirect cost rates are updated and reviewed on an annual basis by the County. The methodology 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.

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, 2023.

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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 County indicated that, "CNTY34 Dye Rd Extension has been delayed. Estimated project completion date is August 2026." In addition, "CNTY35 Ramona Street Extension has been delayed. Estimated project completion date is December 2027." 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 25, 2022.

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 there was a 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 2023.

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.

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Results: This procedure is not applicable as there were no Adjustments noted 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:

Fiscal year 2022 apportionment	$20,474,211
Less: debt service payment	(1,299,818)
Net estimated apportionment	19,174,393
30% base	30%
Fiscal year 2022 30% threshold	5,752,318
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(994,961)
Maintenance fund balance	(269,924)
Total Local Streets and Roads and Local Street Improvement fund balance	1,264,885
Fund balance under apportionment	$4,487,433

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 2022 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2022 are as follows:

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	Funds Held by County	Funds Held by SANDAG	Total
Congestion Relief	$ 994,961	$ 9,260,631	$ 10,255,592
Maintenance	269,924	61,808,874	62,078,798
Totals	$1,264,885	$71,069,505	$72,334,390

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 4.77% of cumulative local street and road revenue for maintenance as indicated on the following page:

	County	SANDAG	Total
Congestion relief	$142,638,822	$ 5,706,830	$148,345,652
Maintenance	10,226,090	60,550,532	70,776,622
Interest	1,488,975	4,812,143	6,301,118
Total local street and road revenue	$154,353,887	$71,069,505	$225,423,392
30% of total local street and road revenue			$ 67,627,018
Less maintenance expenditures incurred to date			(10,758,518)
Available maintenance funds			$ 56,868,500
Cumulative percentage expended for maintenance			4.77%

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: 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 below:

	Balance July 1, 2021	Adjustment	Principal Payments	Balance June 30, 2022	Interest Payments
2008 Bonds	$15,153,313	$ -	$ -	$15,153,313	$586,961
2012 Bonds	512,221	-	(512,221)	-	25,487
Total	$15,665,534	$ -	$(512,221)	$15,153,313	$612,448

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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.

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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 County did not incur RTCIP expenditures for the fiscal year ending June 30, 2022.

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

Results: This procedure is not applicable as there were no RTCIP expenditures for fiscal year ending June 30, 2022.

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

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

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the

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TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: The County incurred $85,587 of administration or indirect costs during the fiscal year ending June 30, 2022 (2.13% of program revenue). 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 10, 2022.

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.

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

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

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

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

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

    Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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, 2022. 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.

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Irvine, California
_____, 2023

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CNTY81		Regional Arterial Management Systems	$ -	$ 12,500	$ -	$ (12,500)	$ -	$ -	(a)
		Total Congestion Relief - Pass-Through	-	12,500	-	(12,500)	-	-	
		Congestion Relief:							
CNTY14A	1010123	South Santa Fe - South	85,054	-	468	-	-	85,522	
CNTY21	1003030	Bradley Avenue	934,211	-	5,140	(794,126)	-	145,225	
CNTY24	1003046	Cole Grade - High School	496,871	650,000	2,734	(1,288,158)	-	(138,553)	(b)
CNTY34	1009589	Dye Road Extension	14,380	-	79	-	-	14,459	(c)
CNTY35	1009591	Ramona Street Extension	10,789	-	59	-	-	10,848	(d)
CNTY82	1010313	Alpine Blvd	48,008	-	264	-	-	48,272	(e)
CNTY86	1025051	ADA Ramps 21/22	814,861	-	4,483	(51,185)	-	768,159	
CNTY88	1018734	Ashwood St Corridor	414,760	400,000	2,282	(756,013)	-	61,029	
		Total Congestion Relief	2,818,934	1,050,000	15,509	(2,889,482)	-	994,961	
		Maintenance:							
CNTY90	1020776	Camino Del Rey Drainage	441,537	-	2,429	(174,042)	-	269,924	
		Total Maintenance	441,537	-	2,429	(174,042)	-	269,924	

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2022	Notes
		Total Local Street Improvements	$ 3,260,471	$ 1,062,500	$ 17,938	$ (3,076,024)	$ -	$ 1,264,885	
		Smart Growth Incentive Program:							
CNTY95	5005475	Alpine Community Plan Implementation Financing Tools and Mechanisms Plan	-	18,345	-	(18,345)	-	-	
CNTY96	5005476	Casa De Oro - Campo Road Specific Plan	(53,510)	126,664	-	(73,154)	-	-	
CNTY97	5005477	Valley Center Community Plan Update	(27,248)	70,345	-	(43,097)	-	-	
		Total Smart Growth Incentive Program	(80,758)	215,354	-	(134,596)	-	-	
		Competitive Land Management Grant:							
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	(58,545)	177,193	-	(268,082)	-	(149,434)	(b)
		Total Competitive Land Management Grant	(58,545)	177,193	-	(268,082)	-	(149,434)	
		Total *TransNet* Extension	$ 3,121,168	$ 1,455,047	$ 17,938	$ (3,478,702)	$ -	$ 1,115,451	

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) Negative project status balance is due to qualifying expenditures incurred during the fiscal year. The remaining reimbursement will be received in FY22-23.

(c) CNTY34 Dye Rd Extension has been delayed. Estimated project completion date is August 2026.

(d) CNTY35 Ramona Street Extension has been delayed. Estimated project completion date is December 2027.

(e) 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 2023.

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SAN54/ CNTY81		Regional Arterial Management Systems	$ 125,000	$ -	$ (125,000)	$ -
		Total Congestion Relief - Pass-Through	125,000	-	(125,000)	-
		Congestion Relief:				
CNTY14A	1010123	South Santa Fe - South	1,092,312	3,577	(1,010,367)	85,522
CNTY21	1003030	Bradley Avenue	8,967,617	91,076	(8,913,468)	145,225
CNTY24	1003046	Cole Grade - High School	5,546,000	55,484	(5,740,037)	(138,553)
CNTY34	1009589	Dye Road Extension	979,405	1,954	(966,900)	14,459
CNTY35	1009591	Ramona Street Extension	835,330	20,012	(844,494)	10,848
CNTY82	1010313	Alpine Blvd	5,794,000	12,519	(5,758,247)	48,272
CNTY86	1021825	AC Overlay 17/18 C	1,769,760	12,755	(1,782,515)	-
CNTY86	1023466	AC Overlay 19/20 B	6,889,552	7,293	(6,896,845)	-
CNTY86	1022881	AC Culverts 19/20	3,384,887	25,119	(3,092,122)	317,884
CNTY86	1024263	AC Overlay 20/21 South	568,000	822	(97,777)	471,045
CNTY86	1022883	ADA Ramps 19/20	1,297,308	1,631	(1,273,007)	25,932
CNTY86	1025051	ADA Ramps 21/22	-	4,483	(51,185)	(46,702)
CNTY88	1018734	Ashwood St Corridor	2,169,000	18,334	(2,126,305)	61,029
		Total Congestion Relief	39,293,171	255,059	(38,553,269)	994,961
		Maintenance:				
CNTY90	1020776	Camino Del Rey Drainage	1,319,949	26,164	(1,076,189)	269,924
		Total Maintenance	1,319,949	26,164	(1,076,189)	269,924
		Total Local Street Improvements	40,738,120	281,223	(39,754,458)	1,264,885

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Smart Growth Incentive Program:				
CNTY95	5005475	Alpine Community Plan Implementation Financing Tools and Mechanisms Plan	$ 45,321	$ -	$ (45,321)	$ -
CNTY96	5005476	Casa De Oro - Campo Road Specific Plan	320,962	-	(320,962)	-
CNTY97	5005477	Valley Center Community Plan Update	286,257	-	(286,257)	-
		Total Smart Growth Incentive Program	652,540	-	(652,540)	-
		Competitive Land Management Grant:				
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	1,279,287	-	(1,428,721)	(149,434)
		Total Competitive Land Management Grant	1,279,287	-	(1,428,721)	(149,434)
		Subtotal Cumulative *TransNet* Extension	42,669,947	281,223	(41,835,719)	1,115,451
		Completed Projects:				
		LSI - Congestion Relief Pass Through	36,000	-	(36,000)	-
		LSI - Congestion Relief	103,184,651	712,787	(103,897,438)	-
		LSI - Maintenance	8,906,141	776,188	(9,682,329)	-
		Bikes and Pedestrians	625,000	-	(625,000)	-
		Competitive Land Management Grant	915,288	-	(915,288)	-
		Total Completed Projects	113,667,080	1,488,975	(115,156,055)	-
		Total Cumulative *TransNet* Extension	$ 156,337,027	$ 1,770,198	$ (156,991,774)	$ 1,115,451

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COUNTY OF SAN DIEGO, CALIFORNIA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2022

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative County Adjustments	Funds committed at June 30, 2022	Cumulative Status June 30, 2022	Cumulative Status June 30, 2021	Notes
For Fiscal Year ended June 30, 2015	June 30, 2022		$ 1,180,266	$ 4,039	$ (1,184,305)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2016	June 30, 2023		1,506,988	4,979	(1,511,967)	-	-	-	-	
For Fiscal Year ended June 30, 2017	June 30, 2024	CNTY89	1,455,074	62,755	(845,984)	-	(671,845)	671,845	752,749	
For Fiscal Year ended June 30, 2018	June 30, 2025		2,646,555	160,941	-	-	-	2,807,496	2,790,139	
For Fiscal Year ended June 30, 2019	June 30, 2026		2,245,234	113,896	-	-	-	2,359,130	2,344,544	
For Fiscal Year ended June 30, 2020	June 30, 2027		2,508,395	80,035	-	-	-	2,588,431	2,572,428	
For Fiscal Year ended June 30, 2021	June 30, 2028		2,308,647	33,764	-	-	-	2,342,412	2,327,930	
For Fiscal Year ended June 30, 2022	June 30, 2029		4,012,222	24,959	-	-	-	4,037,181	-	(a)
Total RTCIP Funds			$ 17,863,381	$ 485,368	$ (3,542,256)	$ -	$ (671,845)	14,806,493	$ 10,787,790	

(a) Interest income and project expenditures for FY17, FY18, FY19, FY20, FY21 and FY22 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.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

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

Year Ended June 30, 2022

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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, 2022. ITOC'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 ITOC with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2022. 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.

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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, 2022.

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 $348,498. We selected $108,346 (31.09%) 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.

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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 $200,138, which represented 57.43% 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 $200,138, 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, 2022 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.

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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, 2022. 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
XXXX, 2023

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GLOSSARY OF TERMS

Definitions

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"ITOC" means the Independent Taxpayer Oversight Committee, with the administrative functions performed by SANDAG.

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

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

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

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

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
TransNet Extension Activities
Schedule of Status of Funds
Year Ended June 30, 2022

Project Name	Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	Committee Adjustments	Status June 30, 2022
TransNet* Extension*:						
Independent Taxpayer Oversight Committee	$ 97,176	$ 421,541	$ 2,894	$ (348,498)	$ -	$ 173,113
Total *TransNet* Extension	$ 97,176	$ 421,541	$ 2,894	$ (348,498)	$ -	$ 173,113

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE
TransNet Extension Activities
Cumulative Schedule of Status of Funds
Year Ended June 30, 2022

Project Name	Funds Received	Interest Income	Project Expenditures	Status June 30, 2022
TransNet* Extension*:				
Independent Taxpayer Oversight Committee	$ 3,801,888	$ 48,790	$ (3,677,565)	$ 173,113
Total Cumulative *TransNet* Extension	$ 3,801,888	$ 48,790	$ (3,677,565)	$ 173,113

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

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

Year Ended June 30, 2022

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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, 2022. 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, 2022. 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

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accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted MTS' alternative approach.

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension).

      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.

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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 $50,090,297. We selected $15,263,634 (30.47%) 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

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

Results: MTS allocated indirect costs to MPO ID MTS33A and SAN80 included in the RTIP for the year ended June 30, 2022 at an overhead rate of 27.31% and a fringe rate of 53.94%. The total dollar amount of indirect costs charged was $134,441, which represented a 0.28% of total *TransNet* expenditures. MTS has a formal Indirect Cost Plan that was approved by the Federal Transit Administration in March 2021 for the fiscal year ending June 30, 2022. Additionally, MTS engaged an independent CPA firm to perform agreed-upon procedures applied to its indirect cost rates. The firm used 2 CFR Part 200 as its criteria in reviewing the rates, and concluded that MTS's 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, 2022.

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

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

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

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2022.

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.

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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, 2022 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.

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

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

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

	Senior and Disabled	Transit
Fiscal year 2022 apportionment	$1,142,623	$43,076,899
Less: debt service payment	-	-
Net estimated apportionment	1,142,623	43,076,899
30% base	30%	30%
Fiscal year 2022 30% threshold	342,787	12,923,070
Less:		
Fund balance	-	-
Fund balance under apportionment	$ 342,787	$12,923,070

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

   Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2022.

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]).

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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 2021 was 17.78%. The change in total operating cost per revenue vehicle hour for bus services was (1.89)% and the change in total operating cost per revenue vehicle mile for rail services was (7.40)%. Thus, MTS was in compliance with these portions of the requirement.

Operating Cost per Revenue Vehicle Hour for Bus Services

	2022	2021	Growth Rate
Operating cost for buses	$201,589,171	$202,213,207	
Revenue vehicle hours	2,013,662	1,981,718	
Total operating cost per revenue vehicle hour	$100.11	$102.04	(1.89)%
Consumer Price Index	291.916	247.856	17.78%

Operating Cost per Revenue Vehicle Mile for Rail Services

	2022	2021	Growth Rate
Operating cost for rail	$104,704,575	$98,061,336	
Revenue vehicle miles	11,626,878	10,077,479	
Total operating cost per revenue vehicle mile	$9.01	$9.73	(7.40)%
Consumer Price Index	291.916	247.856	17.78%

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

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

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

    Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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*

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Ordinance and *TransNet* Extension Ordinance as of June 30, 2022. 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
_____, 2023

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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 2022 of the Semiannual average indexes Table).

"Current Fiscal Year" means the fiscal period of July 1, 2021, through June 30, 2022.

"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.

