

**CALTRANS**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether Caltrans was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

2. We obtained from SANDAG the applicable approved RTIP.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<i>TransNet</i> payments made by SANDAG	\$76,773,741
<i>TransNet</i> revenue recorded by Caltrans	<u>74,429,741</u>
Variance	<u>\$ 2,344,000</u>

The variance was a result of the following:

BPNS not included in ProjectTrak	\$ (135,000)
Paid by SANDAG in 2016 but received by Caltrans in 2017	9,136,000
Paid by SANDAG in 2015 but received by Caltrans in 2016	<u>(6,657,000)</u>
Variance	<u>\$2,344,000</u>

- e. We identified the interest income reported for the fiscal year.
- i. We reviewed the interest income reported on Schedule A and agreed it to the *TransNet* general ledger.
- Results: This procedure is not applicable as there was no interest income reported on Schedule A.
- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.
- Results: In accordance with the Governor's budget, Caltrans has no authority to disburse funds deposited in the State Highway Account, as that money is defined for a special purpose through the legislative process. An absence of such authority means that Caltrans cannot disburse funds and the Department of Finance has no authority to pay interest on advance deposits. SANDAG has accepted this practice in the past, thus no exceptions were noted as a result of our procedures.
- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: Caltrans recorded total *TransNet* expenditures in the amount of \$79,261,757. We selected \$20,229,598 (25.52%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: Indirect costs are allocated to RTIP projects at a rate of 79.78% of direct labor costs associated with each project. Caltrans' indirect cost plan has been reviewed by the State of California Department of Finance and the Federal Highway Administration. The indirect cost plan is reviewed and updated by Caltrans on an annual basis. The indirect cost allocation methodology 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: This procedure is not applicable as there were not completed projects for the current and prior year.

- 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 during the year ended June 30, 2016.

- 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, 2017.

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: 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 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 Caltrans did not transfer funds between projects during the fiscal year ended June 30, 2016.

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

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

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

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 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 obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments, and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there were no commercial paper or bonds outstanding as of June 30, 2016.

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 finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the fiscal year ended June 30, 2016.

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

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

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

Daniel Jann WP

Irvine, California  
June 12, 2017



**GLOSSARY OF TERMS**

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

**SCHEDULE A**

**CALTRANS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID/ Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2016	Notes
<b>TransNet:</b>								
<b>Highways:</b>								
CAL26	Route 52	\$ 13,864	\$ -	\$ -	\$ -	\$ -	\$ 13,864	(a)
CAL31	Route 54/125	565,678	-	-	-	-	565,678	
CAL31	SR-125 8 Lane Freeway	1,861,167	-	-	-	-	1,861,167	
	Total CAL 31 Projects	2,426,845	-	-	-	-	2,426,845	(a)
	Total Highways	2,440,709	-	-	-	-	2,440,709	
	Total <i>TransNet</i>	\$ 2,440,709	\$ -	\$ -	\$ -	\$ -	\$ 2,440,709	
<b>TransNet Extension:</b>								
<b>Major Corridor:</b>								
CAL09	I-5 North Coast	\$ (2,244,030)	\$ 36,895,000	\$ -	\$ (35,472,802)	\$ -	\$ (821,832)	(b)
CAL09 A/B	I-5 HOV Ext & Lomas Santa Fe	108,821	88,000	-	(185,954)	-	10,867	
CAL09 C	I-805 HOV / Carroll Canyon DAR	286,441	566,000	-	(728,622)	-	123,819	
CAL18	I-15 Managed Lanes - Middle Segment	37,150	242,000	-	(116,109)	-	163,041	
CAL18 A	I-15 Managed Lanes - North Segment	(120,663)	293,000	-	(218,619)	-	(46,282)	(b)
CAL18 B	I-15 Managed Lanes - South Segment	267,612	345,000	-	(801,571)	-	(188,959)	(b)
CAL26	SR 52 Freeway E&F	119,242	6,000	-	(111,879)	(1)	13,362	(c)
CAL29	SR 76 Middle	(64,435)	1,119,000	-	(432,563)	-	622,002	
	Subtotal Major Corridor	(1,609,862)	39,554,000	-	(38,068,119)	(1)	(123,982)	

**SCHEDULE A**

**CALTRANS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID/ Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2016	Notes
	Balance carried forward	\$ (1,609,862)	\$ 39,554,000	\$ -	\$ (38,068,119)	\$ (1)	\$ (123,982)	
CAL29 B	SR 76 East	4,286,590	953,000	-	(6,570,893)	547,449	(783,854)	(b)(d)
CAL38	SR-905 New Freeway	(5,156)	17,073	-	(14,636)	-	(2,719)	(b)
CAL67	SR-94 HOV Lanes (I-805 to Downtown)	3,771	275,000	-	(240,033)	-	38,738	
CAL68	94/125	(28,090)	294,000	-	(246,513)	-	19,397	
CAL75	I-5 Genesee	(336,503)	402,000	-	(343,177)	-	(277,680)	(b)
CAL77	I-5/8 Connectors	218,198	232,000	-	(404,146)	-	46,052	
CAL78 B	I-805 North	(125,079)	388,000	-	(525,618)	-	(262,697)	(b)
CAL78 C	I-805 South	(3,792,553)	24,160,000	-	(21,413,404)	-	(1,045,957)	(b)
CAL114	I-5/56 Interchange	(46,025)	127,000	-	(75,698)	-	5,277	
CAL120	Aux / Nordahl	(12,823)	57,475	-	(55,240)	-	(10,588)	(b)
CAL277	I-15/ SR-78 HOV Connectors	12,969	(12,969)	-	-	-	-	
CAL278	SR-78 HOV / Managed Lanes	16,227	208,000	-	(148,148)	-	76,079	
CAL325	SR-125/905/11 Connectors	2,777	6,719	-	(9,496)	-	-	
CAL369	I-5 Voigt	(26,832)	254,000	-	(43,174)	-	183,994	
SAN04	I-15 FastTrack	(494)	494	-	-	-	-	
SAN23	Mid-Coast LRT	(167,877)	45,000	-	(147,872)	270,749	-	(e)
SAN26	I-15 BRT Stations - North	(43,949)	43,949	-	-	-	-	
SAN26 C	I-15 BRT Stations - South	(207,334)	2,988,000	-	(3,029,334)	-	(248,668)	(b)
SAN47	I-805 BRT	58,451	146,000	-	(225,358)	-	(20,907)	(b)
SAN146	805 Imperial BRT Station	(7,465)	73,000	-	(86,733)	-	(21,198)	(b)
1200100	Program Office	44	69,000	-	(37,917)	-	31,127	
	Total Major Corridor	<u>(1,811,015)</u>	<u>70,280,741</u>	<u>-</u>	<u>(71,685,509)</u>	<u>818,197</u>	<u>(2,397,586)</u>	

**CALTRANS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID/ Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2016	Notes
<b>Major Corridor Environmental: Mitigation Program (MC EMP):</b>								
CAL29	SR 76 Middle	\$ -	\$ 180,000	\$ -	\$ (180,000)	\$ -	\$ -	
CAL29 B	SR 76 East	(1,584,000)	384,000	-	(3,649,011)	4,251,380	(597,631)	(b)(d)(e)
V07	Mitigation Program	<u>467,460</u>	<u>3,450,000</u>	-	<u>(3,525,038)</u>	<u>(1)</u>	<u>392,421</u>	(c)
	Total MC EMP	<u>(1,116,540)</u>	<u>4,014,000</u>	-	<u>(7,354,049)</u>	<u>4,251,379</u>	<u>(205,210)</u>	
<b>TransNet BPNS Program:</b>								
CAL330	SR-15 Bike Path	<u>(38,170)</u>	<u>135,000</u>	-	<u>(222,199)</u>	-	<u>(125,369)</u>	(b)
	Total <i>TransNet</i> BPNS Program	<u>(38,170)</u>	<u>135,000</u>	-	<u>(222,199)</u>	-	<u>(125,369)</u>	
	Total <i>TransNet</i> Extension	<u>\$ (2,965,725)</u>	<u>\$ 74,429,741</u>	<u>\$ -</u>	<u>\$ (79,261,757)</u>	<u>\$ 5,069,576</u>	<u>\$ (2,728,165)</u>	
	Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ (525,016)</u>	<u>\$ 74,429,741</u>	<u>\$ -</u>	<u>\$ (79,261,757)</u>	<u>\$ 5,069,576</u>	<u>\$ (287,456)</u>	

**Notes:**

- (a) All projects related to CAL 26 and 31 in the TransNet Highway section are in the final vouchering process and the goal is to close them during FY17.
- (b) The negative project ending balance will be removed with the next invoice to SANDAG in FY17.
- (c) Adjustments are due to rounding.
- (d) CAL 29B is funded with both Major Corridor (MC) and MC Mitigation (EMP MC) funds. An adjustment of \$547,449 moved expenditures reported as EAP MC in the FY15 year audit and moved them to EMP MC.
- (e) A transfer was made to move expenditures from *TransNet* MC funds to other funds to balance the budget of each.

**CALTRANS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>					
<b>Major Corridor:</b>					
CAL09	I-5 North Coast	\$ 89,077,478	\$ -	\$ (89,899,310)	\$ (821,832)
CAL09 A/B	I-5 HOV Ext & Lomas Santa Fe	18,476,455	-	(18,465,588)	10,867
CAL09 C	I-805 HOV / Carroll Canyon DAR	25,665,999	-	(25,542,180)	123,819
CAL18	I-15 Managed Lanes - Middle Segment	29,611,094	-	(29,448,053)	163,041
CAL18 A	I-15 Managed Lanes - North Segment	20,193,100	-	(20,239,382)	(46,282)
CAL18 B	I-15 Managed Lanes - South Segment	48,631,110	-	(48,820,069)	(188,959)
CAL26	SR 52 Freeway E&F	48,631,399	-	(48,618,037)	13,362
CAL29	SR 76 Middle	38,770,893	-	(38,148,891)	622,002
CAL29 B	SR 76 East	35,640,143	-	(36,423,997)	(783,854)
CAL38	SR-905 New Freeway	852,281	-	(855,000)	(2,719)
CAL67	SR-94 HOV Lanes (I-805 to Downtown)	8,200,000	-	(8,161,262)	38,738
CAL 68	94/125	294,000	-	(274,603)	19,397
CAL 75	I-5 Genesee	3,553,000	-	(3,830,680)	(277,680)
CAL 77	I-5/8 Connectors	1,500,000	-	(1,453,948)	46,052
CAL78 B	I-805 North	9,212,604	-	(9,475,301)	(262,697)
CAL78 C	I-805 South	114,833,590	-	(115,879,547)	(1,045,957)
CAL114	I-5/56 Interchange	408,000	-	(402,723)	5,277
CAL120	Aux / Nordahl	10,220,475	-	(10,231,063)	(10,588)
CAL277	I-15/ SR-78 HOV Connectors	811,031	-	(811,031)	-
CAL278	SR-78 HOV / Managed Lanes	1,601,000	-	(1,524,921)	76,079
CAL325	SR-125/905/11 Connectors	2,620,719	-	(2,620,719)	-
CAL 369	I-5 Voigt	260,000	-	(76,006)	183,994
SAN04	I-15 FasTrak	553,894	-	(553,894)	-
SAN 23	Mid-Coast LRT	220,000	-	(220,000)	-
SAN26	I-15 BRT Stations - North	894,649	-	(894,649)	-
SAN26 C	I-15 BRT Stations - South	6,062,700	-	(6,311,368)	(248,668)
SAN47	I-805 BRT	2,529,423	-	(2,550,330)	(20,907)
SAN146	805 Imperial BRT Station	117,800	-	(138,998)	(21,198)
1200100	Program Office	291,000	-	(259,873)	31,127
Total Major Corridor		<u>\$ 519,733,837</u>	<u>\$ -</u>	<u>\$ (522,131,423)</u>	<u>\$ (2,397,586)</u>

## CALTRANS

## TransNet Extension Activities

## Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2016

<u>MPO ID/ Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>Major Corridor Environmental: Mitigation Program (MC EMP):</b>					
CAL 29	SR 76 Middle	\$ 6,146,000	\$ -	\$ (6,146,000)	\$ -
CAL 29 B	SR 76 East	4,834,000	-	(5,431,631)	(597,631)
V07	Mitigation Program	<u>49,777,885</u>	<u>-</u>	<u>(49,385,464)</u>	<u>392,421</u>
	Total MC EMP	<u>60,757,885</u>	<u>-</u>	<u>(60,963,095)</u>	<u>(205,210)</u>
<b>TransNet BPNS Program:</b>					
CAL 330	SR-15 Bike Path	<u>1,484,000</u>	<u>-</u>	<u>(1,609,369)</u>	<u>(125,369)</u>
	Total TransNet BPNS Program	<u>1,484,000</u>	<u>-</u>	<u>(1,609,369)</u>	<u>(125,369)</u>
	Subtotal Cumulative TransNet Extension	<u>581,975,722</u>	<u>-</u>	<u>(584,703,887)</u>	<u>(2,728,165)</u>
<b>Completed Projects</b>					
	Major Corridor	38,132,370	-	(38,132,370)	-
	TransNet Local Program	<u>3,093,119</u>	<u>-</u>	<u>(3,093,119)</u>	<u>-</u>
	Total Completed Projects	<u>41,225,489</u>	<u>-</u>	<u>(41,225,489)</u>	<u>-</u>
	Total Cumulative TransNet Extension	<u>\$ 623,201,211</u>	<u>\$ -</u>	<u>\$ (625,929,376)</u>	<u>\$ (2,728,165)</u>

**CITY OF CARLSBAD, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Carlsbad, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$2,434,435. We selected \$624,224 (25.64%) for testing. No exceptions were noted as a result of our procedures.

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

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

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016. The City's indirect cost plan has not been reviewed by a cognizant agency. The City allocates costs out of the various departments and into capital projects by using the Engineering time directly charged to a project as the cost basis, and multiplying it by a set percentage associated with each department. The City's indirect cost plan was last updated during the fiscal year ended June 30, 2013, and the new plan is currently being reviewed to cover the next two fiscal years. 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 reported on Schedule A.

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

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

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

Results: This procedure is not applicable as the City did not transfer funds between projects during the fiscal year ended June 30, 2016.

- 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, 2017.

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not transfer funds between projects during the fiscal year ended June 30, 2016.

- 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.

- 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 fund balance 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 2016 apportionment	\$2,766,278
Less: debt service payment	<u>          -</u>
Net estimated apportionment	2,766,278
30% base	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>829,883</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	508,400
Maintenance fund balance	<u>          5,175</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>513,575</u>
Fund balance under apportionment	<u>\$ 316,308</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$508,400	\$ 8,547,451	\$ 9,055,851
Maintenance	<u>5,175</u>	<u>7,821,450</u>	<u>7,826,625</u>
Totals	<u>\$513,575</u>	<u>\$16,368,901</u>	<u>\$16,882,476</u>

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

Results: The City has expended 1.05% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$10,515,263	\$ 7,999,256	\$18,514,519
Maintenance	290,000	7,612,074	7,902,074
Interest	<u>58,433</u>	<u>757,571</u>	<u>816,004</u>
 Total local street and road revenue	 <u>\$10,863,696</u>	 <u>\$16,368,901</u>	 <u>\$27,232,597</u>
 30% of total local street and road revenue			 \$ 8,169,779
Less maintenance expenditures incurred to date			 <u>284,842</u>
 Available maintenance funds			 <u>\$ 7,884,937</u>
 Cumulative percentage expended for maintenance			 <u>1.05%</u>

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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.
- 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, 2016, is summarized as indicated on the following page:

Current year local discretionary expenditures	\$10,076,471
Less MOE base year requirement	<u>(4,897,196)</u>
Excess MOE for the year ended June 30, 2016	<u>\$ 5,179,275</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$2,033,537. We selected \$207,339 (10.20%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.



- xi. 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 7, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**SCHEDULE A**

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SAN54	N/A	Regional Arterial Management Systems	\$ -	\$ 11,700	\$ -	\$ (11,700)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	11,700	-	(11,700)	-	-	
<b>Congestion Relief:</b>									
CB04A	39572	ECR Widening - Tamarack to Chestnut	(434,908)	1,270,000	-	(1,826,567)	-	(991,475)	(a)
CB17	60143	Carlsbad Blvd Bridge - Powerplant	(9,166)	17,116	-	(13,878)	-	(5,928)	(a)
CB20	60011	Pavement Management - Overlay	(1,311,520)	1,685,000	4,041	(372,985)	1,497,309	1,501,845	
CB36	60311	Carlsbad Blvd Realignment	1,504,489	-	-	(7,180)	(1,497,309)	-	
CB43	60491	ADA Improvements	(1,317)	20,000	-	(14,725)	-	3,958	
		Total Congestion Relief	(252,422)	2,992,116	4,041	(2,235,335)	-	508,400	
<b>Maintenance:</b>									
CB18	60163	Carlsbad Blvd Bridge - Railroad	(90,732)	240,000	-	(144,093)	-	5,175	(b)
		Total Maintenance	(90,732)	240,000	-	(144,093)	-	5,175	
		Total Local Street Improvements	(343,154)	3,243,816	4,041	(2,391,128)	-	513,575	
<b>Bikes and Pedestrian:</b>									
V12/CB40	60471	Active Village Campaign	(20,763)	64,070	-	(43,307)	-	-	(c)
		Total Bikes and Pedestrian	(20,763)	64,070	-	(43,307)	-	-	
		Subtotal <i>TransNet</i> Extension	(363,917)	3,307,886	4,041	(2,434,435)	-	513,575	
		GASB 31 Market Value Adjustment	(15,882)	-	4,671	-	-	(11,211)	
		Total <i>TransNet</i> Extension	<u>\$ (379,799)</u>	<u>\$ 3,307,886</u>	<u>\$ 8,712</u>	<u>\$ (2,434,435)</u>	<u>\$ -</u>	<u>\$ 502,364</u>	

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status June 30, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
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Notes:

- (a) In accordance with SANDAG Board Policy No. 031, Section IV, Local Agency Balance Limitations (30% Rule), funds can only be drawdown when the City's cash balance falls below the 30% threshold. Currently, the Carlsbad Boulevard Realignment project has a large positive cash balance. In order to comply with SANDAG policy, several other LSI projects must be in a negative cash balance position in order for the City to stay below the 30% threshold.
- (b) This project was completed during FY16 and remaining funds were transferred to CB 17 per Resolution 2017-114 approved by the City Council on June 13, 2017.
- (c) This grant project was completed and closed out during FY16.

**CITY OF CARLSBAD, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass Through:</b>						
SAN54	N/A	Regional Arterial Management Systems	\$ 46,800	\$ -	\$ (46,800)	\$ -
Total Congestion Relief-Pass Through			<u>46,800</u>	<u>-</u>	<u>(46,800)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CB04A	39572	ECR Widening - Tamarack to Chestnut	2,035,000	37,070	(3,063,545)	(991,475)
CB17	60143	Carlsbad Blvd Bridge-Powerplant	21,754	55	(27,737)	(5,928)
CB20	60011	Pavement Management - Overlay	6,889,018	6,762	(5,393,935)	1,501,845
CB36	60311	Carlsbad Blvd Realignment	3,000,000	14,529	(3,014,529)	-
CB43	60491	ADA Improvements	<u>20,000</u>	<u>-</u>	<u>(16,042)</u>	<u>3,958</u>
Total Congestion Relief			<u>11,965,772</u>	<u>58,416</u>	<u>(11,515,788)</u>	<u>508,400</u>
<b>Maintenance:</b>						
CB18	60163	Carlsbad Blvd Bridge - Railroad	<u>290,000</u>	<u>17</u>	<u>(284,842)</u>	<u>5,175</u>
Total Maintenance			<u>290,000</u>	<u>17</u>	<u>(284,842)</u>	<u>5,175</u>
Total Local Street Improvements			<u>12,302,572</u>	<u>58,433</u>	<u>(11,847,430)</u>	<u>513,575</u>
<b>Bikes and Pedestrian:</b>						
V12/CB40	60471	Active Village Campaign	<u>247,562</u>	<u>-</u>	<u>(247,562)</u>	<u>-</u>
Total Bikes and Pedestrian			<u>247,562</u>	<u>-</u>	<u>(247,562)</u>	<u>-</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>12,550,134</u>	<u>58,433</u>	<u>(12,094,992)</u>	<u>513,575</u>

CITY OF CARLSBAD, CALIFORNIA  
TransNet Extension Activities  
Cumulative Schedule of Status of Funds by Project (Continued)  
Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		<b>Completed Projects:</b>				
		Bikes and Pedestrian	\$ 316,486	\$ -	\$ (316,486)	\$ -
		Environmental Mitigation Grant	<u>286,667</u>	<u>-</u>	<u>(286,667)</u>	<u>-</u>
		Total Completed Projects	<u>603,153</u>	<u>-</u>	<u>(603,153)</u>	<u>-</u>
		Total Cumulative TransNet Extension	<u>\$ 13,153,287</u>	<u>\$ 58,433</u>	<u>\$ (12,698,145)</u>	<u>\$ 513,575</u>

**CITY OF CARLSBAD, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Spend funds	MPO ID	Cumulative				Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	CB04A	\$ 411,986	\$ 36,227	\$ (452,375)	\$ 4,162	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	CB04A	514,405	47,267	(561,672)	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	CB04A	580,843	32,057	(612,900)	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	CB04A	934,358	35,309	(969,667)	-	-	53,989
For Fiscal Year ended June 30, 2013	June 30, 2020	CB04A	696,114	23,829	(719,943)	-	-	719,943
For Fiscal Year ended June 30, 2014	June 30, 2021	CB04A	353,442	7,757	(361,199)	-	-	361,199
For Fiscal Year ended June 30, 2015	June 30, 2022	CB04A	623,822	6,962	(630,784)	-	-	630,784
For Fiscal Year ended June 30, 2016	June 30, 2023	CB04A, CB31	470,174	-	(267,622)	-	202,552	-
Interest Income			-	12,598	-	-	12,598	-
<b>Total RTCIP Funds</b>			<b>\$ 4,585,144</b>	<b>\$ 202,006</b>	<b>\$ (4,576,162)</b>	<b>\$ 4,162</b>	<b>\$ 215,150</b>	<b>\$ 1,765,915</b>

**CITY OF CHULA VISTA, CALIFORNIA**

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

Year Ended June 30, 2016



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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Chula Vista, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$7,345,188. We selected \$2,334,995 (31.79%) for testing. No exceptions were noted as a result of our procedures.

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

Results: 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016. The City's indirect cost plan has not been reviewed by a cognizant agency. The City allocates costs out of the various departments and into capital projects by using the Engineering time directly charged to a project as the cost basis, and multiplying the hours worked by the City's fully-burdened hourly rate. The City's indirect cost plan was last updated during the fiscal year ended June 30, 2012, and the methodology was last reviewed by its internal auditors during the fiscal year ended June 30, 2010. Although the indirect cost plan is outdated and needs to be updated, the City's methodology for allocating indirect costs

appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. We reviewed that the ending fund balance 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 2016 apportionment	\$5,718,900
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	5,718,900
30% base	<u>                  30%</u>
Fiscal year 2016 30% threshold	<u>1,715,670</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	215,508
Maintenance fund balance	<u>(173,212)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>42,296</u>
Fund balance under apportionment	<u>\$1,673,374</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$215,508	\$ 5,732,752	\$ 5,948,260
Maintenance	<u>(173,212)</u>	<u>5,982,751</u>	<u>5,809,539</u>
Totals	<u>\$ 42,296</u>	<u>\$11,715,503</u>	<u>\$11,757,799</u>

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

Results: The City has expended 18.24% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$25,234,872	\$ 5,282,982	\$30,517,854
Maintenance	8,025,828	5,804,855	13,830,683
Interest	<u>41,619</u>	<u>627,666</u>	<u>669,285</u>
 Total local street and road revenue	 <u>\$33,302,319</u>	 <u>\$11,715,503</u>	 <u>\$45,017,822</u>
 30% of total local street and road revenue			 \$13,505,347
Less maintenance expenditures incurred to date			 <u>(8,210,889)</u>
 Available maintenance funds			 \$ <u>5,294,458</u>
 Cumulative percentage expended for maintenance			 <u>18.24%</u>

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

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
- 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$9,149,953
Less MOE base year requirement	<u>(2,999,670)</u>
Excess MOE for the year ended June 30, 2016	<u>\$6,150,283</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 \$104,967. We selected \$91,839 (87.49%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon



dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
CHV39	N/A	Regional Arterial Management Systems	\$ -	\$ 15,500	\$ -	\$ (15,500)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	15,500	-	(15,500)	-	-	
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
CHV08	STL261	Willow Street Bridge Widening	1,495	-	-	(407)	-	1,088	
CHV30	STM361	I-5 Multi-Modal Corridor Imprv. Study	-	18,538	-	(18,538)	-	-	
CHV39	TF350	Traffic Signal System Optimization	-	79,699	-	(104,601)	-	(24,902)	(a)
CHV43	TF354	Traffic Congestion Relief Program	-	137,496	-	(177,493)	-	(39,997)	(a)
CHV44	TF344	I 805 Direct Access Ramp E H and E Palomar	-	12,116	-	(19,968)	-	(7,852)	
CHV44	TF356	Otay Mesa Transportation System	8,052	-	-	(2,915)	-	5,137	
		Total CHV44 Projects	8,052	12,116	-	(22,883)	-	(2,715)	(a)
		Subtotal Congestion Relief	9,547	247,849	-	(323,922)	-	(66,526)	

SCHEDULE A

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ 9,547	\$ 247,849	\$ -	\$ (323,922)	\$ -	\$ (66,526)	
CHV48	STL371	Major Pavement Rehabilitation	-	35	-	(35)	-	-	
CHV48	STL372	Pavement Major Rehabilitation FY11-12	-	62	-	(62)	-	-	
CHV48	STM373	Pavement Major Rehabilitation FY12-13	283,463	-	-	(53,613)	-	229,850	
CHV48	STM379	Pavement Major Rehabilitation FY13-14	654,900	-	-	(363,213)	-	291,687	
CHV48	STM383	Pavement Major Rehab FY15	18,479	152,485	-	(180,016)	-	(9,052)	
CHV48	STM387	Pavement Major Rehab FY16	-	13,304	-	(55,550)	-	(42,246)	
CHV48	SW266	Oxford Street Sewer Improvement	-	134,160	-	(133,588)	-	572.00	
		Total CHV48 Projects	<u>956,842</u>	<u>300,046</u>	-	<u>(786,077)</u>	-	<u>470,811</u>	
CHV51	STL359	Naples St. & Oleander Ave. CG/ADA	120	5,238	-	(13,211)	-	(7,853)	
CHV51	STL382	Cross Gutter Rehabilitation	5,199	15,100	-	(25,486)	-	(5,187)	
CHV51	DR204	Storm Drain Repairs Citywide	-	32,000	-	(45,922)	-	(13,922)	
		Total CHV51 Projects	<u>5,319</u>	<u>52,338</u>	-	<u>(84,619)</u>	-	<u>(26,962)</u>	(a)
CHV52	STL361	Industrial Blvd. Bike Ln / Ped Improvement	3,951	-	-	(185)	-	3,766	
CHV54	STM367	So Broadway Improv. Main to SthrnCity	98,321	2,182	-	(90,874)	-	9,629	
CHV54	STM381	So Brdwy Imprv Main 2SthrnLimt	1,196,525	169,901	-	(1,366,426)	-	-	
		Total CHV54 Projects	<u>1,294,846</u>	<u>172,083</u>	-	<u>(1,457,300)</u>	-	<u>9,629</u>	
		Subtotal Congestion Relief	<u>2,270,505</u>	<u>772,316</u>	-	<u>(2,652,103)</u>	-	<u>390,718</u>	

**SCHEDULE A**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
		Balance carried forward	\$ 2,270,505	\$ 772,316	\$ -	\$ (2,652,103)	\$ -	\$ 390,718	
CHV58	STL366	Moss Street Sidewalk Installation	-	99,459	-	(158,530)	-	(59,071)	
CHV58	STL368	Oxford Street Sidewalk Installation	7,472	-	-	(154)	-	7,318	
CHV58	STL369	Palomar Street Sidewalk Installation	100	102,563	-	(102,554)	-	109	
CHV58	STL394	Moss Street Corridor Improv. b/w 3rd & 4th	-	1,975	-	(12,900)	-	(10,925)	
		Total CHV58 Projects	<u>7,572</u>	<u>203,997</u>	-	<u>(274,138)</u>	-	<u>(62,569)</u>	(a)
CHV59	STL367	Naples Street Sidewalk Installation	<u>29,352</u>	<u>398,982</u>	-	<u>(428,334)</u>	-	-	(b)
CHV60	TF319	Signal Modifictn Anita/Industl	-	200,000	-	(200,000)	-	-	(b)
CHV60	TF382	Traffic Signal Mod at Third Ave & Naples St	9,191	-	-	(5,895)	-	3,296	
CHV60	TF383	Traffic Signal Instal at Industrial & Moss	-	2,334	-	(1,684)	-	650	
		Total CHV60 Projects	<u>9,191</u>	<u>202,334</u>	-	<u>(207,579)</u>	-	<u>3,946</u>	
CHV64	TF396	Trfc Mgmnt Cntr&Commn MstrPln1	-	2,591	-	(93,636)	-	(91,045)	(a)
CHV67	TF377	Roadway Improv at Olympic & Brandywine	<u>10,371</u>	-	-	(185)	-	10,186	
CHV70	STM377	Westbound E Orange Avenue Bike Gap	-	55	-	(55)	-	-	(b)
CHV70	STM384	Bike Lanes onBrdwy FsblyStudy	31,267	21,203	-	(82,470)	-	(30,000)	
		Total CHV70 Projects	<u>31,267</u>	<u>21,258</u>	-	<u>(82,525)</u>	-	<u>(30,000)</u>	(a)
CHV77	TF395	SANDAG MainSt Fiber OpticAddtl	-	1,734	-	(2,313)	-	(579)	(a)
CHV79	TF397	Raised Median Reconstruction	-	482	-	(30,436)	-	(29,954)	(a)
		Interest Income	<u>16,042</u>	-	8,763	-	-	24,805	
		Total Congestion Relief	<u>2,374,300</u>	<u>1,603,694</u>	8,763	<u>(3,771,249)</u>	-	215,508	

SCHEDULE A

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Maintenance:</b>									
CHV06	OP219	Pavement Management System	\$ 805	\$ 76,612	\$ -	\$ (154,788)	\$ -	\$ (77,371)	(a)
CHV22	OP202	CIP Advanced Planning	-	37,646	-	(56,791)	-	(19,145)	
CHV22	OP208	CIP Management & Equipment Purchase	7,066	-	-	(525)	-	6,541	
		Total CHV22 Projects	7,066	37,646	-	(57,316)	-	(12,604)	(a)
CHV33	STL375	Enhanced Traffic Calming Crosswalk	18,993	-	-	(123)	-	18,870	
CHV33	STL389	Castle Park Middle School - Quintard Street	34,522	-	-	(246)	-	34,276	
CHV33	STM380	Sidewalk Replacement E H Street Study	-	4,737	-	(6,416)	-	(1,679)	
CHV33	STI410	Kellog Elem Schl Ped Improvmt	-	2,189	-	(5,465)	-	(3,276)	
CHV33	TF345	School Zone Traffic Calming	-	43,663	-	(62,345)	-	(18,682)	
CHV33	TF362	Kids Walk/Bike to School Phase II	-	1,428	-	(1,674)	-	(246)	
CHV33	TF384	Lauderbach Elem. Pedestrian Imprv	4,233	-	-	(6,031)	-	(1,798)	
		Total CHV33 Projects	57,748	52,017	-	(82,300)	-	27,465	
CHV34	TF327	Neighborhood Safety Program	5,611	64,979	-	(158,783)	-	(88,193)	
CHV34	TF394	Ped Crsswlk Enhanc @UncntrldIn	-	321	-	(1,954)	-	(1,633)	
		Total CHV34 Projects	5,611	65,300	-	(160,737)	-	(89,826)	(a)
CHV35	TF332	Signing and Stripping Program	-	32,544	-	(33,889)	-	(1,345)	
CHV35	TF366	Traffic Signal & St. Lighting Upgrade / Maint.	-	161,559	-	(197,200)	-	(35,641)	
CHV35	TF385	Signing and Stripping Elementary Schools	-	12,211	-	(12,211)	-	-	
CHV35	TF393	Internally IllumntdSNS Convrsn	-	23,004	-	(30,069)	-	(7,065)	
		Total CHV35 Projects	-	229,318	-	(273,369)	-	(44,051)	(a)
		Subtotal Maintenance	71,230	460,893	-	(728,510)	-	(196,387)	

SCHEDULE A

CITY OF CHULA VISTA, CALIFORNIA  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward	\$ 71,230	\$ 460,893	\$ -	\$ (728,510)	\$ -	\$ (196,387)	
CHV45	STM369	Bikeway Facilities Gap Project	10,048	16,826	-	(32,918)	-	(6,044)	
CHV45	TF274	Traffic Count	-	16,853	-	(26,299)	-	(9,446)	
CHV45	TF321	Citywide Traffic Count Program	-	42,800	-	(42,247)	-	553	
CHV45	TF392	Palomar St Trffc Data Collectn	-	17,300	-	(18,393)	-	(1,093.00)	
		Total CHV45 Projects	10,048	93,779	-	(119,857)	-	(16,030)	(a)
CHV47	TF367	Urban Core Svcs Level Threshold Study	15,316	-	-	(62)	-	15,254	
CHV50	DR193	Storm Drain Pipe Rehab Project For FY2013	319,864	-	-	(263,018)	-	56,846	
CHV50	DR196	CMP Rehabilitation Program FY13-14	464,704	115,715	-	(607,848)	-	(27,429)	
CHV50	DR197	Emrg Strm Drn Rehab algBrndywn	-	656	-	(656)	-	-	
CHV50	DR198	Storm Drain Pipe Rehab FY15	-	53,821	-	(49,112)	-	4,709	
CHV50	DR202	Storm Drain Rehab Proj FY15/16	-	5,573	-	(5,573)	-	-	
CHV50	STM385	Bridge Maintenance	-	24,455	-	(25,096)	-	(641)	
		Total CHV50 Projects	784,568	200,220	-	(951,303)	-	33,485	
CHV53	STL404	Bikeway Master Plan2016 Update	-	819	-	(1,349)	-	(530)	(a)
CHV61	DR187	Box Culvert at Bonita Road/Allen	536	139,000	-	(139,536)	-	-	(b)
CHV75	STL405	ADA Curb Ramps FY2014/15	-	36,915	-	(56,549)	-	(19,634)	(a)
CHV78	OP228	Sweetwater River Pathway Study	-	144	-	(713)	569	-	(b)(c)
		Interest Income	6,875	-	3,755	-	-	10,630	
		Total Maintenance	888,573	931,770	3,755	(1,997,879)	569	(173,212)	
		Total Local Street Improvements	3,262,873	2,550,964	12,518	(5,784,628)	569	42,296	



SCHEDULE A

CITY OF CHULA VISTA, CALIFORNIA  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Major Corridor Environmental Mitigation:</b>									
V08	OP218	Cactus Wren Habitat Rehabilitation	\$ 2,615	\$ -	\$ -	\$ -	\$ (2,615)	\$ -	(d)
V08	OP221	PMA Otay Tarplant & SD Thornmount	(3,231)	-	-	-	-	(3,231)	(e)
V08	OP222	Coastal Cactus Wren Habitat Restoration	(25,143)	32,202	-	(27,967)	20,908	-	(b)(f)
V08	OP227	Cstl Ccts WrenHabitat Restrtn	-	49,296	-	(49,296)	-	-	(g)
Total Major Corridor Environmental Mitigation			(25,759)	81,498	-	(77,263)	18,293	(3,231)	
<b>Smart Growth:</b>									
CHV63	OP217	Palomar Gateway Specific Plan	(104,274)	118,440	-	-	-	14,166	
CHV73	STL400	3rd Ave Streetscape Imprv Phs2	75,369	824,570	-	(1,233,305)	-	(333,366)	(f)
CHV73	STL406	3rd Ave Streetscp Imprv Phs 3	(5,417)	-	-	(195,193)	-	(200,610)	(f)
Total CHV73 Projects			69,952	824,570	-	(1,428,498)	-	(533,976)	
CHV74	N/A	Healthy Chula Vista Initiative	(12,928)	17,594	-	-	-	4,666	
Total Smart Growth			(47,250)	960,604	-	(1,428,498)	-	(515,144)	
<b>Trans-Net BPNS:</b>									
CHV71	STM378	Main Street Streetscape Master Plan	(28,567)	76,000	-	(47,433)	-	-	(b)
CHV76	STL412	F Street Promenade Streetscape Masterplan	-	13,141	-	-	-	13,141	
Total <i>TransNet</i> BPNS			(28,567)	89,141	-	(47,433)	-	13,141	
Total <i>TransNet</i> Extension			3,161,297	3,682,207	12,518	(7,337,822)	18,862	(462,938)	
GASB 31 Market Value Adjustment			(4,298)	-	9,652	-	-	5,354	
Total <i>TransNet</i> Extension after GASB 31 Adjustment			3,156,999	3,682,207	22,170	(7,337,822)	18,862	(457,584)	

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Non-TransNet:</b>									
N/A	STL399	South Bay BRT Town Center Drive - Birch Rd.	\$ (84,208)	\$ 64,796	\$ -	\$ (7,366)	\$ 26,778	\$ -	(h)
Total Non-TransNet			(84,208)	64,796	-	(7,366)	26,778	-	
Total <i>TransNet</i> Extension and Non- <i>TransNet</i>			\$ 3,072,791	\$ 3,747,003	\$ 22,170	\$ (7,345,188)	\$ 45,640	\$ (457,584)	

Notes:

- (a) Project deficit has been covered by a drawdown which occurred in the first quarter of FY17.
- (b) Project completed.
- (c) Adjustment in the amount of \$569 to reverse staff time charges was approved by the City Council on November 15, 2016 per Resolution 2016-239. This CIP was cancelled.
- (d) A refund to SANDAG was approved by the City Council on February 23, 2016 per Resolution 2016-028.
- (e) City did not meet its match requirement and the payment from SANDAG was reduced by this amount. City staff will be going to Council in FY17 to reimburse the grant fund and cover this deficit.
- (f) Adjustment in the amount of \$20,908 to correct prior year funds received amount as project is complete.
- (g) Grant to be invoiced in FY17.
- (h) Adjustment in the amount of \$26,777 to reverse staff time charged to the project in error was approved by the City Council on November 15, 2016 per Resolution 2016-239.