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year ended June 30, 2022

MPO ID	CIP Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	MTS Adjustments	Project Status June 30, 2022
		***TransNet* Extension:**						
		Operating:						
		Senior and Disabled Transportation:						
MTS 33A	47130	MTS Access	$ -	$ 953,300	$ -	$ (953,300)	$ -	$ -
		Total Senior and Disabled Transportation	-	953,300	-	(953,300)	-	-
		Transit and Trolley:						
MTS 32A	47110	MTS Preventive Maintenance	-	36,230,092	-	(36,230,092)	-	-
		Major Transit Corridor Operations:						
SAN 80	47140	SuperLoop	-	2,187,022	-	(2,187,022)	-	-
SAN 80	47150	Bus Rapid Transit	-	3,114,064	-	(3,114,064)	-	-
SAN 80	47170	Mid City Bus Rapid Transit	-	2,327,852	-	(2,327,852)	-	-
SAN 80	47180	South Bay Bus Rapid Transit	-	5,277,967	-	(5,277,967)	-	-
		Total Major Transit Corridor Operations	-	12,906,905	-	(12,906,905)	-	-
		Total Transit and Trolley	-	49,136,997	-	(49,136,997)	-	-
		Total Operating	-	50,090,297	-	(50,090,297)	-	-
		Total *TransNet* Extension	$ -	$ 50,090,297	$ -	$ (50,090,297)	$ -	$ -

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension**				
		Operating:				
		Senior and Disabled Transportation:				
MTS 33A	47130	MTS Access	$ 10,725,755	$ -	$ (10,725,755)	$ -
		Total Senior and Disabled Transportation	10,725,755	-	(10,725,755)	-
		Transit and Trolley:				
MTS 32A	47110	MTS Preventative Maintenance	212,219,766	-	(212,219,766)	-
		Major Transit Corridor Operations:				
SAN 80	47140	SuperLoop	19,762,392	-	(19,762,392)	-
SAN 80	47150	Bus Rapid Transit	61,263,952	-	(61,263,952)	-
SAN 80	47170	Mid City Bus Rapid Transit	14,061,394	-	(14,061,394)	-
SAN 80	47180	South Bay Bus Rapid Transit	19,552,934	-	(19,552,934)	-
		Total Major Transit Corridor Operations	114,640,672	-	(114,640,672)	-
		Total Transit and Trolley	326,860,438	-	(326,860,438)	-
		Total Operating	337,586,193	-	(337,586,193)	-
		Subtotal Cumulative *TransNet* Extension	337,586,193	-	(337,586,193)	-

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		Completed Projects:				
		Capital:				
		Major Corridor:				
MTS28	47120	Bus & Rail Rolling Stock	$ 2,247,000	$ -	$ (2,247,000)	$ -
SAN 67	47120	Blue Line Rehab	45,442,895	-	(45,442,895)	-
		Operating:				
		Transit and Trolley:				
MTS 23A	47110	MTS Operating Support	181,530,668	-	(181,530,668)	-
		Total Completed Projects	229,220,563	-	(229,220,563)	-
		Total Cumulative *TransNet* Extension	$ 566,806,756	$ -	$ (566,806,756)	$ -

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NORTH COUNTY TRANSIT DISTRICT

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

Year Ended June 30, 2022

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DavisFarr
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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 and B, as applicable, for the fiscal year ended June 30, 2022. NCTD 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 NCTD with respect to the *TransNet* Program Schedules A and B for the fiscal year ended June 30, 2022. 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 accountabilities for all *TransNet* activity. This alternative approach to maintaining separate

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accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted NCTD 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 as all TransNet funds were spent before the end of the first quarter.

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

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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 $27,229,537. We selected $11,959,238 (43.92%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no adjustments for the fiscal year ended June 30, 2022.

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

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

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

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2022.

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.

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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, 2022 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.

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

	Senior and Disabled	Transit
Fiscal year 2022 apportionment	$463,086	$17,458,325
Less: debt service payment	-	(1,381,501)
Net estimated apportionment	463,086	16,076,824
30% base	30%	30%
Fiscal year 2022 30% threshold	138,926	4,823,047
Less:		
Fund balance	-	-
Fund balance under apportionment	$ 138,926	$13,906,584

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

Results: The results are summarized below:

	Balance July 1, 2021	Additions	Principal Payments	Balance June 30, 2022	Interest Payments
Commercial Paper	$21,750,000	$ -	$(1,300,000)	$20,450,000	$(81,501)

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 2021 to 2022 was 17.78%. The total operating cost per revenue vehicle hour for bus services increased by 11.83% and thus NCTD was in compliance with this portion of the requirement. In addition, the

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change in total operating cost per revenue vehicle mile for rail services increased by 2.06% and was in compliance with both bus and rail services.

Operating Cost per Revenue Vehicle Hour for Bus Services

	2022	2021	Growth Rate
Operating cost for buses	$62,209,246	$57,304,744	
Revenue vehicle hours	461,315	475,203	
Total operating cost per revenue vehicle hour	$134.85	$120.59	11.83%
Consumer Price Index	291.916	247.856	17.78%

Operating Cost per Revenue Vehicle Mile for Rail Services

	2022	2021	Growth Rate
Operating cost for buses	$62,854,203	$46,509,205	
Revenue vehicle hours	877,589	662,745	
Total operating cost per revenue vehicle hour	$71.62	$70.18	2.06%
Consumer Price Index	291.916	247.856	17.78%

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

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

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

    Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2022.

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, 2022. 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.

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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
_____, 2023

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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 2022 of the Semiannual average indexes Table).

"Current Fiscal Year" means the fiscal period of July 1, 2021, through June 30, 2022.

"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.

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NORTH COUNTY TRANSIT DISTRICT
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**							
		Operating:							
		Senior and Disabled Transportation:							
NCTD03	N/A	Elderly and Disabled	$ -	$ 466,000	$ -	$ (466,000)	$ -	$ -	
		Total Senior and Disabled Transportation	-	466,000	-	(466,000)	-	-	
		Transit:							
NCTD16B	N/A	Oceanside to Escondido Rail - SPRINTER Debt Service	-	1,700,000	-	(1,700,000)	-	-	
NCTD34	N/A	Transit Service Operating Support	-	15,980,000	-	(15,980,000)	-	-	
		Total Transit	-	17,680,000	-	(17,680,000)	-	-	
		Total Operating	-	18,146,000	-	(18,146,000)	-	-	
		Capital:							
		Major Corridor:							
SAN260	420009	COASTER Train Sets	(2,127,862)	2,127,862	-	(9,083,537)	-	(9,083,537)	(a)
		Total Major Corridor	(2,127,862)	2,127,862	-	(9,083,537)	-	(9,083,537)	
		Total *TransNet* Extension	$ (2,127,862)	$ 20,273,862	$ -	$ (27,229,537)	$ -	$ (9,083,537)	
		Total *TransNet* and *TransNet* Extension	$ (2,127,862)	$ 20,273,862	$ -	$ (27,229,537)	$ -	$ (9,083,537)	

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Note:
(a) Due as of June 30, 2022; 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, 2022

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**				
		Operating:				
		Senior and Disabled Transportation:				
NCTD03	N/A	Elderly and Disabled	$ 4,465,325	$ -	$ (4,465,325)	$ -
		Total Senior and Disabled Transportation	4,465,325	-	(4,465,325)	-
		Transit:				
NCTD16B	N/A	Oceanside to Escondido Rail Operations	22,955,112	-	(22,955,112)	-
NCTD34	N/A	Transit Service Operating Support	144,067,189	-	(144,067,189)	-
		Total Transit	167,022,301	-	(167,022,301)	-
		Major Corridor:				
SAN260	420009	COASTER Train Sets	3,627,862	-	(12,711,399)	(9,083,537)
		Total Major Corridor	3,627,862	-	(12,711,399)	(9,083,537)
		Total Operating	175,115,488	-	(184,199,025)	(9,083,537)
		Completed Projects:				
		Operating:				
		TransNet Senior Mini Grant	217,941	-	(217,941)	-
		Capital:				
		Major Corridor	69,636,783	429,576	(70,066,359)	-
		Bike, Pedestrian and Neighborhood Safety (BPNS) Inland Rail Trail	3,870,000	25,257	(3,895,257)	-
		Transit:				
		Preventive Maintenance	1,715,876	-	(1,715,876)	-
		Total Completed Projects	75,440,600	454,833	(75,895,433)	-
		Total Cumulative *TransNet* Extension	$ 250,556,088	$ 454,833	$ (260,094,458)	$ (9,083,537)

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA

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

Year Ended June 30, 2022

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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, 2022. 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, 2022. 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.

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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.

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f. We identified the total *TransNet* expenditures for the year ended June 30, 2022.

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 $172,849,481. We selected $57,377,417 (33.20%) 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

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indirect cost plan had been reviewed by a federal or state agency, or audited by an independent certified public accounting firm.

Results: SANDAG allocated indirect costs to projects included in the RTIP for the year ended June 30, 2022. SANDAG allocates indirect costs at a rate of 91.27% of direct labor costs associated with each project. SANDAG allocated a total of $5,161,159 of indirect costs to projects, resulting in 2.99% of indirect costs compared to total *TransNet* expenditures. SANDAG's indirect cost plan has been reviewed and approved by the State of California Department of Transportation, and is updated by SANDAG on an annual basis. The indirect cost rate allocation methodology appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2023.

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

j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient

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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.

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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 are no commercial paper and bonds outstanding as of June 30, 2022.

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 $55,675,070 did not exceed $500,000,000 in 2002 dollars. No exceptions were noted as a result of our procedures.

Debt Issuance	Balance at July 1, 2021	Additions	Deletions	Balance as of June 30, 2022
Commercial Paper	$ 5,279,467	$ 397,665	$ -	$ 5,677,132
2008 Bonds	33,144,271	1,885,011	-	35,029,282
2010 Bonds	2,924,759	5,806	-	2,930,565
2012 Bonds	2,333,709	4,876	-	2,338,585
2014 Bonds	1,303,597	4,926	-	1,308,523
2016 Bonds	1,211,796	4,866	-	1,216,662
2017 TIFIA Loan	1,241,244	15,056	-	1,256,300
2018 Short Term	1,565,274	3,538	-	1,568,812
2019 Bonds	1,437,323	5,456	-	1,442,779
2020 Bonds	417,316	3,306	-	420,622
2021 Bonds	1,334,035	2,884	-	1,336,919
2021 Note	947,921	16,234	-	964,155
2022 Revolving Note	-	184,734	-	184,734
Total	$53,140,712	$2,534,358	$ -	$55,675,070

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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 2022 Budget were included in administrative expenditures.

       Results: SANDAG recorded total administrative expenditures in the amount of $6,476,250. We reviewed the detail of administrative expenditures and noted the following cost centers included within:

Category	Amount Expended
Payroll Expenses	$3,653,997
Operational Expenses	2,280,823
Board of Directors	292,002
Legal Fees	7,166
Office of the Independent Performance Auditor (OIPA)	242,262
Total	$6,476,250

    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 $6,476,250. We selected $1,646,017 (25.42%) for testing. No exceptions were noted as a result of our procedures.

    d. If unallowable expenditures were identified in step 11.b, we expanded the sample to include an additional 25% of administrative expenditures, and documented SANDAG's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

       Results: This procedure is not applicable as there were no unallowable expenditures noted in step 11.b.

    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.

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Results: SANDAG recorded total *TransNet* administrative payroll expenditures in the amount of $3,653,996, which represented 56.42% 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 2022 *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, 2022.

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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, 2022. 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
xxxx 2023

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GLOSSARY OF TERMS

Definitions

"Current Fiscal Year" means the fiscal period of July 1, 2021 through June 30, 2022.

"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.

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		***TransNet* Extension:**						
		Administration:						
		SANDAG 2% Administration	$ 80,113	$ 8,076,957	$ (6,476,250)	$ -	$ 1,680,820	
		Total Administration	80,113	8,076,957	(6,476,250)	-	1,680,820	
		Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through:						
CB45	1223071	Carlsbad Blvd & Tamarack Ave Ped Improvement Project	-	87,190	(87,190)	-	-	
SAN195	1223055	Bayshore Bikeway - Barrio Logan	-	28,937	(28,937)	-	-	
SD259	1223091	Move Free SD Education, Encouragement and Awareness Campaign	-	20,602	(20,602)	-	-	
		Total BPNS - Pass Through	-	136,729	(136,729)	-	-	
		BPNS:						
CAL330	1223014	SR-15 Commuter Bike Facility	-	1,860	(1,860)	-	-	
NC35	1223089	National City Bicycle Parking Enhancements	-	(28)	28	-	-	(a)
SAN40	3300100	TransNet Smart Growth Incentive Program	-	110,835	(110,835)	-	-	
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	-	1,772	(1,772)	-	-	
SAN153	1223023	Inland Rail Trail	-	7,940,400	(7,940,400)	-	-	
SAN153	1223094	Inland Rail Trail Ph 3	-	723,945	(723,945)	-	-	
SAN153	1223095	Inland Rail Trail Ph 4	-	130	(130)	-	-	
		Total SAN153	-	8,664,475	(8,664,475)	-	-	
		Subtotal BPNS	-	8,778,914	(8,778,914)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		BPNS balance carried forward	$ -	$ 8,778,914	$ (8,778,914)	$ -	$ -	
SAN154	1129900	Bayshore Bikeway Segment 8B	-	13,445	(13,445)	-	-	
SAN155	1223016	Coastal Rail Trail - Rose Creek	-	1,307,618	(1,307,618)	-	-	
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	-	65,529	(65,529)	-	-	
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	-	32,831	(32,831)	-	-	
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	-	4,515,520	(4,515,520)	-	-	
SAN195	1223055	Bayshore Bikeway - Barrio Logan	-	1,597,857	(1,597,857)	-	-	
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	-	37,231	(37,231)	-	-	
SAN203	1223056	San Ysidro to IB Parkway	-	275,882	(275,882)	-	-	
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	-	77,385	(77,385)	-	-	
SAN205	1223057	NP to Downtown/Balboa Bikeway	-	3,934,418	(3,934,418)	-	-	
SAN206	1223058	Southeast to Downtown Bikeway	-	332,684	(332,684)	-	-	
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	-	72,533	598,345	670,878	1,341,756	(b)
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	-	722,595	(722,595)	-	-	
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	-	7,466,583	(7,466,583)	-	-	
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	-	264,882	(264,882)	-	-	
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	-	170,004	(170,004)	-	-	
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	-	6,681	(6,681)	-	-	
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	-	224,587	(224,587)	-	-	
SAN284	1223087	North Park/Mid-City Orange Bikeway	-	389,170	(1,060,048)	(670,878)	(1,341,756)	(b)
		Total BPNS	-	30,286,349	(30,286,349)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Senior Services Pass Through:						
LAM27	1270400	La Mesa - Rides4Neighbors	$ -	$ 87,641	$ (87,641)	$ -	$ -	
SAN70	1271000	Jewish Family Services - Rides and Smiles	-	249,140	(249,140)	-	-	
SAN70	1271800	On the Go (Eastern San Diego)	-	227,343	(227,343)	-	-	
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides	-	193,106	(193,106)	-	-	
		Total SAN70	-	669,589	(669,589)	-	-	
SAN87	1272700	Elderhelp - Volunteer Driver Program	-	123,370	(123,370)	-	-	
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	-	64,322	(64,322)	-	-	
SAN92	1271300	Travelers Aid Society - SeniorRide	-	226,903	(226,903)	-	-	
SAN168	1271900	FACT Mobility Management	-	349,807	(349,807)	-	-	
SAN243	1272600	FACT RIDEFinder	-	15,895	(15,895)	-	-	
SAN278	1270800	FACT MedRide	-	182,819	(182,819)	-	-	
SAN279	1272600	RIDEFinder	-	36,739	(36,739)	-	-	
		Total Senior Services Pass Through	-	1,757,085	(1,757,085)	-	-	
		Senior Services:						
SAN40	3320201	Specialized Transportation	-	118,065	(118,065)	-	-	
		Total Senior Services	-	118,065	(118,065)	-	-	
		Smart Growth Pass Through:						
CHV86	1224059	Third Avenue Streetscape Improvement Project (TASIP-STL406) Phase II	-	122,837	(122,837)	-	-	
CNTY95	1224054	Alpine Community Plan Implementation	-	20,383	(20,383)	-	-	
CNTY96	1224055	Casa De Oro - Campo Road Specific Plan	-	184,426	(184,426)	-	-	
		Subtotal Smart Growth - Pass-Through	-	327,646	(327,646)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Smart Growth - Pass-Through balance carried forward	$ -	$ 327,646	$ (327,646)	$ -	$ -	
CNTY97	1224056	Valley Center Community Plan Update	-	21,571	(21,571)	-	-	
EL40	1224067	El Cajon Transit Center Community Connection Improvements	-	(136,973)	136,973	-	-	(a)
EL41	1224068	Main Street - Green Street Gateway	-	(27,590)	27,590	-	-	(a)
ESC48	1224060	Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)	-	900,336	(900,336)	-	-	
LAM47	1224036	N Spring Street Smart Growth	-	256,535	(256,535)	-	-	
LAM49	1224047	Complete Streets Integrated Design Manual	-	35,088	(35,088)	-	-	
LG26	1224069	Connect Main Street, Ph 1&2	-	18,910	(18,910)	-	-	
NC29	1224048	National City 24th St Transit Oriented Development Overlay	-	(53,574)	53,574	-	-	(a)
NC36	1224061	Roosevelt Avenue Corridor Smart Growth Revitalization Project	-	520,366	(520,366)	-	-	
NC37	1224062	Sweetwater Road Protected Bikeway	-	7,498	(7,498)	-	-	
O49	1224058	Coastal Rail Trail Extension	-	71,921	(71,921)	-	-	
SD253	1224049	Clairemont Transit Oriented Development Design Concepts	-	113,839	(113,839)	-	-	
SD254	1224050	College Area Smart Growth Study (CASGS)	-	201,536	(201,536)	-	-	
SD256	1224052	Mira Mesa Transit Oriented Development	-	25,173	(25,173)	-	-	
SD257	1224053	University Community Smart Growth Concept Study	-	57,854	(57,854)	-	-	
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	-	38,012	(38,012)	-	-	
SD262	1224065	East Village Green Park Phase I	-	4,833	(4,833)	-	-	
		Total Smart Growth - Pass-Through	-	2,382,981	(2,382,981)	-	-	
		Smart Growth:						
SAN40	3300100	*TransNet* Smart Growth Incentive Program	-	110,835	(110,835)	-	-	
		Total Smart Growth	-	110,835	(110,835)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		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)	-	-	
ENC28	3311002	Traffic Signal Modifications	-	7,400	(7,400)	-	-	
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	-	7,400	(7,400)	-	-	
NC04	3311002	Traffic Signal Install/Upgrade	-	8,000	(8,000)	-	-	
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	-	11,200	(11,200)	-	-	
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	-	7,300	(7,300)	-	-	
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	-	67,600	(67,600)	-	-	
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	-	10,800	(10,800)	-	-	
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	-	7,400	(7,400)	-	-	
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	-	8,800	(8,800)	-	-	
		Total Local Street Improvements	-	185,300	(185,300)	-	-	
		Regional Environmental Mitigation Program (EMP) - Pass-Through:						
V07	12002xx	Caltrans EMP	-	17,484,700	(17,484,700)	-	-	
V08	1201319	Otay Mesa Rare Plants	-	32,231	(32,231)	-	-	
V08	1201320	Proctor Valley Vernal Pools	-	56,329	(56,329)	-	-	
V08	1201321	North County Dunes 2	-	9,282	(9,282)	-	-	
V08	1201328	Cabrillo	-	(4,400)	4,400	-	-	(a)
V08	1201330	Rice Canyon Invasive Removal	-	(2,143)	2,143	-	-	(a)
V08	1201333	Rare Plants 2	-	17,974	(17,974)	-	-	
		Subtotal V08	-	109,273	(109,273)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Balance carried forward - Subtotal V08	$ -	$ 109,273	$ (109,273)	$ -	$ -	
V08	1201334	Silverwood-Anstine	-	10,752	(10,752)	-	-	
V08	1201336	Invasive Species Management	-	64,458	(64,458)	-	-	
V08	1201337	San Pasqual Cactus Wren	-	54,686	(54,686)	-	-	
V08	1201338	Lower Otay Reservoir	-	17,567	(17,567)	-	-	
V08	1201340	Mission Bay Park	-	50,631	(50,631)	-	-	
V08	1201341	Stinknet Removal	-	25,030	(25,030)	-	-	
		Total V08	-	332,397	(332,397)	-	-	
		Total Regional EMP - Pass Through	-	17,817,097	(17,817,097)	-	-	
		Environmental Mitigation Program (EMP):						
V07	12002xx	Biological Mitigation	-	6,122,983	(6,122,983)	-	-	
V08	12003xx/ 12013xx	Regional Habitat Conservation Fund	-	3,949,595	(3,949,595)	-	-	
		Total EMP	-	10,072,578	(10,072,578)	-	-	
		Bus Rapid Transit (BRT)/Rail Operations:						
SAN80	1130100	Financial ERP System	-	418,999	(418,999)	-	-	
SAN80	1131600	Human Resources Info System	-	83,147	(83,147)	-	-	
SAN80	1147400	Content Management	-	445,052	(445,052)	-	-	
SAN80	2300000	Transportation Analysis Model	-	90,217	(90,217)	-	-	
SAN80	2301900	Quality Assurance & Control	-	695,895	(695,895)	-	-	
SAN80	2302200	Data Dissemination	-	34,078	(34,078)	-	-	
SAN80	2302300	Data Acquisition, Management, Govern	-	1,662,296	(1,662,296)	-	-	
SAN80	2401000	Regional Econ Research & Analysis	-	172,500	(172,500)	-	-	
SAN80	2402000	Data Science, Open/Big Data	-	1,237,294	(1,237,294)	-	-	
SAN80	3102000	SD Forward Regional Plan	-	1,663,343	(1,663,343)	-	-	
SAN80	3310703	TDM - Program & Svs Delivery	-	5,400	(5,400)	-	-	
SAN80	3310714	Mobility & Innovations Program	-	590,043	(590,043)	-	-	
SAN80	8000103	Office of the Independent Performance Auditor	-	241,550	(241,550)	-	-	
		Total BRT/Rail Operations	-	7,339,814	(7,339,814)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Major Corridor - Pass-Through:						
CAL09	1200501	I-5 North Coast	$ -	$ 18,499	$ (18,499)	$ -	$ -	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	32,735	(32,735)	-	-	
CAL09	1200509	I-5 San Elijo Bridge Replace	-	(461,018)	461,018	-	-	(c)
CAL09	1200510	I-5 HOV Carlsbad	-	(23,000)	23,000	-	-	(c)
		Total CAL09	-	(432,784)	432,784	-	-	
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	28,815	(28,815)	-	-	
CAL29B	1207606	SR 76 East	-	(410,000)	410,000	-	-	(c)
CAL38	1390501	SR-905 New Freeway	-	(1,628)	1,628	-	-	(c)
CAL68	1212501	SR94/SR125 S to E Connector	-	145,000	(145,000)	-	-	
CAL75	1200506	I-5 Genesee Interchange and Widening	-	339,000	(339,000)	-	-	
CAL78B	1280511	I-805 HOV/Managed Lanes - North	-	84,000	(84,000)	-	-	
CAL78C	1280510	I-805 South: 2 HOV and DAR	-	39,000	(39,000)	-	-	
CAL78D	1280515	I-805 South Soundwalls - Unit 1	-	45,000	(45,000)	-	-	
CAL114	1200513	SR56 Auxiliary Lane	-	506,000	(506,000)	-	-	
CAL277A	1207803	SR78/I-5 HOV Connector	-	(31,000)	31,000	-	-	(c)
CAL552	1685501	CMCP-Sbay to Sorrento	-	(8,425)	8,425	-	-	(c)
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	-	(3,154)	3,154	-	-	(c)
SAN23	1257001	Mid-Coast LRT Corridor Project	-	(2,000)	2,000	-	-	(c)
SAN26C	1201507	SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations	-	(87)	87	-	-	(c)
SAN47	1280504	South Bay BRT	-	(9,147)	9,147	-	-	(c)
SAN60	1239820	COASTER Train Sets	-	2,184,478	(2,184,478)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	58,000	(58,000)	-	-	
SAN258	1149000	Central Mobility Station	-	4,000	(4,000)	-	-	
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	-	1,155,905	(1,155,905)	-	-	
V11	1201101	State Route 11	-	175,000	(175,000)	-	-	
V15	1200508	I-5/Gilman Drive Bridge.	-	2,500	(2,500)	-	-	
V22	1606701	CMCP-San Vicente Corridor	-	(90)	90	-	-	(c)
		Total Major Corridor - Pass-Through	-	3,868,383	(3,868,383)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Major Corridor:						
CAL09	1200501	I-5 North Coast	$ -	$ 6,191	$ (6,191)	$ -	$ -	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	1,732,436	(1,732,436)	-	-	
CAL09	1200509	I-5 San Elijo Bridge Replace	-	1,419,010	(1,419,010)	-	-	
CAL09	1200510	I-5 HOV Carlsbad	-	191,027	(191,027)	-	-	
		Total CAL09	-	3,348,664	(3,348,664)	-	-	
CAL26	1205203	State Route 52 Freeway (E&F)	-	165	(165)	-	-	
CAL29B	1207606	SR 76 East	(163,438)	(248,686)	70,746	-	(341,378)	(d)(e)
CAL68	1212501	SR94/SR125 S to E Connector	-	62,419	(62,419)	-	-	
CAL75	1200506	I-5 Genesee Interchange and Widening	-	37,852	(37,852)	-	-	
CAL78B	1280511	I-805 HOV/Managed Lanes - North	-	531	(531)	-	-	
CAL78C	1280510	I-805 South: 2 HOV & DAR	-	409	(409)	-	-	
CAL78D	1280515	I-805 S Soundwalls	-	18,473	(18,473)	-	-	
CAL114	1200513	SR56 Auxiliary Lane	-	26,682	(26,682)	-	-	
CAL277	1207802	I-15/SR78 HOV Connectors	-	60,428	(60,428)	-	-	
CA278	1207804	SR78 HOV Lanes: I-5 to I-15	-	4,824	(4,824)	-	-	
CAL502	1280516	I-805 North Construct Operational Improvements	-	(17,760)	17,760	-	-	(a)
CAL538	1206701	SR67 Improvements	-	17,125	(17,125)	-	-	
CAL550	1605201	CMCP-Coast Canyon Trails SR52	-	11,984	(11,984)	-	-	
CAL552	1685501	CMCP-Sbay to Sorrento	-	1,521,539	(1,521,539)	-	-	
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	-	9,316	(9,316)	-	-	
CAL614	1280516	I-805 North Construct Operational Improvements	-	18,273	(18,273)	-	-	
SAN04	1201504	I-15 FasTrak®	-	9,057	(9,057)	-	-	
SAN23	1257001	Mid-Coast LRT Corridor Project	-	73,263,726	(73,263,726)	-	-	
SAN26B	1201509	Downtown BRT Stations	-	2,443	(2,443)	-	-	
SAN26C	1201507	SR 15 Bus Rapid Transit (BRT) Mid-City Centerline Stations	-	14,453	(14,453)	-	-	
SAN27	1300601	San Ysidro Intermodal Freight Facility	-	8	(8)	-	-	
SAN29	1239812	Sorrento to Miramar Phase 2	-	641,443	(641,443)	-	-	
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	-	1,722,051	(1,722,051)	-	-	
		Subtotal Major Corridor	(163,438)	80,525,419	(80,703,359)	-	(341,378)	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Major Corridor balance carried forward	$ (163,438)	$ 80,525,419	$ (80,703,359)	$ -	$ (341,378)	
SAN36	1144000	Substation SCADA Design	-	382,148	(382,148)	-	-	
SAN46	1041502	Super Loop	-	5,003	(5,003)	-	-	
SAN47	1280504	South Bay BRT	-	387,797	(387,797)	-	-	
SAN54	1147700	Next Operating System (Next OS)	-	23,460	(23,460)	-	-	
SAN54	3310500	511 ATIS	-	89,871	(89,871)	-	-	
SAN54	3311000	ITS Operations	-	792,930	(792,930)	-	-	
SAN54	3330700	TSM-Integrated Corridor Management Program	-	319,555	(319,555)	-	-	
SAN54	3331200	RTS Mgt & Op Plan	-	-	-	-	-	
		Total SAN54	-	1,225,816	(1,225,816)	-	-	
SAN57	1128100	Mainline Drainage	-	51,467	(51,467)	-	-	
SAN64	1239809	Eastbrook to Shell Double Track	-	422,531	(422,531)	-	-	
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	-	9,973	(9,973)	-	-	
SAN78	1240001	Mid-City Rapid Bus	-	13,182	(13,182)	-	-	
SAN117	1239805	Poinsettia Station Improvements	-	22,243	(22,243)	-	-	
SAN119	1239807	Sorrento Valley Double Track	-	18,929	(18,929)	-	-	
SAN129	1201514	Downtown Multiuse and Bus Stopover Facility	-	204,598	(204,598)	-	-	
SAN132	1239811	Elvira to Morena Double Track	-	1,668,772	(1,668,772)	-	-	
SAN149	1239814	Coaster PE	-	185,899	(185,899)	-	-	
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	-	386,914	(386,914)	-	-	
SAN164	1144900	N. Green Beach Bridge	-	24,526	(24,526)	-	-	
SAN173	1210040	BL Rail Infrastructure	-	19,451	(19,451)	-	-	
SAN182	1239815	San Diego River Bridge	-	406,141	(406,141)	-	-	
SAN183	1239816	Batiquitos Lagoon Double Track	-	666,555	(666,555)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	1,356,901	(1,356,901)	-	-	
		Subtotal Major Corridor	(163,438)	87,984,265	(88,162,205)	-	(341,378)	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Project Status July 1, 2021	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2022	Notes
		Major Corridor balance carried forward	$ (163,438)	$ 87,984,265	$ (88,162,205)	$ -	$ (341,378)	
SAN253	1600501	CMCP - Central Mobility Hub	-	1,760	(1,760)	-	-	
SAN253	1600503	CMH Military Inst. Resilience	-	7,585	(7,585)	-	-	
SAN253	1600504	CMCP-CMH & Connections	-	5,274	(5,274)	-	-	
		Total SAN253	-	14,619	(14,619)	-	-	
SAN254	1600801	CMCP-High Speed Transit/I-8	-	8,952	(8,952)	-	-	
SAN258	1149000	Central Mobility Station	-	1,868,108	(1,868,108)	-	-	
SAN259	1239821	LOSSAN Corridor Improvements	-	68,493	(68,493)	-	-	
SAN260	1239820	COASTER Train Sets	-	3,447	(3,447)	-	-	
SAN261	1210091	Palomar Street Rail Grade Separation	-	43,878	(43,878)	-	-	
SAN262	1210090	Low-Floor Light Rail Transit Vehicles	-	1,107	(1,107)	-	-	
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	-	198,762	(198,762)	-	-	
SAN269	1600101	CMCP - Region Wide Plan	-	238,104	(238,104)	-	-	
SAN274	1239819	Carlsbad Village Double Track Trench	-	95	(95)	-	-	
SAN281	1210021	Blue Line Railway Signal Improvements	-	69,643	(69,643)	-	-	
V11	1201101	State Route 11	-	683,313	(683,313)	-	-	
V15	1200508	I-5/Gilman Drive Bridge.	-	628,115	(628,115)	-	-	
V18	1200507	I-5/Voigt Drive Improvements	-	306,953	(306,953)	-	-	
V22	1606701	CMCP-San Vicente Corridor	-	2,221	(2,221)	-	-	
		Total Major Corridor	(163,438)	92,120,075	(92,298,015)	-	(341,378)	
		Total *TransNet* Extension	$ (83,325)	$ 174,272,248	$ (172,849,481)	$ -	$ 1,339,442	

Notes:
(a) Negative expenditures in FY22 due to prior year corrections.
(b) Adjustment made from SAN230 to SAN284 for current FY and PY project 1223087 expenditures.
(c) *TransNet* funds were returned in FY22 due to Caltrans EAP refund of excess deposit on hand. See Caltrans audit for more detail.
(d) *TransNet* funds were returned in FY22 due to other funding received for prior year expenditures.
(e) PIO in progress with Caltrans to swap TransNet funds with other project funding.