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
CHV39	N/A	Regional Arterial Management Systems	\$ 62,000	\$ -	\$ (62,000)	\$ -
		Total Congestion Relief - Pass-Through	<u>62,000</u>	<u>-</u>	<u>(62,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CHV08	STL261	Willow Street Bridge Widening	<u>75,000</u>	<u>-</u>	<u>(73,912)</u>	<u>1,088</u>
CHV30	STM361	15 Multi-Modal Corridor Improv. Study	<u>402,940</u>	<u>-</u>	<u>(402,940)</u>	<u>-</u>
CHV39	TF350	Traffic Signal System Optimization	<u>676,552</u>	<u>833</u>	<u>(702,287)</u>	<u>(24,902)</u>
CHV40	STL337	Bayshore Bikeway Segment 7 & 8	<u>119,670</u>	<u>-</u>	<u>(119,670)</u>	<u>-</u>
CHV43	TF354	Traffic Congestion Relief Program	<u>263,670</u>	<u>-</u>	<u>(303,667)</u>	<u>(39,997)</u>
CHV44	TF344	I 805 Direct Access Ramp E H and E Palomar	255,684	-	(263,536)	(7,852)
CHV44	TF356	Otay Mesa Transportation System	<u>12,428</u>	<u>-</u>	<u>(7,291)</u>	<u>5,137</u>
		Total CHV 44 Projects	<u>268,112</u>	<u>-</u>	<u>(270,827)</u>	<u>(2,715)</u>
		Subtotal Congestion Relief	<u>1,805,944</u>	<u>833</u>	<u>(1,873,303)</u>	<u>(66,526)</u>

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Congestion Relief	\$ 1,805,944	\$ 833	\$ (1,873,303)	\$ (66,526)
CHV48	STL357	Pavement Major Rehabilitation Prop 1B	549,787	-	(549,787)	-
CHV48	STL371	Major Pavement Rehabilitation	1,184,044	-	(1,184,044)	-
CHV48	STL372	Pavement Major Rehabilitation FY11-12	2,129,380	-	(2,129,380)	-
CHV48	STM373	Pavement Major Rehabilitation FY12-13	3,087,079	-	(2,857,229)	229,850
CHV48	STM379	Pavement Major Rehabilitation FY13-14	3,436,108	-	(3,144,421)	291,687
CHV48	STM383	Pavement Major Rehab FY15	237,207	-	(246,259)	(9,052)
CHV48	STM387	Pavement Major Rehab FY16	13,304	-	(55,550)	(42,246)
CHV48	SW266	Oxford Street Sewer Improvement	140,000	-	(139,428)	572
		Total CHV 48 Projects	10,776,909	-	(10,306,098)	470,811
CHV51	STL359	Naples St & Oleander Ave CG/ADA	49,078	-	(56,931)	(7,853)
CHV51	STL382	Cross Gutter Rehabilitation	55,100	-	(60,287)	(5,187)
CHV51	DR204	Storm Drain Repairs Citywide	32,000	-	(45,922)	(13,922)
		Total CHV 51 Projects	136,178	-	(163,140)	(26,962)
CHV52	STL361	Industrial Blvd. Bike Ln / Ped Improvement	145,300	-	(141,534)	3,766
CHV54	STM367	So Broadway Improv Main to SthrnCity	1,377,239	-	(1,367,610)	9,629
CHV54	STM381	So Brdwy Imprv Main 2SthrnLimt	1,556,667	-	(1,556,667)	-
		Total CHV 54 Projects	2,933,906	-	(2,924,277)	9,629
CHV56	STL363	Sidewalk Safety Program I	93,180	-	(93,180)	-
		Subtotal Congestion Relief	15,891,417	833	(15,501,532)	390,718

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Congestion Relief	\$ 15,891,417	\$ 833	\$ (15,501,532)	\$ 390,718
CHV58	STL366	Moss Street Sidewalk Installation	271,416	-	(330,487)	(59,071)
CHV58	STL368	Oxford Street Sidewalk Installation	94,726	-	(87,408)	7,318
CHV58	STL369	Palomar Street Sidewalk Installation	196,328	-	(196,219)	109
CHV58	STL371	Sidewalk Installation E H Terra Nova	100,001	-	(100,001)	-
CHV58	STL378	Sidewalk Installation So & W of Hilltop & F	92,024	-	(92,024)	-
CHV58	STL394	Moss Street Corridor Improv. b/w 3rd & 4th	139,056	-	(149,981)	(10,925)
		Total CHV 58 Projects	893,551	-	(956,120)	(62,569)
CHV59	STL367	Naples Street Sidewalk Installation	549,998	-	(549,998)	-
CHV60	TF316	Signal Installation 2nd & Quintard	220,358	-	(220,358)	-
CHV60	TF319	Signal Modification Anita/Industrial	200,000	-	(200,000)	-
CHV60	TF373	Traffic Signal Mod Intersection 4th & G Street	225	-	(225)	-
CHV60	TF382	Traffic Signal Mod at Third Ave & Naples St	81,598	-	(78,302)	3,296
CHV60	TF383	Traffic Signal Instal at Industrial & Moss	245,662	-	(245,012)	650
		Total CHV 60 Projects	747,843	-	(743,897)	3,946
CHV64	TF396	Traffic Mgmt Cntr & Commn Mstr Pln 1	2,591	-	(93,636)	(91,045)
CHV67	TF377	Roadway Improv at Olympic & Brandywine	250,000	-	(239,814)	10,186
CHV70	STM377	Westbound E Orange Avenue Bike Gap	46,289	-	(46,289)	-
CHV70	STM384	Bike Lanes onBrdwy FsblyStudy	65,000	-	(95,000)	(30,000)
		Total CHV 70 Projects	111,289	-	(141,289)	(30,000)
		Subtotal Congestion Relief	18,446,689	833	(18,226,286)	221,236

**SCHEDULE B**

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	\$ 18,446,689	\$ 833	\$(18,226,286)	\$ 221,236
CHV77	TF395	SANDAG Main St Fiber Optic Addtl	1,734	-	(2,313)	(579)
CHV79	TF397	Raised Median Reconstruction	482	-	(30,436)	(29,954)
		Interest Income	-	24,805	-	24,805
		<b>Total Congestion Relief</b>	<u>18,448,905</u>	<u>25,638</u>	<u>(18,259,035)</u>	<u>215,508</u>
		<b>Maintenance:</b>				
CHV06	OP219	Pavement Management System	<u>376,612</u>	-	<u>(453,983)</u>	<u>(77,371)</u>
CHV22	OP202	CIP Advanced Planning	423,461	-	(442,606)	(19,145)
CHV22	OP208	CIP Management & Equipment Purchase	<u>45,873</u>	-	<u>(39,332)</u>	<u>6,541</u>
		<b>Total CHV 22 Projects</b>	<u>469,334</u>	-	<u>(481,938)</u>	<u>(12,604)</u>
CHV26	STL323	Pedestrian Master Plan	<u>129,928</u>	-	<u>(129,928)</u>	-
CHV33	STL375	Enhanced Traffic Calming Crosswalk	86,498	-	(67,628)	18,870
CHV33	STL389	Castle Park Middle School - Quintard Street	35,000	-	(724)	34,276
CHV33	STL410	Kellog Elem School Ped Improvement	2,189	-	(5,465)	(3,276)
CHV33	STM380	Sidewalk Replacement E H Street Study	30,703	-	(32,382)	(1,679)
CHV33	TF345	School Zone Traffic Calming	206,250	-	(224,932)	(18,682)
CHV33	TF362	Kids Walk/Bike to School Phase II	154,346	-	(154,592)	(246)
CHV33	TF384	Lauderbach Elem. Pedestrian Imprv	<u>5,000</u>	-	<u>(6,798)</u>	<u>(1,798)</u>
		<b>Total CHV 33 Projects</b>	<u>519,986</u>	-	<u>(492,521)</u>	<u>27,465</u>
		<b>Subtotal Maintenance</b>	<u>1,495,860</u>	-	<u>(1,558,370)</u>	<u>(62,510)</u>

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Maintenance	\$ 1,495,860	\$ -	\$ (1,558,370)	\$ (62,510)
CHV34	TF327	Neighborhood Safety Program	673,989	-	(762,182)	(88,193)
CHV34	TF394	Ped Crosswalk Enhance @ Uncntrldln	321	-	(1,954)	(1,633)
		Total CHV 34 Projects	<u>674,310</u>	<u>-</u>	<u>(764,136)</u>	<u>(89,826)</u>
CHV35	TF325	Transportation Planning Program	200,000	-	(200,000)	-
CHV35	TF332	Signing and Stripping Program	294,478	-	(295,823)	(1,345)
CHV35	TF366	Traffic Signal & St. Lighting Upgrade / Maint.	1,054,443	-	(1,090,084)	(35,641)
CHV35	TF385	Signing and Stripping Elementary Schools	247,924	-	(247,924)	-
CHV35	TF393	Internally Illuminated SNS Convrsn	23,004	-	(30,069)	(7,065)
		Total CHV 35 Projects	<u>1,819,849</u>	<u>-</u>	<u>(1,863,900)</u>	<u>(44,051)</u>
CHV45	STM369	Bikeway Facilities Gap Project	249,326	-	(255,370)	(6,044)
CHV45	TF274	Traffic Count	117,916	-	(127,362)	(9,446)
CHV45	TF321	Citywide Traffic Count Program	316,133	-	(315,580)	553
CHV45	TF392	Palomar St Traffic Data Collection	17,300	-	(18,393)	(1,093)
		Total CHV 45 Projects	<u>700,675</u>	<u>-</u>	<u>(716,705)</u>	<u>(16,030)</u>
CHV46	TF368	Harborside Elementary Pedestrian Improv.	234,395	556	(234,951)	-
CHV47	TF367	Urban Core Svcs Level Threshold Study	20,000	663	(5,409)	15,254
		Subtotal Maintenance	<u>4,945,089</u>	<u>1,219</u>	<u>(5,143,471)</u>	<u>(197,163)</u>

**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Maintenance	\$ 4,945,089	\$ 1,219	\$ (5,143,471)	\$ (197,163)
CHV50	DR192	Emergency Storm Darin Repairs F St.	229,354	-	(229,354)	-
CHV50	DR193	Storm Drain Pipe Rehab Project For FY2013	667,122	-	(610,276)	56,846
CHV50	DR196	CMP Rehabilitation Program FY13-14	775,554	-	(802,983)	(27,429)
CHV50	DR197	Emrg Strm Drn Rehab algBrndywn	30,318	-	(30,318)	-
CHV50	DR198	Storm Drain Pipe Rehab FY15	57,956	-	(53,247)	4,709
CHV50	DR202	Storm Drain Rehab Proj FY15/16	5,573	-	(5,573)	-
CHV50	STM385	Bridge Maintenance	24,727	-	(25,368)	(641)
		Total CHV 50 Projects	<u>1,790,604</u>	<u>-</u>	<u>(1,757,119)</u>	<u>33,485</u>
CHV53	STL404	Bikeway Master Plan2016 Update	2,570	-	(3,100)	(530)
CHV61	DR187	Box Culvert at Bonita Road/Allen	150,000	-	(150,000)	-
CHV75	STL405	ADA Curb Ramps FY2014/15	71,291	-	(90,925)	(19,634)
CHV78	OP228	Sweetwater River Pathway Study	144	-	(144)	-
		Interest Income	<u>-</u>	<u>10,630</u>	<u>-</u>	<u>10,630</u>
		Total Maintenance	<u>6,959,698</u>	<u>11,849</u>	<u>(7,144,759)</u>	<u>(173,212)</u>
		Total Local Street Improvements	<u>25,470,603</u>	<u>37,487</u>	<u>(25,465,794)</u>	<u>42,296</u>
		<b>Major Corridor Environmental Mitigation:</b>				
V08	OP218	Cactus Wren Habitat Rehabilitation	356,479	-	(356,479)	-
V08	OP221	PMA Otay Tarplant &SD Thornmnt	265,149	-	(268,380)	(3,231)
V08	OP222	Coastal Cactus Wren Habitat Restoration	178,601	-	(178,601)	-
V08	OP227	Cstl Ccts WrenHabitat Restrnt	49,296	-	(49,296)	-
		Total Major Corridor Environmental Mitigation	<u>849,525</u>	<u>-</u>	<u>(852,756)</u>	<u>(3,231)</u>



**CITY OF CHULA VISTA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Smart Growth:</b>						
CHV63	OP217	Palomar Gateway Specific Plan	\$ 395,192	\$ -	\$ (381,026)	\$ 14,166
CHV73	STL400	Palomar Gateway Specific Plan	1,011,305	-	(1,344,671)	(333,366)
CHV73	STL406	3rd Ave Streetscp Imprv Phs 3	-	-	(200,610)	(200,610)
Total CHV 73 Projects			<u>1,011,305</u>	<u>-</u>	<u>(1,545,281)</u>	<u>(533,976)</u>
CHV74	N/A	Healthy Chula Vista Initiative	<u>99,636</u>	<u>-</u>	<u>(94,970)</u>	<u>4,666</u>
Total Smart Growth			<u>1,506,133</u>	<u>-</u>	<u>(2,021,277)</u>	<u>(515,144)</u>
<b>Bike and Pedestrian:</b>						
CHV71	STM378	Main Street Streetscape Master Plan	299,981	-	(299,981)	-
CHV76	STL412	F Street Promenade Streetscape Masterplan	<u>13,141</u>	<u>-</u>	<u>-</u>	<u>13,141</u>
Total Bike and Pedestrian			<u>313,122</u>	<u>-</u>	<u>(299,981)</u>	<u>13,141</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>28,139,383</u>	<u>37,487</u>	<u>(28,639,808)</u>	<u>(462,938)</u>
<b>Completed Projects:</b>						
Congestion Relief			6,723,967	4,132	(6,728,099)	-
Maintenance			1,066,130	-	(1,066,130)	-
Smart Growth			2,283,899	-	(2,283,899)	-
Bike and Pedestrian			<u>79,544</u>	<u>-</u>	<u>(79,544)</u>	<u>-</u>
Total Completed Projects			<u>10,153,540</u>	<u>4,132</u>	<u>(10,157,672)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 38,292,923</u>	<u>\$ 41,619</u>	<u>\$ (38,797,480)</u>	<u>\$ (462,938)</u>

CITY OF CHULA VISTA CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			
			Funds Received	Interest Income	Project Expenditures	Cumulative Status June 30, 2016    June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016		\$ 212,818	\$ 2,430	\$ (215,248)	\$ -    \$ -
For Fiscal Year ended June 30, 2010	June 30, 2017		28,343	4,483	(32,826)	-    -
For Fiscal Year ended June 30, 2011	June 30, 2018		5,467	1,911	(7,378)	-    -
For Fiscal Year ended June 30, 2012	June 30, 2019		39,992	1,243	(41,235)	-    19,543
For Fiscal Year ended June 30, 2013	June 30, 2020		67,830	562	(68,392)	-    68,392
For Fiscal Year ended June 30, 2014	June 30, 2021		52,116	951	(17,032)	36,035    53,067
For Fiscal Year ended June 30, 2015	June 30, 2022		90,931	502	-	91,433    97,877
For Fiscal Year ended June 30, 2016	June 30, 2023		90,345	-	-	90,345    -
Interest Income			-	2,514	-	2,514    -
Subtotal RTCIP Funds			587,842	14,596	(382,111)	220,327    238,879
GASB 31 Market Value Adjustment			-	1,938	-	1,938    223
Total RTCIP Funds			\$ 587,842	\$ 16,534	\$ (382,111)	\$ 222,265    \$ 239,102

**CITY OF CORONADO, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Coronado, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: The City recorded total *TransNet* expenditures in the amount of \$994,176. We selected \$431,141 (43.37%) for testing. No exceptions were noted as a result of our procedures.
- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.
- Results: No exceptions were noted as a result of our procedures.
- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, and documented the recipient agency's plan to resolve 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.
- Results: This procedure is not applicable as there were no indirect costs allocated to projects included within the RTIP.
- g. We reviewed 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 reported on Schedule A.

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

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

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

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

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

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

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

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

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

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

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

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

- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP

followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no adjustments reported on 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 fund balance 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 indicated below:

Fiscal year 2016 apportionment	\$575,653
Less: debt service payment	<u>          -</u>
Net estimated apportionment	575,653
30% base	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>172,696</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(101,624)
Maintenance fund balance	<u>          3,435</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(98,189)</u>
Fund balance under apportionment	<u>\$270,885</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(101,624)	\$ (293,869)	\$(395,493)
Maintenance	<u>          3,435</u>	<u>          1,385,519</u>	<u>          1,388,954</u>
Totals	<u>\$(98,189)</u>	<u>\$1,091,650</u>	<u>\$ 993,461</u>

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

Results: The City has expended 1.37% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$3,712,225	\$ (347,323)	\$3,364,902
Maintenance	70,000	1,372,100	1,442,100
Interest	<u>8,860</u>	<u>66,873</u>	<u>75,733</u>
Total local street and road revenue	<u>\$3,791,085</u>	<u>\$1,091,650</u>	<u>\$4,882,735</u>
30% of total local street and road revenue			\$1,464,820
Less maintenance expenditures incurred to date			<u>66,888</u>
Available maintenance funds			<u>\$1,397,932</u>
Cumulative percentage expended for maintenance			<u>1.37%</u>

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$1,543,056
Less MOE base year requirement	<u>(685,316)</u>
Excess MOE for the year ended June 30, 2016	<u>\$857,740</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 have any RTCIP expenditures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 August 29, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF CORONADO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Congestion Relief:</b>									
COR 07	9835-14SCG	Street, Curb & Gutter-FY14	\$ (7,428)	\$ 465,963	\$ (20)	\$ (458,515)	\$ -	\$ -	(a)
COR 07	9863-15SCG	Street, Curb & Gutter-FY15	-	434,037	-	(535,661)	-	(101,624)	(a)(b)
Total Congestion Relief			(7,428)	900,000	(20)	(994,176)	-	(101,624)	
<b>Maintenance:</b>									
COR 04	9869-SLRYSEAL	Street and Road Maintenance	3,426	-	9	-	-	3,435	(c)
Total Maintenance			3,426	-	9	-	-	3,435	
Subtotal <i>TransNet</i> Extension			(4,002)	900,000	(11)	(994,176)	-	(98,189)	
GASB 31 Market Value Adjustment			(3,630)	-	-	-	-	(3,630)	
Total <i>TransNet</i> Extension			<u>\$ (7,632)</u>	<u>\$ 900,000</u>	<u>\$ (11)</u>	<u>\$ (994,176)</u>	<u>\$ -</u>	<u>\$ (101,819)</u>	

Notes:

- (a) Project completed as of June 30, 2016.
- (b) Drawdown was requested and received from SANDAG in September 2016, thus eliminating the negative balance.
- (c) Engineering Department will use these funds towards the FY17 slurry seal project.

**CITY OF CORONADO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
COR 07	9835-14SCG	Street, Curb & Gutter-FY14	\$ 625,790	\$ (20)	\$ (625,770)	\$ -
COR 07	9863-15SCG	Street, Curb & Gutter-FY15	<u>434,037</u>	<u>-</u>	<u>(535,661)</u>	<u>(101,624)</u>
		Total Congestion Relief	<u>1,059,827</u>	<u>(20)</u>	<u>(1,161,431)</u>	<u>(101,624)</u>
<b>Maintenance:</b>						
COR 04	9869-SLRYSEAL	Street and Road Maintenance	<u>70,000</u>	<u>323</u>	<u>(66,888)</u>	<u>3,435</u>
		Total Maintenance	<u>70,000</u>	<u>323</u>	<u>(66,888)</u>	<u>3,435</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>1,129,827</u>	<u>303</u>	<u>(1,228,319)</u>	<u>(98,189)</u>
<b>Completed Projects:</b>						
		Congestion Relief	<u>2,652,398</u>	<u>8,557</u>	<u>(2,660,955)</u>	<u>-</u>
		Total Completed Projects	<u>2,652,398</u>	<u>8,557</u>	<u>(2,660,955)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 3,782,225</u>	<u>\$ 8,860</u>	<u>\$ (3,889,274)</u>	<u>\$ (98,189)</u>



**CITY OF CORONADO, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	COR14	\$ 6,000	\$ 1,374	(7,374)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	COR14	2,040	381	(2,421)	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	COR14	16,648	545	(15,205)	1,988	1,984
For Fiscal Year ended June 30, 2012	June 30, 2019	COR14	6,369	221	-	6,590	6,577
For Fiscal Year ended June 30, 2013	June 30, 2020	COR14	4,330	83	-	4,413	4,404
For Fiscal Year ended June 30, 2014	June 30, 2021	COR14	35,820	373	-	36,193	36,121
For Fiscal Year ended June 30, 2015	June 30, 2022	COR14	24,273	164	-	24,437	24,388
For Fiscal Year ended June 30, 2016	June 30, 2023	COR14	<u>18,536</u>	<u>37</u>	<u>-</u>	<u>18,573</u>	<u>-</u>
Subtotal RTCIP Funds			114,016	3,177	(25,000)	92,194	73,474
GASB 31 Market Value Adjustment			<u>-</u>	<u>449</u>	<u>-</u>	<u>449</u>	<u>469</u>
Total RTCIP Funds			<u>\$ 114,016</u>	<u>\$ 3,626</u>	<u>\$ (25,000)</u>	<u>\$ 92,643</u>	<u>\$ 73,943</u>

Note: Current year interest allocated based on beginning balance of prior years collections (plus previously allocated interest less current year expenditures) and current year RTCIP collections.

**CITY OF DEL MAR, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Del Mar, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$1,635,314. We selected \$671,723 (41.08%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

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

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

Results: 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 the City did not transfer funds between projects during the fiscal year ended June 30, 2016.

- 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, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 8. We reviewed that the ending fund balance 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 indicated on the following page:

Fiscal year 2016 apportionment	\$195,421
Less: debt service payment	<u>(199,347)</u>
Net estimated apportionment	(3,926)
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>(1,178)</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(8,305)
Maintenance fund balance	<u>1,000</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(7,305)</u>
Fund balance under apportionment	<u>\$ 6,127</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(8,305)	\$(86,721)	\$(95,026)
Maintenance	<u>1,000</u>	<u>95,391</u>	<u>96,391</u>
Totals	<u>\$(7,305)</u>	<u>\$ 8,670</u>	<u>\$ 1,365</u>

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

Results: The City has expended 7.49% of cumulative local street and road revenue for maintenance as indicated on the following page:



	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$4,855,955	\$(91,400)	\$4,764,555
Maintenance	394,626	94,425	489,051
Interest	<u>4,008</u>	<u>5,645</u>	<u>9,653</u>
Total local street and road revenue	<u>\$5,254,589</u>	<u>\$ 8,670</u>	<u>\$5,263,259</u>
30% of total local street and road revenue			\$1,578,978
Less maintenance expenditures incurred to date			<u>394,270</u>
Available maintenance funds			<u>\$1,184,708</u>
Cumulative percentage expended for maintenance			<u>7.49%</u>

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

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2014 Series A Bonds	\$2,987,500	\$ -	\$50,000	\$2,937,500	\$149,347

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.
  - 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, 2016, is summarized on the following page:

	<u>Streets and Roads</u>	<u>Specialized Transportation</u>	<u>Total</u>
Current year local discretionary expenditures	\$2,644,394	\$23,500	\$2,667,894
Less MOE base year requirement	<u>(368,365)</u>	<u>(16,973)</u>	<u>(385,338)</u>
Excess MOE for the year ended June 30, 2016	<u>\$2,276,029</u>	<u>\$ 6,527</u>	<u>\$2,282,556</u>

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

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

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

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

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

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

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

Results: This procedure is not applicable as the agency did not receive any exaction fees during the fiscal year ended June 30, 2016.

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

Results: The City recorded total RTCIP expenditures in the amount of \$4,490. We selected \$4,490 (100.00%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 8, 2016.

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

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

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

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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

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

*Dennis J. Lee*

Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF DEL MAR, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
DM02	44.6121.5900	Local Match to Bridge Retrofit Projects	\$ 3,518	\$ -	\$ -	\$ (323)	\$ -	\$ 3,195	
DM04	44.6124.5900/ 44.6511.5900	Camino del Mar Major Rehabilitation	477	-	-	-	(477)	-	(a)
DM06	44.6509.5900	Sidewalk, Street and Drainage Project 2014 Series A Bond	421,394	201,007	1,243	(623,644)	(11,500)	(11,500)	(b)(c)
			<u>-</u>	<u>199,347</u>	<u>-</u>	<u>(199,347)</u>	<u>-</u>	<u>-</u>	
		Total Congestion Relief	<u>425,389</u>	<u>400,354</u>	<u>1,243</u>	<u>(823,314)</u>	<u>(11,977)</u>	<u>(8,305)</u>	
<b>Maintenance:</b>									
DM01	44.6101.5900	Resurfacing and Drainage Project	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	
		Total Maintenance	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	
		Total Local Street Improvements	<u>426,389</u>	<u>400,354</u>	<u>1,243</u>	<u>(823,314)</u>	<u>(11,977)</u>	<u>(7,305)</u>	
<b>Bikes and Pedestrian:</b>									
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	<u>-</u>	<u>730,800</u>	<u>-</u>	<u>(812,000)</u>	<u>-</u>	<u>(81,200)</u>	(d)
		Total Bikes and Pedestrian	<u>-</u>	<u>730,800</u>	<u>-</u>	<u>(812,000)</u>	<u>-</u>	<u>(81,200)</u>	
		Subtotal <i>TransNet</i> Extension	<u>426,389</u>	<u>1,131,154</u>	<u>1,243</u>	<u>(1,635,314)</u>	<u>(11,977)</u>	<u>(88,505)</u>	
		GASB 31 Market Value Adjustment	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9)</u>	
		Total <i>TransNet</i> Extension	<u>\$ 426,380</u>	<u>\$ 1,131,154</u>	<u>\$ 1,243</u>	<u>\$ (1,635,314)</u>	<u>\$ (11,977)</u>	<u>\$ (88,514)</u>	

Notes:

- (a) DM04 was closed and the remaining balance was returned to SANDAG on June 10, 2016.
- (b) Funds received for DM06 include \$201,007 in bond proceeds received by the City on November 22, 2016.
- (c) Adjustment of \$11,500 in funds previously received are returned *TransNet* funds to cover the shortfall of lower than expected sales tax growth in FY 2016. The shortfall was paid with General Fund monies and will be reimbursed when sufficient *TransNet* funds are collected.
- (d) Funds received for DM06 exclude \$81,200, funds which represents retention withheld and is being held by SANDAG until project is completed.

**CITY OF DEL MAR, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Congestion Relief:</b>						
DM02	44.6121.5900	Local Match to Bridge Retrofit Projects	\$ 207,386	\$ 459	\$ (204,650)	\$ 3,195
DM04	44.6124.5900/					
	44.6511.5900	Camino del Mar Major Rehabilitation	704,223	1,411	(705,634)	-
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	3,600,507	1,494	(3,613,501)	(11,500)
		2014 Series A Bonds	<u>342,757</u>	<u>-</u>	<u>(342,757)</u>	<u>-</u>
		Total Congestion Relief	<u>4,854,873</u>	<u>3,364</u>	<u>(4,866,542)</u>	<u>(8,305)</u>
<b>Maintenance:</b>						
DM01	44.6101.5900	Resurfacing and Drainage Project	<u>394,626</u>	<u>644</u>	<u>(394,270)</u>	<u>1,000</u>
		Total Maintenance	<u>394,626</u>	<u>644</u>	<u>(394,270)</u>	<u>1,000</u>
			<u>5,249,499</u>	<u>4,008</u>	<u>(5,260,812)</u>	<u>(7,305)</u>
<b>Bikes and Pedestrian:</b>						
DM06	44.6509.5900	Sidewalk, Street and Drainage Project	<u>730,800</u>	<u>-</u>	<u>(812,000)</u>	<u>(81,200)</u>
			<u>730,800</u>	<u>-</u>	<u>(812,000)</u>	<u>(81,200)</u>
<b>Local Street Improvements:</b>						
		Commercial Paper Debt Service	<u>1,082</u>	<u>-</u>	<u>(1,082)</u>	<u>-</u>
			<u>1,082</u>	<u>-</u>	<u>(1,082)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 5,981,381</u>	<u>\$ 4,008</u>	<u>\$ (6,073,894)</u>	<u>\$ (88,505)</u>



**CITY OF DEL MAR, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	Cumulative			Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 14,000	\$ 342	\$ (14,342)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	-	-	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	-	-	-	-	-
For Fiscal Year ended June 30, 2013	June 30, 2020	2,165	84	(2,249)	-	2,224
For Fiscal Year ended June 30, 2014	June 30, 2021	2,209	49	(2,241)	17	2,232
For Fiscal Year ended June 30, 2015	June 30, 2022	-	-	-	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023	-	-	-	-	-
<b>Total RTCIP Funds</b>		<b>\$ 18,374</b>	<b>\$ 475</b>	<b>\$ (18,832)</b>	<b>\$ 17</b>	<b>\$ 4,456</b>

**CITY OF EL CAJON, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of El Cajon, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$2,567,208. We selected \$728,668 (28.38%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016. The City's indirect cost plan has not been reviewed by a cognizant agency. The City allocates costs to capital projects using a fully-burdened hourly rate multiplied by the actual hours worked. We reviewed the components of the fully-burdened rate and found them to be reasonable. The City's indirect cost plan was last updated during the fiscal year ended June 30, 2015, and the new plan is currently being reviewed to cover the next two fiscal years. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

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

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

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

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

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

- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: No exceptions were noted as a result of our procedures.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.  
  
Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending fund balance 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 2016 apportionment	\$2,353,369
Less: debt service payment	<u>          -</u>
Net estimated apportionment	2,353,369
30% base	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>      706,011</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(215,977)
Maintenance fund balance	<u>      9,492</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(206,485)</u>
Fund balance under apportionment	<u>\$912,496</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(215,977)	\$ 337,977	\$ 553,954
Maintenance	<u>      9,492</u>	<u>  2,414,098</u>	<u>  2,423,590</u>
Totals	<u>\$(206,485)</u>	<u>\$2,752,075</u>	<u>\$2,977,544</u>

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

Results: The City has expended 16.97% of cumulative local street and road revenue for maintenance as indicated on the following page:



	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$12,676,478	\$ 198,119	\$12,874,597
Maintenance	3,164,761	2,366,093	5,530,854
Interest	<u>5,596</u>	<u>187,863</u>	<u>193,459</u>
 Total local street and road revenue	 <u>\$15,846,835</u>	 <u>\$2,752,075</u>	 <u>\$18,598,910</u>
 30% of total local street and road revenue			 \$ 5,579,673
Less maintenance expenditures incurred to date			 <u>(3,156,947)</u>
 Available maintenance funds			 <u>\$ 2,422,726</u>
 Cumulative percentage expended for maintenance			 <u>16.97%</u>

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

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$1,979,932
Less MOE base year requirement	<u>(1,403,896)</u>
Excess MOE for the year ended June 30, 2016	<u>\$ 576,036</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$2,363. We selected \$2,363 (100.00%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

SCHEDULE A

CITY OF EL CAJON, CALIFORNIA  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
EL06	N/A	Regional Arterial Management Systems	\$ -	\$ 9,700	\$ -	\$ (9,700)	\$ -	\$ -	
Total Congestion Relief - Pass-Through			-	9,700	-	(9,700)	-	-	
<b>Congestion Relief:</b>									
EL03	PW3510	Overlay Thoroughfares 2015	92,044	1,155,000	-	(1,257,851)	-	(10,807)	(a)
EL03	PW3513	Street Resurfacing/Preservation 2015	-	-	-	(3,347)	-	(3,347)	(a)
Total EL03 Projects			92,044	1,155,000	-	(1,261,198)	-	(14,154)	
EL06	PW3409	Traffic Signals- Broadway & 3rd	(2,253)	-	-	-	2,253	-	(b)
EL06	PW3493	Traffic Signals- 2nd & Jamacha	-	2,337	-	(2,337)	-	-	
EL06	PW3514	Traffic Signal Head Upgrades (Citywide)	-	1,839	-	(1,839)	-	-	
EL06	PW3515	Traffic Signals- Avacado & Ballantyne	-	38,671	-	(38,671)	-	-	
EL06	PW3516	Traffic Signals- Fletcher Parkway & Broadway	13,442	38,529	-	(31,028)	-	20,943	
EL06	PW3549	Traffic Signal System Upgrade 2016	-	1,624	-	(1,624)	-	-	
Total EL06 Projects			11,189	83,000	-	(75,499)	2,253	20,943	
EL18	PW3541	Streetlights	-	-	-	(17,509)	-	(17,509)	(a)
EL27	PW3432	Pedestrian Safety Greenfield	52,698	475,000	-	(770,637)	-	(242,939)	(a)
EL28	PW3402	Intersection Jamacha / Main	-	-	-	-	2,125	2,125	(c) (d)
EL29	PW3491	Traffic Safety Calming	(2,366)	140,300	-	(106,936)	-	30,998	(d)
EL30	PW3482	Second & Madison Intersection Improvement	1,657	-	-	(1,016)	-	641	(d)
Interest Income			3,378	-	540	-	-	3,918	
Total Congestion Relief			158,600	1,853,300	540	(2,232,795)	4,378	(215,977)	

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Maintenance:</b>									
EL11	PW3405	Sidewalk	\$ 5,094	\$ 55,000	\$ -	\$ (77,436)	\$ -	\$ (17,342)	(a)
EL21	PW3513	Street Resurfacing/Preservation 2015	20,315	230,000	-	(235,838)	-	14,477	
EL25	PW3375	Slope Repair Fletcher Pkwy	6,079	-	-	-	-	6,079	
EL32	PW3511	Pavement Management System	-	5,000	-	(400)	-	4,600	
		Interest Income	1,447	-	231	-	-	1,678	
		<b>Total Maintenance</b>	<u>32,935</u>	<u>290,000</u>	<u>231</u>	<u>(313,674)</u>	<u>-</u>	<u>9,492</u>	
		<b>Total Local Street improvements</b>	<u>191,535</u>	<u>2,153,000</u>	<u>771</u>	<u>(2,556,169)</u>	<u>4,378</u>	<u>(206,485)</u>	
<b>Smart Growth:</b>									
EL33	MG3545	El Cajon Transit Center Mobility Plan	-	-	-	(11,039)	-	(11,039)	(a)
		<b>Total Smart Growth</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,039)</u>	<u>-</u>	<u>(11,039)</u>	
		<b>Total TransNet Extension</b>	<u>191,535</u>	<u>2,153,000</u>	<u>771</u>	<u>(2,567,208)</u>	<u>4,378</u>	<u>(217,524)</u>	
		<b>GASB 31 Fair Market Value Adjustment</b>	<u>(1,523)</u>	<u>-</u>	<u>274</u>	<u>-</u>	<u>-</u>	<u>(1,249)</u>	
		<b>Total TransNet Extension after GASB 31 Adjustment</b>	<u>\$ 190,012</u>	<u>\$ 2,153,000</u>	<u>\$ 1,045</u>	<u>\$ (2,567,208)</u>	<u>\$ 4,378</u>	<u>\$ (218,773)</u>	

**Notes:**

- (a) Expenditures incurred during FY16. The City will request funds during FY17.
- (b) The City completed a review of the accounting for this project and noted it was funded with grant dollars and not TransNet. The City adjustment is to correct the misapplied expenditures.
- (c) The City analyzed expenditures for EL28 and noted that an incorrect amount was charged in FY15 as the project is partially grant funded. As a result, in FY16 the City made an adjusting journal entry to EL28 to correct the misapplied expenditures charged to TransNet, resulting in a positive balance at the end of year.
- (d) Balances from completed projects will be reallocated in the first quarter of FY17 in accordance with the 2016 RTIP amendment schedule.

**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
EL06	N/A	Regional Arterial Management Systems	\$ 38,800	\$ -	\$ (38,800)	\$ -
Total Congestion Relief - Pass-Through			<u>38,800</u>	<u>-</u>	<u>(38,800)</u>	<u>-</u>
<b>Congestion Relief:</b>						
EL03	PW3510	Overlay Thoroughfares 2015	1,302,830	-	(1,313,637)	(10,807)
EL03	PW3513	Street Resurfacing/Preservation 2015	<u>-</u>	<u>-</u>	<u>(3,347)</u>	<u>(3,347)</u>
Total EL03 Projects			<u>1,302,830</u>	<u>-</u>	<u>(1,316,984)</u>	<u>(14,154)</u>
EL06	PW3409	Traffic Signals- Broadway & 3rd	2,253	-	(2,253)	-
EL06	PW3493	Traffic Signals- 2nd & Jamacha	2,337	-	(2,337)	-
EL06	PW3514	Traffic Signal Head Upgrades (Citywide)	1,839	-	(1,839)	-
EL06	PW3515	Traffic Signals- Avacado & Ballantyne	38,671	-	(38,671)	-
EL06	PW3516	Traffic Signals- Fletcher Parkway & Broadway	51,647	-	(30,704)	20,943
EL06	PW3549	Traffic Signal System Upgrade 2016	<u>1,624</u>	<u>-</u>	<u>(1,624)</u>	<u>-</u>
Total EL06 Projects			<u>98,371</u>	<u>-</u>	<u>(77,428)</u>	<u>20,943</u>
EL18	PW3541	Streetlights	<u>-</u>	<u>-</u>	<u>(17,509)</u>	<u>(17,509)</u>
EL27	PW3432	Pedestrian Safety Greenfield	<u>807,000</u>	<u>-</u>	<u>(1,049,939)</u>	<u>(242,939)</u>
EL28	PW3402	Intersection Jamacha / Main	<u>190,650</u>	<u>-</u>	<u>(188,525)</u>	<u>2,125</u>
EL29	PW3491	Traffic Safety Calming	<u>179,775</u>	<u>-</u>	<u>(148,777)</u>	<u>30,998</u>
Subtotal Congestion Relief			<u>2,578,626</u>	<u>-</u>	<u>(2,799,162)</u>	<u>(220,536)</u>



**CITY OF EL CAJON, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Congestion Relief	\$ 2,578,626	\$ -	\$ (2,799,162)	\$ (220,536)
EL30	PW3482	Second & Madison Intersection Improvement	346,323	-	(345,682)	641
		Interest Income	<u>-</u>	<u>3,918</u>	<u>-</u>	<u>3,918</u>
		Total Congestion Relief	<u>2,924,949</u>	<u>3,918</u>	<u>(3,144,844)</u>	<u>(215,977)</u>
		<b>Maintenance:</b>				
EL11	PW3405	Sidewalk	315,956	-	(333,298)	(17,342)
EL21	PW3513	Street Resurfacing/Preservation 2015	276,909	-	(262,432)	14,477
EL25	PW3375	Slope Repair Fletcher Pkwy & Murry Dr.	159,000	-	(152,921)	6,079
EL32	PW3511	Pavement Management System	5,000	-	(400)	4,600
		Interest Income	<u>-</u>	<u>1,678</u>	<u>-</u>	<u>1,678</u>
		Total Maintenance	<u>756,865</u>	<u>1,678</u>	<u>(749,051)</u>	<u>9,492</u>
		Total Local Street Improvements	<u>3,720,614</u>	<u>5,596</u>	<u>(3,932,695)</u>	<u>(206,485)</u>
		<b>Smart Growth:</b>				
EL33	MG3545	El Cajon Transit Center Mobility Plan	<u>-</u>	<u>-</u>	<u>(11,039)</u>	<u>(11,039)</u>
		Total Smart Growth	<u>-</u>	<u>-</u>	<u>(11,039)</u>	<u>(11,039)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>3,720,614</u>	<u>5,596</u>	<u>(3,943,734)</u>	<u>(217,524)</u>
		<b>Completed Projects:</b>				
		Congestion Relief	9,712,729	-	(9,712,729)	-
		Maintenance	<u>2,407,896</u>	<u>-</u>	<u>(2,407,896)</u>	<u>-</u>
		Total Completed Projects	<u>12,120,625</u>	<u>-</u>	<u>(12,120,625)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 15,841,239</u>	<u>\$ 5,596</u>	<u>\$ (16,064,359)</u>	<u>\$ (217,524)</u>

CITY OF EL CAJON CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2016	June 30, 2015	
For Fiscal Year ended June 30, 2009	June 30, 2016		\$ 2,000	\$ 148	\$ (2,148)	\$ -	\$ -		
For Fiscal Year ended June 30, 2010	June 30, 2017		89,760	4,358	(33,302)	-	60,816	63,179	
For Fiscal Year ended June 30, 2011	June 30, 2018		22,440	690	-	-	23,130	22,679	(a)
For Fiscal Year ended June 30, 2012	June 30, 2019		451	10	-	-	461	461	
For Fiscal Year ended June 30, 2013	June 30, 2020		19,485	221	-	-	19,706	19,706	
For Fiscal Year ended June 30, 2014	June 30, 2021		50,807	334	-	(766)	50,375	50,375	(b)
For Fiscal Year ended June 30, 2015	June 30, 2022		132,986	442	-	-	133,428	133,428	
For Fiscal Year ended June 30, 2016	June 30, 2023		13,860	-	-	-	13,860	-	
Interest Income			-	991	-	-	991	-	
Total RTCIP Funds			<u>\$ 331,789</u>	<u>\$ 7,194</u>	<u>\$ (35,450)</u>	<u>\$ (766)</u>	<u>\$ 302,767</u>	<u>\$ 289,828</u>	

Notes:

- (a) In FY14, the City posted and adjustment to reduce the FY11 revenue by \$451, which understated the total RTCIP funds received. The City removed this adjustment in FY16 in order to properly state RTCIP funds by fiscal year.
- (b) Adjustment to reverse accrued interest from FY09 to FY13.

**CITY OF ENCINITAS, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Encinitas, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$2,495,458. We selected \$681,514 (27.31%) for testing. No exceptions were noted as a result of our procedures.

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

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

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

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: 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, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8. We reviewed that the ending fund balance 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 indicated on the following page:



Fiscal year 2016 apportionment	\$1,597,563
Less: debt service payment	<u>-</u>
Net estimated apportionment	1,597,563
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>479,269</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	292,516
Maintenance fund balance	<u>(107,947)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>184,569</u>
Fund balance under apportionment	<u>\$ 294,700</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$292,516	\$1,310,766	\$1,603,282
Maintenance	<u>(107,947)</u>	<u>3,283,461</u>	<u>3,175,514</u>
Totals	<u>\$184,569</u>	<u>\$4,594,227</u>	<u>\$4,778,796</u>

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

Results: The City has expended 9.36% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$ 9,176,134	\$1,106,885	\$10,283,019
Maintenance	1,303,370	3,214,326	4,517,696
Interest	<u>5,981</u>	<u>273,016</u>	<u>278,997</u>
 Total local street and road revenue	 <u>\$10,485,485</u>	 <u>\$4,594,227</u>	 <u>\$15,079,712</u>
 30% of total local street and road revenue			 \$ 4,523,914
Less maintenance expenditures incurred to date			 <u>1,411,705</u>
 Available maintenance funds			 <u>\$ 3,112,209</u>
 Cumulative percentage expended for maintenance			 <u>9.36%</u>

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

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized as indicated on the following page:

	<u>Streets and Roads</u>	<u>Specialized Transportation</u>	<u>Total</u>
Current year local discretionary expenditures	\$5,717,372	\$5,151	\$5,722,523
Less MOE base year requirement	<u>(1,665,638)</u>	<u>(46)</u>	<u>(1,665,684)</u>
Excess MOE for the year ended June 30, 2016	<u>\$4,051,734</u>	<u>\$5,105</u>	<u>\$4,056,839</u>

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

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

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

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

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

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 have any RTCIP expenditures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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 have any RTCIP expenditures.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 7, 2016.

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

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

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

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

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

Results: The City had one prior year finding related to exaction fee collections. In the prior year, the City undercollected the exactions by \$45. During the year ended June 30, 2016, the City collected this prior year undercollection. As such, this 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: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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

*Daniel Tam UP*

Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief Pass-Through:</b>									
ENC28	CS02G	Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
ENC14A	CS15A	FY 14/15 Annual Street Overlay	140,300	-	1,440	-	(141,740)	-	(a)(b)
ENC14A	CS16A	FY 15/16 Annual Street Overlay	-	1,865,565	-	(2,005,865)	141,740	1,440	(a)
		Total ENC 14A Projects	140,300	1,865,565	1,440	(2,005,865)	-	1,440	
ENC19	CS02F	Traffic safety and calming	-	32,678	-	-	(30,517)	2,161	(a)
ENC19	CS14B	Traffic Calming School Safety/Sidewalks (Montgomery to Mozart)	(30,517)	-	-	-	30,517	-	(a)(c)
		Total ENC 19 Projects	(30,517)	32,678	-	-	-	2,161	
ENC20	CS04D	No. Coast Hwy 101 streetscape	(82,582)	593,817	-	(275,916)	-	235,319	
ENC28	CS02G	Traffic Signal Modification	56,238	-	578	-	(3,220)	53,596	(a)
ENC28	CS14E	Upgrade Traffic Signals - El Camino	-	-	-	(1,723)	1,723	-	(a)
ENC28	CS14F	Upgrade Traffic Signals - Leucadia Blvd	-	-	-	(1,497)	1,497	-	(a)
		Total ENC 28 Projects	56,238	-	578	(3,220)	-	53,596	
		Total Congestion Relief	83,439	2,492,060	2,018	(2,285,001)	-	292,516	

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>Maintenance:</b>									
ENC17	CS01E	Safe Route to Schools-Phase II	\$ 37,758	\$ 56,964	\$ 388	\$ -	\$ (95,110)	\$ -	(a)
ENC17	CS07B	Santa Fe Dr/l-5 MacKinnon Improvements	-	-	-	(194,049)	86,102	(107,947)	(a)(d)
ENC17	CS15C	South Coast Hwy 101 Sidewalk Improvement	-	-	-	(5,720)	5,720	-	(a)
ENC17	CS15E	Saxony Rd Traffic Safety/Calming	-	-	-	(3,288)	3,288	-	(a)
Total ENC 17 Projects			<u>37,758</u>	<u>56,964</u>	<u>388</u>	<u>(203,057)</u>	<u>-</u>	<u>(107,947)</u>	
Total Maintenance			<u>37,758</u>	<u>56,964</u>	<u>388</u>	<u>(203,057)</u>	<u>-</u>	<u>(107,947)</u>	
Total Local Street Improvements			<u>121,197</u>	<u>2,556,424</u>	<u>2,406</u>	<u>(2,495,458)</u>	<u>-</u>	<u>184,569</u>	
Total <i>TransNet</i> extension			<u>\$ 121,197</u>	<u>\$ 2,556,424</u>	<u>\$ 2,406</u>	<u>\$ (2,495,458)</u>	<u>\$ -</u>	<u>\$ 184,569</u>	

- Notes:
- (a) Adjustments made as an interproject (MPOID) transfer.
  - (b) Project complete. This is an interproject (MPOID) transfer and ENC14A remains open.
  - (c) Project complete. This is an interproject (MPOID) transfer and ENC19 remains open.
  - (d) Funding will be requested in FY17 to remove deficit.



**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass Through:</b>						
ENC28	CS02G	Regional Arterial Management Systems	\$ 29,600	\$ -	\$ (29,600)	\$ -
Total Congestion Relief - Pass Through			<u>29,600</u>	<u>-</u>	<u>(29,600)</u>	<u>-</u>
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
ENC14A	CS15A	FY 14/15 Annual Street Overlay	1,295,876	309	(1,296,185)	-
ENC14A	CS16A	FY 15/16 Annual Street Overlay	<u>2,005,865</u>	<u>1,440</u>	<u>(2,005,865)</u>	<u>1,440</u>
Subtotal ENC14A Projects			<u>3,301,741</u>	<u>1,749</u>	<u>(3,302,050)</u>	<u>1,440</u>
ENC19	CS02F	Traffic safety and calming	70,904	129	(68,872)	2,161
ENC19	CS14B	Traffic Calming School Safety/Sidewalks (Montgomery to Mozart)	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
			<u>120,904</u>	<u>129</u>	<u>(118,872)</u>	<u>2,161</u>
ENC20	CS04D	No. Coast Hwy 101 streetscape	<u>1,525,148</u>	<u>724</u>	<u>(1,290,553)</u>	<u>235,319</u>
ENC28	CS02G	Traffic signal modification	243,648	995	(191,047)	53,596
ENC28	CS14E	Upgrade Traffic Signals - El Camino	7,441	-	(7,441)	-
ENC28	CS14F	Upgrade Traffic Signals - Leucadia Blvd	<u>8,245</u>	<u>-</u>	<u>(8,245)</u>	<u>-</u>
Subtotal ENC28 Projects			<u>259,334</u>	<u>995</u>	<u>(206,733)</u>	<u>53,596</u>
Total Congestion Relief			<u>5,207,127</u>	<u>3,597</u>	<u>(4,918,208)</u>	<u>292,516</u>

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Maintenance:</b>						
ENC 17	CS01E	Safe Route to Schools - Phase II	\$ 34,288	\$ -	\$ (34,288)	\$ -
ENC 17	CS07B	Santa Fe Dr/I-5 MacKinnon Improvements	173,409	388	(281,744)	(107,947)
ENC 17	CS15C	South Coast Hwy 101 Sidewalk Improvement	12,915	-	(12,915)	-
ENC 17	CS15E	Saxony Rd Traffic Safety/Calming	14,898	-	(14,898)	-
Subtotal ENC 17 Projects			<u>235,510</u>	<u>388</u>	<u>(343,845)</u>	<u>(107,947)</u>
Total Maintenance			<u>235,510</u>	<u>388</u>	<u>(343,845)</u>	<u>(107,947)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>5,472,237</u>	<u>3,985</u>	<u>(5,291,653)</u>	<u>184,569</u>
<b>Completed Projects:</b>						
Local Street Improvements:						
Congestion Relief			3,939,407	1,996	(3,941,403)	-
Maintenance			<u>1,067,860</u>	<u>-</u>	<u>(1,067,860)</u>	<u>-</u>
Total Local Street Improvements			5,007,267	1,996	(5,009,263)	-
Environmental Mitigation Grant			<u>52,744</u>	<u>-</u>	<u>(52,744)</u>	<u>-</u>
Total Completed Projects			<u>5,060,011</u>	<u>1,996</u>	<u>(5,062,007)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 10,532,248</u>	<u>\$ 5,981</u>	<u>\$ (10,353,660)</u>	<u>\$ 184,569</u>

**CITY OF ENCINITAS, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustments	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	ENC20	34,680	526	-	-	35,206	35,206
For Fiscal Year ended June 30, 2011	June 30, 2018	ENC20	206,214	2,670	-	-	208,884	208,884
For Fiscal Year ended June 30, 2012	June 30, 2019	ENC19/ENC20	138,651	1,370	-	-	140,021	140,021
For Fiscal Year ended June 30, 2013	June 30, 2020	ENC19	123,111	1,067	-	-	124,178	124,178
For Fiscal Year ended June 30, 2014	June 30, 2021	ENC19	176,720	1,095	-	-	177,815	177,815
For Fiscal Year ended June 30, 2015	June 30, 2022	ENC19	207,323	891	-	-	208,214	208,214
For Fiscal Year ended June 30, 2016	June 30, 2023	ENC19	242,595	-	-	-	242,595	-
Interest Income			-	6,905	-	-	6,905	-
<b>Total RTCIP Funds</b>			<b>\$ 1,129,294</b>	<b>\$ 14,524</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,143,818</b>	<b>\$ 894,318</b>

**CITY OF ESCONDIDO, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Escondido, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$1,546,277. We selected \$746,819 (48.30%) for testing. No exceptions were noted as a result of our procedures.