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		***TransNet* Extension:**			
		Administration:			
		SANDAG 1% Administration (increased to 2% in FY22)	$ 42,518,445	$ (40,837,625)	$ 1,680,820
		Total Administration	42,518,445	(40,837,625)	1,680,820
		Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass-Through:			
CAL330	1223014	SR-15 Commuter Bike Facility	2,556,999	(2,556,999)	-
CB45	1223071	Carlsbad Blvd & Tamarack Ave Ped Improvement Project	203,659	(203,659)	-
NC35	1223089	National City Bicycle Parking Enhancements	46,071	(46,071)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	4,786,000	(4,786,000)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	28,937	(28,937)	-
SD259	1223091	Move Free SD Education, Encouragement and Awareness Campaign	124,998	(124,998)	-
VISTA54	1224035	Paseo Santa Fe Phase II - (Congestion Relief)	3,700,000	(3,700,000)	-
		Total BPNS - Pass Through	11,446,664	(11,446,664)	-
		BPNS:			
CAL330	1223014	SR-15 Commuter Bike Facility	339,687	(339,687)	-
NC35	1223089	National City Bicycle Parking Enhancements	-	-	-
SAN40	3300100/ 3300200/ 3300300	Metropolitan Planning	747,082	(747,082)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	486,000	(486,000)	-
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	2,531,726	(2,531,726)	-
SAN153	1223023	The Inland Rail Trail	21,010,760	(21,010,760)	-
SAN153	1223094	Inland Rail Trail Ph 3	723,945	(723,945)	-
SAN153	1223095	Inland Rail Trail Ph 4	130	(130)	-
		Total SAN153	21,734,835	(21,734,835)	-
		Subtotal BPNS	25,839,330	(25,839,330)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - BPNS	$ 25,839,330	$ (25,839,330)	$ -
SAN154	1129900	Bayshore Bikeway Segment 8B	780,910	(780,910)	-
SAN155	1223016	Coastal Rail Trail - Rose Creek	22,907,183	(22,907,183)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	3,193,004	(3,193,004)	-
SAN156	3301100	Plan for Future Coastal Rail Trail	33,011	(33,011)	-
		Total SAN156	3,226,015	(3,226,015)	-
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	1,438,632	(1,438,632)	-
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	19,631,546	(19,631,546)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	7,175,528	(7,175,528)	-
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	905,792	(905,792)	-
SAN203	1223056	San Ysidro to IB Parkway	3,069,121	(3,069,121)	-
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	1,259,212	(1,259,212)	-
SAN205	1223057	NP to Downtown/Balboa Bikeway	6,909,725	(6,909,725)	-
SAN206	1223058	Southeast to Downtown Bikeway	3,533,457	(3,533,457)	-
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	2,007,462	(665,706)	1,341,756
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	2,999,877	(2,999,877)	-
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	25,618,353	(25,618,353)	-
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	2,629,010	(2,629,010)	-
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	2,291,635	(2,291,635)	-
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	154,895	(154,895)	-
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	247,401	(247,401)	-
SAN284	1223087	North Park/Mid-City Orange Bikeway	389,170	(1,730,926)	(1,341,756)
		Total BPNS	133,014,254	(133,014,254)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Senior Services - Pass-Through:			
LAM27	1270400	La Mesa - Rides4Neighbors	$ 1,599,964	$ (1,599,964)	$ -
SAN70	1271000	Jewish Family Services - Rides and Smiles	1,088,679	(1,088,679)	-
SAN70	1271800	On the Go (Eastern San Diego)	957,082	(957,082)	-
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles	1,274,076	(1,274,076)	-
		Total SAN70	3,319,837	(3,319,837)	-
SAN87	1272700	Elderhelp - Volunteer Driver Program	123,370	(123,370)	-
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	557,866	(557,866)	-
SAN92	1271300	Travelers Aid Society - SeniorRide	1,878,648	(1,878,648)	-
SAN141	1271000	Jewish Family Services	928,710	(928,710)	-
SAN168	1271900	FACT Mobility Management	1,667,191	(1,667,191)	-
SAN185	1270800	FACT Ride FACT	1,268,831	(1,268,831)	-
SAN243	1272600	FACT RIDEFinder	98,701	(98,701)	-
SAN278	1270800	FACT MedRide	182,819	(182,819)	-
SAN279	1272600	RIDEFinder	36,739	(36,739)	-
		Total Senior Services - Pass-Through	11,662,676	(11,662,676)	-
		Senior Services:			
SAN40	3320100/3320201	Short Range Transit Svc Activities/Specialized Transportation	708,129	(708,129)	-
		Total Senior Services	708,129	(708,129)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Smart Growth - Pass-Through:			
CHV86	1224059	Third Avenue Streetscape Improvement Project (TASIP-STL406) Phase II	$ 2,179,819	$ (2,179,819)	$ -
CNTY95	1224054	Alpine Community Plan Implementation	50,356	(50,356)	-
CNTY96	1224055	Casa De Oro - Campo Road Specific Plan	480,272	(480,272)	-
CNTY97	1224056	Valley Center Community Plan Update	318,063	(318,063)	-
EL40	1224067	El Cajon Transit Center Community Connection Improvements	337,551	(337,551)	-
EL41	1224068	Main Street - Green Street Gateway	313,560	(313,560)	-
ESC48	1224060	Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)	1,157,744	(1,157,744)	-
LAM47	1224036	N Spring Street Smart Growth	992,503	(992,503)	-
LAM49	1224047	Complete Streets Integrated Design Manual	154,569	(154,569)	-
LG26	1224069	Connect Main Street, Ph 1&2	296,472	(296,472)	-
NC29	1224048	National City 24th St Transit Oriented Development Overlay	446,425	(446,425)	-
NC36	1224061	Roosevelt Avenue Corridor Smart Growth Revitalization Project	1,868,683	(1,868,683)	-
NC37	1224062	Sweetwater Road Protected Bikeway	306,452	(306,452)	-
O49	1224058	Coastal Rail Trail Extension	421,754	(421,754)	-
SD253	1224049	Clairemont Transit Oriented Development Design Concepts	491,952	(491,952)	-
SD254	1224050	College Area Smart Growth Study (CASGS)	499,813	(499,813)	-
SD255	1224051	E Street Greenway Master Plan	94,997	(94,997)	-
SD256	1224052	Mira Mesa Transit Oriented Development	499,999	(499,999)	-
SD257	1224053	University Community Smart Growth Concept Study	499,991	(499,991)	-
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	155,405	(155,405)	-
SD262	1224065	East Village Green Park Phase I	56,324	(56,324)	-
VISTA58	1224066	Paseo Santa Fe Phase II	2,250,915	(2,250,915)	-
		Total Smart Growth - Pass-Through	13,873,619	(13,873,619)	-
		Smart Growth:			
SAN40	3300100	TransNet Smart Growth Incentive Program	780,080	(780,080)	-
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	648,000	(648,000)	-
		Total Smart Growth	1,428,080	(1,428,080)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Local Street Improvements:			
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	$ 105,300	$ (105,300)	$ -
CHV39	3311002	Traffic Signal System Optimization	155,000	(155,000)	-
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	112,500	(112,500)	-
EL06	3311002	Traffic Signals Project	97,000	(97,000)	-
ENC28	3311002	Traffic Signal Modifications	74,000	(74,000)	-
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	59,200	(59,200)	-
NC04	3311002	Traffic Signal Install/Upgrade	80,000	(80,000)	-
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	100,800	(100,800)	-
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	65,700	(65,700)	-
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	608,400	(608,400)	-
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	97,200	(97,200)	-
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	66,600	(66,600)	-
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	44,000	(44,000)	-
		Total Local Street Improvements	1,665,700	(1,665,700)	-
		Regional Environmental Mitigation Program (EMP) - Pass-Through:			
CAL29	1207602	Caltrans SR 76 Middle EMP	6,146,000	(6,146,000)	-
CAL29B	1207606	Caltrans SR 76 East EMP	8,133,000	(8,133,000)	-
V07	12002xx	Caltrans EMP	180,757,885	(180,757,885)	-
V08	1200300	Regional Habitat Conservation Fund	49,142	(49,142)	-
V08	1200312	Program Developer/Administrator	154,088	(154,088)	-
V08	1200313	Invasive Plant Species Management	189,093	(189,093)	-
V08	1200316	Management Coordinator	77,993	(77,993)	-
V08	1200329	GIS Support	131,322	(131,322)	-
V08	1200331	Wildlife Corridor and Linkages Monitoring	522,097	(522,097)	-
V08	1200332	Rare and Endemic Plant Monitoring and Recovery	231,524	(231,524)	-
V08	1200350	Administrative and Science Support	200,275	(200,275)	-
V08	1200355	Invasive Animal Species Management	571,024	(571,024)	-
V08	1200357	Database Support	105,771	(105,771)	-
		Subtotal V08	2,232,329	(2,232,329)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - Subtotal V08	$ 2,232,329	$ (2,232,329)	$ -
V08	1200374	Biologist	154,106	(154,106)	-
V08	1200376	Vertebrate Monitoring	1,149,304	(1,149,304)	-
V08	1200377	Invertebrate Monitoring	24,392	(24,392)	-
V08	1201302	SDNWR: Mother Miguel Mountain	19,504	(19,504)	-
V08	1201319	Otay Mesa Rare Plants	140,653	(140,653)	-
V08	1201320	Proctor Valley Vernal Pools	393,853	(393,853)	-
V08	1201321	North County Dunes 2	197,796	(197,796)	-
V08	1201322	SD Thornmint Restoration	67,568	(67,568)	-
V08	1201323	Navajo Canyon	79,725	(79,725)	-
v08	1201324	Florida Canyon	43,315	(43,315)	-
V08	1201326	Otay Mesa Open Space	79,985	(79,985)	-
V08	1201328	Cabrillo	20,941	(20,941)	-
V08	1201329	Ramona Grasslands	79,786	(79,786)	-
V08	1201330	Rice Canyon Invasive Removal	30,170	(30,170)	-
V08	1201333	Rare Plants 2	79,885	(79,885)	-
V08	1201334	Silverwood-Anstine	34,309	(34,309)	-
V08	1201336	Invasive Species Management	178,661	(178,661)	-
V08	1201337	San Pasqual Cactus Wren	104,891	(104,891)	-
V08	1201338	Lower Otay Reservoir	82,119	(82,119)	-
V08	1201340	Mission Bay Park	195,332	(195,332)	-
V08	1201341	Stinknet Removal	109,307	(109,307)	-
		Total V08	5,497,931	(5,497,931)	-
		Total Regional EMP - Pass-Through	200,534,816	(200,534,816)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Environmental Mitigation Program (EMP):			
V07	12002xx	Biological Mitigation	$ 178,314,207	$ (178,314,207)	$ -
V08	12003xx/ 12001xx	Regional Habitat Conservation Fund	34,345,540	(34,345,540)	-
		Total EMP	212,659,747	(212,659,747)	-
		BRT/Rail Operations			
SAN80	1130100	Financial ERP System	1,256,498	(1,256,498)	-
SAN80	1131600	Human Resources Info System	483,327	(483,327)	-
SAN80	1147400	Content Management	564,098	(564,098)	-
SAN80	2300000	Transportation Analysis Model	309,428	(309,428)	-
SAN80	2301900	Quality Assurance & Control	1,095,895	(1,095,895)	-
SAN80	2302100	Transportation Modeling Development	9,783	(9,783)	-
SAN80	2302200	Data Dissemination	154,384	(154,384)	-
SAN80	2302300	Data Acquisition, Management, Govern	2,252,296	(2,252,296)	-
SAN80	2401000	Regional Econ Research & Analysis	172,500	(172,500)	-
SAN80	2402000	Data Science, Open/Big Data	1,596,429	(1,596,429)	-
SAN80	3102000	SD Forward Regional Plan	6,736,737	(6,736,737)	-
SAN80	3310703	TDM - Program & Svs Delivery	53,154	(53,154)	-
SAN80	3310714	Mobility & Innovations Program	784,336	(784,336)	-
SAN80	3400500	Interregional Planning: Tribal Liaison Program	5,000	(5,000)	-
SAN80	8000103	Office of the Independent Performance Auditor	807,101	(807,101)	-
SAN80	8000180	Information Services	715,841	(715,841)	-
		Total BRT/Rail Operations	16,996,807	(16,996,807)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Major Corridor - Pass-Through:			
CAL09	1200501	I-5 North Coast	$ 14,807,503	$ (14,807,503)	$ -
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	44,090,408	(44,090,408)	-
CAL09	1200509	I-5 San Elijo Bridge Replace	40,072,528	(40,072,528)	-
CAL09	1200510	I-5 HOV Carlsbad	1,360,000	(1,360,000)	-
		Total CAL09	100,330,439	(100,330,439)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	27,346,501	(27,346,501)	-
CAL26	1205203	State Route 52 Freeway (E&F)	58,950,735	(58,950,735)	-
CAL29	1207602	SR 76 Middle	40,991,101	(40,991,101)	-
CAL29B	1207606	SR 76 East	50,537,620	(50,537,620)	-
CAL38	1390501	SR-905 New Freeway	612,439	(612,439)	-
CAL68	1212501	SR 94/125 Southbound to Eastbound Connector	419,603	(419,603)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	13,099,000	(13,099,000)	-
CAL78B	1280511	I-805 North: 2HOV	4,407,000	(4,407,000)	-
CAL78C	1280510	I-805 South: 2 HOV and DAR	103,977,031	(103,977,031)	-
CAL78D	1280515	I-805 South Soundwalls - Unit 1	4,661,374	(4,661,374)	-
CAL114	1200513	SR56 Auxiliary Lane	873,596	(873,596)	-
CAL277A	1207803	SR78/I-5 HOV Connector	2,627,478	(2,627,478)	-
CAL550	1605201	CMCP-Coast Canyon Trails SR52	232,000	(232,000)	-
CAL552	1685501	CMCP-Sbay to Sorrento	258,575	(258,575)	-
CAL553	1607801	CMCP-SPRINTER/Palomar Airport Rd/S	301,846	(301,846)	-
		Subtotal Major Corridor - Pass-Through	409,626,338	(409,626,338)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - Major Corridor - Pass-Through	$ 409,626,338	$ (409,626,338)	$ -
SAN23	1257001	Mid-Coast LRT Corridor Project	420,000	(420,000)	-
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	11,674,073	(11,674,073)	-
SAN47	1280504	South Bay BRT	2,929,180	(2,929,180)	-
SAN60	1239820	COASTER Train Sets	3,684,478	(3,684,478)	-
SAN73	1239806	San Elijo Lagoon Double Track	7,786,582	(7,786,582)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	3,154,106	(3,154,106)	-
SAN183	1239816	Batiquitos Lagoon Double Track	655,365	(655,365)	-
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	149,000	(149,000)	-
SAN258	1149000	Central Mobility Station	4,000	(4,000)	-
SAN264	3502000	Regional Electric Vehicle Charging Incentive	2,284,000	(2,284,000)	-
V11	1201101	State Route 11	1,733,550	(1,733,550)	-
V15	1200508	I-5 Gilman Drive Bridge	116,499	(116,499)	-
V18/CAL369	1200507	I-5/Voigt Drive Direct Access Ramp	686,952	(686,952)	-
V22	1606701	CMCP-San Vicente Corridor	11,910	(11,910)	-
	1200100	TransNet Project Office	364,156	(364,156)	-
		Total Major Corridor - Pass-Through	445,280,189	(445,280,189)	-
		Major Corridor:			
CAL09	1200501	I-5 North Coast	15,069,883	(15,069,883)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	18,492,024	(18,492,024)	-
CAL09	1200509	I-5 San Elijo Bridge Replace	12,960,312	(12,960,312)	-
CAL09	1200510	I-5 HOV Carlsbad	236,451	(236,451)	-
		Total CAL09	46,758,670	(46,758,670)	-
		Subtotal Major Corridor	46,758,670	(46,758,670)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - Major Corridor	$ 46,758,670	$ (46,758,670)	$ -
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	4,915,649	(4,915,649)	-
CAL26	1205203	State Route 52 Freeway (E&F)	16,928,267	(16,928,267)	-
CAL29	1207602	SR 76 Middle	7,000,739	(7,000,739)	-
CAL29B	1207606	SR 76 East	(520,917)	179,539	(341,378)
CAL38	1390501	SR-905 New Freeway	725,883	(725,883)	-
CAL68	1212501	SR-94-125 Widening	1,625,443	(1,625,443)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	5,533,231	(5,533,231)	-
CAL78B	1280511	I-805 North: 2 HOV	2,604,955	(2,604,955)	-
CAL78C	1280510	I-805 South: 2 HOV & DAR	9,144,925	(9,144,925)	-
CAL78D	1280515	I-805 S Soundwalls	873,702	(873,702)	-
CAL114	1200513	SR56 Auxiliary Lane	32,023	(32,023)	-
CAL277	1207802	I-15/SR78 HOV Connectors	183,966	(183,966)	-
CAL277A	1207803	SR78/I-5 HOV Connector	11	(11)	-
CAL278	1207804	SR78 HOV Lanes: I-5 to I-15	4,824	(4,824)	-
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	4,531,346	(4,531,346)	-
CAL399	1200508	I-5/Gilman Drive Bridge	155,804	(155,804)	-
CAL502	1280516	I-805 North Construct Operational Improvements	-	-	-
CAL538	1206701	SR67 Improvements	17,125	(17,125)	-
CAL550	1605201	CMCP - Sea to Santee (SR52)	73,549	(73,549)	-
CAL552	1685501	CMCP-Sbay to Sorrento	2,791,469	(2,791,469)	-
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	64,731	(64,731)	-
CAL614	1280516	I-805 North Construct Operational Improvement	18,273	(18,273)	-
SAN04	1201504	I-15 Managed Lane/Value Pricing	25,810,454	(25,810,454)	-
SAN23	1257001	Mid-Coast Corridor Transit Project	870,897,616	(870,897,616)	-
SAN26B	1201509	Downtown BRT Stations	20,744,583	(20,744,583)	-
SAN26C	1201507	I-15 BRT Transit Stations - South	26,465,994	(26,465,994)	-
SAN27	1300601	San Ysidro Intermodal Freight Facility	4,655,315	(4,655,315)	-
		Subtotal Major Corridor	1,052,037,630	(1,052,379,008)	(341,378)

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - Major Corridor	$ 1,052,037,630	$ (1,052,379,008)	$ (341,378)
SAN29	1239812	Sorrento to Miramar Phase 2	7,258,377	(7,258,377)	-
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	7,113,411	(7,113,411)	-
SAN36	1144000	Substation SCADA Design	535,743	(535,743)	-
SAN36	1129200	OCS Insulator/Catch Cable Replacement	541,239	(541,239)	-
		Total SAN36	1,076,982	(1,076,982)	-
SAN46	1041502	*SuperLoop*	33,093,113	(33,093,113)	-
SAN47	1280504	Otay BRT	100,508,105	(100,508,105)	-
SAN54	1144800	Regional Arterial Detection P1	197,537	(197,537)	-
SAN54	1147700	Next Operating System (Next OS)	23,460	(23,460)	-
SAN54	3310500	511 Advanced Traveler Information System (511 ATIS)	1,287,421	(1,287,421)	-
SAN54	3311000	ITS Operations	13,161,857	(13,161,857)	-
SAN54	3330700	TSM-Integrated Corridor Management Program	897,389	(897,389)	-
		Total SAN54	15,567,664	(15,567,664)	-
SAN57	1128100	Mainline Drainage	51,467	(51,467)	-
SAN64	1239809	Eastbrook to Shell Double Track	4,157,142	(4,157,142)	-
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	15,389,011	(15,389,011)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	1,223,285	(1,223,285)	-
SAN78	1240001	Mid-City Rapid Bus	21,219,386	(21,219,386)	-
SAN117	1239805	Poinsettia Run Through Track	16,841,734	(16,841,734)	-
SAN119	1239807	Sorrento Valley Double Track	3,640,436	(3,640,436)	-
SAN129	1201514	Downtown Layover Facility	18,357,918	(18,357,918)	-
SAN130	1239810	Carlsbad Village Double Track	2,347,977	(2,347,977)	-
		Subtotal Major Corridor	1,299,883,638	(1,300,225,016)	(341,378)

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance carried forward - Major Corridor	$ 1,299,883,638	$ (1,300,225,016)	$ (341,378)
SAN132	1239811	Elvira to Morena Double Track	36,687,711	(36,687,711)	-
SAN149	1239814	Coaster PE	1,426,056	(1,426,056)	-
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	5,466,356	(5,466,356)	-
SAN164	1144900	N. Green Beach Bridge	24,526	(24,526)	-
SAN172	1210030	Blue Line Station Rehabilitation	32,810,012	(32,810,012)	-
SAN173	1210040	Blue Line Rail Infrastructure	15,504,660	(15,504,660)	-
SAN182	1239815	San Diego River Bridge	12,549,142	(12,549,142)	-
SAN183	1239816	Batiquitos Lagoon Double Track	5,212,744	(5,212,744)	-
SAN201	1145500	Airport Connection	1,076,801	(1,076,801)	-
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	1,655,107	(1,655,107)	-
SAN224	1280513	I-805/SR 94 Bus on Shoulder Demonstration Project	12,995,902	(12,995,902)	-
SAN253	1600501	CMCP - Central Mobility Hub	480,231	(480,231)	-
SAN253	1600503	CMH Military Inst. Resilience	87,539	(87,539)	-
SAN253	1600504	CMCP - CMH & Connections	12,820	(12,820)	-
		Total SAN253	580,590	(580,590)	-
SAN254	1600801	CMCP-High Speed Transit/I-8	8,952	(8,952)	-
SAN258	1149000	Central Mobility Station	12,106,808	(12,106,808)	-
SAN259	1239821	LOSSAN Corridor Improvements	79,546	(79,546)	-
SAN60	1239820	COASTER Train Sets	12,273	(12,273)	-
SAN261	1210091	Palomar Street Rail Grade Separation	44,461	(44,461)	-
SAN262	1210090	Low-Floor Light Rail Transit Vehicles	1,107	(1,107)	-
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	451,111	(451,111)	-
SAN269	1600101	CMCP - Region Wide Plan	586,919	(586,919)	-
SAN274	1239819	Carlsbad Village Double Track Trench	10,760	(10,760)	-
SAN281	1210021	Blue Line Railway Signal Improvements	99,946	(99,946)	-
V11	1201101	State Route 11	8,434,821	(8,434,821)	-
V15	1200508	I-5/Gilman Drive Bridge	14,210,858	(14,210,858)	-
V18	1200507	I-5/Voigt Drive Improvements	16,646,775	(16,646,775)	-
V22	1606701	CMCP-San Vicente Corridor	4,402	(4,402)	-
		Total Major Corridor	1,478,571,984	(1,478,913,362)	(341,378)
		Subtotal Cumulative *TransNet* Extension	2,570,361,110	(2,569,021,668)	1,339,442

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2022

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2022
		Balance Carried Forward - Subtotal *TransNet* Extension	$ 2,570,361,110	$ (2,569,021,668)	$ 1,339,442
		Completed Projects			
		Bike, Pedestrians & Neighborhood Safety (BPNS):	20,321,721	(20,321,721)	-
		Senior Services	6,892,581	(6,892,581)	-
		Smart Growth	31,357,956	(31,357,956)	-
		Transit Systems Improvement	11,000,000	(11,000,000)	-
		Local Street Improvements	3,271,619	(3,271,619)	-
		Regional Environmental Mitigation Program	13,643,979	(13,643,979)	-
		BRT/Rail Operations	166,589	(166,589)	-
		Major Corridor	631,938,694	(631,938,694)	-
		Total Completed Projects	718,593,139	(718,593,139)	-
		Total Cumulative *TransNet* Extension	$ 3,288,954,249	$ (3,287,614,807)	$ 1,339,442

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TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2022

Scope of Engagement

- Agreed-Upon Procedures
  - Determine whether recipients of *TransNet* funds were in compliance with the Ordinance for the year ended June 30, 2022
  - Approved by ITOC in September 2022
- Tested 24 recipient agencies
- Performed procedures from October 2022 through December 2022
  - Pending testing of City of Poway expenditures
- Eight major compliance components

DavisFarr

#1: *TransNet* Expenditures

- Expenditure testing:
  - Selected at least 25% of total expenditures
  - Tested payroll charges if they exceeded 20% of the total expenditures
- All recipients were in compliance with the revenue and expenditure requirements

DavisFarr

#2 Maintenance of Effort (MOE)

- All recipients were in compliance with the MOE requirements except for:
  - City of Del Mar - $72,462 deficit
  - City of San Marcos - $629,185 deficit

DavisFarr

#3 Local Agency Balance Limitation (30% Rule)

- All recipients were in compliance with the 30% Rule except for:
  - City of National City - $795,378 over limit

DavisFarr

#4,#5 Local Street Improvements – Congestion Relief vs. Maintenance

- SANDAG was in compliance with the requirements that at least 70% of the revenues were used for congestion relief
- All recipient agencies were in compliance with the requirement to not spend more than 30% of the funds for maintenance

DavisFarr

#6 Indirect Costs

Recipient Agency	2022 Total *TransNet* Expenditures	2022 Indirect Costs Charged to *TransNet*	2022 Indirect Costs as a % of Total *TransNet* Expenditures	Last Allocation Plan Approval	2021 Indirect Costs as a % of Total *TransNet* Expenditures
Carlsbad	$1,715,063	$91,684	5.35%	n/a	4.07%
Chula Vista	1,366,818	72,441	5.30%	n/a	19.70%
Coronado	847,640	0	0.00%	n/a	0.00%
Del Mar	152,669	0	0.00%	n/a	0.00%
El Cajon	2,095,955	42,740	2.04%	n/a	2.45%
Encinitas	2,859,437	0	0.00%	n/a	0.00%
Escondido	6,199,488	892,691	14.40%	2020[1]	5.40%
Imperial Beach	661,020	0	0.00%	n/a	0.00%
La Mesa	1,780,117	0	0.00%	n/a	0.00%
Lemon Grove	753,183	123,792	16.44%	2019[1]	20.6%
National City	1,672,305	0	0.00%	n/a	0.00%
Oceanside	2,381,745	40,797	1.71%	n/a	8.43%
Poway	1,052,774	0	0.00%	n/a	0.00%
San Diego, City	39,394,569	5,231,694	13.28%	n/a	14.54%
San Marcos	1,173,166	0	0.00%	n/a	0.00%
Santee	1,043,391	5,460	0.52%	n/a	4.07%
Solana Beach	329,836	0	0.00%	n/a	0.00%
Vista	2,248,374	0	0.00%	n/a	0.00%
Caltrans	28,252,574	1,198,279	4.24%	2021[2]	7.86%
San Diego, County	3,478,702	49,448	1.42%	n/a	9.97%
SANDAG	172,849,481	5,161,159	2.99%	2022[2]	3.10%

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#7 Regional Transportation Congestion Improvement Program (RTCIP)

- All agencies were in compliance with the exaction fees collected except for:
  - City of Coronado
  - City of Escondido
  - City of La Mesa
  - City of Lemon Grove
- All agencies expended or committed funds within seven years with the exception of:
  - City of Poway

DavisFarr

#8 Transit Operator Eligibility

- Increase in operating costs per revenue vehicle hour for bus services cannot exceed increase in CPI
- Increase in operating costs per revenue vehicle hour for rail services cannot exceed increase in CPI

DavisFarr

Questions?

Kyle Haas, CISA, CFE | Manager
Becky Park, Supervisor
Davis Farr LLP | 18201 Von Karman Ave, Suite 1100 | Irvine, CA 92612
Phone: 949.474.2020 | Email:KHaas@davisfarr.com

DavisFarr

AGENDA ITEM NO. +9B.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE:	April 12, 2023
SUBMITTED BY:	Julianna Martinez, Office of the Clerk of the Board
ITEM TYPE:	Recommend
AGENDA SECTION:	Reports
SUBJECT:	Independent Auditors Annual Report on Results of the FY 2022 TransNet Compliance Audits
SUGGESTED ACTION:	9B. The ITOC is asked to consider the TransNet funding eligibility requests of the cities and San Marcos and Poway and recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests.