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

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

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016. The City's indirect cost plan has not been reviewed by a cognizant agency. The City allocates costs out of the various departments and into capital projects by using the Engineering time directly charged to a project as the cost basis, and multiplying it by a set percentage associated with each department. The City's indirect cost plan was last updated during the fiscal year ended June 30, 2015. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

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

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

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

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

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



- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: No exceptions were noted as a result of our procedures.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.  
  
Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending fund balance 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 2016 apportionment	\$ 3,460,383
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	3,460,383
30% base	<u>                  30%</u>
Fiscal year 2016 30% threshold	<u>1,038,115</u>
Less:	
Local Streets and Roads fund balance	1,547,288
Local Street Improvement:	
Congestion Relief fund balance	1,111,373
Maintenance fund balance	<u>(355,491)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>2,303,170</u>
Fund balance under (over) apportionment	\$ <u>(1,265,055)</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$1,111,373	\$10,961,936	\$12,073,309
Maintenance	<u>(355,491)</u>	<u>1,044,232</u>	<u>688,741</u>
Totals	\$ <u>755,882</u>	\$ <u>12,006,168</u>	\$ <u>12,762,050</u>

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

Results: The City has expended 24.93% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$12,256,656	\$10,516,213	\$22,772,869
Maintenance	7,584,531	845,525	8,430,056
Interest	<u>11,282</u>	<u>644,430</u>	<u>655,712</u>
 Total local street and road revenue	 <u>\$19,852,469</u>	 <u>\$12,006,168</u>	 <u>\$31,858,637</u>
 30% of total local street and road revenue			 \$ 9,557,591
Less maintenance expenditures incurred to date			 <u>7,943,236</u>
 Available maintenance funds			 <u>\$ 1,614,355</u>
 Cumulative percentage expended for maintenance			 <u>24.93%</u>

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

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$4,918,579
Less MOE base year requirement	<u>(2,534,929)</u>
Excess MOE for the year ended June 30, 2016	<u>\$2,383,650</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$100. We selected \$100 (100.00%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 28, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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

*Dennis Jann WP*

Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**SCHEDULE A**

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet:</b>									
<b>Local Streets and Roads:</b>									
ESC05	696701	El Norte Pkwy Sale of Property	\$ -	\$ -	\$ -	\$ -	\$ 43,007	\$ 43,007	(a)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	1,501,676	-	-	(52,103)	-	1,449,573	(b)
ESC08	690309	Felicita & Juniper/Escondido to Chestnut	76,286	-	-	-	(76,286)	-	(c)
ESC02	690219	Bear Valley/ East Valley Pkwy	-	-	-	-	54,708	54,708	(d)
Total Local Streets and Roads			<u>1,577,962</u>	<u>-</u>	<u>-</u>	<u>(52,103)</u>	<u>21,429</u>	<u>1,547,288</u>	
Total <i>TransNet</i>			<u>1,577,962</u>	<u>-</u>	<u>-</u>	<u>(52,103)</u>	<u>21,429</u>	<u>1,547,288</u>	
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
ESC02A	691705	East Valley/Valley Center Road	271,523	300,000	-	(348,581)	(66,077)	156,865	(c),(e)
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	606,537	-	-	(497,137)	-	109,400	
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	808,084	-	-	-	-	808,084	(b)
ESC24	690029	Centre City/Highway 78 to Mission Ave	10,931	30,000	-	(79,730)	-	(38,799)	(f)
ESC36	691201	Valley Blvd Relocation	1,059	-	-	-	-	1,059	
Subtotal Congestion Relief			<u>1,698,134</u>	<u>330,000</u>	<u>-</u>	<u>(925,448)</u>	<u>(66,077)</u>	<u>1,036,609</u>	
ESC38	697502	Pavement Rehabilitation FY 15	(2,025,562)	2,234,930	-	(142,617)	-	66,751	
ESC38	694601	Pavement Rehabilitation FY 16	-	-	-	(18,194)	-	(18,194)	
Total ESC38 Project			<u>(2,025,562)</u>	<u>2,234,930</u>	<u>-</u>	<u>(160,811)</u>	<u>-</u>	<u>48,557</u>	
ESC39	691402	Traffic Signals & Intersections FY 14	3,263	30,000	-	(14,556)	-	18,707	
Interest Income			<u>3,262</u>	<u>-</u>	<u>4,238</u>	<u>-</u>	<u>-</u>	<u>7,500</u>	(g)
Total Congestion Relief			<u>(320,903)</u>	<u>2,594,930</u>	<u>4,238</u>	<u>(1,100,815)</u>	<u>(66,077)</u>	<u>1,111,373</u>	



**SCHEDULE A**

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Maintenance:</b>									
ESC11	697001	Street Maintenance - ARRA	\$ (44,680)	\$ -	\$ -	\$ -	\$ -	\$ (44,680)	(f)
ESC37	697501	Pavement Maintenance FY 15	(1,001,700)	1,001,700	-	-	-	-	
ESC37	697601	Pavement Maintenance FY 16	-	-	-	(314,025)	-	(314,025)	(f)
		Total ESC37 Project	(1,001,700)	1,001,700	-	(314,025)	-	(314,025)	
		Interest Income	1,398	-	1,816	-	-	3,214	(g)
		Total Maintenance	(1,044,982)	1,001,700	1,816	(314,025)	-	(355,491)	
		Total Local Street Improvements	(1,365,885)	3,596,630	6,054	(1,414,840)	(66,077)	755,882	
<b>Bikes and Pedestrian:</b>									
ESC43	699501	Esc Creek Bikeway Missing Link	-	61,241	-	(71,685)	-	(10,444)	(h)
		Total Bikes and Pedestrian	-	61,241	-	(71,685)	-	(10,444)	
<b>Smart Growth:</b>									
ESC44	699601	Transit Center Active Transportation Connections	-	6,884	-	(7,649)	-	(765)	(h)
		Total Smart Growth	-	6,884	-	(7,649)	-	(765)	
		Total <i>TransNet</i> Extension	(1,365,885)	3,664,755	6,054	(1,494,174)	(66,077)	744,673	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	212,077	3,664,755	6,054	(1,546,277)	(44,648)	2,291,961	
		GASB 31 market value adjustment	-	21,819	-	-	-	21,819	
		Total <i>TransNet</i> and <i>TransNet</i> Extension after GASB 31 Adjustment	212,077	3,686,574	6,054	(1,546,277)	(44,648)	2,313,780	

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Project	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Non-TransNet:</b>									
		US Department of Transportation Grant	\$ 767,440	\$ -	\$ -	\$ -	\$ (767,440)	\$ -	(a), (c)
		Total Non-TransNet	767,440	-	-	-	(767,440)	-	
		Total <i>TransNet</i> , <i>TransNet</i> Extension and Non- <i>TransNet</i>	\$ 979,517	\$ 3,686,574	\$ 6,054	\$ (1,546,277)	\$ (812,088)	\$ 2,313,780	

Notes:

- (a) In FY 2009 there was a sale of land held for resale that resulted in proceeds of \$43,007. It has been erroneously shown in the US Department of Transportation Grant line. This project is complete and these funds will be reprogrammed with the next amendment in the RTIP.
- (b) ESC06 has both Local Streets and Roads and Local Street Improvement money programmed toward the project. The current year expenditures are shown under the Local Streets and Roads section.
- (c) Per SANDAG land held for resale should not be shown on the audit schedule. This resulted in the following adjustments: ESC08 \$(76,286), ESC02A \$(56,132), US Department of Transportation Grant \$(669,725). The total land held for resale in the City of Escondido's Transnet fund is \$802,143.
- (d) To correct expenditures related to ESC02 that were erroneously shown in the US Department of Transportation Grant line. There was a return of an eminent domain deposit in FY 2009 for \$40,600 that was erroneously moved to the Grant line in FY 2011. There were adjustments to expenditures in FY 2009 that resulted in positive expenditures of \$13,448 that were shown in the Grant line and should have been shown in the TransNet line of ESC02 and there were \$660 of grant expenditures that were not shown in the Grant line. This project is complete and these funds will be reprogrammed with the next RTIP amendment.
- (e) The adjustment to ESC02A is the movement of prior period expenses in the amount of \$9,945 originally charged to the grant portion of this project held in the City's Street Capital Project Fund. These expenditures were not allowable charges to the grant as the grant funds are only to be used on construction.
- (f) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), additional funding was not requested during FY16.
- (g) The City elected in FY15 to report interest via the pooled method in accordance with SANDAG TransNet Extension Ordinance Board Policy No. 031, Rule 6. Adjustment made to split the interest 70% to congestion relief and 30% to maintenance.
- (h) SANDAG is holding a 10% retention on the reimbursement requests related to the Bike and Pedestrian projects, which accounts for the negative ending balance.

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
ESC02A	691705	East Valley/Valley Center Road	\$ 1,384,572	\$ 130	\$ (1,227,837)	\$ 156,865
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	987,637	321	(878,558)	109,400
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	808,084	-	-	808,084
ESC24	690029	Centre City/Highway 78 to Mission Ave	50,000	-	(88,799)	(38,799)
ESC36	691201	Valley Blvd Relocation	25,000	-	(23,941)	1,059
Subtotal Congestion Relief			<u>3,255,293</u>	<u>451</u>	<u>(2,219,135)</u>	<u>1,036,609</u>
ESC38	697502	Pavement Rehabilitation FY 15	2,234,930	-	(2,168,179)	66,751
ESC38	694601	Pavement Rehabilitation FY 16	-	-	(18,194)	(18,194)
Total ESC38 Project			<u>2,234,930</u>	<u>-</u>	<u>(2,186,373)</u>	<u>48,557</u>
ESC39	691402	Traffic Signals & Intersections FY 14	90,000	-	(71,293)	18,707
Interest Income			-	7,500	-	7,500
Total Congestion Relief			<u>5,580,223</u>	<u>7,951</u>	<u>(4,476,801)</u>	<u>1,111,373</u>
<b>Maintenance:</b>						
ESC11	697001	Street Maintenance - ARRA	2,175,310	-	(2,219,990)	(44,680)
ESC37	697501	Pavement Maintenance FY15	1,001,700	-	(1,001,700)	-
ESC37	697601	Pavement Maintenance FY16	-	-	(314,025)	(314,025)
Total ESC37 Project			<u>1,001,700</u>	<u>-</u>	<u>(1,315,725)</u>	<u>(314,025)</u>
Subtotal Maintenance			<u>3,177,010</u>	<u>-</u>	<u>(3,535,715)</u>	<u>(358,705)</u>

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Maintenance	\$ 3,177,010	\$ -	\$ (3,535,715)	\$ (358,705)
		Interest Income	-	3,214	-	3,214
		Total Maintenance	<u>3,177,010</u>	<u>3,214</u>	<u>(3,535,715)</u>	<u>(355,491)</u>
		Total Local Street Improvements	<u>8,757,233</u>	<u>11,165</u>	<u>(8,012,516)</u>	<u>755,882</u>
		<b>Bikes and Pedestrian:</b>				
ESC43	699501	Esc Creek Bikeway Missing Link	<u>61,241</u>	-	<u>(71,685)</u>	<u>(10,444)</u>
		Total Bikes and Pedestrian	<u>61,241</u>	-	<u>(71,685)</u>	<u>(10,444)</u>
		<b>Smart Growth:</b>				
ESC44	699601	Transit Center Active Transportation Connections	<u>6,884</u>	-	<u>(7,649)</u>	<u>(765)</u>
		Total Smart Growth	<u>6,884</u>	-	<u>(7,649)</u>	<u>(765)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>8,825,358</u>	<u>11,165</u>	<u>(8,091,850)</u>	<u>744,673</u>
		<b>Completed Projects:</b>				
		Congestion Relief	6,332,347	117	(6,332,464)	-
		Congestion Relief Pass-Through	344,086	-	(344,086)	-
		Maintenance	4,407,521	-	(4,407,521)	-
		Completed Bikes and Pedestrian	<u>1,161,050</u>	<u>4,479</u>	<u>(1,165,529)</u>	<u>-</u>
		Total Completed Projects	<u>12,245,004</u>	<u>4,596</u>	<u>(12,249,600)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 21,070,362</u>	<u>\$ 15,761</u>	<u>\$ (20,341,450)</u>	<u>\$ 744,673</u>

**CITY OF ESCONDIDO, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Funds	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Committed at June 30, 2016	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	ESC02A	\$ 18,000	\$ 3,509	\$ (1,329)	\$ (20,180)	-	\$ 20,280
For Fiscal Year ended June 30, 2010	June 30, 2017	ESC02A	63,120	7,707	-	(70,827)	-	70,827
For Fiscal Year ended June 30, 2011	June 30, 2018	ESC02A	24,767	2,229	-	(26,996)	-	26,996
For Fiscal Year ended June 30, 2012	June 30, 2019	ESC02A	21,351	1,475	-	(22,826)	-	22,825
For Fiscal Year ended June 30, 2013	June 30, 2020	ESC02A	43,384	2,400	-	(45,784)	-	45,784
For Fiscal Year ended June 30, 2014	June 30, 2021	ESC02A	187,765	6,012	-	(175,308)	18,469	193,777
For Fiscal Year ended June 30, 2015	June 30, 2022		200,779	1,423	-	-	202,202	202,202
For Fiscal Year ended June 30, 2016	June 30, 2023		267,312	-	-	-	267,312	-
Interest Income			12,833	-	-	-	12,833	-
<b>Total RTCIP Funds</b>			<u>\$ 839,311</u>	<u>\$ 24,755</u>	<u>\$ (1,329)</u>	<u>\$ (361,921)</u>	<u>\$ 500,816</u>	<u>\$ 582,691</u>

**CITY OF IMPERIAL BEACH, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Imperial Beach, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$1,541,138. We selected \$701,400 (45.51%) for testing. No exceptions were noted as a result of our procedures.

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

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

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

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

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

Results: 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, 2017.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 8. We reviewed that the ending fund balance 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 indicated on the following page:

Fiscal year 2016 apportionment	\$678,646
Less: debt service payment	<u>          -</u>
Net estimated apportionment	678,646
30% base	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>203,594</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	354,470
Maintenance fund balance	<u>(217,582)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>136,888</u>
Fund balance under apportionment	<u>\$ 66,706</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$354,470	\$290,378	\$644,848
Maintenance	<u>(217,582)</u>	<u>49,408</u>	<u>(168,174)</u>
Totals	<u>\$136,888</u>	<u>\$339,786</u>	<u>\$476,674</u>

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

Results: The City has expended 29.87% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$4,059,501	\$261,789	\$4,321,290
Maintenance	1,575,945	38,507	1,614,452
Interest	<u>28,245</u>	<u>39,490</u>	<u>67,735</u>
 Total local street and road revenue	 <u>\$5,663,691</u>	 <u>\$339,786</u>	 <u>\$6,003,477</u>
 30% of total local street and road revenue			 \$1,801,043
Less maintenance expenditures incurred to date			 <u>1,793,527</u>
 Available maintenance funds			 <u>\$ 7,516</u>
 Cumulative percentage expended for maintenance			 <u>29.87%</u>

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

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
- 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, 2016, is summarized as indicated on the following page:

Current year local discretionary expenditures	\$222,267
Less MOE base year requirement	<u>(217,840)</u>
Excess MOE for the year ended June 30, 2016	<u>\$4,427</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 \$8,887. We selected \$8,198 (92.25%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 August 23, 2016.

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

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

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

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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

*Dennis Fan WP*

Irvine, California  
May 1, 2017



## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE A

CITY OF IMPERIAL BEACH, CALIFORNIA  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
IB12	SP1309/ S13309/ S15101	Major Street Improvements	\$ 445,812	\$ 396,086	\$ 1,346	\$ (488,774)	\$ -	\$ 354,470	
		Total Congestion Relief	445,812	396,086	1,346	(488,774)	-	354,470	
<b>Maintenance:</b>									
IB02	N/A	Street Maintenance - Operations	(217,582)	209,100	-	(209,100)	-	(217,582)	(a)
		Total Maintenance	(217,582)	209,100	-	(209,100)	-	(217,582)	
		Total Local Street Improvements	228,230	605,186	1,346	(697,874)	-	136,888	
<b>Smart Growth Grants:</b>									
IB15	SP1405	Palm Avenue Mixed Use	(21,606)	69,932	-	(33,258)	(15,068)	-	(b), (c)
IB17	SB15104	Palm Avenue Mixed Use - Rainbow to Delaware	-	4,898	-	(5,442)	-	(544)	(d)
		Total Smart Growth Grants	(21,606)	74,830	-	(38,700)	(15,068)	(544)	
<b>Bicycles and Pedestrian:</b>									
IB16	S15702	Bikeway Village Bayshore	-	724,131	-	(804,564)	-	(80,433)	(d)
		Total Bicycles and Pedestrian	-	724,131	-	(804,564)	-	(80,433)	
		Total <i>TransNet</i> Extension	206,624	1,404,147	1,346	(1,541,138)	(15,068)	55,911	
		GASB 31 Market Value Adjustment	154	-	966	-	-	1,120	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ 206,778	\$ 1,404,147	\$ 2,312	\$ (1,541,138)	\$ (15,068)	\$ 57,031	

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status June 30, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
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Notes:

- (a) The City will implement a plan to drawdown the negative balance in IB02 over the coming years. The City plans to offset street expenditures typically paid by IB02 with other sources, such as Gas Tax.
- (b) As of January 2016, IB15 has been completed.
- (c) Adjustment relates to expenditures which were previously omitted from Schedule A in FY14.
- (d) Negative balance represents a 10% retention held by SANDAG to be paid upon completion of project.

**CITY OF IMPERIAL BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
IB12	SP1309/ S13309/ S15101	Major Street Improvements	\$ 4,059,501	\$ 28,245	\$ (3,733,276)	\$ 354,470
		Total Congestion Relief	<u>4,059,501</u>	<u>28,245</u>	<u>(3,733,276)</u>	<u>354,470</u>
<b>Maintenance:</b>						
IB02	N/A	Street Maintenance - Operations	<u>1,575,945</u>	-	<u>(1,793,527)</u>	<u>(217,582)</u>
		Total Maintenance	<u>1,575,945</u>	-	<u>(1,793,527)</u>	<u>(217,582)</u>
		Total Local Street Improvements	<u>5,635,446</u>	<u>28,245</u>	<u>(5,526,803)</u>	<u>136,888</u>
<b>Smart Growth Grants:</b>						
IB15	SP1405	Palm Avenue Mixed Use	400,000	-	(400,000)	-
IB17	SB15104	Palm Avenue Mixed Use - Rainbow to Delaware	<u>4,898</u>	-	<u>(5,442)</u>	<u>(544)</u>
		Total Smart Growth Grants	<u>404,898</u>	-	<u>(405,442)</u>	<u>(544)</u>
<b>Bicycles and Pedestrian:</b>						
IB16	S15702	Bikeway Village Bayshore	<u>724,131</u>	-	<u>(804,564)</u>	<u>(80,433)</u>
		Total Bicycles and Pedestrian	<u>724,131</u>	-	<u>(804,564)</u>	<u>(80,433)</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 6,764,475</u>	<u>\$ 28,245</u>	<u>\$ (6,736,809)</u>	<u>\$ 55,911</u>

**CITY OF IMPERIAL BEACH CALIFORNIA**

*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	City Adjustment	June 30, 2016	June 30, 2015
Year ended June 30, 2009	June 30, 2016	IB11	\$ 4,000	\$ 231	\$ (4,231)	\$ -	\$ -	\$ 4,231
Year ended June 30, 2010	June 30, 2017	IB11	8,160	279	(4,656)	-	3,783	8,409
Year ended June 30, 2011	June 30, 2018	IB11	-	-	-	-	-	-
Year ended June 30, 2012	June 30, 2019	IB11	10,615	315	-	-	10,930	10,844
Year ended June 30, 2013	June 30, 2020	IB11	6,495	161	-	-	6,656	6,603
Year ended June 30, 2014	June 30, 2021	IB11	22,090	462	-	-	22,552	22,374
Year ended June 30, 2015	June 30, 2022	IB11	42,832	645	-	-	43,477	43,134
Year ended June 30, 2016	June 30, 2023	IB11	48,510	386	-	-	48,896	-
Interest Income			-	1,075	-	-	1,075	-
<b>Total RTCIP Funds</b>			<b>\$ 142,702</b>	<b>\$ 3,554</b>	<b>\$ (8,887)</b>	<b>\$ -</b>	<b>\$ 137,369</b>	<b>\$ 95,595</b>

**CITY OF LA MESA, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of La Mesa, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of \$3,811,992. We selected \$1,268,845 (33.29%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: An hourly benefit rate of 48.2% was applied to the hourly salary and an overhead rate of 79.29% was applied to the hourly salary plus benefits. These allocations of indirect costs have not been reviewed by a cognizant agency. This indirect cost plan was revised during the year ended June 30, 2014, and is applicable for the year ended June 30, 2016. The plan is reviewed and updated every two years by the City's consultants and then reviewed by the City. The indirect cost rate allocation methodology appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

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.



Results: The City is not in compliance with the 30% requirement as follows:

Fiscal year 2016 apportionment	\$1,524,627
Less: debt service payment	<u>(518,938)</u>
Net estimated apportionment	1,005,689
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>301,707</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	644,427
Maintenance fund balance	<u>(324,601)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>319,826</u>
Fund balance under (over) apportionment	\$ <u>(18,119)</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$644,427	\$ (900,829)	\$ (256,487)
Maintenance	<u>(324,601)</u>	<u>1,493,602</u>	<u>1,168,986</u>
Totals	<u>\$319,826</u>	<u>\$ 592,773</u>	<u>\$ 912,499</u>

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

Results: The City has expended 18.68% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$13,191,865	\$(1,058,241)	\$12,133,624
Maintenance	2,766,827	1,425,552	4,192,379
Interest	<u>100</u>	<u>225,462</u>	<u>225,562</u>
Total local street and road revenue	<u>\$15,958,792</u>	<u>\$ 592,773</u>	<u>\$16,551,565</u>
30% of total local street and road revenue			\$ 4,965,469
Less maintenance expenditures incurred to date			<u>(3,091,443)</u>
Available maintenance funds			<u>\$ 1,874,026</u>
Cumulative percentage expended for maintenance			<u>18.68%</u>

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

Results: The results are summarized below

	<u>Balance</u> <u>June 30, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
Commercial Paper	\$915,101	\$ -	\$(522,912)	\$392,189	\$3,974

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$2,795,183
Less MOE base year requirement	<u>(1,530,076)</u>
Excess MOE for the year ended June 30, 2016	<u>\$1,265,107</u>

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

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

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

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

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

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 RTCIP expenditures in the amount of \$43,773. We selected \$43,773 (100.00%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 24, 2016.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

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

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



Irvine, California  
May 1, 2017



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**SCHEDULE A**

**CITY OF LA MESA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
LAM46		Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
LAM17	302072TR	Street Surfacing 07	(6,399)	6,399	-	-	-	-	(a)
LAM17	302120TR	Street Reconstruction 12	(31,823)	243,601	-	(138,007)	-	73,771	
		Total LAM17 Projects	(38,222)	250,000	-	(138,007)	-	73,771	
LAM28	302099TR	Downtown Village Streetscape Improvement Project	(325,139)	500,000	-	(15,736)	-	159,125	
LAM34	302138TR	Street Lights/ OH Utilities	76,751	30,000	-	(6,969)	-	99,782	
LAM37	302114TR	Traffic Signal Upgrades 11	-	-	-	(875)	875	-	(a)(b)
LAM37	302133TR	Traffic Signal Upgrades 13	-	-	-	(47,132)	(875)	(48,007)	
LAM37	302142TR	Traffic Signal Upgrades 14	(2,528)	-	-	(250,902)	-	(253,430)	
LAM 37	302155TR	Traffic Signal Upgrades 15	-	-	-	(82,325)	-	(82,325)	
		Total LAM37 Projects	(2,528)	-	-	(381,234)	-	(383,762)	(c)
LAM40	302130TR	Street Construction 13	75,310	742,788	-	(818,098)	-	-	
LAM40	302153TR	Street Construction 15	(23,337)	588,032	-	(11,775)	-	552,920	
		Total LAM40 Projects	51,973	1,330,820	-	(829,873)	-	552,920	
		Subtotal Congestion Relief	(237,165)	2,110,820	-	(1,371,819)	-	501,836	

SCHEDULE A

**CITY OF LA MESA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ (237,165)	\$ 2,110,820	\$ -	\$ (1,371,819)	\$ -	\$ 501,836	
LAM44	304130TR	Roadway Drainage Improvements 13	-	22,723	-	(22,723)	-	-	
LAM44	304140TR	Roadway Drainage Improvements 14	34,824	10,304	-	(45,128)	-	-	(a)
LAM44	304150TR	Roadway Drainage Improvements 15	-	393,011	-	(393,011)	-	-	
LAM44	304160TR	Roadway Drainage Improvements 16	-	173,962	-	(31,456)	-	142,506	
		Total LAM44 Projects	34,824	600,000	-	(492,318)	-	142,506	
		Commercial Paper Debt Service	-	518,938	-	(518,938)	-	-	
		Interest Income	85	-	-	-	-	85	
		Total Congestion Relief	(202,256)	3,229,758	-	(2,383,075)	-	644,427	
		<b>Maintenance:</b>							
LAM31	General Fund	Street Maintenance	(150,000)	150,000	-	(150,000)	-	(150,000)	
LAM32	302101TR	Pavement Management Program 10	(2,958)	7,958	-	(5,000)	-	-	(a)
LAM32	302111TR	Pavement Management Program 11	-	5,000	-	(5,000)	-	-	(a)
LAM32	302121TR	Pavement Management Program 12	-	5,000	-	(5,000)	-	-	(a)
LAM32	302131TR	Pavement Management 13	7,820	3,706	-	(33,200)	-	(21,674)	(a)(c)
		Total LAM 32 Projects	4,862	21,664	-	(48,200)	-	(21,674)	
LAM33	302112TR	Curb, Gutter, S/W RPL 11	-	-	-	-	-	-	(a)
LAM33	302132TR	Curb, Gutter, Sidewalk 13	-	-	-	-	-	-	(a)
LAM33	302141TR	Curb, Gutter, Sidewalk 14	(64,260)	64,839	-	(579)	-	-	(a)
LAM33	302154TR	Curb, Gutter, Sidewalk 15	(10,137)	35,161	-	(158,225)	-	(133,201)	(c)
LAM33	302161TR	Curb, Gutter, Sidewalk 16	-	-	-	(12,085)	-	(12,085)	(c)
		Total LAM 33 Projects	(74,397)	100,000	-	(170,889)	-	(145,286)	
		Subtotal Maintenance	(219,535)	271,664	-	(369,089)	-	(316,960)	

**CITY OF LA MESA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Maintenance	\$ (219,535)	\$ 271,664	\$ -	\$ (369,089)	\$ -	\$ (316,960)	
LAM39	302105TR	Traffic Calming Program 10	(4,840)	4,840	-	-	-	-	(a)
LAM39	302125TR	Traffic Calming Program 12	(21,256)	24,190	-	(2,934)	-	-	(a)
LAM39	302135TR	Traffic Calming Program 13	10,486	24,364	-	(34,850)	-	-	(a)
LAM39	302143TR	Traffic Calming Program 14	(165)	1,606	-	(9,097)	-	(7,656)	(c)
		Total LAM 39 Projects	(15,775)	55,000	-	(46,881)	-	(7,656)	
		Interest Income	15	-	-	-	-	15	
		Total Maintenance	(235,295)	326,664	-	(415,970)	-	(324,601)	
		Total Local Street Improvements	(437,551)	3,563,822	-	(2,806,445)	-	319,826	
		<b>Senior Mini-Grants:</b>							
LAM 27	212001	La Mesa Rides4Neighbors	(57,496)	150,863	-	(165,533)	-	(72,166)	(d)
		Total Senior Mini-Grants	(57,496)	150,863	-	(165,533)	-	(72,166)	

**CITY OF LA MESA, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>Smart Growth Grant</b>									
LAM 45	302145OT	Downtown Village Streetscape	\$ (475,552)	\$ 1,315,566	\$ -	\$ (840,014)	\$ -	-	(a)
Total Smart Growth Grant			<u>(475,552)</u>	<u>1,315,566</u>	<u>-</u>	<u>(840,014)</u>	<u>-</u>	<u>-</u>	
Total <i>TransNet</i> Extension			<u>\$ (970,599)</u>	<u>\$ 5,030,251</u>	<u>\$ -</u>	<u>\$ (3,811,992)</u>	<u>\$ -</u>	<u>\$ 247,660</u>	

- Notes:
- (a) Completed project.
  - (b) This CIP is complete and no new appropriations have been made. The remaining expenditures have been transferred to active CIP 302114TR, LAM37.
  - (c) Funding has been programmed in FY17 and will be drawn down.
  - (d) This is a reimbursable funding source and expenditures are expected to be in excess of funding while the project is active. Funding will be requested in FY17, but in the final year of the project, it will be zeroed out.

**CITY OF LA MESA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
LAM46		Regional Arterial Management Systems	\$ 29,600	\$ -	\$ (29,600)	\$ -
		Total Congestion Relief - Pass-Through	<u>29,600</u>	<u>-</u>	<u>(29,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
LAM17	302072TR	Street Surfacing 07	150,366	-	(150,366)	-
LAM17	302120TR	Street Reconstruction 12	<u>253,601</u>	<u>-</u>	<u>(179,830)</u>	<u>73,771</u>
		Total LAM17 Projects	<u>403,967</u>	<u>-</u>	<u>(330,196)</u>	<u>73,771</u>
LAM21	302094TR	St Lights - Overhead Util Underground 09	<u>1,331</u>	<u>-</u>	<u>(1,331)</u>	<u>-</u>
LAM28	302099TR	Downtown Village Streetscape Improvement Project	<u>1,150,000</u>	<u>-</u>	<u>(990,875)</u>	<u>159,125</u>
LAM34	302138TR	Street Lights OH Utility Undergrounding	<u>128,232</u>	<u>-</u>	<u>(28,450)</u>	<u>99,782</u>
LAM37	302114TR	Traffic Signal Upgrades 11	99,123	-	(99,123)	-
LAM37	302133TR	Traffic Signal Upgrades 13	174,309	-	(222,316)	(48,007)
LAM37	302142TR	Traffic Signal Upgrades 14	138,986	-	(392,416)	(253,430)
LAM37	302155TR	Traffic Signal Upgrades 15	<u>-</u>	<u>-</u>	<u>(82,325)</u>	<u>(82,325)</u>
		Total LAM 37 Projects	<u>412,418</u>	<u>-</u>	<u>(796,180)</u>	<u>(383,762)</u>
		Subtotal Congestion Relief	<u>2,095,948</u>	<u>-</u>	<u>(2,147,032)</u>	<u>(51,084)</u>

**CITY OF LA MESA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Congestion Relief	\$ 2,095,948	\$ -	\$ (2,147,032)	\$ (51,084)
LAM40	302130TR	Street Construction 13	1,151,618	-	(1,151,618)	-
LAM40	302153TR	Street Construction 15	588,032	-	(35,112)	552,920
		Total LAM 40 Projects	1,739,650	-	(1,186,730)	552,920
LAM44	304130TR	Roadway Drainage Improvements 13	1,530,527	-	(1,530,527)	-
LAM44	304140TR	Roadway Drainage Improvements 14	498,211	-	(498,211)	-
LAM44	304150TR	Roadway Drainage Improvements 15	393,011	-	(393,011)	-
LAM44	304160TR	Roadway Drainage Improvements 16	173,962	-	(31,456)	142,506
		Total LAM 44 Projects	2,595,711	-	(2,453,205)	142,506
		Commercial Paper Debt Service	2,155,628	-	(2,155,628)	-
		Interest Income	-	85	-	85
		Total Congestion Relief	8,586,937	85	(7,942,595)	644,427
		<b>Maintenance:</b>				
LAM31	General Fund	Street Maintenance	758,281	-	(908,281)	(150,000)
LAM32	302101TR	Pavement Management Program 10	7,958	-	(7,958)	-
LAM32	3021111TR	Pavement Management Program 11	5,000	-	(5,000)	-
LAM32	302121TR	Pavement Management Program 12	5,000	-	(5,000)	-
LAM32	302131TR	Pavement Management 13	21,907	-	(43,581)	(21,674)
		Total LAM 32 Projects	39,865	-	(61,539)	(21,674)
		Subtotal Maintenance	798,146	-	(969,820)	(171,674)

**SCHEDULE B**

**CITY OF LA MESA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Maintenance	\$ 798,146	\$ -	\$ (969,820)	\$ (171,674)
LAM33	302112TR	Curb, Gutter, S/W RPL 11	100,000	-	(100,000)	-
LAM33	302132TR	Curb, Gutter, Sidewalk 13	261,924	-	(261,924)	-
LAM33	302141TR	Curb, Gutter, Sidewalk 14	198,998	-	(198,998)	-
LAM33	302154TR	Curb, Gutter, Sidewalk 15	35,161	-	(168,362)	(133,201)
LAM33	302161TR	Curb, Gutter, Sidewalk 16	-	-	(12,085)	(12,085)
		Total LAM 33 Projects	<u>596,083</u>	<u>-</u>	<u>(741,369)</u>	<u>(145,286)</u>
LAM39	302105TR	Traffic Calming Program 10	26,711	-	(26,711)	-
LAM39	302125TR	Traffic Calming Program 12	25,001	-	(25,001)	-
LAM39	302135TR	Traffic Calming Program 13	50,833	-	(50,833)	-
LAM39	302143TR	Traffic Calming Program 14	5,524	-	(13,180)	(7,656)
		Total LAM 39 Projects	<u>108,069</u>	<u>-</u>	<u>(115,725)</u>	<u>(7,656)</u>
		Interest Income	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>
		Total Maintenance	<u>1,502,298</u>	<u>15</u>	<u>(1,826,914)</u>	<u>(324,601)</u>
		Total Local Street Improvements	<u>10,118,835</u>	<u>100</u>	<u>(9,799,109)</u>	<u>319,826</u>



**CITY OF LA MESA, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		<b>Senior Mini-Grants:</b>				
LAM 27	212001	La Mesa Rides4Neighbors	\$ 690,894	\$ -	\$ (763,060)	\$ (72,166)
		Total Senior Mini-Grants	<u>690,894</u>	<u>-</u>	<u>(763,060)</u>	<u>(72,166)</u>
		<b>Smart Growth Grant:</b>				
LAM 45	302145OT	Downtown Village Streetscape	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
		Total Smart Growth Grant	<u>2,000,000</u>	<u>-</u>	<u>(2,000,000)</u>	<u>-</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>12,809,729</u>	<u>100</u>	<u>(12,562,169)</u>	<u>247,660</u>
		<b>Completed Projects:</b>				
		Local Street Improvements				
		Congestion Relief	4,575,328	-	(4,575,328)	-
		Maintenance	1,264,529	-	(1,264,529)	-
		Bikes and Pedestrians	<u>449,000</u>	<u>-</u>	<u>(449,000)</u>	<u>-</u>
		Total Completed Projects	<u>6,288,857</u>	<u>-</u>	<u>(6,288,857)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 19,098,586</u>	<u>\$ 100</u>	<u>\$ (18,851,026)</u>	<u>\$ 247,660</u>

CITY OF LA MESA, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	Cumulative			Cumulative Status	
		Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	\$ 2,020	\$ -	\$ (2,020)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	-	-	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	35,774	-	(35,774)	-	6,265
For Fiscal Year ended June 30, 2013	June 30, 2020	49,417	-	(37,508)	11,909	49,417
For Fiscal Year ended June 30, 2014	June 30, 2021	123,302	-	-	123,302	123,302
For Fiscal Year ended June 30, 2015	June 30, 2022	675,754	-	-	675,754	675,754
For Fiscal Year ended June 30, 2016	June 30, 2023	52,962	-	-	52,962	-
Total RTCIP Funds		<u>\$ 939,229</u>	<u>\$ -</u>	<u>\$ (75,302)</u>	<u>\$ 863,927</u>	<u>\$ 854,738</u>

**CITY OF LEMON GROVE, CALIFORNIA**

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

Year Ended June 30, 2016

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

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

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Lemon Grove, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: The City recorded total *TransNet* expenditures in the amount of \$1,201,974. We selected \$520,041 (43.27%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.
- Results: This procedure is not applicable as there were no indirect costs allocated to the projects included in the RTIP.
- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

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

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

Results: This procedure is not applicable as there were no completed projects during the year ended June 30, 2016.

- 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 during the year ended June 30, 2016.

- 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, 2017.

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

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

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

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

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

- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: 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.
  - 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 fund balance 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 2016 apportionment	\$692,196
Less: debt service payment	<u>-</u>
Net estimated apportionment	692,196
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>207,659</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(84,561)
Maintenance fund balance	<u>(207,630)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(292,191)</u>
Fund balance under apportionment	<u>\$499,850</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$ (84,561)	\$1,510,366	\$1,425,805
Maintenance	<u>(207,630)</u>	<u>331,958</u>	<u>124,328</u>
Totals	<u>\$(292,191)</u>	<u>\$1,842,324</u>	<u>\$1,550,133</u>

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

Results: The City has expended 26.97% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$2,329,404	\$1,435,655	\$3,765,059
Maintenance	1,261,955	300,215	1,562,170
Interest	<u>15,482</u>	<u>106,454</u>	<u>121,936</u>
 Total local street and road revenue	 <u>\$3,606,841</u>	 <u>\$1,842,324</u>	 <u>\$5,449,165</u>
 30% of total local street and road revenue			 \$1,634,750
Less maintenance expenditures incurred to date			 <u>1,469,697</u>
 Available maintenance funds			 <u>\$ 165,053</u>
 Cumulative percentage expended for maintenance			 <u>26.97%</u>

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

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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

Results: The City was not in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. See Finding Number 1 in the Findings and Recommendations section of this report. MOE activity for the year ended June 30, 2016, is summarized as follows:

Current year local discretionary expenditures	\$126,181
Less MOE base year requirement	<u>(147,377)</u>
Excess (shortfall) of MOE for the year ended June 30, 2016	<u>\$(21,196)</u>

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

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

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

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

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

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 have any RTCIP expenditures.

v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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 have any RTCIP expenditures.

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

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

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 28, 2016.

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

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

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

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

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

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

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

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

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

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

*Dennis Farn UP*

Irvine, California  
May 1, 2017

**CITY OF LEMON GROVE, CALIFORNIA**

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

Findings and Recommendations

Year Ended June 30, 2016

**(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	\$126,181
Less MOE base year requirement	<u>(147,377)</u>
Shortfall of MOE expenditures	<u>\$(21,196)</u>

*TransNet* Extension Ordinance Section 8 states, in part:

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

**Recommendation**

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

**Management Response**

The City agrees with the recommendation and requested that it be allowed until June 30, 2019 to cure the shortfall. The request was approved on the following dates:

Independent Taxpayer Oversight Committee	March 8, 2017
SANDAG Transportation Committee	March 17, 2017
SANDAG Board of Directors	March 24, 2017

## GLOSSARY OF TERMS

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

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF LEMON GROVE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	\$ (147,604)	\$ 249,785	\$ -	\$ (170,561)	\$ -	\$ (68,380)	(a)
LG18	7155	Traffic Improvements - Congestion Relief	(8,415)	8,508	-	-	-	93	
LG20	7300	Street Improvements - Congestion Relief	(115,196)	545,269	-	(446,355)	-	(16,282)	(a)
		Interest Income	8	-	-	-	-	8	
		Total Congestion Relief	(271,207)	803,562	-	(616,916)	-	(84,561)	
<b>Maintenance:</b>									
LG14	7310	Traffic Improvements - Preventive Maintenance	(81,228)	157,247	-	(160,866)	-	(84,847)	(a)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	(89,053)	141,304	-	(84,511)	-	(32,260)	(a)
LG17	7150	Street Improvements - Preventive Maintenance	(82,991)	116,272	-	(123,807)	-	(90,526)	(a)
		Interest Income	3	-	-	-	-	3	
		Total Maintenance	(253,269)	414,823	-	(369,184)	-	(207,630)	
		Total Local Street Improvements	(524,476)	1,218,385	-	(986,100)	-	(292,191)	
<b>Smart Growth Grant:</b>									
LG21	6204	Promenade Extension	(55,777)	98,751	-	(116,890)	-	(73,916)	(a)
LG23	7320	Broadway DVSP	-	4,665	-	(98,984)	-	(94,319)	(a)
		Total Smart Growth Grant	(55,777)	103,416	-	(215,874)	-	(168,235)	
		Total <i>TransNet</i> Extension	\$ (580,253)	\$ 1,321,801	\$ -	\$ (1,201,974)	\$ -	\$ (460,426)	

**Notes:**  
 (a) The City expects to receive reimbursement from SANDAG in FY17 for funds expended in FY16.



**CITY OF LEMON GROVE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	\$ 714,089	\$ 2,858	\$ (785,327)	\$ (68,380)
LG18	7155	Traffic Improvements - Congestion Relief	74,816	308	(75,031)	93
LG20	7190, 7193, 7300, 7170	Street Improvements - Congestion Relief	1,476,499	-	(1,492,781)	(16,282)
		Interest Income	<u>-</u>	<u>8</u>	<u>-</u>	<u>8</u>
		Total Congestion Relief	<u>2,265,404</u>	<u>3,174</u>	<u>(2,353,139)</u>	<u>(84,561)</u>
<b>Maintenance:</b>						
LG14	7310	Traffic Improvements - Preventive Maintenance	498,146	-	(582,993)	(84,847)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	360,877	60	(393,197)	(32,260)
LG17	7150	Street Improvements - Preventive Maintenance	402,932	49	(493,507)	(90,526)
		Interest Income	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
		Total Maintenance	<u>1,261,955</u>	<u>112</u>	<u>(1,469,697)</u>	<u>(207,630)</u>
		Total Local Street Improvements	<u>3,527,359</u>	<u>3,286</u>	<u>(3,822,836)</u>	<u>(292,191)</u>
<b>Smart Growth Grant:</b>						
LG21	6204	Promenade Extension	306,066	-	(379,982)	(73,916)
LG23	7320	Broadway DVSP	<u>4,665</u>	<u>-</u>	<u>(98,984)</u>	<u>(94,319)</u>
		Total Smart Growth Grant	<u>310,731</u>	<u>-</u>	<u>(478,966)</u>	<u>(168,235)</u>

**CITY OF LEMON GROVE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		<b>Completed Projects:</b>				
		Congestion Relief	64,000	12,196	(76,196)	-
		Smart Growth Grant	<u>1,895,000</u>	<u>-</u>	<u>(1,895,000)</u>	<u>-</u>
		Total Completed Projects	<u>1,959,000</u>	<u>12,196</u>	<u>(1,971,196)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$5,797,090</u>	<u>\$15,482</u>	<u>\$ (6,272,998)</u>	<u>\$ (460,426)</u>

CITY OF LEMON GROVE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Funds	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Committed at June 30, 2016	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	LG13	\$ 8,000	\$ 282	\$ -	\$ (8,282)	\$ -	\$ 8,282
For Fiscal Year ended June 30, 2010	June 30, 2017		4,080	91	-	-	4,171	4,152
For Fiscal Year ended June 30, 2011	June 30, 2018		8,324	183	-	-	8,507	8,470
For Fiscal Year ended June 30, 2012	June 30, 2019		6,369	99	-	-	6,468	6,440
For Fiscal Year ended June 30, 2013	June 30, 2020		6,495	80	-	-	6,575	6,546
For Fiscal Year ended June 30, 2014	June 30, 2021		22,134	215	-	-	22,349	22,251
For Fiscal Year ended June 30, 2015	June 30, 2022		130,777	737	-	-	131,514	130,940
For Fiscal Year ended June 30, 2016	June 30, 2023		272,580	1,202	-	-	273,782	-
Interest Income			-	2,304	-	-	2,304	-
<b>Total RTCIP Funds</b>			<b>\$ 458,759</b>	<b>\$ 5,193</b>	<b>\$ -</b>	<b>\$ (8,282)</b>	<b>\$ 455,670</b>	<b>\$ 187,081</b>

**CITY OF NATIONAL CITY, CALIFORNIA**

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

Year Ended June 30, 2016

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

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of National City, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.  
  
Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).  
  
Results: The City recorded total *TransNet* expenditures in the amount of \$4,399,192. We selected \$1,224,506 (27.83%) for testing. No exceptions were noted as a result of our procedures.
- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.  
  
Results: No exceptions were noted as a result of our procedures.
- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.  
  
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: 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, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.



Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

- 8. We reviewed that the ending fund balance 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 indicated on the following page:

Fiscal year 2016 apportionment	\$1,359,931
Less: debt service payment	<u>(385,126)</u>
Net estimated apportionment	974,805
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>292,442</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(200,330)
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(200,330)</u>
Fund balance under apportionment	<u>\$ 492,772</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(200,330)	\$(2,729,406)	\$(2,929,736)
Maintenance	<u>-</u>	<u>3,156,669</u>	<u>3,156,669</u>
Totals	<u>\$(200,330)</u>	<u>\$ 427,263</u>	<u>\$ 226,933</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 0.00% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$13,705,816	\$(2,841,103)	\$10,864,713
Maintenance	-	3,134,242	3,134,242
Interest	<u>31,831</u>	<u>134,124</u>	<u>165,955</u>
Total local street and road revenue	<u>\$13,737,647</u>	<u>\$ 427,263</u>	<u>\$14,164,910</u>
30% of total local street and road revenue			\$ 4,249,473
Less maintenance expenditures incurred to date			<u>-</u>
Available maintenance funds			<u>\$ 4,249,473</u>
Cumulative percentage expended for maintenance			<u>0,00%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2010 Series A Bonds	\$1,623,970	\$ -	\$(317,629)	\$1,306,341	\$(67,497)

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$4,183,185
Less MOE base year requirement	<u>(1,459,882)</u>
Excess MOE for the year ended June 30, 2016	<u>\$2,723,303</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 *TransNet* expenditures in the amount of \$722,319. We selected \$449,267 (62.20%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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 have any unallowable RTCIP expenditures.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 9, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

*Danica Jan WP*

Irvine, California  
June 15, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

CITY OF NATIONAL CITY, CALIFORNIA

TransNet and TransNet Extension Activities

Schedule of Status of Funds by Project

Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through</b>									
NC04	6558	Regional Arterial Management Systems	\$ -	\$ 8,000	\$ -	\$ (8,000)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	8,000	-	(8,000)	-	-	
<b>Congestion Relief:</b>									
NC 01	6569	Plaza Blvd. Widening	15,716	388,000	73	(66,780)	-	337,009	
NC 03	6035	Street Resurfacing Project	591,548	800,000	-	(1,716,586)	-	(325,038)	(a)
NC 04	6558	Traffic Signal Install/Upgrade	98,393	92,000	7	(155,487)	-	34,913	
NC 13	6570	Highland Avenue Community Corridor	177,350	-	-	(347,520)	-	(170,170)	(b)
NC 15	6166	Citywide Safe Routes to School	40,626	400,000	-	(517,670)	-	(77,044)	(a)
		2010 Series A Bonds Debt Service	-	385,126	-	(385,126)	-	-	
		Total Congestion Relief	923,633	2,065,126	80	(3,189,169)	-	(200,330)	
		Total Local Street Improvements	923,633	2,073,126	80	(3,197,169)	-	(200,330)	
<b>Smart Growth:</b>									
NC 19	6187	Downtown-Westside Community Connections	413,911	778,203	-	(763,096)	44,658	473,676	(c)(d)
NC 23	6577	Westside Mobility Improvements Project	-	25,578	-	(31,262)	-	(5,684)	(e)
NC 24	6578	Downtown Specific Plan Update	-	67,126	-	(93,297)	-	(26,171)	(e)
NC 25	6189	Wayfinding Signage Program	-	55,595	-	(83,709)	(2,908)	(31,022)	(d)(e)
		Total Smart Growth	413,911	926,502	-	(971,364)	41,750	410,799	



**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Bike and Pedestrian:</b>									
NC 17	1014	BTA Grant - 4th Street Community Corridor	(216,604)	157,532	-	-	59,072	-	(f)(g)
NC 18	1015	Bicycle Parking Enhancements	(3,606)	21,468	-	(11,904)	(5,958)	-	(d)(f)
NC 20	6571	Division Street Road Diet	-	70,652	-	(111,152)	-	(40,500)	(e)
NC 21	6572	Euclid Avenue and Pedestrian Enhancements	-	90,557	-	(100,619)	-	(10,062)	(e)
NC 27	1015	Bicycle Parking Enhancements Grant #2	-	-	-	(6,984)	-	(6,984)	(e)
Total Bike and Pedestrian			<u>(220,210)</u>	<u>340,209</u>	<u>-</u>	<u>(230,659)</u>	<u>53,114</u>	<u>(57,546)</u>	
Total <i>TransNet</i> Extension			<u>\$ 1,117,334</u>	<u>\$ 3,339,837</u>	<u>\$ 80</u>	<u>\$ (4,399,192)</u>	<u>\$ 94,864</u>	<u>\$ 152,923</u>	

Notes:

- (a) The City will request reimbursement in FY17 to remove the deficit.
- (b) The City will reprogram funding to remove the deficit in FY17.
- (c) Revenues exceeded expenditures for FY15 and FY16 because the City paid most of the invoices with matching funds. The remaining invoices for FY17 will be paid using a reimbursable grant account (Fund 296), which will balance out revenues and expenditures by the end of the project.
- (d) Adjustments were made because the City under reported revenues and expenditures in prior years (FY14 & FY15).
- (e) Expenditures exceeded revenues received for reimbursement grant project in FY16. Additional funding to be requested in FY17.
- (f) This project is complete.
- (g) The City used different funding sources to remove the deficit within this project.

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

**SCHEDULE B**

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass-Through:</b>						
NC 04	6558	Regional Arterial Management Systems	\$ 32,000	\$ -	\$ (32,000)	\$ -
Total Congestion Relief - Pass-Through			<u>32,000</u>	<u>-</u>	<u>(32,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
NC 01	6569	Plaza Blvd Widening	399,992	6,783	(69,766)	337,009
NC 03	6035	Street Resurfacing Project	9,024,277	3,202	(9,352,517)	(325,038)
NC 04	6558	Traffic Signal Install/Upgrade	411,682	12,063	(388,832)	34,913
NC 13	6570	Highland Avenue Community Corridor	464,000	1,448	(635,618)	(170,170)
NC 15	6166	Citywide Safe Routes to School Tax 2010 Series A Bonds Debt Service	900,000 <u>2,283,672</u>	6,085 <u>-</u>	(983,129) <u>(2,283,672)</u>	(77,044) <u>-</u>
Total Congestion Relief			<u>13,483,623</u>	<u>29,581</u>	<u>(13,713,534)</u>	<u>(200,330)</u>
Total Local Street Improvements			<u>13,515,623</u>	<u>29,581</u>	<u>(13,745,534)</u>	<u>(200,330)</u>
<b>Smart Growth:</b>						
NC 19	6187	Downtown-Westside Community Connections	2,000,000	-	(1,526,324)	473,676
NC 23	6577	Westside Mobility Improvements Project	25,578	-	(31,262)	(5,684)
NC 24	6578	Downtown Specific Plan Update	67,126	-	(93,297)	(26,171)
NC 25	6189	Wayfinding Signage Program	<u>55,595</u>	<u>-</u>	<u>(86,617)</u>	<u>(31,022)</u>
Total Smart Growth			<u>2,148,299</u>	<u>-</u>	<u>(1,737,500)</u>	<u>410,799</u>

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

**SCHEDULE B**

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Bike and Pedestrian:</b>						
NC 17	1015	4th St. Community Corridor	450,000	-	(450,000)	-
NC 18	1015	Bicycle Parking Enhancements	50,000	-	(50,000)	-
NC 20	6571	Division Street Road Diet	70,652	-	(111,152)	(40,500)
NC 21	6572	Euclid Avenue and Pedestrian Enhancements	90,557	-	(100,619)	(10,062)
NC 27	1015	Bicycle Parking Enhancements Grant #2	-	-	(6,984)	(6,984)
Total Bike and Pedestrian			<u>661,209</u>	<u>-</u>	<u>(718,755)</u>	<u>(57,546)</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>16,325,131</u>	<u>29,581</u>	<u>(16,201,789)</u>	<u>152,923</u>
<b>Completed Projects:</b>						
Congestion Relief			190,193	2,250	(192,443)	-
Smart Growth			2,000,000	-	(2,000,000)	-
Bikes & Pedestrian			<u>6,860</u>	<u>-</u>	<u>(6,860)</u>	<u>-</u>
Total Completed Projects			<u>2,197,053</u>	<u>2,250</u>	<u>(2,199,303)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 18,522,184</u>	<u>\$ 31,831</u>	<u>\$ (18,401,092)</u>	<u>\$ 152,923</u>

**CITY OF NATIONAL CITY, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	NC01	\$ 16,000	\$ 397	\$ (16,397)	\$ -	\$ 3,118
For Fiscal Year ended June 30, 2010	June 30, 2017	NC01	359,560	8,905	(368,465)	-	368,465
For Fiscal Year ended June 30, 2011	June 30, 2018	NC01	39,699	984	(40,683)	-	40,683
For Fiscal Year ended June 30, 2012	June 30, 2019	NC01	152,903	2,563	(155,466)	-	155,466
For Fiscal Year ended June 30, 2013	June 30, 2020	NC01	102,133	1,191	(103,324)	-	103,324
For Fiscal Year ended June 30, 2014	June 30, 2021	NC01	36,044	198	(36,242)	-	36,242
For Fiscal Year ended June 30, 2015	June 30, 2022	NC01	351,669	595	(15,021)	337,243	352,264
For Fiscal Year ended June 30, 2016	June 30, 2023		13,860	-	-	13,860	-
Interest Income			-	1,223	-	1,223	-
Subtotal RTCIP Funds			1,071,868	16,056	(735,598)	352,326	1,059,562
GASB 31 Market Value Adjustment			-	418	-	418	(2,925)
Total RTCIP Funds			<u>\$ 1,071,868</u>	<u>\$ 16,474</u>	<u>\$ (735,598)</u>	<u>\$ 352,744</u>	<u>\$ 1,056,637</u>

**CITY OF OCEANSIDE, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Oceanside, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total *TransNet* expenditures in the amount of \$10,010,544. We selected \$2,599,775 (25.97%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016. The indirect costs consisted of general administration at the rate of 7.000%, and between 0.028% and 0.036% for Information Technology (IT) charges. Indirect costs were calculated as a percentage of personnel, professional services and temporary agency expenses. The City's indirect cost plan is not reviewed by a cognizant agency. The general administration rate is reviewed on an annual basis during the budget process and the rates were last approved on July 15, 2015. The IT rates are reviewed every two years and were last updated on March 20, 2014. The City's allocation methodology for allocating



indirect costs appear reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

- h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of this procedure.

- 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 this procedure.

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 fund balance 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 2016 apportionment	\$4,454,465
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	4,454,465
30% base	<u>                  30%</u>
Fiscal year 2016 30% threshold	<u>1,336,339</u>
Less:	
Local Streets and Roads fund balance	920,777
Local Street Improvement:	
Congestion Relief fund balance	(1,790,664)
Maintenance fund balance	<u>(3,606,334)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(4,476,221)</u>
Fund balance under apportionment	<u>\$5,812,560</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(1,790,664)	\$ 6,520,763	\$4,730,099
Maintenance	<u>(3,606,334)</u>	<u>4,244,370</u>	<u>638,036</u>
Totals	<u>\$(5,396,998)</u>	<u>\$10,765,133</u>	<u>\$5,368,135</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 27.48% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$22,678,360	\$ 6,112,492	\$28,790,852
Maintenance	7,696,923	4,058,042	11,754,965
Interest	<u>159,964</u>	<u>594,599</u>	<u>754,563</u>
 Total local street and road revenue	 <u>\$30,535,247</u>	 <u>\$10,765,133</u>	 <u>\$41,300,380</u>
 30% of total local street and road revenue			 \$12,390,114
Less maintenance expenditures incurred to date			 <u>(11,351,400)</u>
 Available maintenance funds			 <u>\$ 1,038,714</u>
 Cumulative percentage expended for maintenance			 <u>27.48%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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 is in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$4,650,700
Less MOE base year requirement	<u>(2,321,866)</u>
Excess MOE for the year ended June 30, 2016	<u>\$2,328,834</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 \$258,282. We selected \$30,113 (11.66%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.



**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet:</b>									
<b>Local Streets and Roads:</b>									
O14	914560900212	No Coast Hwy Bridge Seismic Retro	\$ 593,709	\$ -	\$ -	\$ (71,482)	\$ -	\$ 522,227	
O14	914560800212	Douglas Dr. Bridge Seismic Retro	458,402	-	-	(59,852)	-	398,550	
Total O14 Projects			1,052,111	-	-	(131,334)	-	920,777	
Total Local Streets and Roads			1,052,111	-	-	(131,334)	-	920,777	
Total <i>TransNet</i>			1,052,111	-	-	(131,334)	-	920,777	
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SAN 54	N/A	Regional Arterial Management Systems	-	11,200	-	(11,200)	-	-	
Total Congestion Relief - Pass-Through			-	11,200	-	(11,200)	-	-	
<b>Congestion Relief:</b>									
O17	905120100212	Loma Alta Creek Detention Basins	493,391	60,000	-	(408,142)	-	145,249	
O17	912145015212	LAC Detention Basins Mitigation	-	-	-	(12,324)	-	(12,324)	(a)
O17	902134800212	North Ave Slope Protection	-	-	-	(168,978)	-	(168,978)	(a)
Total O17 Projects			493,391	60,000	-	(589,444)	-	(36,053)	
O24	902754200212	Street Restoration	(1,471,810)	6,302,000	-	(6,088,524)	234,640	(1,023,694)	(a),(b)
O25	902111200212	Adp Signal TMC Traffic Mgmt Ctr	(421,666)	550,000	-	(142,346)	-	(14,012)	(a)(c)
O25	902131300212	MssnAve Fiber-Optic Cable Design	(28,670)	-	-	(67,403)	-	(96,073)	(a)(c)
O25	902146516212	Downtown Fiber-Optic	-	-	-	(1,660)	-	(1,660)	(a)
O25	903141315212	CstHwy/VstWy Upgrade Trffc Sig	-	-	-	(12,393)	-	(12,393)	(a)
Total O25 Projects			(450,336)	550,000	-	(223,802)	-	(124,138)	

SCHEDULE A

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward	\$ (1,428,755)	\$ 6,912,000	\$ -	\$ (6,901,770)	\$ 234,640	\$ (1,183,885)	
O33	902131200212	Coast Hwy Corridor Study/EIR	(54,949)	297,143	-	(250,289)	308,000	299,905	(d)
O33	902137100212	Coast Hwy Vision EIR-SA	(77,978)	-	-	(144,862)	-	(222,840)	
		Total O33 Projects	(132,927)	297,143	-	(395,151)	308,000	77,065	
O36	902136000212	El Corazon Access @ ORnch Rd	(80,639)	400,000	-	(610,084)	-	(290,723)	(a)
O37	425432212	SANDAG CRT Phase 2B	(1,037)	1,037	-	-	-	-	
O37	902132400212	SANDAG CRT Phase 2B	(1,780)	1,780	-	-	-	-	
O37	902135600212	Bicycle Master Plan/Bike Sfty	(52,261)	117,183	-	(62,253)	-	2,669	
		Total O37 Projects	(55,078)	120,000	-	(62,253)	-	2,669	
O38	902131500212	SRTS Calif ST-Lincoln/Palmquist	(111,878)	-	-	-	-	(111,878)	(a) (e)
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	(36,088)	-	-	(177,521)	-	(213,609)	(a)
O38	902134600212	Traffic Sig Safety& Ped Access	(9,759)	-	-	(15,773)	-	(25,532)	(a)
O38	902135500212	Neighborhood Traffic Sfty Impr	(69,112)	-	-	(23,870)	-	(92,982)	(a)
		Total O38 Projects	(226,837)	-	-	(217,164)	-	(444,001)	
O40	902135400212	Mainline R/R Xing Sfty	(295,182)	650,000	-	(392,708)	-	(37,890)	(a)
O44	902143215212	El Camino Real Guardrail	-	-	-	(25,720)	-	(25,720)	(a)
		Interest Income	109,970	-	1,851	-	-	111,821	
		Total Congestion Relief	(2,109,448)	8,379,143	1,851	(8,604,850)	542,640	(1,790,664)	

**SCHEDULE A**

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Maintenance:</b>									
O18	425411212	Misc Traffic Markings	\$ (128,040)	\$ 19,919	\$ -	\$ (41,987)	\$ -	\$ (150,108)	(a)
O18	425426212	Misc Street Projects	(2,822,274)	1,000,000	-	(257,222)	-	(2,079,496)	(a)
O18	425418212	Neighborhood Traffic Improvement	(121,969)	-	-	(15,162)	-	(137,131)	(a)
O18	425441212	Minor Street Paving Projects	-	97,450	-	(97,450)	-	-	(e)
O18	425620212	Street Tree Maintenance	-	-	-	(199,778)	-	(199,778)	(a)
O18	902141515212	Side Walk Repair	-	-	-	(249,741)	-	(249,741)	(a)
O18	902754200212	Street Restoration	(701,177)	-	-	-	-	(701,177)	(a)
O18	901126000212	Street Monumentation	(82,631)	82,631	-	-	-	-	(e)
Total O18 Projects			<u>(3,856,091)</u>	<u>1,200,000</u>	<u>-</u>	<u>(861,340)</u>	<u>-</u>	<u>(3,517,431)</u>	
O39	902135000212	Storm Drain Improv Design	(19,848)	19,848	-	-	-	-	(e)
O39	902135200212	Clementine Intrsrctn Rcnstrctn	(42,275)	80,152	-	(45,227)	-	(7,350)	(a)
O39	917141614212	Coco Palms Flood Imprvmnt	(32,885)	-	-	(96,591)	-	(129,476)	(e)
Total O39 Projects			<u>(95,008)</u>	<u>100,000</u>	<u>-</u>	<u>(141,818)</u>	<u>-</u>	<u>(136,826)</u>	
Interest Income			<u>47,130</u>	<u>-</u>	<u>793</u>	<u>-</u>	<u>-</u>	<u>47,923</u>	
Total Maintenance			<u>(3,903,969)</u>	<u>1,300,000</u>	<u>793</u>	<u>(1,003,158)</u>	<u>-</u>	<u>(3,606,334)</u>	
Total Local Street Improvements			<u>(6,013,417)</u>	<u>9,690,343</u>	<u>2,644</u>	<u>(9,619,208)</u>	<u>542,640</u>	<u>(5,396,998)</u>	
<b>Bike and Pedestrian:</b>									
O29	902132900212	Oblvd Transit Access	38,200	-	-	-	(38,200)	-	(f)
O30	902129800212	2-Year Educ/Encour/Awareness	(9,859)	32,478	-	(36,248)	-	(13,629)	(a)(e)
O31A	836129700212	NCT Station Bikestation	(15,930)	4,863	-	(5,220)	-	(16,287)	(g)
Total Bike and Pedestrian			<u>12,411</u>	<u>37,341</u>	<u>-</u>	<u>(41,468)</u>	<u>(38,200)</u>	<u>(29,916)</u>	

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Smart Growth:</b>									
O42	836145615212	Seagaze Downtown Mobility	\$ -	\$ 16,049	\$ -	\$ (19,198)	\$ -	\$ (3,149)	(g)
O42	902145615212	Seagaze DtnTwm Mobility-City	-	-	-	(3,384)	-	(3,384)	(g)
Total Smart Growth			-	16,049	-	(22,582)	-	(6,533)	
<b>Senior Mini-Grant:</b>									
O34	817130815212	Senior Transportation Grant	-	195,952	-	(195,952)	-	-	
Total Senior Mini-Grant			-	195,952	-	(195,952)	-	-	
Total <i>TransNet</i> Extension			(6,001,006)	9,939,685	2,644	(9,879,210)	504,440	(5,433,447)	
Subtotal <i>TransNet</i> and <i>TransNet</i> Extension			(4,948,895)	9,939,685	2,644	(10,010,544)	504,440	(4,512,670)	
GASB 31 Market Value Adjustment			14,317	-	2,608	-	-	16,925	
<b>Non-TransNet:</b>									
State Department of Finance			-	308,000	-	-	(308,000)	-	(d)
Total Non- <i>TransNet</i>			-	308,000	-	-	(308,000)	-	
Total <i>TransNet</i> , <i>TransNet</i> Extension and <i>Non-TransNet</i>			\$ (4,934,578)	\$ 10,247,685	\$ 5,252	\$ (10,010,544)	\$ 196,440	\$ (4,495,745)	

- Notes:**
- (a) City will request a drawdown in FY17 to remove the deficit.
  - (b) Rebate of \$234,640 received from CalRecycle for the use of rubberized asphalt overlay.
  - (c) Project O25 is on-going. City Council approved Resolution Number 16-R0323-1 on May 18, 2016, that requested to carry it forward into the 2016 RTIP, and program an additional \$1,590,000 in FY17. This will allow the City to draw sufficient funds to remove the deficit.
  - (d) City Adjustment of \$308,000 received from the State Department of Finance for specific projects of the Successor Agency. Due to the dissolution of the Redevelopment Agency, the City serves as the Successor Agency and was issued funding for this project.
  - (e) Work is complete, project is closed.
  - (f) Project is complete. Excess reimbursement of \$38,200 was returned to SANDAG on January 20, 2016.
  - (g) A portion of the negative balance is due to a 10% retention held by SANDAG to be paid upon completion of the project. The remaining balance is due to expenditures incurred which have not yet been reimbursed.

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SAN 54	N/A	Regional Arterial Management Systems	\$ 44,800	\$ -	\$ (44,800)	\$ -
		Total Congestion Relief - Pass-Through	<u>44,800</u>	<u>-</u>	<u>(44,800)</u>	<u>-</u>
<b>Congestion Relief:</b>						
O17	905120100212	Loma Alta Creek Detention Basins	2,160,000	-	(2,014,751)	145,249
O17	912145015212	LAC Detention Basin Mitigation	-	-	(12,324)	(12,324)
O17	905120100212	North Ave Slope Protection	-	-	(168,978)	(168,978)
		Total O17 Projects	<u>2,160,000</u>	<u>-</u>	<u>(2,196,053)</u>	<u>(36,053)</u>
O24	902754200212	Street Restoration	<u>15,311,236</u>	<u>-</u>	<u>(16,334,930)</u>	<u>(1,023,694)</u>
O25	902111200212	Adp Signal TMC Traffic Mgmt Ctr	1,800,000	-	(1,814,012)	(14,012)
O25	902131300212	MssnAve Fiber-Optic Cable Design	-	-	(96,073)	(96,073)
O25	902131300212	MssnAve Fiber-Optic Cable Design	-	-	(1,660)	(1,660)
O25	903141315212	CstHwy/VstWy Upgrade Trffc Sig	-	-	(12,393)	(12,393)
		Total O25 Projects	<u>1,800,000</u>	<u>-</u>	<u>(1,924,138)</u>	<u>(124,138)</u>
O33	902131200212	Coast Hwy Corridor Study/EIR	583,921	-	(284,016)	299,905
O33	902137100212	Coast Hwy Vision EIR-SA	10,365	-	(233,205)	(222,840)
		Total O33 Projects	<u>594,286</u>	<u>-</u>	<u>(517,221)</u>	<u>77,065</u>
		Subtotal Congestion Relief	<u>19,865,522</u>	<u>-</u>	<u>(20,972,342)</u>	<u>(1,106,820)</u>

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward	<u>\$ 19,865,522</u>	<u>\$ -</u>	<u>\$ (20,972,342)</u>	<u>\$ (1,106,820)</u>
O36	90213600212	El Corazon Access @ ORnch Rd	<u>400,000</u>	<u>-</u>	<u>(690,723)</u>	<u>(290,723)</u>
O37	425432212	SANDAG CRT Phase 2B	<u>1,037</u>	<u>-</u>	<u>(1,037)</u>	<u>-</u>
O37	902132400212	SANDAG CRT Phase 2B	<u>1,780</u>	<u>-</u>	<u>(1,780)</u>	<u>-</u>
O37	902135600212	Bicycle Master Plan/Bike Sfty	<u>117,183</u>	<u>-</u>	<u>(114,514)</u>	<u>2,669</u>
		Total O37 Projects	<u>120,000</u>	<u>-</u>	<u>(117,331)</u>	<u>2,669</u>
O38	902131500212	SRTS Calif ST-Lincoln/Palmquist	<u>-</u>	<u>-</u>	<u>(111,878)</u>	<u>(111,878)</u>
O38	902134400212	Ada Ramp Rplcmt/Sdwks In-fill	<u>-</u>	<u>-</u>	<u>(213,609)</u>	<u>(213,609)</u>
O38	902134600212	Traffic Sig Safety& Ped Access	<u>-</u>	<u>-</u>	<u>(25,532)</u>	<u>(25,532)</u>
O38	902135500212	Neighborhood Traffic Sfty Impr	<u>-</u>	<u>-</u>	<u>(92,982)</u>	<u>(92,982)</u>
		Total O38 Projects	<u>-</u>	<u>-</u>	<u>(444,001)</u>	<u>(444,001)</u>
O40	902135400212	Mainline R/R Xing Sfty	<u>650,000</u>	<u>-</u>	<u>(687,890)</u>	<u>(37,890)</u>
O44	902135400212	El Camino Real Guardrail	<u>-</u>	<u>-</u>	<u>(25,720)</u>	<u>(25,720)</u>
		Interest Income	<u>-</u>	<u>111,821</u>	<u>-</u>	<u>111,821</u>
		Total Congestion Relief	<u>21,035,522</u>	<u>111,821</u>	<u>(22,938,007)</u>	<u>(1,790,664)</u>
		<b>Maintenance:</b>				
O18	425411212	Misc Traffic Markings	<u>163,170</u>	<u>-</u>	<u>(313,278)</u>	<u>(150,108)</u>
O18	425426212	Misc Street Projects	<u>3,550,833</u>	<u>-</u>	<u>(5,630,329)</u>	<u>(2,079,496)</u>
O18	425418212	Neighborhood Traffic Improvement	<u>387,190</u>	<u>-</u>	<u>(524,321)</u>	<u>(137,131)</u>
O18	425441212	Minor Street Paving Projects	<u>97,450</u>	<u>-</u>	<u>(97,450)</u>	<u>-</u>
O18	425620212	Street Tree Maintenance	<u>-</u>	<u>-</u>	<u>(199,778)</u>	<u>(199,778)</u>
O18	902141515212	Side Walk Repair	<u>-</u>	<u>-</u>	<u>(249,741)</u>	<u>(249,741)</u>
O18	902754200212	Street Restoration	<u>910,867</u>	<u>-</u>	<u>(1,612,044)</u>	<u>(701,177)</u>
O18	901126000212	Street Monumentation	<u>138,061</u>	<u>-</u>	<u>(138,061)</u>	<u>-</u>
		Total O18 Projects	<u>5,247,571</u>	<u>-</u>	<u>(8,765,002)</u>	<u>(3,517,431)</u>

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward	\$ 5,247,571	\$ -	\$ (8,765,002)	\$ (3,517,431)
O39	902135000212	Storm Drain Improv Design	19,848	-	(19,848)	-
O39	902135200212	Clementime Intrsectn Rcnstrctn	80,152	-	(87,502)	(7,350)
O39	917141614212	Coco Palms Flood Imprvmnt	-	-	(129,476)	(129,476)
		Total O39 Projects	<u>100,000</u>	<u>-</u>	<u>(236,826)</u>	<u>(136,826)</u>
		Interest Income	<u>-</u>	<u>47,923</u>	<u>-</u>	<u>47,923</u>
		Total Maintenance	<u>5,347,571</u>	<u>47,923</u>	<u>(9,001,828)</u>	<u>(3,606,334)</u>
		Total Local Street Improvements	<u>26,427,893</u>	<u>159,744</u>	<u>(31,984,635)</u>	<u>(5,396,998)</u>
		<b>Bike and Pedestrian:</b>				
O29	902132900212	Oblvd Transit Access	302,893	-	(302,893)	-
O30	902129800212	2-Year Educ/Encour/Awareness	159,769	-	(173,398)	(13,629)
O31A	836129700215	NCT Station Bikestation	<u>78,485</u>	<u>-</u>	<u>(94,772)</u>	<u>(16,287)</u>
		Total Bike and Pedestrian	<u>541,147</u>	<u>-</u>	<u>(571,063)</u>	<u>(29,916)</u>
		<b>Smart Growth:</b>				
O42	836145615212	Seagaze Downtown Mobility	16,049	-	(19,198)	(3,149)
O42	902145615212	Seagaze DtnTwm Mobility-City	<u>-</u>	<u>-</u>	<u>(3,384)</u>	<u>(3,384)</u>
		Total O42 Projects	<u>16,049</u>	<u>-</u>	<u>(22,582)</u>	<u>(6,533)</u>
		<b>Senior Mini-Grant:</b>				
O34	8171308152212	Senior Transportation Grant	<u>195,952</u>	<u>-</u>	<u>(195,952)</u>	<u>-</u>
		Total Senior Mini-Grant	<u>195,952</u>	<u>-</u>	<u>(195,952)</u>	<u>-</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>27,181,041</u>	<u>159,744</u>	<u>(32,774,232)</u>	<u>(5,433,447)</u>

**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward	<u>\$ 27,181,041</u>	<u>\$ 159,744</u>	<u>\$ (32,774,232)</u>	<u>\$ (5,433,447)</u>
		<b>Completed Projects:</b>				
		Local Street Improvements:				
		Congestion Relief	1,598,038	-	(1,598,038)	-
		Maintenance	2,349,352	220	(2,349,572)	-
		Senior Mini-Grant	<u>757,082</u>	<u>13</u>	<u>(757,095)</u>	<u>-</u>
		Total Completed Projects	<u>4,704,472</u>	<u>233</u>	<u>(4,704,705)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 31,885,513</u>	<u>\$ 159,977</u>	<u>\$ (37,478,937)</u>	<u>\$ (5,433,447)</u>



**CITY OF OCEANSIDE, CALIFORNIA**  
*TransNet* Extension Activities  
 RTCIP Fund  
 Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative	
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	O22	\$ 8,120	\$ -	\$ (8,120)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017		199,920	6,999	(206,919)	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018		118,617	1,199	(119,816)	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019		169,688	-	(169,688)	-	-
For Fiscal Year ended June 30, 2013	June 30, 2020		402,690	-	(402,690)	-	-
For Fiscal Year ended June 30, 2014	June 30, 2021		251,826	1,690	(253,516)	-	-
For Fiscal Year ended June 30, 2015	June 30, 2022		128,478	911	(129,389)	-	-
For Fiscal Year ended June 30, 2016	June 30, 2023		256,521	1,798	(258,319)	-	-
Total RTCIP Funds			<u>\$ 1,535,860</u>	<u>\$ 12,597</u>	<u>\$ (1,548,457)</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF POWAY, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Poway, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.  
  
Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).  
  
Results: The City recorded total *TransNet* expenditures in the amount of \$1,362,360. We selected \$669,864 (49.17%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.  
  
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 on Schedule A.

- h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects during the year ended June 30, 2016.

- 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, 2017.

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.

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.

- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: This procedure is not applicable as there were no adjustments included on 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 fund balance 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 2016 apportionment	\$1,463,913
Less: debt service payment	<u>                  -</u>
Net estimated apportionment	1,463,913
30% base	<u>                  30%</u>
Fiscal year 2016 30% threshold	<u>          439,174</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	461,733
Maintenance fund balance	<u>                  1</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>          461,734</u>
Fund balance under (over) apportionment	<u>\$ (22,560)</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$461,733	\$378,108	\$839,841
Maintenance	<u>          1</u>	<u>  24,966</u>	<u>  24,967</u>
Totals	<u>\$461,734</u>	<u>\$403,074</u>	<u>\$864,808</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 29.77% of cumulative local street and road revenue for maintenance as indicated on the following page:



	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$ 7,687,070	\$347,742	\$ 8,034,812
Maintenance	3,428,200	15,291	3,443,491
Interest	<u>12,669</u>	<u>40,041</u>	<u>52,710</u>
 Total local street and road revenue	 <u>\$11,127,939</u>	 <u>\$403,074</u>	 <u>\$11,531,013</u>
 30% of total local street and road revenue			 \$ 3,459,304
Less maintenance expenditures incurred to date			 <u>3,432,843</u>
 Available maintenance funds			 <u>\$ 26,461</u>
 Cumulative percentage expended for maintenance			 <u>29.77%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$1,215,596
Less MOE base year requirement	<u>(884,681)</u>
Excess MOE for the year ended June 30, 2016	<u>\$ 330,915</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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: No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF POWAY, CALIFORNIA**  
*TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status June 30, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief Pass-Through:</b>									
POW 29	0407-4320D	Regional Arterial Management Systems	\$ -	\$ 7,300	\$ -	\$ (7,300)	\$ -	\$ -	
Total Congestion Relief Pass-Through			-	7,300	-	(7,300)	-	-	
<b>Congestion Relief:</b>									
POW 18	0411-4320B	Annual Street Overlay & Reconstruction	22,643	-	18	(22,661)	-	-	
POW 19	0411-4320B	15/16 Annual Reconstruction & Overlay Project	-	820,000	27	(786,108)	-	33,919	
POW 22	12009	Poway Road Corridor Study	240,861	-	294	(113,581)	-	127,574	
POW 35	12008	Midland Road Pedestrian Safety Project	-	300,000	240	-	-	300,240	
Total Congestion Relief			263,504	1,120,000	579	(922,350)	-	461,733	
<b>Maintenance:</b>									
POW 27	0411-4320C	Street Maintenance Project	3,411	429,300	-	(432,710)	-	1	(a)
Total Maintenance			3,411	429,300	-	(432,710)	-	1	
Total Local Street Improvement			266,915	1,556,600	579	(1,362,360)	-	461,734	
Subtotal <i>TransNet</i> Extension			266,915	1,556,600	579	(1,362,360)	-	461,734	
GASB 31 Market Value Adjustment			426	-	1,164	-	-	1,590	
Total <i>TransNet</i> Extension			\$ 267,341	\$ 1,556,600	\$ 1,743	\$ (1,362,360)	\$ -	\$ 463,324	

**Notes:**

(a) The expenditures for the City's Congestion Relief and Maintenance programs were substantially made during the first part of the fiscal year. However, due to cash flow constraints, *TransNet* funds were received evenly throughout the fiscal year. This resulted in an average negative cash balance for the fiscal year. Therefore, the funds received no interest allocation.

**CITY OF POWAY, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief Pass-Through:</b>						
POW 29	0407-4320D	Regional Arterial Management Systems	\$ 29,200	\$ -	\$ (29,200)	\$ -
Total Congestion Relief Pass-Through			<u>29,200</u>	<u>-</u>	<u>(29,200)</u>	<u>-</u>
<b>Congestion Relief:</b>						
POW 18	0411-4320B	Annual Street Overlay & Reconstruction	661,472	166	(661,638)	-
POW 19	0411-4320B	15/16 Annual Reconstruction & Overlay Project	820,000	27	(786,108)	33,919
POW 22	12009	Poway Road Corridor Study	350,000	2,307	(224,733)	127,574
POW 35	12008	Midland Road Pedestrian Safety Project	<u>300,000</u>	<u>240</u>	<u>-</u>	<u>300,240</u>
Total Congestion Relief			<u>2,131,472</u>	<u>2,740</u>	<u>(1,672,479)</u>	<u>461,733</u>
<b>Maintenance:</b>						
POW 27	0411-4320C	Street Maintenance Project	<u>859,400</u>	<u>-</u>	<u>(859,399)</u>	<u>1</u>
Total Maintenance			<u>859,400</u>	<u>-</u>	<u>(859,399)</u>	<u>1</u>
Subtotal Cumulative <i>TransNet</i> Extension			<u>3,020,072</u>	<u>2,740</u>	<u>(2,561,078)</u>	<u>461,734</u>
<b>Completed Projects:</b>						
Local Street Improvements:						
Congestion Relief			5,526,398	5,285	(5,531,683)	-
Maintenance			<u>2,568,800</u>	<u>4,644</u>	<u>(2,573,444)</u>	<u>-</u>
Total Completed Projects			<u>8,095,198</u>	<u>9,929</u>	<u>(8,105,127)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension			<u>\$ 11,115,270</u>	<u>\$ 12,669</u>	<u>\$ (10,666,205)</u>	<u>\$ 461,734</u>

**SCHEDULE C**

**CITY OF POWAY, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Funds	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Committed at June 30, 2016	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	POW23	\$ 78,000	\$ 5,741	\$ (57,024)	\$ (26,717)	\$ -	\$ 36,911
For Fiscal Year ended June 30, 2010	June 30, 2017		10,295	699	-	-	10,994	10,994
For Fiscal Year ended June 30, 2011	June 30, 2018		158,156	5,917	-	-	164,073	164,073
For Fiscal Year ended June 30, 2012	June 30, 2019		6,369	183	-	-	6,552	6,552
For Fiscal Year ended June 30, 2013	June 30, 2020		30,310	630	-	-	30,940	30,940
For Fiscal Year ended June 30, 2014	June 30, 2021		17,672	286	-	-	17,958	17,958
For Fiscal Year ended June 30, 2015	June 30, 2022		20,336	76	-	-	20,412	20,412
For Fiscal Year ended June 30, 2016	June 30, 2023		25,360	-	-	-	25,360	-
Interest Income			-	2,879	-	-	2,879	-
Subtotal RTCIP Funds			346,498	16,411	(57,024)	(26,717)	279,168	287,840
GASB 31 Market Value Adjustment			-	1,002	-	-	1,002	426
Total RTCIP Funds			\$ 346,498	\$ 17,413	\$ (57,024)	\$ (26,717)	\$ 280,170	\$ 288,266



**CITY OF SAN DIEGO, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Diego, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: The City recorded total *TransNet* expenditures in the amount of \$50,741,262. We selected \$16,776,181 (33.06%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.
- Results: Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, ten city departments charged labor and applied indirect costs to projects in the RTIP. The indirect costs charged by departments ranged from 10.4% to 89.4%. The City's indirect cost plan is reviewed by the California Department of Transportation (Caltrans). The City's indirect cost rates have been approved by Caltrans through June 30, 2016. Caltrans has contracted with the State Controller's Office to perform an

audit of the City of San Diego's Indirect Cost Rate Proposal for the 2011 to 2016 fiscal years. This audit was subsequently performed and concluded in January 2016. The methodology used is consistent with the previously approved methodology.

- 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, 2016.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- k. We obtained approval from SANDAG staff for the reason of inactivity.  
Results: 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: No exceptions were noted as a result of our procedures.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
Results: No exceptions were noted as a result of our procedures.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the 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 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 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 indicated below:

Fiscal year 2016 apportionment	\$31,090,809
Less: debt service payment	<u>                    -</u>
Net estimated apportionment	31,090,809
30% base	<u>                    30%</u>
Fiscal year 2016 30% threshold	<u>9,327,243</u>
Less:	
Local Streets and Roads fund balance	2,174,300
Local Street Improvement:	
Congestion Relief fund balance	(741,460)
Maintenance fund balance	<u>          25,726</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>1,458,566</u>
Fund balance under apportionment	<u>\$ 7,868,677</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2015 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held <u>by City</u>	Funds Held <u>by SANDAG</u>	<u>Total</u>
Congestion Relief	\$(741,460)	\$36,466,895	\$35,725,435
Maintenance	<u>25,726</u>	<u>1,464,329</u>	<u>1,490,055</u>
Totals	<u>\$(715,734)</u>	<u>\$37,931,224</u>	<u>\$37,215,490</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 29.16% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$133,432,200	\$34,469,870	\$167,902,070
Maintenance	70,617,933	417,830	71,035,763
Interest	<u>(51,029)</u>	<u>3,043,524</u>	<u>2,992,495</u>
Total local street and road revenue	<u>\$203,999,104</u>	<u>\$37,931,224</u>	<u>\$241,930,328</u>
30% total local street and road revenue			72,579,098
Less maintenance expenditures incurred to date			<u>(70,556,377)</u>
Available maintenance funds			\$ <u>2,022,721</u>
Cumulative percentage expended for maintenance			<u>29.16%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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 report a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2016, is summarized on the following page:



	<u>Street and Road</u>	<u>Specialized Transportation Services</u>	<u>Transit Bus Subsidies</u>	<u>Total</u>
Current year local discretionary expenditures	\$38,617,765	\$181,102	\$874,824	\$39,673,691
Less MOE base year requirement	<u>(19,384,257)</u>	<u>(143,433)</u>	<u>(772,157)</u>	<u>(20,299,847)</u>
Excess MOE for the year ended June 30, 2016	<u>\$19,233,508</u>	<u>\$37,669</u>	<u>\$102,667</u>	<u>\$19,373,844</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of \$4,761,185. We selected \$1,260,000 (26.46%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 14.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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 14.c.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: The City spent 0.82% of program revenue for fund administration services for the year ended June 30, 2016. No exceptions were noted as a result of our procedures.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 14, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

- 15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

- 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, 2016.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

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This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

*Daniel Farn UP*

Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2014, through June 30, 2015.

**“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 any one of the following that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs: 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.