ATTACHMENTS:

Item 9B-TransNet Extension Ordinance Funding Eligibility Request FY22
Att 1 - Discussion Memo FY22 V3
Att 2 - San Marcos Request Letter
Att 3 - Poway Request Letter

SANDAG

TransNet Independent Taxpayer Oversight Committee

Item: **9B**

April 12, 2023

FY 2022 TransNet Extension Ordinance Funding Eligibility Request

Overview

The TransNet Extension Ordinance (Ordinance) includes annual eligibility requirements for the transit operators and local jurisdictions to continue receiving their annually apportioned TransNet revenues. If a requirement is not met, the Ordinance provides guidance on additional steps.

For FY 2022, The cities of San Marcos and Poway had requirements that were not met and are requesting to cure the eligibility requirements.

Action: **Recommend**

The ITOC is asked to consider the TransNet funding eligibility requests of the cities of San Marcos and Poway and recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests.

Fiscal Impact:

Approval of the requests will allow the requesting agencies to receive their full FY 2022 TransNet revenue

Schedule/Scope Impact:

Upon approval of the requests by the Board of Directors, the findings will be removed from the FY 2022 TransNet fiscal and compliance audits for final adoption by the ITOC, at its July 12, 2023, meeting.

Key Considerations

Responsibility for making the final decision on these eligibility requests rests with the Board of Directors

Approval of these requests enables compliance and requesting agencies would be eligible to receive all apportioned FY 2023 TransNet revenues consistent with TransNet Ordinance provisions.

Without Board approval of San Marcos' request letter, the city of San Marcos would remain noncompliant and receive FY 2023 revenues less the shortfall of the Maintenance of Effort (MOE) requirement.

Without Board approval of Poway's request letter, the city would remain noncompliant with the Ordinance and would transfer the unexpended portions of the RTCIP funds to SANDAG to be spent on qualified projects within the same subregion.

Next Steps

The eligibility requests are scheduled for consideration at the May 5, 2023, Transportation Committee meeting, with action on the requests scheduled for consideration at the May 12, 2023, Board meeting. Any comments received from the ITOC will be conveyed to the Transportation Committee and the Board.

André Douzdijan, Chief Financial Officer

Key Staff Contact: Marcus Pascual, (619) 699-1988, marcus.pascual@sandag.org

Attachments:
1. Discussion Memo
2. Letter of Request from City of San Marcos
3. Letter of Request from City of Poway

Discussion Memo

TransNet Extension Ordinance Eligibility Requirements

Section 8 states that to maintain fund eligibility, each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance, with the level adjusted every three years. This is referred to as the Maintenance of Effort (MOE).

Section 8 of the Ordinance also includes the following language:

> *Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level.*
>
> *In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement.*

Section G(4) states that cities must have RTCIP funds committed or expended on Regional Arterial Systems projects within 7 years before requiring an eligibility request by ITOC and within 10 years before returning the funds to the developer.

City of Del Mar

The draft FY 2022 TransNet fiscal and compliance audit report for the City of Del Mar includes the following finding:

The City has an outstanding unmet MOE requirement from the prior year's FY21 audit for Streets and Roads:

Fiscal Year Ended June 30	Additional MOE	MOE Deficit Balance
2021	$ -	$(257,096)
2022	184,634	(72,462)

The City has no current year MOE deficits and had the above MOE deficit approved at the below meetings to make up the shortfall by June 30, 2024. No further action is required.

Independent Taxpayer Oversight Committee March 9, 2022
SANDAG Transportation Committee April 15, 2022
SANDAG Board of Directors April 22, 2022

City of San Marcos

The draft FY 2022 TransNet fiscal and compliance audit report for the City of San Marcos includes the following finding:

The City did not meet its MOE requirement for Specialized Transportation:

MOE requirement	$ (4,893,432)
Current year local discretionary expenditures	4,853,444
Current Year Shortfall	(39,988)
Less Prior Year Shortall	(589,197)

Total MOE deficit	$ (629,185)

City Request

Section 8 of the Ordinance states, in part:

> "Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance…"

In accordance with Section 8 of the Ordinance, the City of San Marcos (Attachment 1) is requesting until June 30, 2025, to make up the deficits due to special circumstances.

Next Steps

Approval of this request by the Board of Directors would enable compliance with Section 8 of the Ordinance, and the City of San Marcos would be eligible to receive all apportioned FY 2023 TransNet revenues.

Should the Board of Directors choose to not approve the request, then the City of San Marcos would remain in noncompliance for FY 2022 and would be eligible to receive FY 2023 TransNet revenues less the shortfall of $39,988 for the City of San Marcos.

City of Poway

The draft FY 2022 TransNet fiscal and compliance audit report for the City of Poway includes the following finding:

The City did not expend or commit its RTCIP funding within the seven and ten year requirements:

Project Year	Last Date to Commit Funds (7 Year)	Last Date to Commit Funds (10 Year)	Funds Received	Funds Expended	Funds Committed	Funds not Committed or Expended
FY 2013	6/30/2020	6/30/2023	30,310			30,310
FY 2014	6/30/2021	6/30/2024	17,672			17,672
FY 2015	6/30/2022	6/30/2025	20,336			20,336
Total Funding not expended within 7 years						68,318

Project Year	Last Date to Commit Funds (7 Year)	Last Date to Commit Funds (10 Year)	Funds Received	Funds Expended	Funds Committed	Funds not Committed or Expended
FY 2011	6/30/2018	6/30/2021	158,156	(132,093)		26,063
FY 2012	6/30/2019	6/30/2022	6,369			6,369
Total Funding not expended within 10 years						32,432

City Request

Section G(4) of the Ordinance states, in part regarding the 7 year requirement:

> "Unless a planned need for such fees can be demonstrated and a justification for the delay can be provided that is acceptable to the Independent Taxpayer Oversight Committee, the unexpended or uncommitted portion of the Funding Program revenues shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within three years on qualified projects within the same subregion."

And regarding the 10 year requirement:

> "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."

In accordance with Section G(4) of the Ordinance, the City of Poway is requesting until June 2023 to remedy the unexpended revenues.

SANDAG Staff would also like to note that the City of Poway is undergoing additional testing for the 10 year expenditures in question. Should these expenditures be found to be eligible RTCIP expenditures, this will address the finding in regards to the 10 year expenditures and the report will be updated accordingly for the Transportation Committee meeting.

Next Steps

Approval of this request by the Board of Directors would enable compliance with Section G(4) of the Ordinance by allowing the City of Poway to keep the RTCIP funding in question, which will then be expended on the FY2023 audit and bring them into compliance.

Should the Board of Directors choose to not approve the request, then the City of Poway would remain in non-compliance for FY 2022 and would have to transfer those uncommitted or unexpended portions of the RTCIP funds to SANDAG to be spent on qualified projects within the same subregion for those amounts not committed that are less than 10 years but over 7 years. For any amounts over 10 years the funds will be refunded to the record owner of the development project on a prorated basis.

SAN MARCOS
DISCOVER LIFE'S POSSIBILITIES

Finance Department

March 21, 2023

Susan Huntington
TransNet Program Director
San Diego Association of Governemnts
401 B Street, Suite 800
San Diego, CA 92101

Dear Ms. Susan Huntington,

The *TransNet* Audit Report (agreed- upon procedures) for fiscal year ended June 30, 2022 indicates that the City did not meet the Maintenance of Effort (MOE) requirement, as required by Section 8 of the *TransNet* Extension Ordinance.

The deficit occurred due to unexpected delays to the project start date. The City budgeted sufficient discretionary funds to meet its MOE requirements for FY2021-22, but a large sum of discretionary funds were not expended before the end of the fiscal year as a result of this delay. The City is committed to completing this project and other street maintenance related projects within the required timeframe to meet the MOE requirement moving forward.

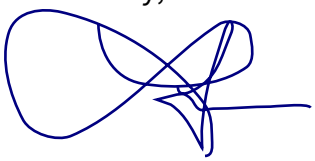
In accordance with Section 8 of the *TransNet* extension Ordinance, the City of San Marcos requests that the commission review and approve our request to allow the City an additional three years, until June 30, 2025, to expend aforementioned amount over and above our regular MOE threshold to make up the shortfall, due to special circumstances. The additional time requested to fulfill the FY2021-22 MOE shortfall provides the City with the opportunity to use its finite amount discretionary funds to meet the requirements of the TransNet extension ordinance.

Our expense plan to fulfill the extension requirements is provided in the table below:

Fiscal Year Ending	MOE Requirement	FY21 (Deficit) Planned Excess	FY22 (Deficit) Planned Excess	Anticipated MOE Expenses
		(589,197.00)	(39,988.00)	
6/30/2022	4,893,432.00	-		
6/30/2023	4,893,432.00	294,598.50	13,329.33	5,201,359.83
6/30/2024	3,082,862.00	294,598.50	13,329.33	3,390,789.83
6/30/2025	3,082,862.00		13,329.33	3,096,191.33

If you have any questions regarding this matter please feel free to call me directly at (760) 744-1050.

Sincerely,



Lisa Fowler
Finance Director

CC: Donna Apar, Assistant Finance Director
Isaac Etchamendy, Development Services Director/City Engineer
Darren Chamow, Public Works Director

STEVE VAUS, Mayor
BARRY LEONARD, Deputy Mayor
PETER DE HOFF, Councilmember
CAYLIN FRANK, Councilmember
BRIAN PEPIN, Councilmember

CITY OF POWAY

April 3, 2023
Susan Huntington
TransNet Program Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Ms. Huntington,

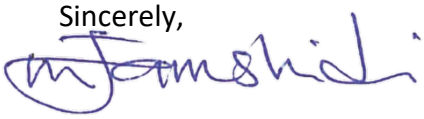
The draft City of Poway TransNet Audit Report (agreed- upon procedures) for fiscal year ended June 30, 2022, indicates that the City did not expend or commit its RTCIP funding within the seven-year requirement. The primary reason for being in non-compliance is due to RTCIP eligible project expenditures incurred that had been charged to the incorrect funding source. Documentation in support of these expenditures totaling $258,203.00 has been provided to the TransNet auditor and is currently being reviewed. A journal entry to charge these expenditures against the RTCIP funding source has since been recorded in the current fiscal year. We are confident that, once the auditor's review is complete, the City will be comfortably back in compliance with the seven-year expenditure requirement. In addition, project POW48 was completed in early FY23 causing a large uncommitting of RTCIP funding previously committed on past audits.

In accordance with Section G (4) of the TransNet extension Ordinance, the City of Poway requests that the commission review and approve our request to allow the City until June 30, 2023, to expend the necessary amount to make up the shortfall. The additional time requested to fulfill the requirement will provide enough time for the auditor's review of the additional RTCIP expenditures provided and the reimbursement to the General Fund for RTCIP eligible project expenditures that were incurred but charged to the General Fund in error, which will then bring the City into compliance with the seven-year spend down requirement.

Project Year	Last Date to Commit Funds (7 Year)	Last Date to Commit Funds (10 Year)	Funds Received	Funds Expended	Funds Committed	Funds not Committed or Expended
FY 2013	6/30/2020	6/30/2023	30,310			30,310
FY 2014	6/30/2021	6/30/2024	17,672			17,672
FY 2015	6/30/2022	6/30/2025	20,336			20,336
Total Funding not expended within 7 years						68,318

If you have any questions regarding this matter, please feel free to call me directly at 858-668-4426.

Sincerely,



Mehrnoush Jamshidi
Finance Manager

AGENDA ITEM NO. +10.

Item Cover Page

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE AGENDA ITEM REPORT

DATE:	April 12, 2023
SUBMITTED BY:	Julianna Martinez, Office of the Clerk of the Board
ITEM TYPE:	Discussion / Possible Action
AGENDA SECTION:	Reports
SUBJECT:	Proposed TransNet Ordinance Amendments: ITOC Membership and Selection Process, and Proposed Amendments to ITOC Bylaws
SUGGESTED ACTION:	The ITOC is asked to discuss the next steps for the TransNet Ordinance and ITOC Bylaws amendments specific to the membership and selection process for the ITOC.

ATTACHMENTS:
Item 10 - TransNet Ordinance Amendments
Att 1 - Draft Updated Proposed Amendments
Att 2 - Proposed Amendments to ITOC Bylaws

April 12, 2023

Proposed TransNet Ordinance Amendments: ITOC Membership and Selection Process, and Proposed Amendments to ITOC Bylaws

Action: **Discussion/Possible Action**

The ITOC is asked to discuss the next steps for the TransNet Ordinance and ITOC Bylaws amendments specific to the membership and selection process for the ITOC.

Fiscal Impact:

None.

Schedule/Scope Impact:

Pending the Board's approval, the proposed ordinance amendments would take effect 30 days after final passage and would be incorporated into the TransNet Extension Ordinance.

Overview

The FY 2021 TransNet Triennial Performance Audit concluded that the ITOC practices aligned with other entities reviewed. However, the audit also revealed areas which could be strengthened, including enhancement of the ITOC Membership and Selection Process of the TransNet Extension Ordinance.

Key Considerations

A Subcommittee to Consider TransNet Ordinance Amendments (Subcommittee) was appointed on October 13, 2021, (Agenda Item No. 10.2.). The Subcommittee met several times and worked with ITOC legal consultant to draft proposed amendments to address audit recommendations.

On October 12, 2022, (Agenda Item No. 9) the ITOC voted to recommend that the Board of Directors approve the proposed amendments to the TransNet Extension Ordinance related to ITOC membership and selection process.

On January 11, 2023, (Agenda Item No. 4) the ITOC voted to recommend that the Board of Directors approve the proposed amendments to ITOC Bylaws for consistency.

The First Reading of the proposed amendments to TransNet Extension Ordinance was conducted at the Board of Directors meeting on January 13, 2023 (Agenda Item No. 11). The Second Reading of the proposed Ordinance amendments, as well as the proposed amendments to ITOC Bylaws were presented to the Board on January 27, 2023 (Agenda Item No. 11). The motion to adopt the ordinance amendment and approve the corresponding ITOC Bylaws amendment did not reach the required TransNet Ordinance threshold of 2/3 weighted vote.

At the March 8, 2023, ITOC meeting (Agenda Item No. 10), Chair Jonathan Frankel presented the amendments item and the Board of Directors action on this item. The ITOC members requested this item be brought back at the April meeting to ensure all members of the committee were present for discussion.

Next Steps

Pending the ITOC's recommendation, the Ordinance amendments specific to the ITOC Membership and Selection Process and proposed amendments to ITOC Bylaws could be brought forward for Board consideration at a future meeting.