**“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 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.

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet:</b>									
<b>Highways:</b>									
CAL 28	524632	SR 56/Black Mountain Road	\$ 2,517,170	\$ -	\$ 11,495	\$ -	\$ -	\$ 2,528,665	(a)
		Total Highways	\$ 2,517,170	\$ -	\$ 11,495	\$ -	\$ -	\$ 2,528,665	
<b>Local Streets and Roads:</b>									
SD06	S00865	Aldine Drive and Fairmount Ave. Slope Restoration	\$ 2,484	\$ -	\$ -	\$ -	\$ (2,484)	\$ -	(b)(c)
SD09	AIK.00001	New Walkways	16,325	-	-	-	(16,325)	-	(d)
SD09	AIK.00003	Sidewalk Replacement and Repair - AA	(16,325)	-	-	-	16,325	-	(d)
		Total SD09 Projects	-	-	-	-	-	-	
SD15	AIH.00001	Street Light Installation	484,051	-	-	(175,315)	-	308,736	
SD16A	AIL.00010	Traffic Signal Controllers - AA	1,045	-	-	-	(1,045)	-	(c)
SD16A	AIL.00003	Cooperative Projects - AA	84,911	-	-	-	(84,911)	-	(c)
SD16A	680100	Construct top 10-15 Prioritized Traffic Signals	-	-	-	-	-	-	
SD16A	AIL.00005	Modernize top 5-10 Prioritized Traffic Signals	186,191	-	-	(220,198)	-	(34,007)	(e)
		Total SD16A Projects	272,147	-	-	(220,198)	(85,956)	(34,007)	
		Subtotal Local Streets and Roads	758,682	-	-	(395,513)	(88,440)	274,729	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Local Streets and Roads	\$ 758,682	\$ -	\$ -	\$ (395,513)	\$ (88,440)	\$ 274,729	
SD17	AIE.00002	Guard Rails - AA	99,746	-	-	(129,274)	-	(29,528)	(e)
SD18	AIL.00001	Signal Installation - AA	385,209	-	-	(154,606)	-	230,603	
SD19	S00864	Streamview Drive	9,648	-	-	(1)	-	9,647	
SD23	ACA.00001	Emergency Drainage Projects - AA	248,124	-	-	(246,061)	-	2,063	
SD38	S00863	Georgia Street Bridge/University Ave Separation Replacement	4,989	-	-	(1,047)	-	3,942	
SD49	S11057	Florida Drive Median Improvement	(17,844)	-	-	(229,498)	252,744	5,402	(c)
SD83	S-00851	SR 163 @ Friars Road	706	-	-	(706)	-	-	
SD96	AID.00005	Resurfacing City Streets	931,865	-	-	(121,671)	(237,492)	572,702	(c)
SD97	AIK.00002	Annual Allocation - Install City St Lights in High Crime Areas	11,108	-	-	(10,809)	-	299	
SD99	AIE.00001	Bridge rails - AA	17,313	-	-	(17,313)	-	-	
SD106	S00726	Mission Beach Boardwalk	65,086	-	-	(65,086)	-	-	
SD112	S00856	Via de La Valle, San Andreas Rd to El Camino Real	3,055	-	-	(3,055)	-	-	
SD127	S00941	Shoal Creek Pedestrian Bridge - Phase I	53,883	-	-	(40,972)	-	12,911	(b)(e)
SD129	S00915	University Ave Mobility Study	11,799	-	-	-	-	11,799	(a)
SD133	S00878	Vista Sorrento Pkwy @I-805 Modification	21,910	-	-	-	(21,910)	-	(b)(c)
SD139	S00939	Laurel Street Bridge Over	168,115	-	-	(367)	-	167,748	
SD154	S00928	La Jolla Mesa Drive Sidewalk	33,041	-	-	(10,301)	-	22,740	
SD164	S00880	Miramar Road	659,636	-	-	(3,829)	-	655,807	
SD166	AIA.00001	Minor Bicycle Facilities	40,112	-	-	(13,525)	-	26,587	
		<b>Subtotal Local Streets and Roads</b>	<b>3,506,183</b>	<b>-</b>	<b>-</b>	<b>(1,443,634)</b>	<b>(95,098)</b>	<b>1,967,451</b>	

SCHEDULE A

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Local Streets and Roads	\$ 3,506,183	\$ -	\$ -	\$ (1,443,634)	\$ (95,098)	\$ 1,967,451	
SD175	S00609	Talbot Street Slope restoration	105,560	-	-	(3,375)	-	102,185	
SD208	S00602	Juan Street - Concrete Street	1,750,108	-	-	(1,647,220)	-	102,888	
SD215	S12030	FY12 Asphalt Overlay Group 1	17,126	-	-	-	(17,126)	-	(b)(c)
SD226	S00870	Old Otay Road Westerly	2,690	-	-	(914)	-	1,776	
		Subtotal Local Streets and Roads	5,381,667	-	-	(3,095,143)	(112,224)	2,174,300	
		Interest income	(112,224)	-	-	-	112,224	-	(f)
		Total Local Streets and Roads	5,269,443	-	-	(3,095,143)	-	2,174,300	
		GASB 31 Market Value Adjustment	6,619	-	(9,556)	-	-	(2,937)	
		Total Local Streets and Roads with GASB 31 Market Value Adjustment	\$ 5,276,062	\$ -	\$ (9,556)	\$ (3,095,143)	\$ -	\$ 2,171,363	
		<b>Bikes and Pedestrian:</b>							
SD14	S00731	State Route 15 Bikeway Study	\$ 57,475	\$ -	\$ 446	\$ -	\$ (677)	\$ 57,244	(g)(h)
SD108	S00944	Bayshore Bikeway Feasibility Study (Non CIP)	31,592	-	245	-	(372)	31,465	(a)(g)
SD114	S00946	Rose Creek / Pedestrian Bridge	121,885	-	946	-	(1,435)	121,396	(g)(h)
SD120	S00958	San Diego River Multi-Use	4,430	-	34	-	(52)	4,412	(a)(g)
SD121	S00957	Balboa Avenue / Tierrasanta Blvd Bikeway	109,552	-	462	-	(110,014)	-	(b)(g)(i)
SD122	S00955	State Route 56 Bike Path	89,679	-	696	(27,227)	(1,056)	62,092	(g)
SD141	S00943	Poway Road Bike Path	80,045	-	621	-	(943)	79,723	(g)
		Subtotal Bikes and Pedestrian	494,658	-	3,450	(27,227)	(114,549)	356,332	



**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Bikes and Pedestrian	\$ 494,658	\$ -	\$ 3,450	\$ (27,227)	\$ (114,549)	\$ 356,332	
SD143	S00962	Rancho Bernardo Bikeway	197,227	-	1,530	-	(2,322)	196,435	(g)(h)
SD145	13000376	Prop A Bicycle Safety Education	34,771	-	270	-	(409)	34,632	(g)(h)
V02	S00951	Coastal Rail Trail	126,657	-	984	-	(1,492)	126,149	(a)(g)
		Subtotal Bikes and Pedestrian	853,313	-	6,234	(27,227)	(118,772)	713,548	
		Interest Income	(10,048)	-	-	-	10,048	-	(j)
		Total Bikes and Pedestrian	843,265	-	6,234	(27,227)	(108,724)	713,548	
		GASB 31 Market Value Adjustment	1,096	-	(3,002)	-	-	(1,906)	
		Total Bikes and Pedestrian with GASB 31 Market Value Adjustment	\$ 844,361	\$ -	\$ 3,232	\$ (27,227)	\$ (108,724)	\$ 711,642	
		Total <i>TransNet</i>	\$ 8,629,878	-	17,729	(3,122,370)	(108,724)	\$ 5,416,513	
		Total GASB 31 Market Value Adjustment	7,715	-	(12,558)	-	-	(4,843)	
		Total <i>TransNet</i> after GASB 31 Adjustment	\$ 8,637,593	-	5,171	(3,122,370)	(108,724)	\$ 5,411,670	

SCHEDULE A

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Major Corridor:</b>									
SD108	S-00944	Bayshore Bikeway	\$ 277,639	\$ -	\$ 2,095	\$ (4,380)	\$ -	\$ 275,354	
		Total Major Corridor	<u>277,639</u>	<u>-</u>	<u>2,095</u>	<u>(4,380)</u>	<u>-</u>	<u>275,354</u>	
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SD16A	13001747	Regional Arterial Management Systems	-	67,600	-	(67,600)	-	-	
		Total Congestion Relief - Pass-Through	<u>-</u>	<u>67,600</u>	<u>-</u>	<u>(67,600)</u>	<u>-</u>	<u>-</u>	
<b>Congestion Relief:</b>									
SD01	S00894	Alvarado Road Realignment	15,834	-	-	-	-	15,834	(b)(e)
SD06	S00865	Aldine Drive Slope Reconstruction	1,301,233	-	-	(7,353)	-	1,293,880	(b)(e)
SD09	ABE.00001	Americans with Disabilities Improvements (ARRA)	945	-	-	-	-	945	
SD09	AIK.00001	New Walkways (ARRA)	(5,209)	5,639	-	(430)	-	-	
SD09	AIK.00001	No. & So. Side Ridgehaven Ct Sidewalk	47,562	-	-	-	(47,562)	-	(d)
SD09	AIK.00001	New Walkways	(4,111)	632,108	-	(778,730)	47,562	(103,171)	(d)(l)
		Total SD09 Projects	<u>39,187</u>	<u>637,747</u>	<u>-</u>	<u>(779,160)</u>	<u>-</u>	<u>(102,226)</u>	
		Subtotal Congestion Relief	<u>1,356,254</u>	<u>637,747</u>	<u>-</u>	<u>(786,513)</u>	<u>-</u>	<u>1,207,488</u>	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPOP ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ 1,356,254	\$ 637,747	\$ -	\$ (786,513)	\$ -	\$ 1,207,488	
SD14	S00732	40th St. Promenade - Mid City Urban Trail	-	4,806	-	-	-	4,806	(b)(e)
SD14	S00733	Cherokee Traffic Calming	-	45,121	-	-	-	45,121	(b)(e)
		Total SD14 Projects	-	49,927	-	-	-	49,927	
SD15	AIH.00001	Street Lights - Smart Growth Areas	(38,813)	39,872	-	(1,059)	-	-	
SD16A	AIL.00002	Traffic Signal Interconnect Projects	(864)	378,178	-	(389,598)	-	(12,284)	(l)
SD16A	AIL.00004	Traffic Signals - Citywide	(26,166)	179,623	-	(158,795)	-	(5,338)	(l)
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	(33,867)	228,658	-	(179,325)	-	15,466	
SD16A	AIL.00005	Traffic Signals - Modifications/ Modernization (ARRA)	20,551	-	-	(4,512)	-	16,039	
		Total SD16A Projects	(40,346)	786,459	-	(732,230)	-	13,883	
SD18	AIL.00001	Traffic Control/Calming Measures - Smart Growth Areas	(22,986)	758,443	-	(995,121)	-	(259,664)	(l)
SD19	S00864	Streamview Drive	(10,052)	1,318,769	-	(1,960,839)	-	(652,122)	(l)
SD19	S00864	Streamview Drive (ARRA)	-	-	-	(158,348)	-	(158,348)	(l)
		Total SD16A Projects	(10,052)	1,318,769	-	(2,119,187)	-	(810,470)	
		Subtotal Congestion Relief	1,244,057	3,591,217	-	(4,634,110)	-	201,164	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ 1,244,057	\$ 3,591,217	\$ -	\$ (4,634,110)	\$ -	\$ 201,164	
SD23	ACA.00001	Drainage Projects	58,488	409,666	-	(598,356)	-	(130,202)	(l)
SD23	ACA.00001	Drainage Projects (ARRA)	(9,119)	125,127	-	(116,008)	-	-	
		Total SD23 Projects	49,369	534,793	-	(714,364)	-	(130,202)	
SD29	S00845	43rd Street Widening	5,450	58,997	-	(32,575)	-	31,872	
SD31	S00859	Carmel Valley Road	40,658	-	-	(7,375)	-	33,283	
SD32	S00841	Carroll Cnyn Rd Sorrento Valley Rd to I-805	(3,207)	3,207	-	-	-	-	
SD34	S00856	El Camino Real Road and Bridge Widening	35,954	57,625	-	(93,618)	-	(39)	(l)
SD38	S00863	Georgia St Bridge & University Ave	23,616	196,630	-	(251,363)	-	(31,117)	(l)
SD49	S00844	Thorn Street Median Improvements (ARRA)	12,882	-	-	-	(12,882)	-	(c)
SD49	AIG.00001	Median Installation	(10,206)	386,126	-	(622,032)	-	(246,112)	(l)
		Total SD49 Projects	2,676	386,126	-	(622,032)	(12,882)	(246,112)	
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	6,715	81,754	-	(94,316)	-	(5,847)	(l)
		Subtotal Congestion Relief	1,405,288	4,910,349	-	(6,449,753)	(12,882)	(146,998)	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ 1,405,288	\$ 4,910,349	\$ -	\$ (6,449,753)	\$ (12,882)	\$ (146,998)	
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	(113,407)	248,643	-	(146,516)	-	(11,280)	(l)
SD83	S00851	State Route 163 and Friars Road, Phase I	19,315	13,421,207	-	(14,195,207)	-	(754,685)	(l)
SD86	S00605	Famosa Slough Salt Marsh Restoration	9,306	8,162	-	(114)	-	17,354	
SD90	S00905	Clairemont Mesa/SR163	3,777	172,832	-	(198,670)	-	(22,061)	(l)
SD92	S00699 & S00700	Azalea Park Rdway Improvements and Neighborhood ID	22,134	-	-	(5,862)	-	16,272	
SD96	AID.00005	Resurfacing of City Streets	(5,480,783)	10,710,368	-	(5,229,582)	410,024	410,027	(c)(m)
SD96	AID.00006	Concrete Streets	-	21,968	-	(21,968)	29,600	29,600	(c)
		Total SD96 Projects	(5,480,783)	10,732,336	-	(5,251,550)	439,624	439,627	
SD97	AIK.00002	School Traffic Safety Improvements	8,047	386,868	-	(401,602)	-	(6,687)	(l)
SD99	AIE.00001	Bridge Rehabilitation	15,469	275,146	-	(300,427)	-	(9,812)	(l)
		Subtotal Congestion Relief	(4,110,854)	30,155,543	-	(26,949,701)	426,742	(478,270)	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ (4,110,854)	\$ 30,155,543	\$ -	\$ (26,949,701)	\$ 426,742	\$ (478,270)	
SD102A	S11060	Otay Mesa Truck Route Phase 4	321,591	-	-	(81,033)	-	240,558	
SD106	S00839	Mission Beach Boardwalk Bulkhead	(13,870)	378,836	-	(472,164)	-	(107,198)	(l)
SD108	S00944	Bayshore Bikeway	632	28,804	-	(21,103)	-	8,333	
SD108	S00944	Bayshore Bikeway (ARRA)	902	5,127	-	(6,554)	-	(525)	
		Total SD108 Projects	1,534	33,931	-	(27,657)	-	7,808	
SD113	S00914	Sorrento valley Rd & I-5 Interchange	(9,459)	57,976	-	(53,519)	-	(5,002)	(l)
SD114	S00946	Rose Creek Bikeway (ARRA)	7,510	83,514	-	-	-	91,024	
SD120	S00958	San Diego River Multi-Use Bicycle Pedestrian Path	(1,860)	9,674	-	(18,938)	25,363	14,239	(d)
SD120A	S00958	Hazard Center Road Bike Path Study at SR 163	25,363	-	-	-	(25,363)	-	(d)
SD127	S00941	Shoal Creek Pedestrian Bridge	55,158	15,532	-	(8,869)	-	61,821	(b)(e)
		Subtotal Congestion Relief	(3,724,887)	30,735,006	-	(27,611,881)	426,742	(175,020)	

**SCHEDULE A**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward	\$ (3,724,887)	\$ 30,735,006	\$ -	\$ (27,611,881)	\$ 426,742	\$ (175,020)	
SD129	S00915	University Avenue Mobility Project	15,153	94,445	-	(104,882)	-	4,716	
SD129	S00915	University Avenue Mobility Project (ARRA)	(12,922)	18,075	-	(15,171)	-	(10,018)	(l)
		Total SD129 Projects	2,231	112,520	-	(120,053)	-	(5,302)	
SD130	S00912	Skyline Drive Imp from Sears Ave to 58th St.	2,674	-	-	-	(2,674)	-	(b)(c)
SD133	S00878	Mira Sorrento Place (Biological Monitoring)	41,128	-	-	-	(41,128)	-	(b)(c)
SD137	S00913	Palm Avenue Roadway Improvements	(163,399)	788,382	-	(626,480)	-	(1,497)	(l)
SD139	S00939	Laurel Street (Cabrillo) Bridge over SR 163	590	49,128	-	(35,140)	-	14,578	
SD141	S00939	Poway Road Bike Path	(9,075)	19,287	-	(8,000)	-	2,212	
SD153	S00985	25th Street Renaissance Project	(280,005)	497,533	-	(202,453)	-	15,075	
		Subtotal Congestion Relief	(4,130,743)	32,201,856	-	(28,604,007)	382,940	(149,954)	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Congestion Relief	\$ (4,130,743)	\$ 32,201,856	\$ -	\$ (28,604,007)	\$ 382,940	\$ (149,954)	
SD154	S00928	La Jolla Mesa Drive Sidewalk	-	41,593	-	(45,670)	-	(4,077)	(I)
SD156	S00922	34th & 35th at Madison Improvements	(3,299)	872,578	-	(785,433)	-	83,846	
SD157	S00921	Cherokee Street Improvements	(9,176)	685,503	-	(781,481)	-	(105,154)	(I)
SD162	S00673	Home Avenue Street Improvements	(48,817)	268,389	-	(57,300)	-	162,272	
SD166	AIA.00001	Minor Bicycle Facilities	(9,953)	438,937	-	(482,309)	-	(53,325)	(I)
SD173	S00930	38th Street Improvements	35,710	11,741	-	-	-	47,451	
SD173	S00930	38th Street Improvements (ARRA)	61,292	-	-	(12,148)	-	49,144	
		Total SD173 Projects	97,002	11,741	-	(12,148)	-	96,595	
SD175	S-00609	Talbot Street Slope Reconstruction	43,943	43,998	-	(14,437)	-	73,504	
SD179	S-00907	Linda Vista Road and Genesee Avenue	(37,149)	222,704	-	(350,803)	-	(165,248)	(I)
		Subtotal Congestion Relief	(4,098,192)	34,787,299	-	(31,133,588)	382,940	(61,541)	



**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward	\$ (4,098,192)	\$ 34,787,299	\$ -	\$ (31,133,588)	\$ 382,940	\$ (61,541)	
SD186	21002143	Administrative Expenses - Comptrollers	11,590	100,588	-	(98,010)	-	14,168	
SD186	21002273	Administrative Expenses - Engineering	(16,936)	140,945	-	(150,096)	-	(26,087)	(l)
		Total SD186 Projects	(5,346)	241,533	-	(248,106)	-	(11,919)	
SD188	various	Congestion Relief /Traffic Signal Operations	2,442	3,283,730	-	(3,283,730)	-	2,442	
SD196	S-00613	Torrey Pines Improvements Phase I	3	10,044	-	(2,778)	-	7,269	(b)(e)
SD196	S-00613	Torrey Pines Improvements Phase I (ARRA)	8,216	15,576	-	(23,765)	-	27	(b)(e)
		Total SD196 Projects	8,219	25,620	-	(26,543)	-	7,296	
SD198	S-00733	Cherokee Traffic Calming	3,119	-	-	-	-	3,119	(b)(e)
SD207	S11056	Fourth Ave/Fifth Avenue & Nutmeg St	1,347	-	-	-	-	1,347	(b)(e)
SD208	S00602	Juan Street - Concrete Street	(24,239)	291,878	-	(401,981)	-	(134,342)	(l)
SD209	S00877	Torrey Pines Road Slope Reconstruction	8,032	-	-	-	-	8,032	
		Subtotal Congestion Relief	(4,104,618)	38,630,060	-	(35,093,948)	382,940	(185,566)	

SCHEDULE A

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward	\$ (4,104,618)	\$ 38,630,060	\$ -	\$ (35,093,948)	\$ 382,940	\$ (185,566)	
SD210	S00988	Five Points Neighborhood Pedestrian Impr	(103,072)	179,917	-	(92,165)	-	(15,320)	(l)
SD212	S11033	Holly Drive Street Improvements	-	75,000	-	(49,542)	-	25,458	
SD215	S12030	FY12 Asphalt Group 1	85,386	-	-	-	(85,386)	-	(b)(c)
SD216	S12031	FY12 Asphalt Group 2	183,055	-	-	-	(183,055)	-	(b)(c)
SD216	S12031	FY12 Asphalt Group 2 (ARRA)	16,718	-	-	-	(16,718)	-	(b)(c)
		Total SD216 Projects	199,773	-	-	-	(199,773)	-	
SD226	S00870	Old Otay Road Westerly	(31,490)	210,938	-	(700,002)	-	(520,554)	(l)
SD226	S00870	Old Otay Road Westerly (ARRA)	-	61,440	-	(89,922)	-	(28,482)	(l)
		Total SD226 Projects	(31,490)	272,378	-	(789,924)	-	(549,036)	
SD237	S00951	Coastal Rail Trail	-	4,891	-	(37,829)	-	(32,938)	(l)
		Interest income - Congestion Relief 70%	97,775	-	15,942	-	(97,775)	15,942	(c)
		Total Congestion Relief	(3,856,246)	39,162,246	15,942	(36,063,408)	6	(741,460)	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Maintenance:</b>									
SD176	13000768	Maintenance	\$ -	\$ 9,506,079	\$ -	\$ (9,506,079)	\$ -	\$ -	
		Interest Income - Maintenance 30%	<u>18,894</u>	<u>-</u>	<u>6,832</u>	<u>-</u>	<u>-</u>	<u>25,726</u>	
		Total Maintenance	<u>18,894</u>	<u>9,506,079</u>	<u>6,832</u>	<u>(9,506,079)</u>	<u>-</u>	<u>25,726</u>	
		Total Local Street Improvements	<u>(3,837,352)</u>	<u>48,735,925</u>	<u>22,774</u>	<u>(45,637,087)</u>	<u>6</u>	<u>(715,734)</u>	
<b>Bikes and Pedestrian:</b>									
SD221	1000408-2013	SD River Bike Path & Mission Ctr Blvd. Impr	(34,151)	34,038	-	113	-	-	
SD222	1000405-2013	Chollas Crk to Bayshore Bkwy - Multi-Use	(161,631)	210,606	-	(48,975)	-	-	
SD224	5001740	Downtown Complete Street Mobility Plan	(49,454)	107,093	-	(134,997)	-	(77,358)	(n)
SD225	1000406-2013	Linda Vista CATS	<u>(45,011)</u>	<u>82,525</u>	<u>-</u>	<u>(56,370)</u>	<u>-</u>	<u>(18,856)</u>	(n)
		Total Bikes and Pedestrian	<u>(290,247)</u>	<u>434,262</u>	<u>-</u>	<u>(240,229)</u>	<u>-</u>	<u>(96,214)</u>	
<b>Smart Growth:</b>									
SD202	1000274-2010	Smart Growth - Chollas	(105,530)	105,529	-	1	-	-	(o)
SD214	1000426-2014	Park Blvd./City College/San Diego High	(10,706)	192,927	-	(192,927)	-	(10,706)	(n)
SD227	1000401-2013	Morena Blvd Stn Study Ph 2	(56,831)	136,815	-	(125,467)	-	(45,483)	(n)
SD228	1000402-2013	The Complete Blvd Planning Study	<u>(39,280)</u>	<u>87,988</u>	<u>-</u>	<u>(66,067)</u>	<u>-</u>	<u>(17,359)</u>	(n)
		Subtotal Smart Growth	<u>(212,347)</u>	<u>523,259</u>	<u>-</u>	<u>(384,460)</u>	<u>-</u>	<u>(73,548)</u>	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward - Smart Growth	\$ (212,347)	\$ 523,259	\$ -	\$ (384,460)	\$ -	\$ (73,548)	
SD229	5004285	Island Ave Green Street Mobility Improvements	(111,088)	849,307	-	(887,244)	26,129	(122,896)	(n)(p)
SD230	5004286	Downtown SD Wayfinding Signage	(76,904)	335,329	-	(258,425)	-	-	
SD231	5004288	East Village Green/14th Street Promenade Master Plan	(9,921)	180,716	-	(200,795)	-	(30,000)	(n)
SD239	100450-2015	Grantville Trolley Station	-	5,645	-	(6,272)	-	(627)	(n)
		Total Smart Growth	(410,260)	1,894,256	-	(1,737,196)	26,129	(227,071)	
		Total <i>TransNet</i> Extension	(4,260,220)	51,064,443	24,869	(47,618,892)	26,135	(763,665)	
		GASB 31 Market Value Adjustment	3,550	-	(19,670)	-	-	(16,120)	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ (4,256,670)	\$ 51,064,443	\$ 5,199	\$ (47,618,892)	\$ 26,135	\$ (779,785)	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	\$ 4,369,658	\$ 51,064,443	\$ 42,598	\$ (50,741,262)	\$ (82,589)	\$ 4,652,848	
		GASB 31 Market Value Adjustment	11,264	-	(32,227)	-	-	(20,963)	
		Total <i>TransNet</i> and <i>TransNet</i> Extension after GASB 31 Adjustment	\$ 4,380,922	\$ 51,064,443	\$ 10,371	\$ (50,741,262)	\$ (82,589)	\$ 4,631,885	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Non-TransNet (Fund Deficits Covered by "Other Revenues")</b>									
<b>Additional TransNet Activity - Non Project Specific</b>									
OTHER	Other	Other Revenues	\$ 121,647	\$ -	\$ -	\$ -	\$ 411	\$ 122,058	(k)
Total Non Project Specific Activity			<u>121,647</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>411</u>	<u>122,058</u>	
<b>Other (Non-TransNet) Streets and Roads:</b>									
SD107	S-00720	North Torrey Pines Road at Genesee	<u>411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411)</u>	<u>-</u>	(b)(k)
Total Other (Non-TransNet) Streets and Roads			<u>411</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(411)</u>	<u>-</u>	
Total Non-TransNet (Fund Deficits Covered By "Other Revenue")			<u>\$ 122,058</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 122,058</u>	
Total TransNet, TransNet Extension and Non-TransNet			\$ 4,491,716	\$ 51,064,443	\$ 42,598	\$ (50,741,262)	\$ (82,589)	\$ 4,774,906	
Total GASB 31 Market Value Adjustment			<u>11,264</u>	<u>-</u>	<u>(32,227)</u>	<u>-</u>	<u>-</u>	<u>(20,963)</u>	
Total TransNet, TransNet Extension and Non-TransNet after GASB 31 Adjustment			<u>\$ 4,502,980</u>	<u>\$ 51,064,443</u>	<u>\$ 10,371</u>	<u>\$ (50,741,262)</u>	<u>\$ (82,589)</u>	<u>\$ 4,753,943</u>	

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
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Notes:

- (a) The following projects are inactive (estimated completion dates shown) - CAL28 (6/30/17), SD108 (6/30/2020), SD120 (6/30/17), SD129 (6/30/2020), V02 (6/30/2025).
- (b) Project is complete.
- (c) The City obtained Council approval R-310537.
- (d) Reallocation of revenue within same MPO ID number.
- (e) The City will obtain approval to authorize transfers between projects in FY17.
- (f) In FY15, GASB 31 overstated unrealized loss was corrected to interest income. In FY16, the Local Streets and Roads interest income deficit was applied to projects with approval of the Council per R-310537.
- (g) Allocation of negative interest earnings from correction of FY15 GASB 31.
- (h) Competed SANDAG Grants will be refunded after the FY16 report has been approved and a written request is received from SANDAG.
- (i) SANDAG Grant was refunded to SANDAG.
- (j) In FY15, GASB 31 overstated unrealized loss was corrected to interest income. In FY16, the Bikes and Pedestrian interest income deficit was applied on a prorata basis to correct previously over reported interest earnings. [see note (f)]
- (k) Return Non-*TransNet* remainder to Non-*TransNet* unallocated line.
- (l) FY17 draws will provide coverage for MPO ID projects with negative balances at June 30, 2016.
- (m) Adjustment includes \$6 rounding correction from previous *TransNet* AUP reports to reconcile to the City's records.
- (n) To remove the deficit balance, the City will submit for reimbursement in FY17.
- (o) Grant expense reduced by \$1 that was not reimbursed by Grant 1000274-2010.
- (p) Correction of SD229 Grant expenditures were overstated by \$26,129 in FY15.

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Major Corridor:</b>						
SD108	13001747	Bayshore Bikeway	\$ 3,774,000	\$ 257,635	\$ (3,756,281)	\$ 275,354
		Total Major Corridor	<u>3,774,000</u>	<u>257,635</u>	<u>(3,756,281)</u>	<u>275,354</u>
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
		Regional Arterial Management Systems	<u>270,400</u>	<u>-</u>	<u>(270,400)</u>	<u>-</u>
		Total Congestion Relief - Pass-Through	<u>270,400</u>	<u>-</u>	<u>(270,400)</u>	<u>-</u>
<b>Congestion Relief:</b>						
SD01	S00894	Alvarado Road Realignment	<u>54,883</u>	<u>(425)</u>	<u>(38,624)</u>	<u>15,834</u>
SD06	S00865	Aldine Drive Slope Reconstruction	<u>2,119,922</u>	<u>(27,850)</u>	<u>(798,192)</u>	<u>1,293,880</u>
SD09	ABE.00001	Americans with Disabilities Improvements (ARRA)	546,706	(5,108)	(540,653)	945
SD09	AIK.00001	New Walkways (ARRA)	1,789,295	(8,383)	(1,780,912)	-
SD09	AIK.00001	No. & So. Side Ridgehaven Ct Sidewalk	301,366	(2,757)	(298,609)	-
SD09	AIK.00001	New Walkways	<u>3,286,964</u>	<u>-</u>	<u>(3,390,135)</u>	<u>(103,171)</u>
		Total SD09 Projects	<u>5,924,331</u>	<u>(16,248)</u>	<u>(6,010,309)</u>	<u>(102,226)</u>
		Subtotal Congestion Relief	<u>8,099,136</u>	<u>(44,523)</u>	<u>(6,847,125)</u>	<u>1,207,488</u>

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	\$ 8,099,136	\$ (44,523)	\$ (6,847,125)	\$ 1,207,488
SD14	S00732	40th St. Promenade - Mid City Urban Trail	71,143	-	(66,337)	4,806
SD14	S00733	Cherokee Traffic Calming	105,000	-	(59,879)	45,121
		Total SD 14 Projects	176,143	-	(126,216)	49,927
SD15	AIH.00001	Street Lights - Smart Growth Areas	537,903	(4,702)	(533,201)	-
SD16A	AIL.00002	Traffic Signal Interconnect Projects	673,172	(1,572)	(683,884)	(12,284)
SD16A	AIL.00004	Traffic Signals - Citywide	1,647,608	(4,826)	(1,648,120)	(5,338)
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	3,795,811	(3,471)	(3,776,874)	15,466
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization (ARRA)	52,139	-	(36,100)	16,039
		Total SD16A Projects	6,168,730	(9,869)	(6,144,978)	13,883
SD18	AIL.00001	Traffic Control/Calming Measures - Smart Growth Areas	2,084,971	(2,224)	(2,342,411)	(259,664)
SD19	S00864	Streamview Drive	1,810,832	(2,862)	(2,460,092)	(652,122)
SD19	S00864	Streamview Drive (ARRA)	-	-	(158,348)	(158,348)
		Total SD19 Projects	1,810,832	(2,862)	(2,618,440)	(810,470)
		Subtotal Congestion Relief	18,877,715	(64,180)	(18,612,371)	201,164



**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	\$ 18,877,715	\$ (64,180)	\$ (18,612,371)	\$ 201,164
SD23	ACA.00001	Drainage Projects	3,664,041	(1,690)	(3,792,553)	(130,202)
SD23	ACA.00001	Drainage Projects (ARRA)	288,863	-	(288,863)	-
		Total SD16A Projects	3,952,904	(1,690)	(4,081,416)	(130,202)
SD29	S00845	43rd Street Widening	2,575,000	-	(2,543,128)	31,872
SD31	S00859	Carmel Valley Road	373,347	3,761	(343,825)	33,283
SD32	S00841	Carroll Cnyn Rd Sorrento Valley Rd to I-805	10,374,300	20,855	(10,395,155)	-
SD34	S00856	El Camino Real Road and Bridge Widening	682,815	2,965	(685,819)	(39)
SD38	S00863	Georgia St Bridge & University Ave	1,039,388	916	(1,071,421)	(31,117)
SD49	S00844	Thorn Street Median Improvements (ARRA)	197,118	-	(197,118)	-
SD49	AIG.00001	Median Installation	1,173,214	(4,375)	(1,414,951)	(246,112)
		Total SD49 Projects	1,370,332	(4,375)	(1,612,069)	(246,112)
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	617,372	1,817	(625,036)	(5,847)
		Subtotal Congestion Relief	39,863,173	(39,931)	(39,970,240)	(146,998)

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	\$ 39,863,173	\$ (39,931)	\$ (39,970,240)	\$ (146,998)
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	1,059,634	(1,394)	(1,069,520)	(11,280)
SD83	S00851	State Route 163 and Friars Road, Phase I	16,399,608	(27,402)	(17,126,891)	(754,685)
SD86	S00605	Famosa Slough Salt Marsh Restoration	116,970	483	(100,099)	17,354
SD90	S00905	Clairemont Mesa/SR163	7,863,077	(10,234)	(7,874,904)	(22,061)
SD92	S00699 & S00700	Azalea Park Rdway Improvements and Neighborhood ID	150,000	317	(134,045)	16,272
SD96	AID.00005	Resurfacing of City Streets	11,942,760	-	(11,532,733)	410,027
SD96	AID.00006	Concrete Streets	51,568	-	(21,968)	29,600
		Total SD96 Projects	11,994,328	-	(11,554,701)	439,627
SD97	680170	School Traffic Safety Improvements	938,942	(4,126)	(941,503)	(6,687)
SD99	525190	Bridge Rehabilitation	374,367	(492)	(383,687)	(9,812)
SD102A	S11060	Otay Mesa Truck Route Phase 4	710,419	-	(469,861)	240,558
SD106	S00839	Mission Beach Boardwalk Bulkhead	378,836	-	(486,034)	(107,198)
		Subtotal Congestion Relief	79,849,354	(82,779)	(80,111,485)	(344,910)

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Congestion Relief	\$ 79,849,354	\$ (82,779)	\$ (80,111,485)	\$ (344,910)
SD108	S00944	Bayshore Bikeway	159,074	-	(150,741)	8,333
SD108	S00944	Bayshore Bikeway (ARRA)	<u>140,926</u>	<u>-</u>	<u>(141,451)</u>	<u>(525)</u>
		Total SD108 Projects	<u>300,000</u>	<u>-</u>	<u>(292,192)</u>	<u>7,808</u>
SD113	S00914	Sorrento valley Rd & I-5 Interchange	<u>354,606</u>	<u>-</u>	<u>(359,608)</u>	<u>(5,002)</u>
SD114	S00946	Rose Creek Bikeway (ARRA)	<u>4,070,040</u>	<u>(2,321)</u>	<u>(3,976,695)</u>	<u>91,024</u>
SD120	S00958	San Diego River Multi-Use Bicycle & Pedestrian Path	<u>1,474,853</u>	<u>3,187</u>	<u>(1,463,801)</u>	<u>14,239</u>
SD127	S00941	Shoal Creek Pedestrian Bridge	<u>748,665</u>	<u>539</u>	<u>(687,383)</u>	<u>61,821</u>
SD129	S00915	University Avenue Mobility Project	688,064	(1,380)	(681,968)	4,716
SD129	S00915	University Avenue Mobility Project (ARRA)	<u>169,982</u>	<u>-</u>	<u>(180,000)</u>	<u>(10,018)</u>
		Total SD129 Projects	<u>858,046</u>	<u>(1,380)</u>	<u>(861,968)</u>	<u>(5,302)</u>
SD130	S00912	Skyline Drive Imp from Sears Ave to 58th St.	<u>1,672,326</u>	<u>2,675</u>	<u>(1,675,001)</u>	<u>-</u>
SD133	S00878	Mira Sorrento Place (Biological Monitoring)	<u>18,872</u>	<u>(926)</u>	<u>(17,946)</u>	<u>-</u>
		Subtotal Congestion Relief	<u>89,346,762</u>	<u>(81,005)</u>	<u>(89,446,079)</u>	<u>(180,322)</u>

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	\$ 89,346,762	\$ (81,005)	\$ (89,446,079)	\$ (180,322)
SD137	S00913	Palm Avenue Roadway Improvements	3,130,843	(1,627)	(3,130,713)	(1,497)
SD139	S00939	Laurel Street (Cabrillo) Bridge over Highway 163	118,876	(796)	(103,502)	14,578
SD141	S00939	Poway Road Bike Path	980,000	-	(977,788)	2,212
SD153	S00985	25th Street Renaissance Project	2,266,000	(1,201)	(2,249,724)	15,075
SD154	S00928	Home Avenue Street Improvements	41,593	-	(45,670)	(4,077)
SD156	S00922	34th & 35th at Madison Improvements	1,335,854	(1,241)	(1,250,767)	83,846
SD157	S00921	Cherokee Street Improvements	1,222,070	(321)	(1,326,903)	(105,154)
SD162	S00673	Home Avenue Street Improvements	700,000	-	(537,728)	162,272
SD166	AIA.00001	Minor Bicycle Facilities	828,460	(171)	(881,614)	(53,325)
SD173	S00930	38th Street Improvements	47,451	-	-	47,451
SD173	S00930	38th Street Improvements (ARRA)	1,188,259	(1,183)	(1,137,932)	49,144
		Total SD173 Projects	1,235,710	(1,183)	(1,137,932)	96,595
SD175	S-00609	Talbot Street Slope Reconstruction	1,156,000	579	(1,083,075)	73,504
SD179	S-00907	Linda Vista Road and Genesee Avenue	427,418	(483)	(592,183)	(165,248)
SD186	21002143	Administrative Expenses - Comptrollers	647,596	2,320	(635,748)	14,168
SD186	21002273	Administrative Expenses - Engineering	1,321,035	431	(1,347,553)	(26,087)
		Total SD186 Projects	1,968,631	2,751	(1,983,301)	(11,919)
		Subtotal Congestion Relief	104,758,217	(84,698)	(104,746,979)	(73,460)

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Congestion Relief	<u>\$ 104,758,217</u>	<u>\$ (84,698)</u>	<u>\$ (104,746,979)</u>	<u>\$ (73,460)</u>
SD188	various	Congestion Relief /Traffic Signal Operations	<u>12,450,226</u>	<u>39,944</u>	<u>(12,487,728)</u>	<u>2,442</u>
SD196	S-00613	Torrey Pines Improvements Phase I	<u>298,013</u>	<u>-</u>	<u>(290,744)</u>	<u>7,269</u>
SD196	S-00613	Torrey Pines Improvements Phase I (ARRA)	<u>501,987</u>	<u>(1,997)</u>	<u>(499,963)</u>	<u>27</u>
		Total SD196 Projects	<u>800,000</u>	<u>(1,997)</u>	<u>(790,707)</u>	<u>7,296</u>
SD198	S-00733	Cherokee Traffic Calming	<u>260,000</u>	<u>-</u>	<u>(256,881)</u>	<u>3,119</u>
SD207	S11056	Fourth Ave/Fifth Avenue & Nutmeg	<u>69,241</u>	<u>-</u>	<u>(67,894)</u>	<u>1,347</u>
SD208	S00602	Juan Street - Concrete Street	<u>789,340</u>	<u>-</u>	<u>(923,682)</u>	<u>(134,342)</u>
SD209	S00877	Torrey Pines Road Slope Reconstruction	<u>403,198</u>	<u>-</u>	<u>(395,166)</u>	<u>8,032</u>
SD210	S00988	Five Points Neighborhood Pedestrian Impr	<u>199,449</u>	<u>-</u>	<u>(214,769)</u>	<u>(15,320)</u>
SD212	S11033	Holly Drive Street Improvements	<u>75,000</u>	<u>-</u>	<u>(49,542)</u>	<u>25,458</u>
SD215	S12030	FY12 Asphalt Group 1	<u>3,273,387</u>	<u>-</u>	<u>(3,273,387)</u>	<u>-</u>
		Subtotal Congestion Relief	<u>123,078,058</u>	<u>(46,751)</u>	<u>(123,206,735)</u>	<u>(175,428)</u>

**SCHEDULE B**

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward	<u>\$ 123,078,058</u>	<u>\$ (46,751)</u>	<u>\$ (123,206,735)</u>	<u>\$ (175,428)</u>
SD216	S12031	FY12 Asphalt Group 2	2,197,847	-	(2,197,847)	-
SD216	S12031	FY12 Asphalt Group 2 (ARRA)	<u>318,899</u>	<u>-</u>	<u>(318,899)</u>	<u>-</u>
		Total SD216 Projects	<u>2,516,746</u>	<u>-</u>	<u>(2,516,746)</u>	<u>-</u>
SD226	S00870	Old Otay Mesa Road - Westerly	210,938	-	(731,492)	(520,554)
SD226	S00870	Old Otay Mesa Road - Westerly (ARRA)	<u>61,440</u>	<u>-</u>	<u>(89,922)</u>	<u>(28,482)</u>
		Total SD226 Projects	<u>272,378</u>	<u>-</u>	<u>(821,414)</u>	<u>(549,036)</u>
SD237	S00951	Coastal Rail Trail	<u>4,891</u>	<u>-</u>	<u>(37,829)</u>	<u>(32,938)</u>
		Interest Income 70% Congestion Relief	<u>-</u>	<u>15,942</u>	<u>-</u>	<u>15,942</u>
		Total Congestion Relief	<u>125,872,073</u>	<u>(30,809)</u>	<u>(126,582,724)</u>	<u>(741,460)</u>
		<b>Maintenance:</b>				
SD176	13000768	Maintenance	64,567,533	(61,556)	(64,505,977)	-
SD206	S11055	Fourth Ave and Quice Street	-	-	-	-
SD207	S-11056	Fourth Ave/Fifth Avenu & Nutmeg St	-	-	-	-
		Interest Income 30% Maintenance	<u>-</u>	<u>25,726</u>	<u>-</u>	<u>25,726</u>
		Total Maintenance	<u>64,567,533</u>	<u>(35,830)</u>	<u>(64,505,977)</u>	<u>25,726</u>
		Total Local Street Improvements	<u>190,710,006</u>	<u>(66,639)</u>	<u>(191,359,101)</u>	<u>(715,734)</u>

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Bikes and Pedestrian:</b>						
SD221	1000408-2013	SD River Bike Path & Mission Ctr Blvd. Impr	284,988	-	(284,988)	-
SD222	1000405-2013	Chollas Crk to Bayshore Bkwy - Multi-Use	410,069	-	(410,069)	-
SD224	5001740	Downtown Complete Street Mobility Plan	217,339	-	(294,697)	(77,358)
SD225	1000406-2013	Linda Vista CATS	169,709	-	(188,565)	(18,856)
Total Bikes and Pedestrian			1,082,105	-	(1,178,319)	(96,214)
<b>Smart Growth:</b>						
SD202	1000274-2010	Smart Growth - Chollas	270,302	-	(270,302)	-
SD214	1000426-2014	Park Blvd./City College/San Diego High	289,293	-	(299,999)	(10,706)
SD227	1000401-2013	Morena Blvd Stn Study Ph 2	136,815	-	(182,298)	(45,483)
SD228	1000402-2013	The Complete Blvd Planning Study	87,988	-	(105,347)	(17,359)
SD229	5004285	Island Ave Green Street Mobility Improvements	849,307	-	(972,203)	(122,896)
SD230	5004286	Downtown SD Wayfinding Signage	335,329	-	(335,329)	-
SD231	5004288	East Village Green/14th Street Promenade Master Plan	270,000	-	(300,000)	(30,000)
SD239	100450-2015	Grantville Trolley Station	5,645	-	(6,272)	(627)
Total Smart Growth Improvement			2,244,679	-	(2,471,750)	(227,071)
Subtotal Cumulative <i>TransNet</i> Extension			197,810,790	190,996	(198,765,451)	(763,665)

**CITY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Completed Projects:</b>						
		Congestion Relief	\$ 7,289,727	\$ 15,610	\$ (7,305,337)	\$ -
		Maintenance	6,050,400	-	(6,050,400)	-
		Bikes and Pedestrian	253,906	-	(253,906)	-
		Smart Growth	1,339,078	-	(1,339,078)	-
		Environmental Mitigation	<u>62,454</u>	<u>-</u>	<u>(62,454)</u>	<u>-</u>
		Total Completed Projects	<u>13,594,033</u>	<u>15,610</u>	<u>(13,609,643)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 211,404,823</u>	<u>\$ 206,606</u>	<u>\$ (212,375,094)</u>	<u>\$ (763,665)</u>



**SCHEDULE C**

**CITY OF SAN DIEGO, CALIFORNIA**

*TransNet* Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	Various	\$ 562,279	\$ 32,179	\$ (594,458)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	Various	862,805	39,990	(902,795)	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	Various	1,189,183	36,243	(1,225,426)	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	Various	2,403,483	47,258	(2,450,741)	-	442,614
For Fiscal Year ended June 30, 2013	June 30, 2020	Various	3,422,066	38,688	(3,460,754)	-	3,460,754
For Fiscal Year ended June 30, 2014	June 30, 2021	Various	3,766,865	37,027	(857,817)	2,946,075	3,803,892
For Fiscal Year ended June 30, 2015	June 30, 2022		4,291,606	17,298	-	4,308,904	4,308,904
For Fiscal Year ended June 30, 2016	June 30, 2023		8,067,505	-	-	8,067,505	-
Interest Income			-	112,345	-	112,345	-
<b>Total RTCIP Funds</b>			<b>\$ 24,565,792</b>	<b>\$ 361,028</b>	<b>\$ (9,491,991)</b>	<b>\$ 15,434,829</b>	<b>\$ 12,016,164</b>

**CITY OF SAN MARCOS, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of San Marcos, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.  
  
Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).  
  
Results: The City recorded total *TransNet* expenditures in the amount of \$1,247,116. We selected \$346,780 (27.81%) for testing. No exceptions were noted as a result of our procedures.
- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.  
  
Results: No exceptions were noted as a result of our procedures.
- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.  
  
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: 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, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

- 8. We reviewed that the ending fund balance 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 indicated on the following page:

Fiscal year 2016 apportionment	\$2,069,359
Less: debt service payment	<u>(91,960)</u>
Net estimated apportionment	1,977,399
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>593,220</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	237,624
Maintenance fund balance	<u>633,559</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>871,183</u>
Fund balance under (over) apportionment	\$ <u>(277,963)</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$237,624	\$6,129,854	\$6,367,478
Maintenance	<u>633,559</u>	<u>1,171,408</u>	<u>1,804,967</u>
Totals	<u>\$871,183</u>	<u>\$7,301,262</u>	<u>\$8,172,445</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 11.19% of cumulative local street and road revenue for maintenance as indicated on the following page:



	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$19,934,476	\$5,929,689	\$25,864,165
Maintenance	4,123,150	1,094,216	5,217,366
Interest	<u>36,264</u>	<u>277,357</u>	<u>313,621</u>
Total local street and road revenue	<u>\$24,093,890</u>	<u>\$7,301,262</u>	<u>\$31,395,152</u>
30% of total local street and road revenue			\$ 9,418,546
Less maintenance expenditures incurred to date			<u>3,511,817</u>
Available maintenance funds			<u>\$ 5,906,729</u>
Cumulative percentage expended for maintenance			<u>11.19%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: The results are summarized below. The City was unable to expend the 2014 Bond proceeds within timeframes required as projects were moving slower than anticipate. As such, the City released \$13,835,000 of 2014 Bond proceeds (reflected in the Principal Adjustment column below) in order to allow for *TransNet* revenue to flow through to the City instead. Interest Payments for the 2014 Bonds in the Fiscal Year Ended June 30, 2016 represent a return of overpaid interest in prior years.

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Principal</u> <u>Adjustments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2010 Series A Bonds	\$15,139,627	\$ -	\$ -	\$ -	\$15,139,627	\$603,444
2014 Bonds	14,860,000	-	-	(13,835,000)	1,025,000	(511,484)

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$3,879,277
Less MOE base year requirement	<u>(3,804,565)</u>
Excess MOE for the year ended June 30, 2016	\$ <u>74,712</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 have any RTCIP expenditures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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 have any RTCIP expenditures.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. We documented the date the recipient agency provided RTCIP documentation to us for review.

Results: The City provided RTCIP documentation to us for review on September 27, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: This procedure is not applicable as the City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SM54	N/A	Regional Arterial Management Systems	\$ -	\$ 10,800	\$ -	\$ (10,800)	\$ -	\$ -	
		Total Congestion Relief - Pass-Through	-	10,800	-	(10,800)	-	-	
<b>Congestion Relief:</b>									
SM31	88265	Discovery Street Improvements	(7,648)	7,648	-	(33,379)	-	(33,379)	(a)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	(16,279)	-	-	(105,341)	-	(121,620)	(a)
SM48	88505	SM Creek Specific Plan	473,399	-	-	-	-	473,399	
SM56	88263	Bent Ave Bridge and Street Improvement	(13,727)	-	-	(80,939)	-	(94,666)	(a)
		2010 Series A Bonds Debt Service	-	603,444	-	(603,444)	-	-	
		2014 Bonds	-	(511,484)	-	511,484	-	-	
		Subtotal Congestion Relief	435,745	99,608	-	(311,619)	-	223,734	
		Interest Income	11,895	-	1,995	-	-	13,890	
		Total Congestion Relief	447,640	99,608	1,995	(311,619)	-	237,624	
<b>Maintenance:</b>									
SM38	55090	Local Streets and Roads Maintenance	619,333	-	-	-	(619,333)	-	(b)(c)
SM58	86006	Sidewalk Repair and Replacement	-	-	-	(8,000)	-	(8,000)	(a)
SM59	86009	Annual Street Overlay Project	-	-	-	-	619,333	619,333	(c)
		Subtotal Maintenance	619,333	-	-	(8,000)	-	611,333	

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		Interest Income	\$ 16,907	\$ -	\$ 5,319	\$ -	\$ -	\$ 22,226	
		Total Maintenance	636,240	-	5,319	(8,000)	-	633,559	
		Total Local Street Improvements	1,083,880	110,408	7,314	(330,419)	-	871,183	
		<b>Bikes and Pedestrian (BPNS):</b>							
SM51	88524	San Marcos Bicycle and Pedestrian Plan	(23,158)	23,838	-	(680)	-	-	(b)
		Total BPNS	(23,158)	23,838	-	(680)	-	-	
		<b>Smart Growth:</b>							
SM53	88539	Armorlite Complete Street Corridor	(12,906)	178,683	-	(893,742)	-	(727,965)	(d)(e)
		Total Smart Growth	(12,906)	178,683	-	(893,742)	-	(727,965)	
		<b>Senior Mini-Grant:</b>							
SM57	N/A	On the Move Transportation Program	-	19,350	-	(22,275)	-	(2,925)	(e)
		Total Senior Mini-Grant	-	19,350	-	(22,275)	-	(2,925)	
		Total <i>TransNet</i> Extension	\$ 1,047,816	\$ 332,279	\$ 7,314	\$ (1,247,116)	\$ -	\$ 140,293	

**Notes:**

- (a) To remain in compliance with SANDAG Board Policy No. 31, Rule #17, Section IV, Local Agency Balance Limitations (30% Rule), no additional funding will be requested until the City is in compliance.
- (b) Project is complete.
- (c) The remaining funds were reprogrammed via RTIP amendment 16-00 to SM59. The City Council approved the transfer in June 2016 via Resolution No. 2016-8212.
- (d) Part of the negative balance is the 10% retention held by SANDAG.
- (e) The City will cover the deficit with a drawdown in FY17.

**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SM54	N/A	Regional Arterial Management Systems	\$ 32,400	\$ -	\$ (32,400)	\$ -
		Total Congestion Relief - Pass-Through	32,400	-	(32,400)	-
<b>Congestion Relief:</b>						
SM31	88265	Discovery Street Improvements	1,997,648	-	(2,031,027)	(33,379)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	23,449	-	(145,069)	(121,620)
SM48	88505	SM Creek Specific Plan	1,857,766	-	(1,384,367)	473,399
SM56	88263	Bent Ave Bridge and Street Improvement	23,444	-	(118,110)	(94,666)
		2010 Series A Bonds Debt Service	3,312,412	-	(3,312,412)	-
		2014 Bonds	128,843	-	(128,843)	-
		Subtotal Congestion Relief	7,343,562	-	(7,119,828)	223,734
		Interest Income	-	13,890	-	13,890
		Total Congestion Relief	7,343,562	13,890	(7,119,828)	237,624
<b>Maintenance:</b>						
SM38	55090	Local Streets and Roads Maintenance	3,503,817	-	(3,503,817)	-
SM58	86006	Sidewalk Repair and Replacement	-	-	(8,000)	(8,000)
SM59	86009	Annual Street Overlay Project	619,333	-	-	619,333
		Subtotal Maintenance	4,123,150	-	(3,511,817)	611,333
		Interest Income	-	22,226	-	22,226
		Total Maintenance	4,123,150	22,226	(3,511,817)	633,559
		Total Local Street Improvements	11,499,112	36,116	(10,664,045)	871,183



**CITY OF SAN MARCOS, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		<b>Bikes and Pedestrian (BPNS):</b>				
SM51	88524	San Marcos Bicycle and Pedestrian Plan	\$ 72,680	\$ -	\$ (72,680)	\$ -
		Total BPNS	<u>72,680</u>	<u>-</u>	<u>(72,680)</u>	<u>-</u>
		<b>Smart Growth:</b>				
SM53	88539	Armorlite Complete Street Corridor	272,035	-	(1,000,000)	(727,965)
		Total Smart Growth	<u>272,035</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(727,965)</u>
SM57	N/A	<b>Senior Mini-Grant:</b>				
		On the Move Transportation Program	19,350	-	(22,275)	(2,925)
		Total Senior Mini-Grant	<u>19,350</u>	<u>-</u>	<u>(22,275)</u>	<u>(2,925)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>11,863,177</u>	<u>36,116</u>	<u>(11,759,000)</u>	<u>140,293</u>
		<b>Completed projects:</b>				
		Congestion Relief	12,558,514	148	(12,558,662)	-
		Bikes and Pedestrian	876,261	1,668	(877,929)	-
		Total Completed Projects	<u>13,434,775</u>	<u>1,816</u>	<u>(13,436,591)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 25,297,952</u>	<u>\$ 37,932</u>	<u>\$ (25,195,591)</u>	<u>\$ 140,293</u>

CITY OF SAN MARCOS, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Funds	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Committed at June 30, 2016	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	SM31	\$ 14,000	\$ 1,011	\$ -	\$ (15,011)	\$ -	\$ 15,011
For Fiscal Year ended June 30, 2010	June 30, 2017		2,040	127	-	-	2,167	2,167
For Fiscal Year ended June 30, 2011	June 30, 2018		93,760	3,919	-	-	97,679	97,679
For Fiscal Year ended June 30, 2012	June 30, 2019		82,797	2,672	-	-	85,469	85,469
For Fiscal Year ended June 30, 2013	June 30, 2020		1,155,830	15,387	-	-	1,171,217	1,171,217
For Fiscal Year ended June 30, 2014	June 30, 2021		11,045	140	-	-	11,185	11,185
For Fiscal Year ended June 30, 2015	June 30, 2022		166,795	991	-	-	167,786	167,787
For Fiscal Year ended June 30, 2016	June 30, 2023		364,168	-	-	-	364,168	-
Interest Income			-	15,107	-	-	15,107	-
Total RTCIP Funds			<u>\$ 1,890,435</u>	<u>\$ 39,354</u>	<u>\$ -</u>	<u>\$ (15,011)</u>	<u>\$ 1,914,778</u>	<u>\$ 1,550,515</u>

**CITY OF SANTEE, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Santee, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total *TransNet* expenditures in the amount of \$5,555,205. We selected \$2,666,941 (48.01%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

- iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016 at the rate of 21.1% of direct salary and benefit costs associated with each project. The City's indirect cost plan has not been reviewed by a cognizant agency. The City's indirect cost plan is reviewed internally and updated annually. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with

SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

- h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
  - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.  
  
Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending fund balance 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 2016 apportionment	\$1,414,206
Less: debt service payment	<u>(933,581)</u>
Net estimated apportionment	480,625
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>144,187</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(210,799)
Maintenance fund balance	<u>124,512</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(86,287)</u>
Fund balance under apportionment	\$ <u>230,474</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(210,799)	\$ (716,107)	\$ (926,906)
Maintenance	<u>124,512</u>	<u>1,247,024</u>	<u>1,371,536</u>
Totals	\$ <u>(86,287)</u>	\$ <u>530,917</u>	\$ <u>444,630</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 8.39% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$20,018,620	\$ (820,797)	\$19,197,823
Maintenance	2,017,872	1,215,807	3,233,679
Interest	<u>2,332</u>	<u>135,907</u>	<u>138,239</u>
 Total local street and road revenue	 <u>\$22,038,824</u>	 <u>\$ 530,917</u>	 <u>\$22,569,741</u>
 30% of total local street and road revenue			 \$ 6,770,922
Less maintenance expenditures incurred to date			 <u>1,894,290</u>
 Available maintenance funds			 <u>\$ 4,876,632</u>
 Cumulative percentage expended for maintenance			 <u>8.39%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: Results are as follows as of June 30, 2016.

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2010 Series B	\$6,446,029	\$ -	\$328,620	\$6,117,409	\$260,888
2014 Bonds	4,462,500	-	151,250	4,311,250	192,823

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$762,266
Less MOE base year requirement	<u>(485,044)</u>
Excess MOE for the year ended June 30, 2016	<u>\$277,222</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 \$790,778. We selected \$311,436 (39.38%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 11, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SCHEDULE A**

**CITY OF SANTEE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
SNT20	N/A	Regional Arterial Management Systems	\$ -	\$ 7,400	\$ -	\$ (7,400)	\$ -	\$ -	
Total Congestion Relief - Pass-Through			-	7,400	-	(7,400)	-	-	
<b>Congestion Relief:</b>									
SNT04	2011-05	Citywide Pavement Repair & Rehab Other Phases	70,026	-	(211)	-	(69,815)	-	(a)(b)
SNT04	2013-21	Carlton Hills Storm Drain Improvements	24,177	-	-	(66,422)	42,245	-	(a)(b)
SNT04	2014-07	Woodside Avenue Street Improvements	20,985	-	-	-	(20,985)	-	(a)(b)
SNT04	2015-03	Citywide Pavement Repair & Rehab 2015	-	2,912,072	-	(3,162,079)	50,950	(199,057)	(b)(c)
SNT04	2015-08	Citywide Crack Sealing Program 2015	2,500	-	-	(105)	(2,395)	-	(a)(b)
SNT04	2016-02	Citywide Pavement Repair & Rehab 2016	-	9,094	-	(20,836)	-	(11,742)	(c)
Subtotal SNT04			117,688	2,921,166	(211)	(3,249,442)	-	(210,799)	
2010 Series B Bonds Debt Service			-	589,508	-	(589,508)	-	-	
2014 Bonds Debt Service			-	344,073	-	(344,073)	-	-	
Total Congestion Relief			117,688	3,854,747	(211)	(4,183,023)	-	(210,799)	
<b>Maintenance:</b>									
SNT22	2015-10	Citywide Pavement Maintenance 2015	(15,096)	1,404,166	224	(1,309,601)	(79,693)	-	(a)(b)
SNT22	2016-01	Citywide Crack Sealing 2016	-	41,723	-	(41,723)	-	-	(a)
SNT22	2016-03	Citywide Pavement Maintenance 2016	-	58,277	-	(13,458)	79,693	124,512	(b)
Total Maintenance			(15,096)	1,504,166	224	(1,364,782)	-	124,512	
Total Local Street Improvements			102,592	5,366,313	13	(5,555,205)	-	(86,287)	

**CITY OF SANTEE, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>City Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
		Total <i>TransNet</i> Extension	\$ 102,592	\$ 5,366,313	\$ 13	\$ (5,555,205)	\$ -	\$ (86,287)	
		GASB 31 Fair Market Value Adjustment	(664)	-	815	-	-	151	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	\$ 101,928	\$ 5,366,313	\$ 828	\$ (5,555,205)	\$ -	\$ (86,136)	

- Notes:
- (a) Project is complete.
  - (b) Transfer within the same MPO ID.
  - (c) The City will draw down funds during FY17.



**CITY OF SANTEE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass-Through:</b>						
SNT20		Regional Arterial Management Systems	\$ 29,600	\$ -	\$ (29,600)	\$ -
		Total Congestion Relief - Pass-Through	<u>29,600</u>	<u>-</u>	<u>(29,600)</u>	<u>-</u>
<b>Congestion Relief:</b>						
SNT04	2011-05	Citywide Pavement Repair & Rehab Other Phases	2,668,721	780	(2,669,501)	-
SNT04	2013-21	Carlton Hills Storm Drain Improvements	608,922	-	(608,922)	-
SNT04	2014-07	Woodside Ave Street Improvements	754,015	-	(754,015)	-
SNT04	2015-03	Citywide Pavement Repair & Rehab 2015	3,007,424	-	(3,206,481)	(199,057)
SNT04	2015-08	Citywide Crack Sealing Program 2015	67,605	-	(67,605)	-
SNT04	2016-02	Citywide Pavement Repair & Rehab 2016	<u>9,094</u>	<u>-</u>	<u>(20,836)</u>	<u>(11,742)</u>
		Subtotal SNT04	7,115,781	780	(7,327,360)	(210,799)
		2010 Series B Bonds Debt Service	3,529,941	-	(3,529,941)	-
		2014 Bonds Debt Service	<u>577,516</u>	<u>-</u>	<u>(577,516)</u>	<u>-</u>
		Total Congestion Relief	<u>11,223,238</u>	<u>780</u>	<u>(11,434,817)</u>	<u>(210,799)</u>

**CITY OF SANTEE, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Maintenance:</b>						
SNT22	2015-10	Citywide Pavement Maintenance 2015	\$ 1,324,473	\$ 224	\$ (1,324,697)	\$ -
SNT22	2016-01	Citywide Crack Sealing 2016	41,723	-	(41,723)	-
SNT22	2016-03	Citywide Pavement Maintenance 2016	<u>137,970</u>	<u>-</u>	<u>(13,458)</u>	<u>124,512</u>
Total Maintenance			<u>1,504,166</u>	<u>224</u>	<u>(1,379,878)</u>	<u>124,512</u>
Total Local Street Improvements			<u>12,757,004</u>	<u>1,004</u>	<u>(12,844,295)</u>	<u>(86,287)</u>
<b>Completed Projects</b>						
<b>Local Street Improvements:</b>						
		Congestion Relief	\$ 8,795,382	\$ 622	\$ (8,796,004)	\$ -
		Maintenance	513,706	706	(514,412)	-
		Commercial Paper Debt Service	3,979,674	-	(3,979,674)	-
		Bikes and Pedestrian	<u>423,141</u>	<u>-</u>	<u>(423,141)</u>	<u>-</u>
Total Completed Projects			<u>13,711,903</u>	<u>1,328</u>	<u>(13,713,231)</u>	<u>-</u>
Total Cumulative <i>TransNet</i> Extension:			<u>\$ 26,468,907</u>	<u>\$ 2,332</u>	<u>\$ (26,557,526)</u>	<u>\$ (86,287)</u>

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative				Cumulative	
			Funds Received	Interest Income	Project Expenditures	City Adjustments (a)	Status June 30, 2016	Status June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	SNT23	\$ 270,000	\$ 3,930	\$ (274,407)	\$ 477	\$ -	\$ 157,296
For Fiscal Year ended June 30, 2010	June 30, 2017	SNT23	316,200	8,056	(325,243)	987	-	325,243
For Fiscal Year ended June 30, 2011	June 30, 2018	SNT23	124,860	3,172	(128,421)	389	-	128,421
For Fiscal Year ended June 30, 2012	June 30, 2019	SNT23	173,607	4,402	(176,199)	541	2,351	178,550
For Fiscal Year ended June 30, 2013	June 30, 2020		204,965	5,204	(3,619)	636	207,186	210,805
For Fiscal Year ended June 30, 2014	June 30, 2021		384,278	4,318	-	-	388,596	388,596
For Fiscal Year ended June 30, 2015	June 30, 2022		106,441	637	-	-	107,078	107,078
For Fiscal Year ended June 30, 2016	June 30, 2023		275,865	-	-	-	275,865	-
Interest Income			-	11,327	-	-	11,327	-
Total RTCIP Funds			\$ 1,856,216	\$ 41,046	\$ (907,889)	\$ 3,030	\$ 992,403	\$ 1,495,989

**CITY OF SOLANA BEACH, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Solana Beach, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total *TransNet* expenditures in the amount of \$605,636. We selected \$183,775 (30.34%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

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, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.



- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending fund balance 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 indicated on the following page:

Fiscal year 2016 apportionment	\$426,779
Less: debt service payment	<u>(219,222)</u>
Net estimated apportionment	207,557
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>62,267</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(2,193)
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>(2,193)</u>
Fund balance under apportionment	<u>\$ 64,460</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(2,193)	\$(355,858)	\$(358,051)
Maintenance	<u>-</u>	<u>899,272</u>	<u>899,272</u>
Totals	<u>\$(2,193)</u>	<u>\$543,414</u>	<u>\$541,221</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 1.81% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$8,380,527	\$(402,538)	\$7,977,989
Maintenance	164,237	882,910	1,047,147
Interest	<u>4,130</u>	<u>63,042</u>	<u>67,172</u>
 Total local street and road revenue	 <u>\$8,548,894</u>	 <u>\$543,414</u>	 <u>\$9,092,308</u>
 30% of total local street and road revenue			 \$2,727,692
Less maintenance expenditures incurred to date			 <u>164,237</u>
 Available maintenance funds			 <u>\$2,563,455</u>
 Cumulative percentage expended for maintenance			 <u>1.81%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2010 Series A Bonds	\$5,499,999	\$ -	\$ -	\$5,499,999	\$219,222

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.
  - 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, 2016, is summarized as follows:

Current year local discretionary expenditures	\$830,327
Less MOE base year requirement	<u>(416,150)</u>
Excess MOE for the year ended June 30, 2016	<u>\$414,177</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 have any RTCIP expenditures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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 have any RTCIP expenditures.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not have any RTCIP expenditures.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 12, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

- 14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

- 15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

- 16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**CITY OF SOLANA BEACH, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief:</b>									
SB11	9321	Traffic Calming Improvements	\$ 3,470	\$ 259,000	\$ -	\$ (262,843)	\$ 373	\$ -	(a)
SB16	9323	Pavement Condition Assessment	-	-	-	(20,405)	(373)	(20,778)	(b)
SB16	9362.15	Annual Pavement Management	18,043	100,000	-	(101,186)	-	16,857	
		Total SB16 Projects	18,043	100,000	-	(121,591)	(373)	(3,921)	
SB17	9327	Stevens/Valley Corridor Bicycle Improvements	-	-	-	(1,980)	-	(1,980)	(b)
		2010 Series A Bonds	-	219,222	-	(219,222)	-	-	
		Interest Income	3,569	-	139	-	-	3,708	
		Total Congestion Relief	25,082	578,222	139	(605,636)	-	(2,193)	
		Total Local Street Improvements	25,082	578,222	139	(605,636)	-	(2,193)	
<b>Bikes and Pedestrian:</b>									
SB15	9960	CATS - Bike Pedestrian Calming	(32,784)	27,972	-	-	-	(4,812)	(c)
		Total Bikes and Pedestrian	(32,784)	27,972	-	-	-	(4,812)	
		Total <i>TransNet</i> Extension	(7,702)	606,194	139	(605,636)	-	(7,005)	
		GASB 31 Fair Market Value Adjustment	(1,630)	-	(16)	-	-	(1,646)	
		Total <i>TransNet</i> Extension after GASB 31 Adjustment	(9,332)	606,194	123	(605,636)	-	(8,651)	

**Notes:**

- (a) Project is complete.
- (b) City obtained Council approval to transfer funding from SB16 to SB11 to remove the deficit.
- (c) Project is ongoing and is expected to be completed in FY17. To remove the deficit balance, the City will submit a reimbursement request in FY17.
- (d) Project is complete. City to request a final reimbursement for this project in FY17.



**CITY OF SOLANA BEACH, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
SB11	9321	Traffic Calming Improvements	\$ 316,270	\$ -	\$ (316,270)	\$ -
SB16	9323	Pavement Condition Assessment	-	-	(20,778)	(20,778)
SB16	9362.15	Annual Pavement Management	232,041	-	(215,184)	16,857
		Total SB16 Projects	232,041	-	(235,962)	(3,921)
SB17	9327	Stevens/Valley Corridor Bicycle Improvements	-	-	(1,980)	(1,980)
		2010 Series A Bonds	1,275,962	-	(1,275,962)	-
		Interest Income	-	3,708	-	3,708
		Total Congestion Relief	1,824,273	3,708	(1,830,174)	(2,193)
		Total Local Street Improvements	1,824,273	3,708	(1,830,174)	(2,193)
<b>Bike and Pedestrian:</b>						
SB15	9960	CATS- Bike Pedestrian Calming	131,174	-	(135,986)	(4,812)
		Total Bikes and Pedestrian	131,174	-	(135,986)	(4,812)
		Subtotal Cumulative <i>TransNet</i> Extension	1,955,447	3,708	(1,966,160)	(7,005)
<b>Completed Projects</b>						
		Congestion Relief	6,556,254	422	(6,556,676)	-
		Maintenance	164,237	-	(164,237)	-
		<b>Total Completed Projects</b>	6,720,491	422	(6,720,913)	-
		Total Cumulative <i>TransNet</i> Extension	\$ 8,675,938	\$ 4,130	\$ (8,687,073)	\$ (7,005)

CITY OF SOLANA BEACH CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Funds	Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	Committed at June 30, 2017	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	SB16	\$ 3,544	\$ 7	\$ -	\$ (3,551)	\$ -	\$ 3,551
For Fiscal Year ended June 30, 2010	June 30, 2017	SB16	-	-	-	-	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	SB16	-	-	-	-	-	-
For Fiscal Year ended June 30, 2012	June 30, 2019	SB16	3,623	-	-	(3,623)	-	3,623
For Fiscal Year ended June 30, 2013	June 30, 2020	SB16	3,623	-	-	(3,623)	-	3,623
For Fiscal Year ended June 30, 2014	June 30, 2021	SB16	3,623	-	-	(3,623)	-	3,623
For Fiscal Year ended June 30, 2015	June 30, 2022	SB16	13,768	-	-	(13,768)	-	13,768
For Fiscal Year ended June 30, 2016	June 30, 2023	SB16	19,566	-	-	(18,812)	754	-
Total RTCIP Funds			\$ 47,747	\$ 7	\$ -	\$ (47,000)	\$ 754	\$ 28,188

**CITY OF VISTA, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the City of Vista, California (City), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The City's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: This procedure is not applicable as there was no interest income reported on Schedule A.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: The City recorded total *TransNet* expenditures in the amount of \$5,145,550. We selected \$1,634,233 (31.76%) for testing. No exceptions were noted as a result of our procedures.
- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.
- 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: 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, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

- b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

- 8. We reviewed that the ending fund balance 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 indicated on the following page:



Fiscal year 2016 apportionment	\$2,213,393
Less: debt service payment	<u>          -</u>
Net estimated apportionment	2,213,393
30% base	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>      664,018</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(2,502,863)
Maintenance fund balance	<u>      (277,999)</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>      (2,780,862)</u>
Fund balance under apportionment	<u>\$3,444,880</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	\$(2,502,863)	\$2,308,235	\$(194,628)
Maintenance	<u>      (277,999)</u>	<u>      635,705</u>	<u>      357,706</u>
Totals	<u>      (2,780,862)</u>	<u>      2,943,940</u>	<u>      163,078</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The City has expended 23.89% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>City</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$12,273,193	\$2,129,385	\$14,402,578
Maintenance	4,398,004	540,665	4,938,669
Interest	<u>(38,111)</u>	<u>273,890</u>	<u>235,779</u>
 Total local street and road revenue	 <u>\$16,633,086</u>	 <u>\$2,943,940</u>	 <u>\$19,577,026</u>
 30% of total local street and road revenue			 \$ 5,873,108
Less maintenance expenditures incurred to date			 <u>(4,676,175)</u>
 Available maintenance funds			 <u>\$ 1,196,933</u>
 Cumulative percentage expended for maintenance			 <u>23.89%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.
  - 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, 2016, is summarized on the following page:

Current year local discretionary expenditures	\$3,290,163
Less MOE base year requirement	<u>(2,098,885)</u>
Excess MOE for the year ended June 30, 2016	<u>\$1,191,278</u>

13. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

- a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

- b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

- c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures, 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. 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 \$203,264. We selected \$54,500 (26.81%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon

dollar amount, 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.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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 28, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the City's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

*Dennis Farn WP*

Irvine, California  
June 13, 2017

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**CITY OF VISTA, CALIFORNIA**  
**TransNet and TransNet Extension Activities**  
**Schedule of Status of Funds by Project**  
**Year Ended June 30, 2016**

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
		<b>TransNet Extension:</b>							
		<b>Local Street Improvements:</b>							
		<b>Congestion Relief:</b>							
VISTA 46	8225	Street Construction/Overlay-Annual	\$ (786,711)	\$ 696,345	\$ -	\$ (698,499)	\$ -	\$ (788,865)	(a)
VISTA 49	8252	Olive Ave Overpass Study	40	-	-	-	-	40	
VISTA 50	8232	Paseo Santa Fe Streetscape Improvements Ph I	(354,303)	1,942,441	-	(3,302,191)	-	(1,714,053)	(a)
		Interest Income	15	-	-	-	-	15	
		<b>Total Congestion Relief</b>	<u>(1,140,959)</u>	<u>2,638,786</u>	<u>-</u>	<u>(4,000,690)</u>	<u>-</u>	<u>(2,502,863)</u>	
		<b>Maintenance:</b>							
VISTA 53	8262	Annual Street Maintenance & Resurfacing	(163,883)	812,973	-	(927,191)	-	(278,101)	(a)
		Interest Income	102	-	-	-	-	102	
		<b>Total Maintenance</b>	<u>(163,781)</u>	<u>812,973</u>	<u>-</u>	<u>(927,191)</u>	<u>-</u>	<u>(277,999)</u>	
		<b>Total Local Street Improvements</b>	<u>(1,304,740)</u>	<u>3,451,759</u>	<u>-</u>	<u>(4,927,881)</u>	<u>-</u>	<u>(2,780,862)</u>	
		<b>Senior Mini-Grants:</b>							
VISTA 44	OUTAB	Out & About Vista	(65,708)	132,231	-	(119,174)	-	(52,651)	(a)
		<b>Total Senior Mini-Grants</b>	<u>(65,708)</u>	<u>132,231</u>	<u>-</u>	<u>(119,174)</u>	<u>-</u>	<u>(52,651)</u>	

**CITY OF VISTA, CALIFORNIA**  
 TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2016	Notes
<b>Smart Growth Grants:</b>									
VISTA 52/V10	TNSGG	Downtown Specific Plan Update	\$ (18,498)	\$ 18,952	\$ -	\$ (19,561)	\$ 19,107	\$ -	(b)(c)
VISTA 54/V10	TNSGG	Paseo Santa Fe Streetscapes Phase II	-	81,320	-	(78,934)	-	2,386	
<b>Total Smart Growth Grants</b>			<u>(18,498)</u>	<u>100,272</u>	<u>-</u>	<u>(98,495)</u>	<u>19,107</u>	<u>2,386</u>	(d)
<b>Total TransNet Extension</b>			<u>\$ (1,388,946)</u>	<u>\$ 3,684,262</u>	<u>\$ -</u>	<u>\$ (5,145,550)</u>	<u>\$ 19,107</u>	<u>\$ (2,831,127)</u>	

**Notes:**

- (a) City will request reimbursement of programmed funds to eliminate negative balances.
- (b) Adjustment made to reflect the receipt of revenues earned in FY15 but received in FY16.
- (c) Project completed. Smart Growth Grant expenditures reduced by \$10,400 with overage covered by City matching funds.
- (d) Project expenditures of \$78,934 from Smart Growth Grant funding are reflected under VISTA 54/V10 Paseo Sante Fe Streetscapes Ph II. Initial expenditures for design of VISTA 54/V10 were included as part of VISTA 50 prior to VISTA 54/V10 becoming a stand-alone project.



**CITY OF VISTA, CALIFORNIA**  
**TransNet Extension Activities**  
**Cumulative Schedule of Status of Funds by Project**  
**Year Ended June 30, 2016**

**SCHEDULE B**

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief:</b>						
VISTA 46	8225	Street Construction/Overlay-Annual	\$ 4,215,248	\$ -	\$ (5,004,113)	\$ (788,865)
VISTA 49	8252	Olive Ave Overpass Study	6,365	-	(6,325)	40
VISTA 50	8232	Paseo Santa Fe Streetscape Improvements	2,672,000	-	(4,386,053)	(1,714,053)
		Interest Income	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>
		<b>Total Congestion Relief</b>	<u>6,893,613</u>	<u>15</u>	<u>(9,396,491)</u>	<u>(2,502,863)</u>
<b>Maintenance:</b>						
VISTA 53	8262	Annual Street Maintenance & Resurfacing	981,529	-	(1,259,630)	(278,101)
		Interest Income	<u>-</u>	<u>102</u>	<u>-</u>	<u>102</u>
		<b>Total Maintenance</b>	<u>981,529</u>	<u>102</u>	<u>(1,259,630)</u>	<u>(277,999)</u>
		<b>Total Local Street Improvements</b>	<u>7,875,142</u>	<u>117</u>	<u>(10,656,121)</u>	<u>(2,780,862)</u>
<b>Senior Mini-Grants:</b>						
VISTA 44	OUTAB	Out & About Vista	<u>368,489</u>	<u>-</u>	<u>(421,140)</u>	<u>(52,651)</u>
		<b>Total Senior Mini-Grants</b>	<u>368,489</u>	<u>-</u>	<u>(421,140)</u>	<u>(52,651)</u>

**CITY OF VISTA, CALIFORNIA**  
 TransNet Extension Activities  
**Cumulative Schedule of Status of Funds by Project (Continued)**  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
		<b>Smart Growth Grants:</b>				
VISTA 52/V10	TNSGG	Downtown Specific Plan Update	\$ 148,287	\$ -	\$ (148,287)	\$ -
VISTA 54/V10	TNSGG	Paseo Santa Fe Streetscapes Phase II	<u>81,320</u>	<u>-</u>	<u>(78,934)</u>	<u>2,386</u>
		<b>Total Smart Growth Grants</b>	<u>229,607</u>	<u>-</u>	<u>(227,221)</u>	<u>2,386</u>
		<b>Subtotal Cumulative TransNet Extension</b>	<u>8,473,238</u>	<u>117</u>	<u>(11,304,482)</u>	<u>(2,831,127)</u>
		<b>Completed Projects:</b>				
		Congestion Relief Pass Through	26,400	-	(26,400)	-
		Congestion Relief	5,353,180	(38,298)	(5,314,882)	-
		Maintenance	3,416,475	70	(3,416,545)	-
		Bikes and Pedestrian	372,534	-	(372,534)	-
		Senior Mini Grants	<u>75,848</u>	<u>-</u>	<u>(75,848)</u>	<u>-</u>
		<b>Total Completed Projects</b>	<u>9,244,437</u>	<u>(38,228)</u>	<u>(9,206,209)</u>	<u>-</u>
		<b>Total Cumulative TransNet Extension</b>	<u>\$ 17,717,675</u>	<u>\$ (38,111)</u>	<u>\$ (20,510,691)</u>	<u>\$ (2,831,127)</u>

CITY OF VISTA CALIFORNIA  
TransNet Extension Activities  
RTCIP Fund  
Year Ended June 30, 2016

SCHEDULE C

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative Status	
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015
For Fiscal Year ended June 30, 2009	June 30, 2016	VISTA15/VISTA46	\$ 32,000	\$ 346	\$ (32,346)	\$ -	\$ -
For Fiscal Year ended June 30, 2010	June 30, 2017	VISTA15/VISTA46	69,360	1,543	(70,903)	-	-
For Fiscal Year ended June 30, 2011	June 30, 2018	VISTA15/VISTA46	101,696	3,057	(104,753)	-	78,549
For Fiscal Year ended June 30, 2012	June 30, 2019	VISTA15/VISTA46	186,824	3,766	(124,988)	65,602	190,590
For Fiscal Year ended June 30, 2013	June 30, 2020		43,762	330	-	44,092	44,092
For Fiscal Year ended June 30, 2014	June 30, 2021		176,720	1,381	-	178,101	178,101
For Fiscal Year ended June 30, 2015	June 30, 2022		200,606	1,862	-	202,468	202,468
For Fiscal Year ended June 30, 2016	June 30, 2023		214,830	-	-	214,830	-
Interest Income			-	6,905	-	6,905	-
<b>Total RTCIP Funds</b>			<b>\$ 1,025,798</b>	<b>\$ 19,190</b>	<b>\$ (332,990)</b>	<b>\$ 711,998</b>	<b>\$ 693,800</b>

**COUNTY OF SAN DIEGO, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the County of San Diego, California (County), was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. The County's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed interest income reported on Schedule A and matched it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.
- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.
- Results: No exceptions were noted as a result of our procedures.
- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).
- Results: The County recorded total *TransNet* expenditures in the amount of \$19,856,211. We selected \$5,528,816 (27.84%) for testing. No exceptions were noted as a result of our procedures.
- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.
- 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. The indirect cost rate has not been reviewed by a cognizant agency. The indirect cost rates are updated and reviewed on an annual basis by the County. The methodology used to calculate the indirect cost rate appears reasonable. No exceptions were noted as a result of our procedures.

- g. We reviewed that any amounts reflected in the “Adjustments” column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

- h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

- i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: No exceptions were noted as a result of our procedures.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: No exceptions were noted as a result of our procedures.



- I. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.  
  
Results: No exceptions were noted as a result of our procedures.
        - m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.  
  
Results: This procedure is not applicable as the County had no non-*TransNet* activity for the fiscal year.
7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
  - a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief vs. maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 and ensured that the balances agreed for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions were noted as a result of our procedures.
  - b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.  
  
Results: No exceptions were noted as a result of our procedures.
  - c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.  
  
Results: No exceptions were noted as a result of our procedures.
8. We reviewed that the ending fund balance 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 2016 apportionment	\$14,485,728
Less: debt service payment	<u>(1,318,645)</u>
Net estimated apportionment	13,167,083
30% base	<u>30%</u>
Fiscal year 2016 30% threshold	<u>3,950,125</u>
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	1,297,041
Maintenance fund balance	<u>-</u>
Total Local Streets and Roads and Local Street Improvement fund balance	<u>1,297,041</u>
Fund balance under apportionment	<u>\$2,653,084</u>

9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2016 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2016 are as follows:

	Funds Held by County	Funds Held by SANDAG	Total
Congestion Relief	\$1,297,041	\$(12,419,658)	\$(11,122,617)
Maintenance	<u>-</u>	<u>31,577,298</u>	<u>31,577,298</u>
Totals	<u>\$1,297,041</u>	<u>\$19,157,640</u>	<u>\$20,454,681</u>

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The County has expended 7.55% of cumulative local street and road revenue for maintenance as indicated on the following page:

	<u>County</u>	<u>SANDAG</u>	<u>Total</u>
Congestion relief	\$ 98,717,772	\$(13,377,101)	\$ 85,340,671
Maintenance	8,906,141	31,431,679	40,337,820
Interest	<u>1,517,002</u>	<u>1,103,062</u>	<u>2,620,064</u>
 Total local street and road revenue	 <u>\$109,140,915</u>	 <u>\$ 19,157,640</u>	 <u>\$128,298,555</u>
 30% of total local street and road revenue			 \$ 38,489,567
Less maintenance expenditures incurred to date			 <u>9,682,329</u>
 Available maintenance funds			 <u>\$ 28,807,238</u>
 Cumulative percentage expended for maintenance			 <u>7.55%</u>

11. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed the schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Principal</u> <u>Payments</u>	<u>Balance</u> <u>June 30, 2016</u>	<u>Interest</u> <u>Payments</u>
2008 Bonds	\$15,153,610	\$ -	\$ -	\$15,153,610	\$(609,762)
2012 Bonds	3,986,589	-	(509,340)	3,477,249	(199,543)

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.
  - 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: These procedures are 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, 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. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and tested at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The County recorded RTCIP expenditures in the amount of \$1,846,439. We selected \$758,131 (41.06%) for testing. No exceptions were noted as a result of our procedures.

- v. If unallowable expenditures were identified in procedure 13.c.iv, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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.iv.

- vi. We documented the percentage of program revenue spent for fund administration. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the County did not incur expenditures for fund administration.

- vii. We reviewed to ensure that 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.

- viii. 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.

- ix. 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.

- x. 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.

- xi. 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, 2016.

- xii. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

14. We reviewed the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The County did not include any administrative projects in the RTIP.

15. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

16. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the County's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

**“Annual Street Report”** means the State of California Annual Street Report.

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee.

**“MOE”** means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTCIP”** means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

SCHEDULE A

COUNTY OF SAN DIEGO, CALIFORNIA  
 TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>									
<b>Local Street Improvements:</b>									
<b>Congestion Relief - Pass-Through:</b>									
CNTY81		Regional Arterial Management Systems	\$ -	\$ 12,500	\$ -	\$ (12,500)	\$ -	\$ -	(a)
		Total Congestion Relief - Pass-Through	-	12,500	-	(12,500)	-	-	
<b>Congestion Relief:</b>									
CNTY 14A	1010123	South Santa Fe - South	2	7,000	19	(3,340)	-	3,681	
CNTY 21	1003030	Bradley Avenue	181,054	-	901	(14,536)	-	167,419	
CNTY 24	1003046	Cole Grade - High School	7,895	725,000	66	(606,132)	(125,000)	1,829	(b)
CNTY 34	1009589	Dye Road Extension	4,554	-	16	(1,304)	-	3,266	
CNTY 35	1009591	Ramona Street Extension	16,405	-	61	(4,400)	-	12,066	
CNTY 36	1009592	San Vicente Road South I	(1,089,863)	11,900,000	3,015	(8,893,157)	(1,500,000)	419,995	(b)
CNTY 38	1009758	Rancho Santa Fe Roundabouts	12	-	-	-	-	12	(c)
CNTY 39	1010404	Bear Valley Parkway	968,301	5,485,000	925	(6,131,347)	-	322,879	
CNTY 42	1009690	Otay Mesa Road	1,121	-	6	-	(1,127)	-	(d)
CNTY 66	1003111	Lonestar Road	48,171	-	244	-	(48,415)	-	(e)
CNTY 78	1013677	Inland Rail Trail	113,462	-	410	(50,615)	(63,257)	-	(f)
CNTY 82	1010313	Alpine Blvd	-	905,000	1,511	(614,701)	-	291,810	
CNTY 83	1019279	SR67/Highland Dye Valley Intersection	4,830	2,130,000	46	(2,075,907)	(10,000)	48,969	(b)
CNTY 84	1019201	Stage Coach Lane/Reche Road Intersection	13,590	116,000	14	(123,177)	(15,000)	(8,573)	(b)(g)
CNTY 86	1019604	Roadway Maintenance & Overlay	-	480,000	39	(568,346)	117,889	29,582	(h)
CNTY 89	1019200	East Vista Way/Gopher Canyon Intersection	4,709	173,000	34	(153,637)	(20,000)	4,106	(b)
CNTY 91	1019856	Creelman Lane	-	106,000	24	(100,934)	(5,090)	-	(i)
		Total Congestion Relief	274,243	22,027,000	7,331	(19,341,533)	(1,670,000)	1,297,041	
		Total Local Street Improvements	274,243	22,039,500	7,331	(19,354,033)	(1,670,000)	1,297,041	



SCHEDULE A

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>County Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
<b>Bikes and Pedestrian:</b>									
CNTY87	5004631	Active Transportation Plan	\$ -	\$ 160,857	\$ -	\$ (233,487)	\$ -	\$ (72,630)	(j)
		Total Bikes and Pedestrian	-	160,857	-	(233,487)	-	(72,630)	
<b>Competitive Land Management Grant:</b>									
V08	5001133	Saltcreek Recovery	(7,268)	7,268	-	-	-	-	(k)
V08	5001587	Lusardi Creek	(17,227)	17,227	-	-	-	-	(l)
V08	5001589	Lakeside Linkage	(24,132)	15,970	-	(15,099)	-	(23,261)	(j)
V08	5001762	Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration	(66,624)	102,528	-	(35,904)	-	-	(m)
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	(48,886)	210,246	-	(189,093)	-	(27,733)	(j)
V08	5004730	Otay Valley River Cactus Wren	-	16,829	-	(28,595)	-	(11,766)	(j)
		Total Competitive Land Management Grant	(164,137)	370,068	-	(268,691)	-	(62,760)	
		Total <i>TransNet</i> Extension	\$ 110,106	\$ 22,570,425	\$ 7,331	\$ (19,856,211)	\$ (1,670,000)	\$ 1,161,651	

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2016	Notes
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**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) A total of \$1.67 million was the second June cash drawdown received in July 2015. This drawdown is revenue for FY15, not FY16.
- (c) CNTY38 Rancho Santa Fe Roundabouts has been designed and has environmental documentation. However, no funding is currently identified for right-of-way or construction. Estimated project completion date is July 2020.
- (d) CNTY42 Otay Mesa Road has been deemed a developer project and is considered complete. Remaining funds under CNTY42 of \$1,127 were transferred to CNTY86 Roadway Maintenance & Overlay. The County passed Resolution No. 16-149 on December 14, 2016 to approve the transfer.
- (e) CNTY66 Lonestar Road has been deemed a developer project and funds have been repurposed. This project is considered complete. Remaining funds under CNTY66 of \$48,415 were transferred to CNTY86 Roadway Maintenance & Overlay. The County passed Resolution No. 16-149 on December 14, 2016 to approve the transfer.
- (f) CNTY78 Inland Rail Trail is now being managed by SANDAG and is now considered complete. Remaining funds under CNTY78 of \$63,257 were transferred to CNTY86 Roadway Maintenance & Overlay. The County passed Resolution No. 16-149 on December 14, 2016 to approve the transfer.
- (g) CNTY84 Stage Coach Ln/Reche Rd cash drawdown will be made in FY17.
- (h) CNTY86 Roadway Maintenance & Overlay received remaining funds under CNTY42 of \$1,127, CNTY66 of \$48,415, CNTY78 of \$63,257 and CNTY91 of \$5,090. The County passed Resolution No. 16-149 on December 14, 2016 to approve the transfer.
- (i) CNTY91 Creelman Lane is complete. Remaining funds under CNTY91 of \$5,090 were transferred to CNTY86 Roadway Maintenance & Overlay. The County passed Resolution No. 16-149 on December 14, 2016 to approve the transfer.
- (j) Negative project status balance is due to qualifying expenditures incurred during the fiscal year. The remaining reimbursement will be made in FY17.
- (k) Project 5001133 Salt Creek Recovery final reimbursement received. Project is complete.
- (l) Project 5001587 Lusardi Creek final reimbursement received. Project is complete.
- (m) Project 5001762 Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration final reimbursement received. Project is complete.