Key Contacts: ITOC Chair Jonathan Frankel,
ITOC Member Sunnie House
ITOC Member Stewart Halpern

Attachments:
1. Draft Updated Proposed Amendments to the Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the TransNet Program
2. Draft Proposed Amendments to the ITOC Bylaws

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STATEMENT OF UNDERSTANDING REGARDING THE IMPLEMENTATION OF THE INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE FOR THE TransNet PROGRAM

Purpose of the ITOC

The Independent Taxpayer Oversight Committee (ITOC) is intended to provide an increased level of accountability for expenditures made under the TransNet Extension, in addition to the independent annual fiscal and compliance audits required under the existing TransNet program. The ITOC should function in an independent, open and transparent manner to ensure that all voter mandates are carried out as required in the Ordinance and Expenditure Plan, and to develop positive, constructive recommendations for improvements and enhancements to the financial integrity and performance of the TransNet program.

Intent of the ITOC as a Functional Partner to SANDAG

The TransNet Ordinance contains a summary of the ITOC's role and responsibilities consistent with the above Purpose. In this document, additional and supplementary details with regard to the ITOC are delineated. These pertain to the process for selecting members of ITOC, terms and conditions governing membership, responsibilities, funding and administration, and conflict of interest provisions.

It is noteworthy that these details have been developed in a cooperative process between SANDAG and representatives of the San Diego County Taxpayers Association, and with the involvement of other transportation professionals within the region. This document is understood to provide the basis for describing how the ITOC will function once the Ordinance is approved.

In addition to the details outlined in this document the intent that provides the foundation for the desired partnership between ITOC and SANDAG, as viewed by the principal authors, is summarized as follows:

- Resource—it is the intent that the ITOC will serve as an independent resource to assist in SANDAG's implementation of TransNet projects and programs. The Committee's membership is designed to provide to SANDAG a group of professionals who, collectively, can offer SANDAG the benefit of their experience to advance the timely and efficient implementation of TransNet projects and programs. The ITOC will work in a public way to ensure all deliberations are conducted in an open manner. Regular reports from the ITOC to the SANDAG Board of Directors (or policy committees) are expected with regard to program and project delivery, and overall performance.
- Productive—it is the intent that the ITOC will rely upon data and processes available at SANDAG, studies initiated by the ITOC, and other relevant data generated by reputable sources. It is understood, however, that SANDAG will be continuously striving to improve the reliability of data and to update analytical and modeling processes to be consistent with the state-of-the-art, and that the ITOC will be kept abreast of any such efforts, and invited to participate in development of such updates in a review capacity.
- Cost-efficient—it is the intent that the ITOC will not add cost burden to SANDAG's implementation of the TransNet program and projects. Rather, through a cooperative and productive working relationship between ITOC and the SANDAG implementation team, it is the objective that costs will be saved.
- Flexible—it is the intent that the ITOC will assist SANDAG to be opportunistic to take advantage of changing situations in the future with regard to technologies and transportation developments. Therefore, the provisions contained below are viewed through 2048 based upon a 2004 perspective and are not meant to be unduly restrictive on ITOC's and SANDAG's roles and responsibilities.

Membership and Selection Process

1. Membership: There shall be ~~seven~~ nine ITOC voting members with the characteristics described below. The intent is to have one member representing each of the specified areas of expertise. If, however, after a good faith effort, qualified individuals have not been identified for one or more of the areas of expertise, then no more than two members from one or more of the remaining areas of expertise may be selected. For each of the areas of expertise listed below, an individual representing one of the region's colleges or universities with a comparable level of academic experience also would be eligible for consideration.

   - A professional in the field of municipal/public finance and/or budgeting with a minimum of ten years in a relevant and senior decision making position in the public or private sector.
   - A licensed architect, civil engineer or traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector.
   - A professional with demonstrated experience of ten years or more in real estate, land economics, and/or right -of-way acquisition.
   - A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.
   - A licensed engineer or an industry professional with appropriate credentials in the field of transportation project design, construction ~~project~~ or program/construction management and a minimum of ten years experience in a relevant and senior decision making position in the government or private sector.
   - The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.
   - A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management.
   - A professional in the field of emerging transportation technology with demonstrated substantial experience in Intelligent Transportation Systems (ITS), transportation analytics, connectivity, or other technologies consistent with Regional Plan priorities.
   - A transportation system user whose primary means of transportation is by bus, trolley/light rail transit, rail, bike, and/or walking.
   - Ex-Officio Members: SANDAG Executive Director and the San Diego County Auditor

   The criteria established for the voting members of the ITOC are intended to provide the skills and experience needed for the ITOC to carry out its responsibilities and to play a valuable and constructive role in the ongoing improvement and enhancement of the TransNet program.

   Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process.

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2. Technical Screening Committee: A technical screening committee will be established to review applications received from interested individuals. This committee will consist of three members selected by the SANDAG Executive Director from high-level professional staff of local, regional, state or federal transportation agencies outside of the San Diego region, or from one of the region's colleges or universities in a transportation-related field, or a combination thereof. The committee will develop a list of candidates determined to be qualified to serve on the ITOC based on the criteria established for the open position(s) on the ITOC. The technical screening committee will recommend two candidates for each open position from the list of qualified candidates for consideration by the Selection Committee. The recommendations shall be made within 30 days of the noticed closing date for applications.

3. Selection Committee: A selection committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The selection committee shall consist of the following:

- Two members of the County of San Diego Board of Supervisors
- The Mayor or city council member of the City of San Diego that sits on the SANDAG Board or one of the SANDAG Policy Advisory Committees.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Chula Vista, Corona-do, Imperial Beach, or National City selected by the mayors of those cities.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of El Cajon, La Mesa, Lemon Grove, or Santee selected by the mayors of those cities.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, or Solana Beach selected by the mayors of those cities.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Escondido, Poway, San Marcos, or Vista selected by the mayors of those cities.
- Ex-officio: Chair or Vice Chair, or designated alternate ITOC member, of the ITOC will serve as the Chair of the Selection Committee (non-voting).

The selection of ITOC members shall be made within 30 days of the receipt of recommendations from the technical screening committee. All meetings of the selection committee shall be publicly noticed and conducted in full compliance with the requirements of the Brown Act. Should the selection committee be unable to reach agreement on a candidate from the qualified candidates recommended by the technical screening committee, the selection committee shall request the technical screening committee to recommend two additional qualified candidates for consideration.

4. Terms and Conditions for ITOC members

- ITOC members shall serve a term of four years, except that appointments may be less than four years in order to ensure the terms of the ITOC members are sufficiently staggered.
- ITOC members shall serve no more than eight years unless the member's first term was less than four years, in which case the member may serve an additional two terms after the partial term. In no case, however, shall any member serve more than ten years on the ITOC.

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- If and when vacancies in the membership of the ITOC occur, the same selection process as outlined above shall be followed to select a replacement to fill the remainder of the term. At the completion of a term, eligible incumbent members will need to apply for reappointment for another term. For a member eligible to serve for an additional four-year term, an application for reappointment to continue as a member of the ITOC must be submitted to the Technical Screening Committee for approval at least 120 days prior to the end of the member's current term. Upon approval of the Technical Screening Committee, the Selection Committee would be informed of such approval which would be considered final unless a member of the Selection Committee calls for convening the Selection Committee to consider the selection. If the Selection Committee does not approve the additional term, the position will be considered vacant at the end of the member's current term and the selection process for a new member will be initiated.
- Term limits for ITOC members should be staggered to prevent turnover of more than two members at any one time. In the event more than two members need to be replaced during the same recruitment period, the Selection Committee shall determine the length of their replacements' first term in order to limit concurrent future turnover.

ITOC Responsibilities

The ITOC shall have the following responsibilities:

1. Conduct an annual fiscal and compliance audit of all TransNet-funded activities using the services of an independent fiscal auditor to assure compliance with the voter-approved Ordinance and Expenditure Plan. This annual audit will cover all recipients of TransNet funds during the fiscal year and will evaluate compliance with the maintenance of effort requirement and any other applicable requirements. The audits will identify expenditures made for each project in the prior fiscal year and will include the accumulated expenses and revenues for ongoing, multi-year projects.
2. Prepare an annual report to the SANDAG Board of Directors presenting the results of the annual audit process. The report should include an assessment of the consistency of the expenditures of TransNet funds with the Ordinance and Expenditure Plan and any recommendations for improving the financial operation and integrity of the program for consideration by the SANDAG Board of Directors. This consistency evaluation will include a review of expenditures by project type for each local jurisdiction. The ITOC shall share the initial findings of the independent fiscal audits and its recommendations with the SANDAG Transportation Committee 60 days prior to their release to resolve inconsistencies and technical issues related to the ITOC's draft report and recommendations. Once this review has taken place, the ITOC shall make any final amendments it deems appropriate to its report and recommendations, and adopt its report for submission directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and accurate as possible in whatever final report it adopts. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at its next regular meeting and shall be made available to the public.

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3. Conduct triennial performance audits of SANDAG and other agencies involved in the implementation of TransNet-funded projects and programs to review project delivery, cost control, schedule adherence and related activities. The review should include consideration of changes to contracting, construction, permitting and related processes that could improve the efficiency and effectiveness of the expenditure of TransNet revenues. These performance audits shall be conducted using the services of an independent performance auditor and should include a review of the ITOC's performance. A draft of the ITOC's report and recommendations regarding the performance audits shall be made available to the SANDAG Transportation Committee at least 60 days before its final adoption by the ITOC to resolve inconsistencies and technical issues related to the ITOC's draft report and recommendations. Once this review has taken place, the ITOC shall make any final amendments it deems appropriate to its report and related recommendations, and adopt its report for presentation directly to the SANDAG Board of Directors and the public. The ITOC shall strive to be as objective and constructive as possible in the text and presentation of the performance audits. Upon completion by the ITOC, the report shall be presented to the SANDAG Board of Directors at its next regular meeting and shall be made available to the public.

4. Provide recommendations to the SANDAG Board of Directors regarding any proposed amendments to the Ordinance and Expenditure Plan.

5. Provide recommendations as part of the 10-year review process. This process provides an opportunity to undertake a comprehensive review of the TransNet program every 10 years and to make recommendations for improving the program over the subsequent 10 years. This review process should take into consideration the results of the TransNet-funded improvements as compared to the performance standards established through the Regional Transportation Plan and the Regional Comprehensive Plan.

6. Participate in the ongoing refinement of SANDAG's transportation system performance measurement process and the project evaluation criteria used in development of the Regional Transportation Plan (RTP) and in prioritizing projects for funding in the Regional Transportation Improvement Program. The focus of this effort will be on TransNet-funded projects. Based on the periodic updates to the RTP, as required by state and federal law, the oversight committee shall develop a report to the SANDAG Transportation Committee, the SANDAG Board of Directors and the public providing recommendations for possible improvements and modifications to the TransNet program.

7. On an annual basis, review ongoing SANDAG system performance evaluations, including SANDAG's "State of the Commute" report, and provide an independent analysis of information included in that report. This evaluation process is expected to include such factors as level of service measurements by roadway segment and by time of day, throughput in major travel corridors, and travel time comparisons by mode between major trip origins and destinations. Such information will be used as a tool in the RTP development process.

8. Review and comment on the programming of TransNet revenues in the Regional Transportation Improvement Program (RTIP). This provides an opportunity for the ITOC to raise concerns regarding the eligibility of projects proposed for funding before any expenditures are made. In addition to a general eligibility review, this effort should focus on significant cost increases and/or scope changes on the major corridor projects identified in the Ordinance and Expenditure Plan.

9. Review proposed debt financings to ensure that the benefits of the proposed financing for accelerating project delivery, avoiding future cost escalation, and related factors exceed issuance and interest costs.

10. Review the major Congestion Relief projects identified in the Ordinance for performance in terms of cost control and schedule adherence on a quarterly basis.

In carrying out its responsibilities, the ITOC shall conduct its reviews in such a manner that does not cause unnecessary project delays, while providing sufficient time to ensure that adequate analysis can be completed to allow the ITOC to make objective recommendations and to provide the public with information about the implementation of the TransNet program.

ITOC Funding and Administration

1. All costs incurred in administering the activities of the ITOC, including related fiscal and performance audit costs, shall be paid annually from the proceeds of the TransNet sales tax. The funds made available to the ITOC shall not exceed $250,000 annually, as adjusted for inflation annually for the duration of the program. Any funds not utilized in one fiscal year shall remain available for expenditure in subsequent years as part of the annual budget process.
2. The expenditures of the ITOC shall be audited annually as part of the same fiscal audit process used for all other TransNet-funded activities.
3. The process for selecting the initial ITOC members shall be started no later than April 1 of the year following the passage of the Ordinance by the voters. Because the funding for this activity would not be available until Fiscal Year 2008-09, the ITOC activities during the initial transition period will be phased in to the extent possible within the budget constraints of the one percent administrative cap under the current TransNet Ordinance. Given the forty-year duration of the TransNet tax extension, the ITOC shall continue as long as funds from the current authorization remain available.
4. An annual ITOC operating budget shall be prepared and submitted to the SANDAG Board of Directors for its approval 90 days prior to the beginning of each fiscal year.
5. All ITOC meetings shall be public meetings conducted in full compliance with the Brown Act. The ITOC will meet on a regular basis, at least quarterly, to carry out its roles and responsibilities.
6. SANDAG Directors and staff will fully cooperate with and provide necessary support to the ITOC to ensure that it successfully carries out its duties and obligations, but should limit involvement to the provision of information required by the ITOC to ensure the independence of the ITOC as it carries out its review of the TransNet program and develops its recommendations for improvements.
7. ITOC members and their designated auditors shall have full and timely access to all public documents, records and data with respect to all TransNet funds and expenditures.
8. All consultants hired by the ITOC shall be selected on an open and competitive basis with solicitation of proposals from the widest possible number of qualified firms as prescribed by SANDAG's procedures for procurement. The scope of work of all such consultant work shall be adopted by the ITOC prior to any such solicitation.
9. SANDAG shall provide meeting space, supplies and incidental materials adequate for the ITOC to carry out its responsibilities and conduct its affairs. Such administrative support shall not be charged against the funds set aside for the administration of the ITOC provided under No. 1 above.

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Conflict of Interest

The ITOC shall be subject to SANDAG's conflict of interest policies. ITOC members shall have no legal action pending against SANDAG and are prohibited from acting in any commercial activity directly or indirectly involving SANDAG, such as being a consultant to SANDAG or to any party with pending legal actions against SANDAG during their tenure on the ITOC. ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives TransNet sales tax funds authorized by this Ordinance.

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TransNet Independent Taxpayer Oversight Committee

BYLAWS

INTRODUCTION

The TransNet *Extension* Ordinance and Expenditure Plan, approved by the voters in November 2004, as Proposition A, established the Independent Taxpayer Oversight Committee (ITOC). The ITOC is intended to provide an increased level of accountability for expenditures made under the TransNet *Extensio*n, in addition to the independent annual fiscal and compliance audits required under the existing TransNet program. The ITOC is to function in an independent, open and transparent manner to ensure that all voter mandates are carried out as required in the Ordinance and Expenditure Plan, to support the implementation of the objectives of Proposition A to reduce congestion and improve regional mobility, and to develop positive, constructive recommendations for improvements and enhancements to the financial integrity and performance of the TransNet program. The ITOC reports to the public and makes recommendations to the SANDAG Board of Directors, which has the responsibility for decisions related to the implementation of the TransNet program. These bylaws are based on the provisions related to the ITOC that were included as part of Proposition A.