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
<b>TransNet Extension:</b>						
<b>Local Street Improvements:</b>						
<b>Congestion Relief - Pass Through:</b>						
SAN54/CNTY81		Regional Arterial Management Systems	\$ 50,000	\$ -	\$ (50,000)	\$ -
		Total Congestion Relief - Pass Through	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>	<u>-</u>
<b>Congestion Relief:</b>						
CNTY 14A	1010123	South Santa Fe - South	992,300	2,475	(991,094)	3,681
CNTY 21	1003030	Bradley Avenue	1,693,000	55,742	(1,581,323)	167,419
CNTY 24	1003046	Cole Grade - High School	1,194,000	121	(1,192,292)	1,829
CNTY 34	1009589	Dye Road Extension	969,405	761	(966,900)	3,266
CNTY 35	1009591	Ramona Street Extension	820,330	19,017	(827,281)	12,066
CNTY 36	1009592	San Vicente Road South I	26,995,086	12,487	(26,587,578)	419,995
CNTY 38	1009758	Rancho Santa Fe Roundabouts	410,911	3,608	(414,507)	12
CNTY 39	1010404	Bear Valley Parkway	14,842,768	14,164	(14,534,053)	322,879
CNTY 42	1009690	Otay Mesa Road	10,809	84	(10,893)	-
CNTY 66	1033111	Lonestar Road	185,450	1,381	(186,831)	-
CNTY 78	1013677	Inland Rail Trail	483,123	2,663	(485,786)	-
CNTY 82	1010313	Alpine Blvd	905,000	1,511	(614,701)	291,810
CNTY 83	1019279	SR67/Highland Dye Valley Intersection	2,177,000	67	(2,128,098)	48,969
CNTY 84	1019201	Stage Coach Lane/Reche Road Intersection	206,000	55	(214,628)	(8,573)
CNTY86	1019604	Roadway Maintenance & Overlay	597,889	39	(568,346)	29,582
CNTY 89	1019200	East Vista Way/Gopher Canyon Intersection	243,000	48	(238,942)	4,106
CNTY 91	1019856	Creelman Lane	100,910	24	(100,934)	-
		Total Congestion Relief	<u>52,826,981</u>	<u>114,247</u>	<u>(51,644,187)</u>	<u>1,297,041</u>
		Total Local Street Improvements	<u>52,876,981</u>	<u>114,247</u>	<u>(51,694,187)</u>	<u>1,297,041</u>

(Continued)

**COUNTY OF SAN DIEGO, CALIFORNIA**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Bikes and Pedestrian:</b>						
CNTY87	5004631	Active Transportation Plan	\$ 160,857	\$ -	\$ (233,487)	\$ (72,630)
		Total Bikes and Pedestrian	<u>160,857</u>	<u>-</u>	<u>(233,487)</u>	<u>(72,630)</u>
<b>Competitive Land Management Grant:</b>						
V08	5001133	Saltcreek Recovery	106,605	-	(106,605)	-
V08	5001587	Lusardi Creek	105,092	-	(105,092)	-
V08	5001589	Lakeside Linkage	150,176	-	(173,437)	(23,261)
V08	5001762	Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration	133,841	-	(133,841)	-
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	248,705	-	(276,438)	(27,733)
V08	5004730	Otay Valley River Cactus Wren	<u>16,829</u>	<u>-</u>	<u>(28,595)</u>	<u>(11,766)</u>
		Total Competitive Land Management Grant	<u>761,248</u>	<u>-</u>	<u>(824,008)</u>	<u>(62,760)</u>
		Subtotal Cumulative <i>TransNet</i> Extension	<u>53,799,086</u>	<u>114,247</u>	<u>(52,751,682)</u>	<u>1,161,651</u>
<b>Completed Projects:</b>						
		Congestion Relief	45,840,791	626,567	(46,467,358)	-
		Maintenance	8,906,141	776,188	(9,682,329)	-
		Bikes and Pedestrians	125,000	-	(125,000)	-
		Competitive Land Management Grant	<u>114,194</u>	<u>-</u>	<u>(114,194)</u>	<u>-</u>
		Total Completed Projects	<u>54,986,126</u>	<u>1,402,755</u>	<u>(56,388,881)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 108,785,212</u>	<u>\$ 1,517,002</u>	<u>\$(109,140,563)</u>	<u>\$ 1,161,651</u>

COUNTY OF SAN DIEGO, CALIFORNIA, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2016

Project Year	Last Date to Commit funds	MPO ID	Cumulative			Cumulative Status		Notes
			Funds Received	Interest Income	Project Expenditures	June 30, 2016	June 30, 2015	
For Fiscal Year ended June 30, 2009	June 30, 2016	N/A	\$ 785,479	\$ 8,081	\$ (793,560)	\$ -	\$ -	
For Fiscal Year ended June 30, 2010	June 30, 2017	N/A	815,447	2,064	(817,511)	-	-	
For Fiscal Year ended June 30, 2011	June 30, 2018	N/A	1,120,191	2,461	(1,122,652)	-	-	
For Fiscal Year ended June 30, 2012	June 30, 2019	N/A	1,253,969	2,601	(1,256,570)	-	-	
For Fiscal Year ended June 30, 2013	June 30, 2020	N/A	699,665	1,696	(701,361)	-	-	
For Fiscal Year ended June 30, 2014	June 30, 2021	N/A	1,108,576	4,770	(1,113,346)	-	-	
For Fiscal Year ended June 30, 2015	June 30, 2022	N/A	1,180,266	4,039	(1,184,305)	-	631,219	(a)
For Fiscal Year ended June 30, 2016	June 30, 2023	N/A	1,506,988	3,553	(1,213,732)	296,809	-	(a)
Total RTCIP Funds			\$ 8,470,581	\$ 29,265	\$ (8,203,037)	\$ 296,809	\$ 631,219	

Note:

(a) Interest income and project expenditures for FY15 and FY16 are adjusted based on the Schedule C Guidelines. According to the Guidelines, interest earned shall be allocated equitably to each year that had a beginning balance. Expenditures were also applied to the oldest cumulative funds available.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether ITOC was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. SANDAG's management is responsible for the accounting records on behalf of ITOC. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the *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 SANDAG staff for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff, Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments and an ending balance.

- a. We substantiated all footnotes required in Schedule A.

Results: This procedure is not applicable as there were no footnotes required in Schedule A.

- b. We agreed the beginning balance from the prior year or reviewed that the recipient agency provides a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions 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, 2016.
  - i. We reviewed the interest income reported on Schedule A and matched it 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 are 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 \$98,320. We selected \$28,088 (28.57%) 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 5 transactions based upon dollar amount, 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 3.e.ii.



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 and ensured that the balances agree for those projects reported in both Schedule A and Schedule B.  
  
Results: No exceptions 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 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, 2016.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on ITOC's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
June 12, 2017

**GLOSSARY OF TERMS**

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“ITOC”** means the Independent Taxpayer Oversight Committee, with the administrative functions performed by SANDAG.

**“SANDAG”** means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

*TransNet* Extension Activities  
Schedule of Status of Funds  
Year Ended June 30, 2016

<u>Project Name</u>	<u>Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Committee Adjustments</u>	<u>Status June 30, 2016</u>
<b><i>TransNet</i> Extension:</b>						
Independent Taxpayer Oversight Committee	<u>\$ 376,045</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ (98,320)</u>	<u>\$ -</u>	<u>\$ 280,215</u>
Total <i>TransNet</i> Extension	<u>\$ 376,045</u>	<u>\$ -</u>	<u>\$ 2,490</u>	<u>\$ (98,320)</u>	<u>\$ -</u>	<u>\$ 280,215</u>

**INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE**

*TransNet* Extension Activities  
Cumulative Schedule of Status of Funds  
Year Ended June 30, 2016

<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Status June 30, 2016</u>
<b><i>TransNet</i> Extension:</b>				
Independent Taxpayer Oversight Committee	<u>\$ 1,730,878</u>	<u>\$ 22,271</u>	<u>\$ (1,472,934)</u>	<u>\$ 280,215</u>
Total Cumulative <i>TransNet</i> Extension	<u>\$ 1,730,878</u>	<u>\$ 22,271</u>	<u>\$ (1,472,934)</u>	<u>\$ 280,215</u>

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Metropolitan Transit System (MTS) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. MTS' management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: This procedure is not applicable as MTS does not participate in the Grant Program.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: Per discussion with management, the *TransNet* revenues and expenditures are not recorded in a separate fund, but MTS maintains separate accountability for all *TransNet* activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted MTS' alternative approach.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: This procedure is not applicable as there was no interest income required to be reported on Schedule A.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as there was no interest income required to be reported on Schedule A.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: MTS recorded total *TransNet* expenditures in the amount of \$47,076,892. We selected \$13,172,565 (27.98%) for testing. No exceptions were noted as a result of our procedures.

- iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: MTS allocated indirect costs to projects included in the RTIP for the year ended June 30, 2016 for Projects MTS23A and MTS33A at an overhead rate of 24.11% and a fringe rate of 70.63%. The FY16 rates were not reviewed by a cognizant agency. MTS did engage an independent accountant to perform agreed-upon procedures applied to the indirect cost rate. The results of the agreed-upon procedures performed by the independent accountant found the methodology to be consistent with Office of Management and Budget Circular A-87. Thus, we have determined the methodology to be reasonable. No exceptions were noted as a result of our procedures.

- 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 noted.

- 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 remaining balances for completed 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 is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

Results: This procedure is not applicable as there were no negative ending balances.

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had presented a footnote as to the status of the project that included when the project will be completed.
- Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.
- k. We obtained approval from SANDAG staff for the reason of inactivity.
- Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.
- l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.
- Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.
- m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.
- Results: This procedure is not applicable as MTS had no non-*TransNet* activity for the fiscal year.
7. We obtained from the recipient agency the Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.
- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., local street improvements, including congestion relief versus maintenance; major corridors; and environmental mitigation program; etc.). We reviewed the ending balances at June 30 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.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: MTS is in compliance with the 30% requirement as follows:

	Senior and <u>Disabled</u>	<u>Transit</u>
Fiscal year 2016 apportionment	\$791,016	\$29,821,291
Less: debt service payment	<u>          -</u>	<u>          -</u>
Net estimated apportionment	791,016	29,821,291
30% base	<u>          30%</u>	<u>          30%</u>
Fiscal year 2016 30% threshold	<u>237,305</u>	<u>8,946,387</u>
Less:		
Fund balance	<u>          -</u>	<u>          -</u>
Fund balance under apportionment	<u>\$237,305</u>	<u>\$ 8,946,387</u>

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there were no commercial paper and bonds outstanding as of June 30, 2016.

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.

- 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 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 2015 to 2016 was -3.82%. In years in which the change in CPI is negative, the increase in total operating cost should be flat. For bus services, the change in total operating cost per revenue vehicle hour was a decrease of 3.47%. MTS was in compliance for operator eligibility for bus services. However, the change in total operating cost per revenue vehicle mile for rail services was not in compliance with the requirement. MTS submitted to the SANDAG Board, a request to calculate operator eligibility for rail services by excluding the non-cash adjustments in pension and workers' compensation liabilities. The cumulative effect of these non-cash adjustments were \$1,534,013 and \$423,243 for pension and workers' compensation, respectively. An adjustment for the change in liabilities will be made each year going forward. On March 24, 2017, the SANDAG Board of Directors approved MTS' request. Therefore, we have calculated operator eligibility for rail services excluding these two non-cash adjustments, and MTS is now in compliance with the requirement.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2016</u>	<u>2015</u>	<u>Growth Rate</u>
Operating cost for buses	\$176,336,687	\$168,742,546	
Revenue vehicle hours	2,076,738	1,918,459	
Total operating cost per revenue vehicle hour	\$84.91	\$87.96	(3.47)%
Consumer Price Index	205.418	213.587	(3.82)%

Operating Cost per Revenue Vehicle Mile for Rail Services

	<u>2016</u>	<u>2015</u>	<u>Growth Rate</u>
Operating cost for rail	\$74,521,491	\$74,065,045	
Revenue vehicle miles	8,673,789	8,596,143	
Total operating cost per revenue vehicle mile	\$8.59	\$8.62	(0.35)%
Consumer Price Index	205.418	213.587	(3.82)%

11. We reviewed and documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no findings and recommendations noted in the prior year report.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: See the Findings and Recommendations section of this report.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the transit operator's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

Handwritten signature in blue ink that reads "Dennis Farn".

Irvine, California  
May 4, 2017

## GLOSSARY OF TERMS

“**Cognizant Agency**” means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

“**CPI**” means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1<sup>st</sup> Half 2016 of the Semiannual average indexes Table).

“**Current Fiscal Year**” means the fiscal period of July 1, 2015, through June 30, 2016.

“**MPO ID**” means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

“**Recipient Agency**” means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

“**RTIP**” means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

“**SANDAG**” means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

“**SANDAG Board Policy No. 031**” means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

“**Schedule A**” means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

“**Schedule B**” means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

“**TransNet Extension Ordinance**” means the 2004 Proposition A.

“**TransNet Ordinance and Expenditure Plan**” means the 1987 Proposition A San Diego Transportation Improvement Plan.

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**

*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	MTS Adjustments	Project Status June 30, 2016
<b>TransNet</b> Extension:								
<b>Operating:</b>								
Senior and Disabled Transportation:								
MTS 33A	47130	MTS Access	\$ -	\$ 785,569	\$ -	\$ (785,569)	\$ -	\$ -
		Total Senior and Disabled Transportation	-	785,569	-	(785,569)	-	-
Transit and Trolley:								
MTS 23A	47110	MTS Operating Support	-	29,543,787	-	(29,543,787)	-	-
MTS 32A	47110	MTS Preventive Maintenance	-	2,247,000	-	(2,247,000)	-	-
Major Transit Corridor Operations:								
SAN 80	47140	SuperLoop	-	3,052,493	-	(3,052,493)	-	-
SAN 80	47150	Bus Rapid Transit	-	10,219,238	-	(10,219,238)	-	-
SAN 80	47170	Mid City Bus Rapid Transit	-	1,228,805	-	(1,228,805)	-	-
		Total Major Transit Corridor Operations	-	14,500,536	-	(14,500,536)	-	-
		Total Transit and Trolley	-	46,291,323	-	(46,291,323)	-	-
		Total Operating	-	47,076,892	-	(47,076,892)	-	-
		Total <i>TransNet</i> Extension	\$ -	\$ 47,076,892	\$ -	\$ (47,076,892)	\$ -	\$ -

**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet</b> Extension						
<b>Capital:</b>						
Major Corridor:						
MTS28	47120	Bus & Rail Rolling Stock	\$ 2,247,000	\$ -	\$ (2,247,000)	\$ -
Total Capital			2,247,000	-	(2,247,000)	-
<b>Operating:</b>						
Senior and Disabled Transportation:						
MTS 33A	47130	MTS Access	5,490,014	-	(5,490,014)	-
Total Senior and Disabled Transportation			5,490,014	-	(5,490,014)	-
Transit and Trolley:						
MTS 23A	47110	MTS Operating Support	181,530,668	-	(181,530,668)	-
MTS 32A	47110	MTS Preventative Maintenance	14,591,092	-	(14,591,092)	-
Major Transit Corridor Operations:						
SAN 80	47140	SuperLoop	6,453,165	-	(6,453,165)	-
SAN 80	47150	Bus Rapid Transit	27,336,459	-	(27,336,459)	-
SAN 80	47170	Mid City Bus Rapid Transit	1,284,926	-	(1,284,926)	-
Total Major Transit Corridor Operations			35,074,550	-	(35,074,550)	-
Total Transit and Trolley			231,196,310	-	(231,196,310)	-
Total Operating			236,686,324	-	(236,686,324)	-
Subtotal Cumulative <i>TransNet</i> Extension			238,933,324	-	(238,933,324)	-



**SAN DIEGO METROPOLITAN TRANSIT SYSTEM**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>CIP Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		<b>Completed Projects:</b>				
		Capital:				
		Major Corridor:				
SAN 67	47120	Blue Line Rehab	<u>45,442,895</u>	<u>-</u>	<u>(45,442,895)</u>	<u>-</u>
		Total Completed Projects	<u>45,442,895</u>	<u>-</u>	<u>(45,442,895)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 284,376,219</u>	<u>\$ -</u>	<u>\$ (284,376,219)</u>	<u>\$ -</u>

**NORTH COUNTY TRANSIT DISTRICT  
OCEANSIDE, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016

**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the North County Transit District (NCTD) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. NCTD's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows. Definitions of terms are included as Attachment A.

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

Results: This procedure is not applicable as NCTD does not participate in the Grant Program.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: NCTD does not maintain a separate fund for *TransNet* revenues and expenditures. However, since NCTD is an enterprise fund, it does maintain separate accountability for all *TransNet* activity. This alternative approach for maintaining separate accountability has been approved by SANDAG.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc.).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified the recipient agency and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed the interest income reported on Schedule A and agreed it to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

- f. We identified the total *TransNet* expenditures for the fiscal year.

- i. We reviewed the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

- ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: NCTD recorded total *TransNet* expenditures in the amount of \$10,942,204. We selected \$4,343,040 (39.69%) 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 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a cognizant agency. 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.

Results: This procedure is not applicable as there were no indirect costs allocated to the projects for the year ended June 30, 2016.

- 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 noted.

- 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 during the year ended June 30, 2016.

- 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, 2017.

Results: No exceptions were noted as a result of our procedures.

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had presented a footnote as to the status of the project that included when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

- l. We obtained a signed staff report or resolution from the recipient agency’s governing body consenting to the transfer of *TransNet* funds from one project

to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

- m. We reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as NCTD had no non-*TransNet* activity for the fiscal year.

- 7. We obtained from the recipient agency the Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

- a. We reviewed Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., 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 Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included on Schedule A.

- c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

- 8. We reviewed that the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: NCTD is in compliance with the 30% requirement as follows:

	Senior and <u>Disabled</u>	<u>Transit</u>
Fiscal year 2016 apportionment	\$322,332	\$12,151,916
Less: debt service payment	_____ -	_____ (149,777)
Net estimated apportionment	322,332	12,002,139
30% base	_____ 30%	_____ 30%
Fiscal year 2016 30% threshold	_____ 96,700	_____ 3,600,642
Less:		
Fund balance	_____ -	_____ -
Fund balance under apportionment	\$ <u>96,700</u>	\$ <u>3,600,642</u>

9. If applicable, we obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	Balance <u>July 1, 2015</u>	<u>Additions</u>	Principal <u>Payments</u>	Balance <u>June 30, 2016</u>	Interest <u>Payments</u>
Commercial Paper	\$29,350,000	\$ -	\$(1,275,000)	\$28,075,000	\$(149,777)

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.
  - 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 2015 to 2016 was -8.17%. In years in which the change in CPI is negative, the increase in total operating cost should be flat. During 2016, NCTD revised its cost allocation methodology in the allocation of operating expenses to a method based upon mode of transportation. In order to



compare operating expenses between years, the revised allocation methodology was applied to 2015 in the tables below. NCTD was in compliance for operator eligibility for both bus and rail services.

Operating Cost per Revenue Vehicle Hour for Bus Services

	<u>2016</u>	<u>2015</u>	<u>Growth Rate</u>
Operating cost for buses	\$54,511,475	\$55,182,994	
Revenue vehicle hours	586,886	587,473	
Total operating cost per revenue vehicle hour	\$92.88	\$93.93	(1.12)%
Consumer Price Index	205.418	213.587	(8.17)%

Operating Cost per Revenue Vehicle Mile for Rail Services

	<u>2016</u>	<u>2015</u>	<u>Growth Rate</u>
Operating cost for rail	\$33,040,888	\$33,775,017	
Revenue vehicle miles	792,481	794,727	
Total operating cost per revenue vehicle mile	\$41.69	\$42.50	(1.91)%
Consumer Price Index	205.418	213.587	(8.17)%

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, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the transit operator's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

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This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.

*Davis Jane W*

Irvine, California  
May 1, 2017

## GLOSSARY OF TERMS

**“Cognizant Agency”** means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

**“CPI”** means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1<sup>st</sup> Half 2016 of the Semiannual average indexes Table).

**“Current Fiscal Year”** means the fiscal period of July 1, 2015, through June 30, 2016.

**“MPO ID”** means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

**“Recipient Agency”** means an agency, including Metropolitan Transit System and North County Transportation Commission, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

**“RTIP”** means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

**“SANDAG”** means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

**“SANDAG Board Policy No. 031”** means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

**“Schedule A”** means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

**“Schedule B”** means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

**“*TransNet* Extension Ordinance”** means the 2004 Proposition A.

**“*TransNet* Ordinance and Expenditure Plan”** means the 1987 Proposition A San Diego Transportation Improvement Plan.

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Interest Income	Project Expenditures	NCTD Adjustments	Project Status June 30, 2016	Notes
<b>TransNet:</b>									
<b>Capital:</b>									
<b>Transit:</b>									
NCTD18	112005, 115005	Coastal	\$ 621,368	\$ -	\$ 1,887	\$ (7,433)	\$ -	\$ 615,822	
NCTD18	412770, 514017	STP Projects and Services	16,950	-	52	(89)	-	16,912	
		Total Transit	638,318	-	1,939	(7,522)	-	632,734	
		Total Capital	638,318	-	1,939	(7,522)	-	632,734	
		Total <i>TransNet</i>	\$ 638,318	\$ -	\$ 1,939	\$ (7,522)	\$ -	\$ 632,734	
<b>TransNet Extension:</b>									
<b>Operating:</b>									
<b>Senior and Disabled Transportation:</b>									
NCTD03	N/A	Elderly and Disabled	-	309,000	-	(309,000)	-	-	
		Total Senior and Disabled Transportation	-	309,000	-	(309,000)	-	-	
<b>Transit:</b>									
NCTD34	N/A	Expanded Transit Service	-	10,451,000	-	(10,451,000)	-	-	
		Total Transit	-	10,451,000	-	(10,451,000)	-	-	
		Total Operating	-	10,760,000	-	(10,760,000)	-	-	

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Project Status July 1, 2015</u>	<u>Funds Received</u>	<u>Interest Income</u>	<u>Project Expenditures</u>	<u>NCTD Adjustments</u>	<u>Project Status June 30, 2016</u>	<u>Notes</u>
		<b>Capital:</b>							
		<b>Major Corridor:</b>							
NCTD05	116005	Bus/ADA/Revenue Vehicle Purchases and Related Equipment	\$ 1,512,056	\$ -	\$ 4,507	\$ (101,407)	\$ -	\$ 1,415,156	
NCTD16	512554, 512556, 512557, 709501, 709506, 709507, 709508, 709509, 709510	Oceanside-Escondido Rail Project	<u>42,821</u>	<u>-</u>	<u>134</u>	<u>(73,275)</u>	<u>-</u>	<u>(30,320)</u>	(a)
		Total Major Corridor	<u>1,554,877</u>	<u>-</u>	<u>4,641</u>	<u>(174,682)</u>	<u>-</u>	<u>1,384,836</u>	
		Total Capital	<u>1,554,877</u>	<u>-</u>	<u>4,641</u>	<u>(174,682)</u>	<u>-</u>	<u>1,384,836</u>	
		Total <i>TransNet</i> Extension	<u>\$ 1,554,877</u>	<u>\$ 10,760,000</u>	<u>\$ 4,641</u>	<u>\$ (10,934,682)</u>	<u>\$ -</u>	<u>\$ 1,384,836</u>	
		Total <i>TransNet</i> and <i>TransNet</i> Extension	<u>\$ 2,193,195</u>	<u>\$ 10,760,000</u>	<u>\$ 6,580</u>	<u>\$ (10,942,204)</u>	<u>\$ -</u>	<u>\$ 2,017,570</u>	

Notes:  
 (a) The funds will be drawn down in FY17.

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>						
<b>Operating:</b>						
<b>Senior and Disabled Transportation:</b>						
NCTD03	N/A	Elderly and Disabled	\$ 2,227,325	\$ -	\$ (2,227,325)	\$ -
		Total Senior and Disabled Transportation	2,227,325	-	(2,227,325)	-
<b>Major Corridor:</b>						
NCTD34	N/A	Expanded Transit Service	1,313,066	-	(1,313,066)	-
		Total Major Corridor	1,313,066	-	(1,313,066)	-
<b>Transit:</b>						
NCTD16B	N/A	Oceanside to Escondido Rail Operations	11,352,999	-	(11,352,999)	-
NCTD34	N/A	Expanded Transit Service	70,920,302	-	(70,920,302)	-
		Total Transit	82,273,301	-	(82,273,301)	-
		Total Operating	85,813,692	-	(85,813,692)	-

**NORTH COUNTY TRANSIT DISTRICT**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2016
<b>Capital:</b>						
<b>Major Corridor:</b>						
NCTD05	116005	Bus/ADA/Revenue Vehicle Purchases and Related Equipment	\$ 1,509,482	\$ 7,081	\$ (101,407)	\$ 1,415,156
NCTD16	512554, 512556, 512557, 709501, 709506, 709507, 709508, 709509, 709510	Oceanside-Escondido Rail Project	65,304,611	366,370	(65,701,301)	(30,320)
Total Major Corridor			66,814,093	373,451	(65,802,708)	1,384,836
Total Capital			66,814,093	373,451	(65,802,708)	1,384,836
Subtotal Cumulative <i>TransNet</i> Extension			152,627,785	373,451	(151,616,400)	1,384,836
<b>Completed Projects:</b>						
Operating:						
<i>TransNet</i> Senior Mini Grant			217,941	-	(217,941)	-
Capital:						
Major Corridor			1,509,624	54,003	(1,563,627)	-
Bike, Pedestrian and Neighborhood Safety (BPNS) Inland Rail Trail			3,870,000	25,257	(3,895,257)	-
Total Completed Projects			5,597,565	79,260	(5,676,825)	-
Total Cumulative <i>TransNet</i> Extension			\$ 158,225,350	\$ 452,711	\$ (157,293,225)	\$ 1,384,836

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
**SAN DIEGO, CALIFORNIA**

Report on Agreed-Upon Procedures  
Applied to the *TransNet* Fund

Year Ended June 30, 2016



**INDEPENDENT ACCOUNTANT'S REPORT**  
**ON APPLYING AGREED-UPON PROCEDURES**

Independent Taxpayer Oversight Committee  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below, which were agreed to by the Independent Taxpayer Oversight Committee (ITOC) of the San Diego Association of Governments (SANDAG), solely to assist ITOC and SANDAG in determining whether the San Diego Association of Governments (SANDAG) was in compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance for the year ended June 30, 2016. SANDAG's management is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and the results of those procedures were as follows:

1. We reviewed the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved RTIP.

Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG the *TransNet* Grant Program spreadsheet.

Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

Results: No exceptions were noted as a result of our procedures.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

- a. We substantiated all footnotes required in Schedule A.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc).

Results: No exceptions were noted as a result of our procedures.

- c. We agreed the beginning balance from the prior year or reviewed that the recipient agency provided a footnote for any restatements. We determined whether reasons for differences were valid.

Results: No exceptions were noted as a result of our procedures.

- d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. If variances existed, we notified SANDAG staff and obtained approval.

Results: No exceptions were noted as a result of our procedures.

- e. We identified the interest income reported for the fiscal year.

- i. We reviewed the interest income reported on Schedule A and matched it to the *TransNet* general ledger.

Results: This procedure is not applicable as there was no interest reported on Schedule A.

- ii. We reviewed the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as there was no interest reported on Schedule A.

f. We identified the total *TransNet* expenditures for the year ended June 30, 2016.

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: SANDAG recorded total *TransNet* expenditures in the amount of \$254,366,209. We selected \$69,984,081 (27.51%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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. We inquired of management whether indirect costs were 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 cognizant agency. 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.

Results: Indirect costs were allocated to RTIP projects at a rate of 47.19% of direct labor costs associated with each project. 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: This procedure is not applicable as there were no amounts reported in the Adjustments column.

- h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We reviewed that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

- i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type or authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

- i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year’s intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2017.

Results: This procedure is not applicable as there were no projects with a negative ending balance.

- j. We reviewed that inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency has provided a footnote of the status of the project that includes when the project will be completed.

Results: 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 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 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: This procedure is not applicable as there were no amounts reported in the Adjustments column on 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 determined 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: 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 obtained a roll forward schedule (by commercial paper and bonds) showing the beginning balance of debt additions, repayments and the ending balance. We agreed this schedule to long-term debt information for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there are no commercial paper and bonds outstanding as of June 30, 2016.

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 \$33,522,889 did not exceed \$500,000,000 in 2002 dollars. No exceptions were noted as a result of our procedures.

<u>Debt Issuance</u>	<u>Balance at July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2016</u>
Commercial Paper	\$ 2,741,045	\$ 384,515	\$ -	\$ 3,125,560
2008 Bonds	22,151,000	1,761,740	-	23,912,740
2010 Bonds	2,890,631	-	(949)	2,889,682
2012 Bonds	2,314,289	1,601	-	2,315,890
2014 Bonds	<u>1,279,616</u>	<u>-</u>	<u>(599)</u>	<u>1,279,017</u>
Total	<u>\$31,376,581</u>	<u>\$2,147,856</u>	<u>\$(1,548)</u>	<u>\$33,522,889</u>

11. We reviewed to ensure that SANDAG's administrative expenditures complied with Section 12 of the *TransNet* Extension Ordinance:

- a. We reviewed and ensured that the total administrative expenditures did not exceed 1% of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

Results: No exceptions were note as a result of our procedures.

- b. We reviewed at least 25% of the administrative expenditures and ensured that they were expended by recipient SANDAG for staff salaries, wages, benefits, overhead, and for those services, including contractual services, necessary to administer *TransNet*.

Results: SANDAG recorded total administrative expenditures in the amount of \$2,834,638. We selected \$998,790 (35.24%) for testing. No exceptions were noted as a result of our procedures.

- i. If unallowable expenditures were identified in procedure 11.b, we expanded the sample to include an additional 5 transactions based upon dollar amount, 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 identified in procedure 11.b.

12. For SANDAG, acting as the SDCRTC, only, we performed the following procedures:

- a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

Results: No exceptions were noted as a result of our procedures.

- b. We reviewed the FY 2016 *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 Jun 30, 2016.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the Agency's receipt and disbursement of *TransNet* funds. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Independent Taxpayer Oversight Committee and the San Diego Association of Governments and is not intended to be and should not be used by anyone other than these specified parties.



Irvine, California  
June 12, 2017

## GLOSSARY OF TERMS

## Definitions

“**Cognizant Agency**” means the Federal agency that is responsible for establishing final indirect cost rates and forward pricing rates, if applicable, and administering cost accounting standards for all contracts in a business unit.

“**Current Fiscal Year**” means the fiscal period of July 1, 2015, through June 30, 2016.

“**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.



**SAN DIEGO ASSOCIATION OF GOVERNMENTS**

*TransNet and TransNet Extension Activities*

Schedule of Status of Funds by Project

Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
<b>TransNet Extension:</b>								
<b>Administration:</b>								
		SANDAG 1% Administration	\$ -	\$ 2,834,638	\$ (2,834,638)	\$ -	\$ -	
		Total Administration	-	2,834,638	(2,834,638)	-	-	
<b>Bike, Pedestrian &amp; Neighborhood Safety (BPNS) - Pass-Through</b>								
CAL330	1223014	SR-15 Commuter Bike Facility	-	220,000	(220,000)	-	-	
CB40	1223029	Active Village Campaign	-	43,682	(43,682)	-	-	
CHV71	1223031	Main Street Streetscape Master Plan	-	27,259	(27,259)	-	-	
CHV76	1223059	F Street Promenade Streetscape Master Plan	-	22,488	(22,488)	-	-	
CNTY87	1223060	County of San Diego-Active Transportation Plan	-	279,402	(279,402)	-	-	
DM06	1223061	Pedestrian and Bicycle Facilities - Camino Del Mar, Jimmy Durante, Via De La Valle	-	812,000	(812,000)	-	-	
ESC43	1223062	Escondido Creek Bikeway Missing Link	-	71,735	(71,735)	-	-	
IB16	1223063	Bikeway Village Bayshore Bikeway Access Enhancement Project	-	804,590	(804,590)	-	-	
NC18	1223036	Bicycle Parking Enhancements	-	15,529	(15,529)	-	-	
NC20	1223064	Division Street Road Diet	-	78,502	(78,502)	-	-	
NC21	1223065	Euclid Avenue Bicycle and Pedestrian Enhancements	-	100,618	(100,618)	-	-	
O29	1223038	Oceanside Blvd. Transit Access & Beautification Project	-	(38,200)	38,200	-	-	(a)
O30	1223039	2 Year Education/Encouragement/Awareness Project	-	38,679	(38,679)	-	-	
O31	1223040	North Coast Transit Station Bike Station Project	-	5,404	(5,404)	-	-	
SB15	1223050	Solana Beach Comprehensive Active Transportation Transportation Strategies (CATS)	-	1	(1)	-	-	
SD222	1223042	Chollas Creek to Bayshore Bikeway - Multi-Use Path Design	-	63,923	(63,923)	-	-	
SD223	1223043	Microwave Bicycle Detection (The Intersector)	-	1	(1)	-	-	
SD224	1223045	Downtown Complete Streets Mobility Plan	-	134,999	(134,999)	-	-	
SD225	1223044	Linda Vista CATS	-	87,710	(87,710)	-	-	
SM51	1223046	San Marcos Bicycle and Pedestrian Plan	-	1	(1)	-	-	
		Total BPNS - Pass-Through	-	2,768,323	(2,768,323)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**

*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
<b>BPNS:</b>								
CAL330	1223014	SR-15 Commuter Bike Facility	\$ -	\$ 68,801	\$ (68,801)	\$ -	\$ -	
SAN40	3300100	TDA/TN Bike, Ped, Neighborhood	-	20,000	(20,000)	-	-	
SAN102	1144300	Bayshore Bikeway - Segments 7 & 8	-	219,624	(219,624)	-	-	
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	-	161,164	(161,164)	-	-	
SAN153	1223023	The Inland Rail Trail	-	(505,740)	505,740	-	-	(b)
SAN154	1129900	Bayshore Bikeway - Segment 8B	-	145,060	(145,060)	-	-	
SAN155	1223016	Coastal Rail Trail - Rose Creek	-	808,308	(808,308)	-	-	
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	-	367,125	(367,125)	-	-	
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	-	465,063	(465,063)	-	-	
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	-	1,837,992	(1,837,992)	-	-	
SAN161	1144500	Sweetwater Bikeway - Plaza Bonita Segment	-	(7,361)	7,361	-	-	(b)
SAN195	1223055	Bayshore Bikeway - Barrio Logan	-	135,006	(135,006)	-	-	
SAN197	1223052	San Diego River Trail - Qualcomm Stadium	-	96,122	(96,122)	-	-	
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	-	66,900	(66,900)	-	-	
SAN203	1223056	San Ysidro to IB Parkway	-	8,566	(8,566)	-	-	
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	-	137,687	(137,687)	-	-	
SAN205	1223057	NP to Downtown/Balboa Bikeway	-	333,691	(333,691)	-	-	
SAN206	1223058	Southeast to Downtown Bikeway	-	604,665	(604,665)	-	-	
SAN207	1223018	Coastal Rail Trail Encinitas: Chesterfield Dr to Solana Beach	-	297	(297)	-	-	
Total BPNS			-	4,962,970	(4,962,970)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
<b>Senior Services - Pass-Through:</b>								
LAM27	1270400	La Mesa - Rides4Neighbors	\$ -	\$ 149,950	\$ (149,950)	\$ -	\$ -	
O34	1270500	Oceanside - Senior Shuttle Program	-	195,953	(195,953)	-	-	
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles	-	146,753	(146,753)	-	-	
SAN70	1271800	On the Go (Eastern San Diego)	-	46,638	(46,638)	-	-	
		Total SAN70	-	193,391	(193,391)	-	-	
SAN87	1270700	Elderhelp - Volunteer Driver Program	-	93,995	(93,995)	-	-	
SAN89	1270900	Independent Transportation Network San Diego	-	125,000	(125,000)	-	-	
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	-	46,481	(46,481)	-	-	
SAN92	1271300	Travelers Aid Society - SeniorRide	-	105,527	(105,527)	-	-	
SAN141	1271000	Jewish Family Services	-	167,800	(167,800)	-	-	
SAN142	1271400	Friends of Adult Day Care	-	73,546	(73,546)	-	-	
SAN168	1271900	FACT Mobility Management	-	156,546	(156,546)	-	-	
SAN185	1270800	FACT - Ride FACT	-	152,881	(152,881)	-	-	
SAN194	1272100	Mountain Health and Community	-	37,104	(37,104)	-	-	
SAN219	1272400	ITN Greater San Diego	-	56,057	(56,057)	-	-	
SM57	1272300	On the Move Transportation Program	-	25,452	(25,452)	-	-	
		Subtotal Senior Services - Pass-Through	-	1,579,683	(1,579,683)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward Senior Services - Pass-Through	\$ -	\$ 1,579,683	\$ (1,579,683)	\$ -	\$ -	
VISTA44	1270600	City of Vista - Out and About	-	100,425	(100,425)	-	-	
		Total Senior Services - Pass-Through	-	1,680,108	(1,680,108)	-	-	
SAN40	3320100	<b>Senior Services:</b>						
		S/R Transit Svc Activities	-	42,000	(42,000)	-	-	
		Total Senior Services	-	42,000	(42,000)	-	-	
		<b>Smart Growth - Pass-Through:</b>						
CHV73	1224015	Third Ave. Streetscape Implementation Project - Phase 2	-	1,112,764	(1,112,764)	-	-	
CHV74	1224016	Healthy Communities Program	-	4,603	(4,603)	-	-	
EL33	1224039	El Cajon Transit Center Transit-Supportive Land Use and Mobility Plan	-	11,038	(11,038)	-	-	
ESC44	1224034	Escondido Transit Center Active Transportation Connections	-	7,649	(7,649)	-	-	
IB15	1224017	Palm Avenue Mixed-Use and Commercial Corridor Master Plan	-	33,258	(33,258)	-	-	
IB17	1224042	Palm Avenue Mixed-Use and Commercial Corridor Master Plan-Rainbow to Delaware Construction Drawings	-	5,442	(5,442)	-	-	
LAM45	1224018	Downtown Village Streetscape Improvement Project (Part 2)	-	840,423	(840,423)	-	-	
LG21	1224019	Main Street Promenade Extension Planning Project	-	162,392	(162,392)	-	-	
LG23	1224041	Broadway Downtown Village Specific (DVSP) Expansion	-	99,488	(99,488)	-	-	
NC19	1224020	Downtown-Westside Community Connections	-	642,449	(642,449)	-	-	
NC23	1224030	Westside Mobility Improvement Project	-	28,420	(28,420)	-	-	
NC24	1224037	Downtown Specific Plan Update	-	74,584	(74,584)	-	-	
NC25	1224028	Downtown-Westwide Wayfinding and Community Gateways	-	61,772	(61,772)	-	-	
O42	1224029	Seagaze Drive Downtown Mobility Project	-	19,438	(19,438)	-	-	
		Subtotal Smart Growth - Pass-Through	-	3,103,720	(3,103,720)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**

*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward Smart Growth - Pass-Through	\$ -	\$ 3,103,720	\$ (3,103,720)	\$ -	\$ -	
SD202	1224005	Chollas Triangle Master Plan	-	36,752	(36,752)	-	-	
SD214	1224010	Park Blvd/City College/San Diego High	-	192,928	(192,928)	-	-	
SD227	1224021	Morena Blvd Station Area Study Phase 2	-	125,857	(125,857)	-	-	
SD228	1224022	The Complete Boulevard Planning Study	-	73,964	(73,964)	-	-	
SD229	1224023	Island Ave. Green Street Mobility Improvements	-	889,521	(889,521)	-	-	
SD230	1224024	Wayfinding Signage	-	10,329	(10,329)	-	-	
SD231	1224025	East Village Green/14th Street Promenade Master Plan	-	200,796	(200,796)	-	-	
SD239	1224038	Grantville Trolley Station/Alvarado Creek Enhancement Project	-	13,355	(13,355)	-	-	
SM53	1224026	Armorlite Complete Street Corridor	-	891,432	(891,432)	-	-	
VISTA52	1224027	Vista Downtown Specific Plan Update	-	4,582	(4,582)	-	-	
VISTA54	1224035	Paseo Santa Fe Phase II	-	126,124	(126,124)	-	-	
		<b>Total Smart Growth - Pass-Through</b>	<b>-</b>	<b>5,669,360</b>	<b>(5,669,360)</b>	<b>-</b>	<b>-</b>	
		<b>Smart Growth:</b>						
SAN40	3300100	<i>TransNet</i> Smart Growth Incentive Program	-	20,000	(20,000)	-	-	
		<b>Total Smart Growth</b>	<b>-</b>	<b>20,000</b>	<b>(20,000)</b>	<b>-</b>	<b>-</b>	
		<b>Local Street Improvements:</b>						
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	-	11,700	(11,700)	-	-	
CHV39	3311000	Traffic Signal System Optimization	-	15,500	(15,500)	-	-	
CNTY81	3311002	Regional Traffic Signal Management - (CR)	-	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) - (CR)	-	11,200	(11,200)	-	-	
POW29	3311002	Citywide Traffic Signal Improvements - (CR)	-	7,300	(7,300)	-	-	
SD16A	3311002	Traffic Signals Citywide - (CR)	-	67,600	(67,600)	-	-	
SM54	3311002	Citywide Traffic Signals - (CR)	-	10,800	(10,800)	-	-	
SNT20	3311002	Traffic Signals Citywide - (CR)	-	7,400	(7,400)	-	-	
		<b>Total Local Street Improvements</b>	<b>-</b>	<b>176,500</b>	<b>(176,500)</b>	<b>-</b>	<b>-</b>	