A. MEMBERSHIP

There shall be ~~seven~~ nine ITOC voting members with the characteristics described below. The intent is to have one member representing each of the specified areas of expertise. If, however, after a good faith effort, qualified individuals have not been identified for one or more of the areas of expertise, then no more than two members from one or more of the remaining areas of expertise may be selected. For each of the areas of expertise listed below, an individual representing one of the region's colleges or universities with a comparable level of academic experience also would be eligible for consideration. The criteria established for the voting members of the ITOC are intended to provide the skills and experience needed for the ITOC to carry out its responsibilities and to play a valuable and constructive role in the ongoing improvement and enhancement of the TransNet program. Applications will be requested from individuals interested in serving on the ITOC through an open, publicly noticed solicitation process. The ~~seven~~ nine voting members are to include:

1. A professional in the field of municipal/public finance and/or budgeting with a minimum of ten years in a relevant and senior decision making position in the public or private sector.

2. A licensed architect, civil engineer or traffic engineer with demonstrated experience of ten years or more in the fields of transportation and/or urban design in government or the private sector.

3. A professional with demonstrated experience of ten years or more in real estate, land economics, and/or right-of-way acquisition.

4. A professional with demonstrated experience of ten years or more in the management of large-scale construction projects.

5. A licensed engineer or an industry professional with appropriate credentials in the field of transportation project design or construction or program/construction management and a

minimum of ten years of experience in a relevant and senior decision-making position in the government or private sector.

6. The chief executive officer or person in a similar senior-level decision making position, of a major private sector employer with demonstrated experience in leading a large organization.

7. A professional in biology or environmental science with demonstrated experience of ten years or more with environmental regulations and major project mitigation requirements and/or habitat acquisition and management.

8. A professional in the field of emerging transportation technology with demonstrated substantial experience in Intelligent Transportation Systems (ITS), transportation analytics, connectivity, or other technologies consistent with Regional Plan priorities.

9. A transportation system user whose primary means of transportation is by bus, trolley/light rail transit, rail, bike, and/or walking.

10. Ex-Officio Members: SANDAG Executive Director and the San Diego County Auditor

B. SELECTION PROCESS

5. Technical Screening Committee

A technical screening committee will be established to review applications received from interested individuals. This committee will consist of three members selected by the SANDAG Executive Director from high-level professional staff of local, regional, state or federal transportation agencies outside of the San Diego region, or from one of the region's colleges or universities in a transportation-related field, or a combination thereof. The committee will develop a list of candidates determined to be qualified to serve on the ITOC based on the criteria established for the open position(s) on the ITOC. The technical screening committee will recommend two candidates for each open position from the list of qualified candidates for consideration by the Selection Committee. The recommendations shall be made within 30 days of the noticed closing date for applications.

6. Selection Committee

A selection committee shall be established to select the ITOC members from the list of qualified candidates recommended by the technical screening committee. The selection committee shall consist of the following:

- Two members of the County of San Diego Board of Supervisors
- The Mayor or city council member of the City of San Diego that sits on the SANDAG Board or one of the SANDAG Policy Advisory Committees.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Chula Vista, Coronado, Imperial Beach, or National City selected by the mayors of those cities.

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- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of El Cajon, La Mesa, Lemon Grove, or Santee selected by the mayors of those cities.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Carlsbad, Del Mar, Encinitas, Oceanside, or Solana Beach selected by the mayors of those cities.
- A mayor or city council member that sits on the SANDAG Board, or one of the SANDAG Policy Advisory Committees from the Cities of Escondido, Poway, San Marcos, or Vista selected by the mayors of those cities.
- Ex-officio: Chair or Vice Chair, or designated alternate ITOC member, of the ITOC will serve as the Chair of the Selection Committee (non-voting).

The selection of ITOC members shall be made within 30 days of the receipt of recommendations from the technical screening committee. All meetings of the selection committee shall be publicly noticed and conducted in full compliance with the requirements of the Brown Act**.** Should the selection committee be unable to reach agreement on a candidate from the qualified candidates recommended by the technical screening committee, the selection committee shall request the technical screening committee to recommend two additional qualified candidates for consideration.

C. TERMS AND CONDITIONS FOR ITOC MEMBERS

1. Length of Term

ITOC members shall serve a term of four years, except that appointments may be less than four years in order to ensure the terms of the ITOC members are sufficiently staggered.

Term limits for ITOC members should be staggered to prevent turnover of more than two members at any one time. In the event more than two members need to be replaced during the same recruitment period, the Selection Committee shall determine the length of their replacements' first term in order to limit concurrent future turnover.

2. Additional Term

For a member eligible to serve for an additional four year term, an application for reappointment to continue as a member of the ITOC must be submitted to the ~~Selection Committee~~Technical Screening Committee for approval at least 120 days prior to the end of the member's current term. Upon approval by the Technical Screening Committee, the Selection Committee would be informed of such approval which would be considered final unless a member of the Selection Committee calls for convening the Selection Committee to consider the selection. If the Selection Committee does not approve the additional term, the position will be considered vacant at the end of the member's current term and the selection process for a new member will be initiated. In no case shall any member having served two four-year terms, serve more than eight years on the ITOC.

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ITOC members shall serve no more than eight years unless the member's first term was less than four years, in which case the member may serve an additional two terms after the partial term. In no case, however, shall any member serve more than ten years on the ITOC.

3. Removal from Membership

Members of the ITOC may be removed for cause including the member's failure to attend more than 50% of the regular ITOC meetings, not including special meetings or subcommittee meetings, in one calendar year or for failure to comply with the ITOC's conflict of interest provisions. The Selection Committee will be automatically notified when an ITOC member has failed to meet the established standard for attendance and will consider any appeal or review of extenuating circumstances prior to initiating the process to select a new member.

4. Vacancies

If mid-term vacancies occur as a result of Section C(3) or due to the death, disability, or resignation of a member, the process for replacement shall generally follow the same process as established for regular appointments described in Section B. The Selection Committee may modify the process as may be necessary given the particular circumstances. Every effort should be made to fill the vacancy in the same area of expertise.

5. Selection of Chair and Vice-Chair:

The ITOC shall select a Chair and Vice-Chair by majority vote of the committee. The Chair and Vice-Chair shall serve a term of one year. The selection will be made at the first regular meeting following commencement of the SANDAG fiscal year.

6. Responsibilities of the Chair

The Chair will run the ITOC meetings, work with staff to set the agenda for the meetings, and serve as the primary spokesperson for the ITOC to the SANDAG Board of Directors and Transportation Committee, other groups and organizations, and the media.

7. Responsibilities of the Vice-Chair

The Vice-Chair serves in the capacity of the Chair when the Chair is not available.

8. Compensation

ITOC members shall serve without compensation except for direct expenses (parking/mileage for attendance at meetings) related to the work of the ITOC.

9. Conflict of Interest

The ITOC shall be subject to the SANDAG conflict of interest policies. ITOC members shall have no legal action pending against SANDAG and are prohibited from acting in any commercial activity directly or indirectly involving SANDAG, such as being a consultant to SANDAG or to any party with pending legal actions against SANDAG during their tenure on

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the ITOC. ITOC members shall not have direct commercial interest or employment with any public or private entity, which receives TransNet sales tax funds authorized by this Ordinance. Each ITOC member shall be required to sign a conflict of interest statement and an annual statement of economic interests.

D. ITOC FUNDING AND ADMINISTRATION

1. Annual Funding

Beginning with the implementation of the TransNet *Extension* on July 1, 2008, costs incurred in administering the activities of the ITOC, including related fiscal and performance audit costs, shall be paid annually from the proceeds of the TransNet sales tax. The funds made available to the ITOC shall not exceed $250,000 annually, as adjusted for inflation annually for the duration of the program. Any funds not utilized in one fiscal year shall remain available for expenditure in subsequent years as part of the annual budget process.

2. Transition Period

During the initial transition period through July 1, 2008, the ITOC's activities will be phased in to the extent possible within the budget constraints of the ~~one~~ two percent administrative cap under the initial TransNet Ordinance. Through June 30, 2008, the provisions of the initial TransNet Ordinance will remain in effect with requirements such as the completion of the annual fiscal audits of TransNet recipients being administered by SANDAG using the ~~1~~2% administrative funds. Staff will work in coordination with the ITOC on key activities that will become ITOC responsibilities after July 1, 2008 and seek ITOC's input as appropriate during this transition period.

3. Duration of the ITOC

Given the forty-year duration of the TransNet tax extension, the ITOC shall continue as long as funds from the current authorization remain available. These activities would include conducting annual fiscal audits of recipients until TransNet funds are fully expended and the development of related project close-out procedures. The ITOC budget for FY 2048 should reflect the estimated funding required to complete the close-out of the TransNet program.

4. Audits of ITOC Expenditures

The expenditures of the ITOC shall be audited annually as part of the same fiscal audit process used for all other TransNet-funded activities.

4. Annual Budget Process

An annual ITOC operating budget shall be prepared and submitted to the SANDAG Board of Directors for its approval 90 days prior to the beginning of each fiscal year, starting April 1, 2008 for the 2008-09 Fiscal Year.

5. Open Meeting Requirements

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All ITOC meetings, including any standing subcommittees of the ITOC which may be established, shall be public meetings conducted in full compliance with the Brown Act. The ITOC will meet on a regular basis, at least quarterly, to carry out its roles and responsibilities.

6. Meeting Procedures

Except as otherwise provided by the TransNet Ordinance or its bylaws, the ITOC shall conduct its business in accordance with generally accepted parliamentary procedures based on the principles of Roberts Rules of Order, as applicable to committees similar to the ITOC.

7. Quorum

A quorum of the ITOC shall consist of a minimum of ~~four~~ five members. To pass a motion, fifty percent plus one of the members present and voting must vote in favor (a minimum of three votes at the minimum quorum level).

8. Access to Records

ITOC members and their designated auditors shall have full and timely access to all public documents, records and data with respect to all TransNet funds and expenditures.

9. Consultant Selection

All consultants hired by the ITOC shall be selected on an open and competitive basis with solicitation of proposals from the widest possible number of qualified firms as prescribed by the SANDAG procedures for procurement. The scope of work of all such consultant work shall be adopted by the ITOC prior to any such solicitation.

E. STAFFING AND SUPPORT OF THE ITOC

1. General Support for ITOC

At the ITOC's request, SANDAG shall provide reasonable staff support and shall provide meeting space for regularly scheduled meetings at the SANDAG offices (401 B Street, Suite 800, San Diego, CA 92101). SANDAG will provide supplies and incidental materials adequate for the ITOC to carry out its responsibilities and conduct its affairs. Such staffing and administrative support shall not be charged against the funds set aside for the administration of the ITOC provided under Section D(1).

2. Compliance with Public Meeting Requirements

SANDAG shall assist the ITOC in terms of compliance with the public meeting laws, including posting meeting notices and agendas. An Internet webpage for the ITOC will be maintained by SANDAG as part of its website containing ITOC agenda materials, reports, and other information related to the ITOC. As a general practice, the agenda and related materials will be distributed to ITOC members one week prior to the scheduled meeting.

3. Preserving ITOC Independence

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SANDAG Directors and staff will fully cooperate with and provide necessary support to the ITOC to ensure that it successfully carries out its duties and obligations, but should limit involvement to the provision of information required by the ITOC to ensure the independence of the ITOC as it carries out its review of the TransNet program and develops its recommendations for improvements.

F. ITOC ROLES AND RESPONSIBILITIES

The TransNet Ordinance specifies the roles and responsibilities for the ITOC and describes the intent of the ITOC as a functional partner to SANDAG in the ongoing implementation of the TransNet program. As stated in the TransNet Ordinance, in carrying out its responsibilities, the ITOC shall conduct its reviews in such a manner that does not cause unnecessary project delays, while providing sufficient time to ensure that adequate analysis can be completed to allow the ITOC to make objective recommendations and to provide the public with information about the implementation of the TransNet program.

1. Intent

The TransNet Extension Ordinance (pp. 44-45) contained intent language that summarized the foundation of the desired relationship between ITOC and SANDAG. That intent language is included below and provides general guidance for how the ITOC and SANDAG should interact as the ITOC carries out each of the specific roles and responsibilities.

- Resource—it is the intent that the ITOC will serve as an independent resource to assist in the SANDAG implementation of TransNet projects and programs. The Committee's membership is designed to provide to SANDAG a group of professionals who, collectively, can offer SANDAG the benefit of their experience to advance the timely and efficient implementation of TransNet projects and programs. The ITOC will work in a public way to ensure all deliberations are conducted in an open manner. Regular reports from the ITOC to the public and to the SANDAG Board of Directors (or policy committees) are expected with regard to program and project delivery, and overall performance.

- Productive—it is the intent that the ITOC will rely upon data and processes available at SANDAG, studies initiated by the ITOC, and other relevant data generated by reputable sources. It is understood, however, that SANDAG will be continuously striving to improve the reliability of data and to update analytical and modeling processes to be consistent with the state-of-the-art, and that the ITOC will be kept abreast of any such efforts, and invited to participate in development of such updates in a review capacity.

- Cost-efficient—it is the intent that the ITOC will not add cost burden to the SANDAG implementation of the TransNet program and projects. Rather, through a cooperative and productive working relationship between ITOC and the SANDAG implementation team, it is the objective that costs will be saved.

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- Flexible—it is the intent that the ITOC will assist SANDAG to be opportunistic to take advantage of changing situations in the future with regard to technologies and transportation developments.

2. Implementation Procedures

A set of implementation procedures for each of the basic ITOC responsibilities established in the Ordinance will be developed by the ITOC and updated from time to time as necessary. These implementation procedures will be based on the basic Ordinance language for each ITOC responsibility with additional background information, a detailed description of the way in which the ITOC is to approach each area of responsibility, and a schedule or general timing for when each activity should be undertaken.

G. EFFECTIVE DATE AND AMENDMENTS:

1. Effective Date

These Bylaws shall become effective upon approval by the SANDAG Board of Directors.

2. Amendments:

These Bylaws may be amended or repealed and new Bylaws adopted by majority vote of the ITOC members in office at that time and subject to SANDAG Board of Directors approval.

Attachments:
1. Full Text of the TransNet *Extension* Ordinance and Expenditure Plan
2. Summary of major Brown Act requirements for public meetings
3. Key provisions of Roberts Rules of Order for conducting meetings
4. ITOC Guidelines

Note: Attached materials on Brown Act, Roberts Rules of Order, and related administrative guidelines for conducting meetings were prepared by Julie Wiley, SANDAG General Counsel and were distributed at the first ITOC meeting on May 18, 2005.

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