SCHEDULE A

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
<b>Regional Environmental Mitigation Program (EMP) - Pass-Through</b>								
CAL29	1207602	Caltrans SR 76 Middle EMP	-	180,000	(180,000)	-	-	
CAL29B	1207606	Caltrans SR 76 East EMP	-	(1,200,000)	1,200,000	-	-	(b)
V07	12002xx	Caltrans EMP	-	4,053,000	(4,053,000)	-	-	
V08	1200300	Regional Habitat Conservation Fund	-	49,142	(49,142)	-	-	
V08	1200311	Gnatcatcher/Cactus Wren - Chula Vista	-	(2,615)	2,615	-	-	(a)
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	1200317	Monitoring Coordinator	-	37,540	(37,540)	-	-	
V08	1200318	Vegetation Mapping	-	12,929	(12,929)	-	-	
V08	1200319	Vegetation and Landscape Monitoring	-	159,936	(159,936)	-	-	
V08	1200326	SD County Salt Creek Recovery	-	1	(1)	-	-	
V08	1200329	GIS Support	-	131,322	(131,322)	-	-	
V08	1200330	Enforcement	-	59,595	(59,595)	-	-	
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	1200342	Preserve Level Management Plan Standardization	-	68,995	(68,995)	-	-	
V08	1200343	Other Species Monitoring	-	15,301	(15,301)	-	-	
V08	1200344	River Habitat San Diego River	-	2	(2)	-	-	
V08	1200347	Lusardi Creek	-	1	(1)	-	-	
V08	1200348	San Pasqual Valley Weed	-	(6,939)	6,939	-	-	(c)
V08	1200350	Administrative and Science Support	-	200,275	(200,275)	-	-	
V08	1200351	Lakeside Linkage	-	15,099	(15,099)	-	-	
V08	1200352	Chula Vista Tarplant-Thornmint	-	(3,230)	3,230	-	-	(c)
V08	1200353	Crest Canyon Invasive Removal	-	1	(1)	-	-	
V08	1200355	Invasive Animal Species Management	-	571,024	(571,024)	-	-	
V08	1200357	Database Support	-	105,771	(105,771)	-	-	
V08	1200358	Carlsbad Hydrologic Unit	-	1	(1)	-	-	
V08	1200359	Audubon Mission Bay Park	-	1	(1)	-	-	
V08	1200360	Proctor Valley Vernal Pools	-	3,777	(3,777)	-	-	
V08	1200366	City of Chula Vista Salt Creek	-	11,231	(11,231)	-	-	
		Subtotal V08	-	2,603,955	(2,603,955)	-	-	

SCHEDULE A

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward Subtotal V08	\$ -	\$ 2,603,955	\$ (2,603,955)	\$ -	\$ -	
V08	1200367	USGS Western Pond Turtle	-	1	(1)	-	-	
V08	1200368	CNLM Acanthomintha	-	1	(1)	-	-	
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	1200379	San Luis Rey and Santa Margarita Watersheds Arundo Re-treatment	-	7,623	(7,623)	-	-	
V08	1200380	Phase 3 Radio-Encanto Restoration, Maintenance, and Monitoring	-	38,428	(38,428)	-	-	
V08	1200381	South County Grasslands Phase 2	-	1	(1)	-	-	
V08	1200382	SDNWR: (Shinohara) Vernal Pool Invasive Weed Treatment	-	26,978	(26,978)	-	-	
V08	1200383	Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration	-	35,907	(35,907)	-	-	
V08	1200384	Dehesa Nolina and Dudleya	-	30,189	(30,189)	-	-	
V08	1200385	San Diego Thornmint and Quino Checkerspot Butterfly	-	44,152	(44,152)	-	-	
V08	1200386	California Least Tern	-	22,882	(22,882)	-	-	
V08	1200387	Cactus Wren	-	9,343	(9,343)	-	-	
V08	1200388	Rare Plants	-	55,596	(55,596)	-	-	
V08	1200389	North County Dunes Restoration (Coastal Species)	-	50,421	(50,421)	-	-	
V08	1200390	SD Bay NWR: California least tern and Western snowy plover Recovery at D Street Nesting Site	-	(6,713)	6,713	-	-	(d)
V08	1200392	San Diego River Park Watch	-	20,374	(20,374)	-	-	
V08	1200394	Cactus Wren 2015	-	38,872	(38,872)	-	-	
V08	1200395	Nuttall's Lotus	-	31,917	(31,917)	-	-	
V08	1200396	Otay River Valley Cactus Wren	-	28,595	(28,595)	-	-	
V08	1200397	San Luis Rey, Santa Margarita, and San Dieguito Watersheds	-	39,582	(39,582)	-	-	
V08	1200399	Carlsbad Hydrologic Unit 2	-	28,312	(28,312)	-	-	
V08	1201301	Brachypodium Phase 2	-	30,340	(30,340)	-	-	
V08	1201303	South San Diego County Community 3	-	111,532	(111,532)	-	-	
V08	1201304	Furby-North Preserve	-	1,751	(1,751)	-	-	
		Subtotal V08	-	4,577,841	(4,577,841)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance carried forward Subtotal V08	\$ -	\$ 4,577,841	\$ (4,577,841)	\$ -	\$ -	
V09	1201305	Otay River Valley and Salt Creek Cactus Wren 3	-	87,204	(87,204)	-	-	
		Total V08	-	4,665,045	(4,665,045)	-	-	
		Total Regional EMP - Pass Through	-	7,698,045	(7,698,045)	-	-	
		<b>Environmental Mitigation (EMP):</b>						
V07	12002xx	Biological Mitigation	-	18,458,178	(18,458,178)	-	-	
		Total EMP	-	18,458,178	(18,458,178)	-	-	
		<b>Transit System Improvement:</b>						
SAN79	1142500	Centralized Train Control	-	\$ (431,231)	\$ 431,231	-	-	(b)
		Total Transit System Improvement	-	(431,231)	431,231	-	-	
		<b>BRT/Rail Operations:</b>						
SAN80	3310700	TransNet Major Transit Corridor Operations	-	8,712	(8,712)	-	-	
		Total BRT/Rail Operations	-	8,712	(8,712)	-	-	
		<b>Major Corridor - Pass-Through:</b>						
CAL09	1200501	I-5 North Coast	-	159,000	(159,000)	-	-	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	37,215,000	(37,215,000)	-	-	
		Total CAL09	-	37,374,000	(37,374,000)	-	-	
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	-	(244,000)	244,000	-	-	(e)
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	574,000	(574,000)	-	-	
CAL18	1201502	I-15 Managed Lanes-Middle Segment	-	42,000	(42,000)	-	-	



**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor - Pass-Through	\$ -	\$ 38,179,000	\$ (38,179,000)	\$ -	\$ -	
CAL18B	1201501	I-15 ML+S. Segment and Mira Mesa Transit Center	-	550,000	(550,000)	-	-	
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Station	-	24,000	(24,000)	-	-	
		Total CAL18B	-	574,000	(574,000)	-	-	
CAL26	1205203	State Route 52 Freeway (E&F)	-	48,000	(48,000)	-	-	
CAL29	1207602	SR 76 Middle	-	752,000	(752,000)	-	-	
CAL29B	1207606	SR 76 East	-	5,112,000	(5,112,000)	-	-	
CAL38	1390501	SR-905 New Freeway	-	17,073	(17,073)	-	-	
CAL67	1280508	SR 94 Widening	-	67,000	(67,000)	-	-	
CAL68	1212501	SR 94/125 Southbound to Eastbound Connector	-	894,000	(894,000)	-	-	
CAL75	1200506	I-5 Genessee Interchange and Widening	-	507,000	(507,000)	-	-	
CAL77	1200505	I-5/I-8 Connector	-	471,000	(471,000)	-	-	
CAL78B	1280511	I-805 North: 2 HOV	-	273,000	(273,000)	-	-	
CAL78C	1280510	I-805 South: 2HOV & DAR	-	14,087,612	(14,087,612)	-	-	
CAL78C	1280514	I-805/SR15 Interchange	-	7,870,388	(7,870,388)	-	-	
CAL78C	1280515	I-805 S Soundwalls	-	909,000	(909,000)	-	-	
		Total CAL78C	-	22,867,000	(22,867,000)	-	-	
CAL114	1200503	I-5/SR56 Interchange	-	20,000	(20,000)	-	-	
		Subtotal Major Corridor - Pass-Through	-	69,781,073	(69,781,073)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor - Pass-Through	\$ -	\$ 69,781,073	\$ (69,781,073)	\$ -	\$ -	
CAL120	1201510	SR 78 Auxiliary Lanes	-	54,475	(54,475)	-	-	
CAL277	1207802	I-15/SR-78 HOV Connectors	-	(969)	969	-	-	(e)
CAL278	1207801	SR78 HOV/Managed Lanes	-	148,000	(148,000)	-	-	
CAL325	1390504	State Routes 905/125/11 Connectors	-	6,719	(6,719)	-	-	
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	-	38,000	(38,000)	-	-	
SAN04	1201504	I-15 Managed Lane/Value Pricing	-	(506)	506	-	-	(e)
SAN26	1201505	I-15 BRT Transit Stations	-	8,949	(8,949)	-	-	
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	-	3,403,000	(3,403,000)	-	-	
SAN47	1280504	South Bay BRT	-	220,000	(220,000)	-	-	
SAN146	1280512	I-805 Imperial BRT Station	-	82,000	(82,000)	-	-	
		<b>Total Major Corridor - Pass-Through</b>	<b>-</b>	<b>73,740,741</b>	<b>(73,740,741)</b>	<b>-</b>	<b>-</b>	
		<b>Major Corridor:</b>						
CAL09	1200501	I-5 North Coast	-	36,144	(36,144)	-	-	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	5,584,771	(5,584,771)	-	-	
CAL09	3310708	TDM - North Coast Corridor	-	242,193	(242,193)	-	-	
		<b>Total CAL09</b>	<b>-</b>	<b>5,863,108</b>	<b>(5,863,108)</b>	<b>-</b>	<b>-</b>	
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	-	1,126	(1,126)	-	-	
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	-	4,650	(4,650)	-	-	
CAL18	1201502	I-15 Managed Lanes-Middle Segment	-	313	(313)	-	-	
CAL18A	1201503	I-15 Managed Lanes-North Segment	-	504,898	(504,898)	-	-	
CAL18B	1201501	I-15 Managed Lanes-South Segment	-	19,303	(19,303)	-	-	
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Station	-	81,326	(81,326)	-	-	
		<b>Total CAL18B</b>	<b>-</b>	<b>100,629</b>	<b>(100,629)</b>	<b>-</b>	<b>-</b>	
		<b>Subtotal Major Corridor</b>	<b>-</b>	<b>6,474,724</b>	<b>(6,474,724)</b>	<b>-</b>	<b>-</b>	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor	\$ -	\$ 6,474,724	\$ (6,474,724)	\$ -	\$ -	
CAL26	1205203	State Route 52 Freeway (E&F)	-	(57,521)	57,521	-	-	(f)
CAL29	1207602	SR 76 Middle	-	5,411	(5,411)	-	-	
CAL29B	1207606	SR 76 East	-	792,946	(792,946)	-	-	
CAL38	1390501	SR-905 New Freeway	-	202	(202)	-	-	
CAL67	1280508	SR 94 Widening	-	54,661	(54,661)	-	-	
CAL68	1212501	SR94-125 Widening	-	22,528	(22,528)	-	-	
CAL75	1200506	I-5 Genessee interchange and Widening	-	565,848	(565,848)	-	-	
CAL77	1200505	I-5/I-8 Connector	-	17,761	(17,761)	-	-	
CAL78B	1280511	I-805 North: 2 HOV	-	694,968	(694,968)	-	-	
CAL78C	1280510	I-805 South: 2 HOV & DAR	-	288,822	(288,822)	-	-	
CAL78C	1280514	I-805/SR15 Interchange	-	1,251,542	(1,251,542)	-	-	
CAL78C	1280515	I-805 S Soundwalls	-	141,870	(141,870)	-	-	
		Total CAL78C	-	1,682,234	(1,682,234)	-	-	
CAL114	1200503	I-5/SR56 Interchange	-	2,673	(2,673)	-	-	
CAL120	1201510	SR 78 Auxiliary Lanes	-	596	(596)	-	-	
CAL278	1207801	SR78 HOV/Managed Lanes	-	897	(897)	-	-	
		Subtotal Major Corridor	-	10,257,928	(10,257,928)	-	-	

SCHEDULE A

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor	\$ -	\$ 10,257,928	\$ (10,257,928)	\$ -	\$ -	
CAL325	1390504	State Routes 905/125/11 Connectors	-	4,064	(4,064)	-	-	
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	-	2,166,030	(2,166,030)	-	-	
CAL399	1200508	1-5/Gilman Drive Bridge	-	155,804	(155,804)	-	-	
SAN04	1201504	I-15 Managed Lane/Value Pricing	-	204,241	(204,241)	-	-	
SAN23	1257001	Mid-Coast Corridor Transit Project	-	81,519,180	(81,519,180)	-	-	
SAN26	1201505	I-15 BRT Transit Stations	-	2,965	(2,965)	-	-	
SAN26B	1201509	Downtown BRT Stations	-	7,731,083	(7,731,083)	-	-	
SAN26C	1201507	I-15 BRT Transit Stations - South	-	2,129,726	(2,129,726)	-	-	
SAN27	1300601	San Ysidro Intermodal Freight Facility	-	1,394,307	(1,394,307)	-	-	
SAN27	1300602	South Line Rail Freight Capacity	-	2,496,735	(2,496,735)	-	-	
		Total SAN27	-	3,891,042	(3,891,042)	-	-	
SAN29	1239801	Sorrento to Miramar Double Track/Realign	-	1,434,419	(1,434,419)	-	-	
SAN29	1239812	Sorrento to Miramar Phase 2	-	59,877	(59,877)	-	-	
		Total SAN29	-	1,494,296	(1,494,296)	-	-	
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	-	609,198	(609,198)	-	-	
		Subtotal Major Corridor	-	110,165,557	(110,165,557)	-	-	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet and TransNet Extension Activities*  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor	\$ -	\$ 110,165,557	\$ (110,165,557)	\$ -	\$ -	
SAN40	2300000	Metropolitan Planning	-	219,211	(219,211)	-	-	
SAN40	2301100	Metropolitan Planning	-	175,337	(175,337)	-	-	
		Total SAN40	-	394,548	(394,548)	-	-	
SAN46	1041502	<i>SuperLoop</i>	-	935,869	(935,869)	-	-	
SAN47	1280504	Otay BRT	-	5,842,014	(5,842,014)	-	-	
SAN54	1144800	Regional Arterial Detection	-	1,912	(1,912)	-	-	
SAN54	2301500	Multimodal TSM/TDM Model Tool	-	237,486	(237,486)	-	-	
SAN54	3330700	TSM-Integrated Corridor Management Program	-	15,709	(15,709)	-	-	
SAN54	3310500	511 ATIS	-	70,797	(70,797)	-	-	
SAN54	3311000	ITS Operations	-	882,934	(882,934)	-	-	
SAN54	3311100	Regional ITS Program Management	-	236,333	(236,333)	-	-	
SAN54	3311800	Connected Vehicle Development Program	-	75,205	(75,205)	-	-	
		Total SAN54	-	1,520,376	(1,520,376)	-	-	
SAN55	1143900	Bus & Fixed Guideway Support Equipment and Facilities	-	257,000	(257,000)	-	-	
SAN64	1239809	Eastbrook to Shell Double Track	-	25,686	(25,686)	-	-	
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	-	394,516	(394,516)	-	-	
SAN73	3310708	TDM - North Coast Corridor	-	100,334	(100,334)	-	-	
		Total SAN73	-	494,850	(494,850)	-	-	
SAN73A	1239817	Chesterfield Drive Crossing Improvements	-	49,953	(49,953)	-	-	
SAN78	1240001	Mid-City Rapid Bus	-	746,808	(746,808)	-	-	
		Subtotal Major Corridor	-	120,432,661	(120,432,661)	-	-	

SCHEDULE A

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet and TransNet Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
		Balance Carried Forward - Major Corridor	\$ -	\$ 120,432,661	\$ (120,432,661)	\$ -	\$ -	
SAN79	1142500	Centralized Train Control	-	822,090	(822,090)	-	-	
SAN94	1144601	I-15 Integrated Corridor Management	-	101,005	(101,005)	-	-	
SAN116	1239803	Oceanside Station Stub Tracks	-	189,898	(189,898)	-	-	
SAN117	1239805	Poinsettia Run Through Track	-	107,889	(107,889)	-	-	
SAN123	1143200	University Town Center (UTC) Transit Center	-	371,240	(371,240)	-	-	
SAN128	1201512	I-15 BRT Sabre Springs Parking Structure	-	26,306	(26,306)	-	-	
SAN129	1201514	Downtown Layover Facility	-	602,571	(602,571)	-	-	
SAN130	1239810	Carlsbad Village Double Track	-	234,462	(234,462)	-	-	
SAN131	1201511	Mira Mesa Blvd. BRT Priority Treatments	-	912,132	(912,132)	-	-	
SAN132	1239811	Elvira to Morena Double Track	-	3,202,599	(3,202,599)	-	-	
SAN133	1201513	South Bay BRT Maintenance Facility	-	12,480	(12,480)	-	-	
SAN146	1280512	I-805 Imperial BRT Station	-	379,214	(379,214)	-	-	
SAN149	1239814	Coaster PE	-	93,600	(93,600)	-	-	
SAN171	1210020	Blue Line Crossovers and Signals	-	9,311	(9,311)	-	-	
SAN172	1210030	Blue Line Station Rehabilitation	-	6,596,801	(6,596,801)	-	-	
SAN173	1210040	Blue Line Rail Infrastructure	-	574,011	(574,011)	-	-	
SAN174	1210050	Blue Line Communications Upgrades	-	87,993	(87,993)	-	-	
SAN176	1210070	System Station Platforms	-	110,318	(110,318)	-	-	
SAN182	1239815	San Diego River Bridge	-	468,042	(468,042)	-	-	
SAN183	1239816	Batiquitos Lagoon Double Track	-	399,083	(399,083)	-	-	
SAN202	1201516	I-15 BRT Station Improvements	-	19,096	(19,096)	-	-	
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	-	747,072	(747,072)	-	-	
SAN212	1201517	BRT Wi-Fi Phase 1	-	70,207	(70,207)	-	-	
SAN224	1280513	I-805/SR 94 Bus on Shoulder Demonstration Project	-	100,223	(100,223)	-	-	
V11	1201101	State Route 11	-	67,561	(67,561)	-	-	
		Total Major Corridor	-	136,737,865	(136,737,865)	-	-	
		Total TransNet Extension	\$ -	\$ 254,366,209	\$ (254,366,209)	\$ -	\$ -	

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**

*TransNet* and *TransNet* Extension Activities  
 Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Project Status July 1, 2015	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2016	Notes
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Notes:

- (a) Grantee returned excess funds received in prior year.
- (b) *TransNet* funds were returned in FY16 due to other funding received for prior year expenditures.
- (c) FY16 negative expenditure due to reversal of prior year retention. Project is complete and was cumulatively undermatched, therefore previously withheld retention was reversed to project.
- (d) FY16 negative expenditure due to reversal of prior year accrual.
- (e) A transfer was made to move expenditures from *TransNet* funds to other funds to balance the budget of each. See Caltrans audit for more detail.
- (f) Refund from Caltrans for SR52 excess land sale.

SCHEDULE B

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
<b>TransNet Extension:</b>					
<b>Administration:</b>					
		SANDAG 1% Administration	\$ 19,076,548	\$ (19,076,548)	\$ -
		Total Administration	19,076,548	(19,076,548)	-
<b>Bike, Pedestrian &amp; Neighborhood Safety (BPNS) - Pass-Through:</b>					
CAL330	1223014	SR-15 Commuter Bike Facility	1,236,000	(1,236,000)	-
CB40	1223029	Active Village Campaign	247,561	(247,561)	-
CHV71	1223031	Main Street Streetscape Master Plan	299,981	(299,981)	-
CHV76	1223059	F Street Promenade Streetscape Master Plan	22,488	(22,488)	-
CNTY87	1223060	County of San Diego-Active Transportation Plan	279,402	(279,402)	-
DM06	1223061	Pedestrian and Bicycle Facilities - Camino Del Mar, Jimmy Durante, Via De La Valle	812,000	(812,000)	-
ESC43	1223062	Escondido Creek Bikeway Missing Link	71,735	(71,735)	-
IB16	1223063	Bikeway Village Bayshore Bikeway Access Enhancement Project	804,590	(804,590)	-
NC18	1223036	Bicycle Parking Enhancements	50,000	(50,000)	-
NC20	1223064	Division Street Road Diet	78,502	(78,502)	-
NC21	1223065	Euclid Avenue Bicycle and Pedestrian Enhancements	100,618	(100,618)	-
O29	1223038	Oceanside Blvd. Transit Access & Beautification Project	302,893	(302,893)	-
O30	1223039	2 Year Education/Encouragement/Awareness Project	180,113	(180,113)	-
O31	1223040	North Coast Transit Station Bike Station Project	87,206	(87,206)	-
SB15	1223050	Solana Beach Comprehensive Active Transportation Strategies (CATS)	131,173	(131,173)	-
SD222	1223042	Chollas Creek to Bayshore Bikeway - Multi-Use Path Design	410,068	(410,068)	-
SD223	1223043	Microwave Bicycle Detection (The Intersector)	182,394	(182,394)	-
SD224	1223045	Downtown Complete Streets Mobility Plan	300,000	(300,000)	-
SD225	1223044	Linda Vista CATS	219,905	(219,905)	-
SM51	1223046	San Marcos Bicycle and Pedestrian Plan	72,680	(72,680)	-
		Total BPNS - Pass Through	5,889,309	(5,889,309)	-
<b>BPNS:</b>					
CAL330	1223014	SR-15 Commuter Bike Facility	72,692	(72,692)	-
SAN40	33001/33003	TransNet Bike, Ped, Neighborhood	137,000	(137,000)	-
SAN102	1144300	Bayshore Bikeway - Segments 7 & 8	752,375	(752,375)	-
		Subtotal BPNS	962,067	(962,067)	-



SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - BPNS	\$ 962,067	\$ (962,067)	\$ -
SAN144	1143700	Bayshore Bikeway - Segments 4 & 5	1,323,843	(1,323,843)	-
SAN153	1223023	The Inland Rail Trail	3,656,452	(3,656,452)	-
SAN154	1129900	Bayshore Bikeway Segment 8B	487,103	(487,103)	-
SAN155	1223016	Coastal Rail Trail - Rose Creek	1,373,154	(1,373,154)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	601,890	(601,890)	-
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	1,279,247	(1,279,247)	-
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	4,585,387	(4,585,387)	-
SAN161	1144500	Sweetwater Bikeway - Plaza Bonita Segment	148,300	(148,300)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	402,962	(402,962)	-
SAN197	1223052	San Diego River Trail - Qualcomm Stadium	136,575	(136,575)	-
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	110,188	(110,188)	-
SAN203	1223056	San Ysidro to IB Parkway	20,715	(20,715)	-
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	194,653	(194,653)	-
SAN205	1223057	NP to Downtown/Balboa Bikeway	434,193	(434,193)	-
SAN206	1223058	Southeast to Downtown Bikeway	627,514	(627,514)	-
SAN207	1223018	Coastal Rail Trail Encinitas: Chesterfield Dr to Solana Beach	1,513	(1,513)	-
		Total BPNS	16,345,756	(16,345,756)	-
		<b>Senior Services - Pass-Through:</b>			
LAM27	1270400	La Mesa - Rides4Neighbors	883,715	(883,715)	-
NCTD34(A)	1270100	NCTD - Mobility/Travel Training Program	217,940	(217,940)	-
O21	1270500	Oceanside - Solutions for Seniors on the Go	835,456	(835,456)	-
O34	1270500	Oceanside - Senior Shuttle Program	243,648	(243,648)	-
		Subtotal Senior Services - Pass-Through	2,180,759	(2,180,759)	-

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Senior Services - Pass-Through	\$ 2,180,759	\$ (2,180,759)	\$ -
SAN70	1271800	On the Go (Eastern San Diego)	46,638	(46,638)	-
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles	<u>417,773</u>	<u>(417,773)</u>	-
		Total SAN70	<u>464,411</u>	<u>(464,411)</u>	-
SAN87	1270700	Elderhelp - Volunteer Driver Program	<u>661,631</u>	<u>(661,631)</u>	-
SAN89	1270900	Independent Transportation Network San Diego	<u>306,669</u>	<u>(306,669)</u>	-
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	<u>239,404</u>	<u>(239,404)</u>	-
SAN92	1271300	Travelers Aid Society - SeniorRide	<u>662,033</u>	<u>(662,033)</u>	-
SAN139	1271500	FACT MedAccessRide	<u>56,000</u>	<u>(56,000)</u>	-
SAN140	1270800	FACT MedRide	<u>388,233</u>	<u>(388,233)</u>	-
SAN141	1271000	Jewish Family Services	<u>831,883</u>	<u>(831,883)</u>	-
SAN142	1271400	Friends of Adult Day Care	<u>453,280</u>	<u>(453,280)</u>	-
SAN168	1271900	FACT Mobility Management	<u>239,460</u>	<u>(239,460)</u>	-
SAN185	1270800	FACT - Ride FACT	<u>192,164</u>	<u>(192,164)</u>	-
SAN191	1270300	Alpha Project for the Homeless	<u>194,998</u>	<u>(194,998)</u>	-
SAN192	1271700	Bayside Community Center	<u>9,643</u>	<u>(9,643)</u>	-
		Subtotal Senior Services - Pass-Through	<u>6,880,568</u>	<u>(6,880,568)</u>	-

SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Senior Services - Pass-Through	\$ 6,880,568	\$ (6,880,568)	\$ -
SAN194	1272100	Mountain Health and Community	103,427	(103,427)	-
SAN219	1272400	ITN Greater San Diego	56,057	(56,057)	-
SM57	1272300	On the Move Transportation Program	25,452	(25,452)	-
VISTA44	1270600	City of Vista + Out and About	388,519	(388,519)	-
		Total Senior Services - Pass-Through	7,454,023	(7,454,023)	-
		<b>Senior Services:</b>			
SAN40	3320100	Short Range Transit Svc Activities	294,000	(294,000)	-
		Total Senior Services	294,000	(294,000)	-
		<b>Smart Growth - Pass-Through:</b>			
CHV73	1224015	Third Ave. Streetscape Implementation Project - Phase 2	1,344,671	(1,344,671)	-
CHV74	1224016	Healthy Communities Program	99,635	(99,635)	-
EL33	1224039	El Cajon Transit Center Transit-Supportive Land Use and Mobility Plan	11,038	(11,038)	-
ESC44	1224034	Escondido Transit Center Active Transportation Connections	7,649	(7,649)	-
IB15	1224017	Palm Avenue Mixed-Use and Commercial Corridor Master Plan	400,000	(400,000)	-
IB17	1224042	Palm Avenue Mixed-Use and Commercial Corridor Master Plan-Rainbow to Delaware Construction Drawings	5,442	(5,442)	-
LAM45	1224018	Downtown Village Streetscape Improvement Project (Part 2)	2,000,000	(2,000,000)	-
LG21	1224019	Main Street Promenade Extension Planning Project	392,740	(392,740)	-
LG23	1224041	Broadway Downtown Village Specific (DVSP) Expansion	99,488	(99,488)	-
NC19	1224020	Downtown-Westside Community Connections	2,000,000	(2,000,000)	-
NC23	1224030	Westside Mobility Improvement Project	28,420	(28,420)	-
NC24	1224037	Downtown Specific Plan Update	74,584	(74,584)	-
NC25	1224028	Downtown-Westside Wayfinding and Community Gateways	61,772	(61,772)	-
O42	1224029	Seagaze Drive Downtown Mobility Project	19,438	(19,438)	-
SD201	1224004	Mid-City SR15 BRT Station Area Planning Study	204,509	(204,509)	-
SD202	1224005	Chollas Triangle Master Plan	270,302	(270,302)	-
SD214	1224010	Park Blvd/City College/San Diego High	300,000	(300,000)	-
SD227	1224021	Morena Blvd Station Area Study Phase 2	182,687	(182,687)	-
SD228	1224022	The Complete Boulevard Planning Study	111,663	(111,663)	-
		Subtotal Smart Growth - Pass-Through	7,614,038	(7,614,038)	-

SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Smart Growth - Pass-Through	\$ 7,614,038	\$ (7,614,038)	\$ -
SD229	1224023	Island Ave. Green Street Mobility Improvements	1,000,000	(1,000,000)	-
SD230	1224024	Wayfinding Signage	335,329	(335,329)	-
SD231	1224025	East Village Green/14th Street Promenade Master Plan	300,000	(300,000)	-
SD239	1224038	Grantville Trolley Station/Alvarado Creek Enhancement Project	13,355	(13,355)	-
SM53	1224026	Armorlite Complete Street Corridor	1,000,000	(1,000,000)	-
VISTA52	1224027	Vista Downtown Specific Plan Update	148,286	(148,286)	-
VISTA54	1224035	Paseo Santa Fe Phase II	126,124	(126,124)	-
		Total Smart Growth - Pass-Through	10,537,132	(10,537,132)	-
		<b>Smart Growth:</b>			
SAN40	3300100	TransNet Smart Growth Incentive Program	170,000	(170,000)	-
		Total Smart Growth	170,000	(170,000)	-
		<b>Local Street Improvements:</b>			
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	35,100	(35,100)	-
CHV39	3311002	Traffic Signal System Optimization	62,000	(62,000)	-
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	37,500	(37,500)	-
EL06	3311002	Traffic Signals Project	38,800	(38,800)	-
ENC28	3311002	Traffic Signal Modifications	29,600	(29,600)	-
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	14,800	(14,800)	-
NC04	3311002	Traffic Signal Install/Upgrade	32,000	(32,000)	-
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	33,600	(33,600)	-
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	21,900	(21,900)	-
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	202,800	(202,800)	-
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	32,400	(32,400)	-
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	22,200	(22,200)	-
VISTA51	3311002	Minor Traffic Signal Modifications	17,600	(17,600)	-
		Total Local Street Improvements	580,300	(580,300)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
<b>Regional Environmental Mitigation Program (EMP) - Pass-Through:</b>					
CAL29	1207602	Caltrans SR 76 Middle EMP	\$ 6,146,000	\$ (6,146,000)	\$ -
CAL29B	1207606	Caltrans SR 76 East EMP	4,834,000	(4,834,000)	-
V07	12002xx	Caltrans EMP	50,643,885	(50,643,885)	-
V08	1200300	Regional Habitat Conservation Fund	49,142	(49,142)	-
V08	1200311	Gnatcatcher/Cactus Wren - Chula Vista	356,444	(356,444)	-
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	1200317	Monitoring Coordinator	37,540	(37,540)	-
V08	1200318	Vegetation Mapping	12,929	(12,929)	-
V08	1200319	Vegetation and Landscape Monitoring	159,936	(159,936)	-
V08	1200326	SD County Salt Creek Recovery	106,604	(106,604)	-
V08	1200329	GIS Support	131,322	(131,322)	-
V08	1200330	Enforcement	59,595	(59,595)	-
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	1200342	Preserve Level Management Plan Standardization	68,995	(68,995)	-
V08	1200343	Other Species Monitoring	15,301	(15,301)	-
V08	1200344	River Habitat San Diego River	527,559	(527,559)	-
V08	1200347	Lusardi Creek	105,092	(105,092)	-
V08	1200348	San Pasqual Valley Weed	62,454	(62,454)	-
V08	1200350	Administrative and Science Support	200,275	(200,275)	-
V08	1200351	Lakeside Linkage	173,436	(173,436)	-
V08	1200352	Chula Vista Tarplant-Thornmint	265,148	(265,148)	-
V08	1200353	Crest Canyon Invasive Removal	67,603	(67,603)	-
V08	1200355	Invasive Animal Species Management	571,024	(571,024)	-
V08	1200357	Database Support	105,771	(105,771)	-
V08	1200358	Carlsbad Hydrologic Unit	194,451	(194,451)	-
V08	1200359	Audubon Mission Bay Park	73,559	(73,559)	-
V08	1200360	Proctor Valley Vernal Pools	183,605	(183,605)	-
V08	1200366	City of Chula Vista Salt Creek	178,600	(178,600)	-
		Subtotal V08	4,881,180	(4,881,180)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Subtotal V08	\$ 4,881,180	\$ (4,881,180)	\$ -
V08	1200367	USGS Western Pond Turtle	133,264	(133,264)	-
V08	1200368	CNLM Acanthomintha	40,272	(40,272)	-
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	1200379	San Luis Rey and Santa Margarita Watersheds Arundo Re-treatment	173,993	(173,993)	-
V08	1200380	Phase 3 Radio-Encanto Restoration, Maintenance, and Monitoring	100,317	(100,317)	-
V08	1200381	South County Grasslands Phase 2	270,208	(270,208)	-
V08	1200382	SDNWR: (Shinohara) Vernal Pool Invasive Weed Treatment	80,931	(80,931)	-
V08	1200383	Sycamore Canyon and Goodan Ranch Invasive Removal and Habitat Restoration	133,843	(133,843)	-
V08	1200384	Dehesa Nolina and Dudleya	95,900	(95,900)	-
V08	1200385	San Diego Thornmint and Quino Checkerspot Butterfly	101,225	(101,225)	-
V08	1200386	California Least Tern	51,772	(51,772)	-
V08	1200387	Cactus Wren	61,950	(61,950)	-
V08	1200388	Rare Plants	137,323	(137,323)	-
V08	1200389	North County Dunes Restoration (Coastal Species)	169,086	(169,086)	-
V08	1200390	SD Bay NWR: California least tern and Western snowy plover Recovery at D Street Nesting Site	63,996	(63,996)	-
V08	1200392	San Diego River Park Watch	145,006	(145,006)	-
V08	1200394	Cactus Wren 2015	38,872	(38,872)	-
V08	1200395	Nuttall's Lotus	31,917	(31,917)	-
V08	1200396	Otay River Valley Cactus Wren	28,595	(28,595)	-
V08	1200397	San Luis Rey, Santa Margarita, and San Dieguito Watersheds	39,582	(39,582)	-
V08	1200399	Carlsbad Hydrologic Unit 2	28,312	(28,312)	-
V08	1201301	Brachypodium Phase 2	30,340	(30,340)	-
V08	1201303	South San Diego County Community 3	111,532	(111,532)	-
V08	1201304	Furby-North Preserve	1,751	(1,751)	-
V08	1201305	Otay River Valley and Salt Creek Cactus Wren 3	87,204	(87,204)	-
		<b>Total V08</b>	<u>8,366,173</u>	<u>(8,366,173)</u>	-
		<b>Total Regional EMP - Pass-Through</b>	<u>69,990,058</u>	<u>(69,990,058)</u>	-

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
<b>Environmental Mitigation Program (EMP):</b>					
V07	12002xx	Biological Mitigation	\$ 122,247,261	\$ (122,247,261)	\$ -
V08	12003xx	Regional Habitat Conservation Fund	14,008,596	(14,008,596)	-
Total EMP			136,255,857	(136,255,857)	-
<b>BRT/Rail Operations</b>					
SAN80	3310700	TransNet Major Transit Corridor Operations	15,246	(15,246)	-
Total BRT/Rail Operations			15,246	(15,246)	-
<b>Major Corridor - Pass-Through:</b>					
CAL09	1200501	I-5 North Coast	14,135,450	(14,135,450)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	79,457,000	(79,457,000)	-
Total CAL09			93,592,450	(93,592,450)	-
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	21,893,455	(21,893,455)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	25,892,100	(25,892,100)	-
CAL18	1201502	I-15 Managed Lanes-Middle Segment	6,304,301	(6,304,301)	-
CAL18A	1201503	I-15 Managed Lanes-North Segment	31,214,353	(31,214,353)	-
CAL18B	1201501	I-15 ML+S. Segment and Mira Mesa Transit Center	26,185,880	(26,185,880)	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Station	21,716,230	(21,716,230)	-
Total CAL18B			47,902,110	(47,902,110)	-
CAL26	1205203	State Route 52 Freeway (E&F)	59,028,868	(59,028,868)	-
CAL29	1207602	SR 76 Middle	41,688,262	(41,688,262)	-
Subtotal Major Corridor - Pass-Through			327,515,899	(327,515,899)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Major Corridor - Pass-Through	\$ 327,515,899	\$ (327,515,899)	\$ -
CAL29B	1207606	SR 76 East	37,849,143	(37,849,143)	-
CAL38	1390501	SR-905 New Freeway	852,281	(852,281)	-
CAL67	1280508	SR 94 Widening	7,722,000	(7,722,000)	-
CAL68	1212501	SR 94/125 Southbound to Eastbound Connector	894,000	(894,000)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	3,755,000	(3,755,000)	-
CAL77	1200505	I-5/I-8 Connector	1,500,000	(1,500,000)	-
CAL78B	1280511	I-805 North: 2HOV	1,460,000	(1,460,000)	-
CAL78C	1280510	I-805 South: 2 HOV and DAR	86,277,078	(86,277,078)	-
CAL78C	1280514	I-805/SR15 Interchange	14,555,388	(14,555,388)	-
CAL78C	1280515	I-805 S Soundwalls	909,000	(909,000)	-
		Total CAL78C	101,741,466	(101,741,466)	-
CAL114	1200503	I-5/SR56 Interchange	154,000	(154,000)	-
CAL120	1201510	SR 78 Auxiliary Lanes	6,179,475	(6,179,475)	-
CAL277	1207802	I-15/SR-78 HOV Connectors	411,031	(411,031)	-
CAL278	1207801	SR78 HOV/Managed Lanes	148,000	(148,000)	-
CAL325	1390504	State Routes 905/125/11 Connectors	2,620,719	(2,620,719)	-
		Subtotal Major Corridor - Pass-Through	492,803,014	(492,803,014)	-



SCHEDULE B

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Major Corridor - Pass-Through	\$ 492,803,014	\$ (492,803,014)	\$ -
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	110,000	(110,000)	-
SAN04	1201504	I-15 Managed Lane/Value Pricing	500,856	(500,856)	-
SAN26	1201505	I-15 BRT Transit Stations	717,649	(717,649)	-
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	6,615,700	(6,615,700)	-
SAN47	1280504	South Bay BRT	2,593,423	(2,593,423)	-
SAN146	1280512	I-805 Imperial BRT Station	154,800	(154,800)	-
		Total Major Corridor - Pass-Through	503,495,442	(503,495,442)	-
		<b>Major Corridor:</b>			
CAL09	1200501	I-5 North Coast	14,867,534	(14,867,534)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	13,831,958	(13,831,958)	-
CAL09	3310708	TDM - North Coast Corridor	630,067	(630,067)	-
		Total CAL09	29,329,559	(29,329,559)	-
CAL09A	1200502	I-5 Lomas Santa Fe Interchange/HOV Lanes	1,984,348	(1,984,348)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	4,690,808	(4,690,808)	-
CAL18	1201502	I-15 Managed Lanes - Middle Segment	1,328,646	(1,328,646)	-
CAL18A	1201503	I-15 Managed Lanes - North Segment	20,145,073	(20,145,073)	-
CAL18B	1201501	I-15 Managed Lanes - South Segment	14,581,501	(14,581,501)	-
CAL18B	1201506	I-15 Mira Mesa DAR and Transit Stations	6,111,873	(6,111,873)	-
		Total CAL18B	20,693,374	(20,693,374)	-
CAL26	1205203	State Route 52 Freeway (E&F)	16,938,678	(16,938,678)	-
		Subtotal Major Corridor	95,110,486	(95,110,486)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Major Corridor	<u>95,110,486</u>	<u>(95,110,486)</u>	<u>\$ -</u>
CAL29	1207602	SR 76 Middle	<u>9,993,115</u>	<u>(9,993,115)</u>	<u>-</u>
CAL29B	1207606	SR 76 East	<u>11,922,464</u>	<u>(11,922,464)</u>	<u>-</u>
CAL38	1390501	SR-905 New Freeway	<u>725,883</u>	<u>(725,883)</u>	<u>-</u>
CAL67	1280508	SR-94 Widening	<u>3,069,787</u>	<u>(3,069,787)</u>	<u>-</u>
CAL68	1212501	SR-94-125 Widening	<u>1,560,166</u>	<u>(1,560,166)</u>	<u>-</u>
CAL75	1200506	I-5 Genessee Interchange and Widening	<u>4,206,939</u>	<u>(4,206,939)</u>	<u>-</u>
CAL77	1200505	I-5/I-8 Connector	<u>88,921</u>	<u>(88,921)</u>	<u>-</u>
CAL78B	1280511	I-805 North: 2 HOV	<u>2,315,773</u>	<u>(2,315,773)</u>	<u>-</u>
CAL78C	1280510	I-805 South: 2 HOV & DAR	<u>8,512,116</u>	<u>(8,512,116)</u>	<u>-</u>
CAL78C	1280514	I-805/SR15 Interchange	<u>2,336,522</u>	<u>(2,336,522)</u>	<u>-</u>
CAL78C	1280515	I-805 S Soundwalls	<u>172,733</u>	<u>(172,733)</u>	<u>-</u>
		Total CAL78C	<u>11,021,371</u>	<u>(11,021,371)</u>	<u>-</u>
CAL114	1200503	I-5/SR 56 Interchange	<u>46,604</u>	<u>(46,604)</u>	<u>-</u>
CAL120	1201510	SR 78 Auxiliary Lanes	<u>1,364,782</u>	<u>(1,364,782)</u>	<u>-</u>
CAL278	1207801	SR78 HOV/Managed Lanes	<u>9,339</u>	<u>(9,339)</u>	<u>-</u>
CAL325	1390504	State Routes 905/125/11 Connectors	<u>78,381</u>	<u>(78,381)</u>	<u>-</u>
		Subtotal Major Corridor	<u>141,514,011</u>	<u>(141,514,011)</u>	<u>-</u>

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance carried forward - Major Corridor	\$ 141,514,011	\$ (141,514,011)	\$ -
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	3,043,541	(3,043,541)	-
CAL399	1200508	I-5/Gilman Drive Bridge	155,804	(155,804)	-
SAN04	1201504	I-15 Managed Lane/Value Pricing	24,754,629	(24,754,629)	-
SAN23	1257001	Mid-Coast Corridor Transit Project	204,655,335	(204,655,335)	-
SAN26	1201505	I-15 BRT Transit Stations	8,000,686	(8,000,686)	-
SAN26B	1201509	Downtown BRT Stations	17,409,799	(17,409,799)	-
SAN26C	1201507	I-15 BRT Transit Stations - South	9,428,286	(9,428,286)	-
SAN27	1300601	San Ysidro Intermodal Freight Facility	3,876,961	(3,876,961)	-
SAN27	1300602	South Line Rail Freight Capacity	4,780,766	(4,780,766)	-
		Total SAN27	8,657,727	(8,657,727)	-
SAN29	1239801	Sorrento to Miramar Double Track/Realign	30,930,305	(30,930,305)	-
SAN29	1239812	Sorrento to Miramar Phase 2	2,291,682	(2,291,682)	-
		Total SAN29	33,221,987	(33,221,987)	-
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	2,165,997	(2,165,997)	-
SAN40	2300000	Metropolitan Planning	219,211	(219,211)	-
SAN40	2301100	Metropolitan Planning	175,337	(175,337)	-
		Total SAN40	394,548	(394,548)	-
		Subtotal Major Corridor	453,402,350	(453,402,350)	-

**SCHEDULE B**

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Major Corridor	\$ 453,402,350	\$ (453,402,350)	\$ -
SAN46	1041502	<i>SuperLoop</i>	29,420,935	(29,420,935)	-
SAN47	1280504	Otay BRT	27,541,997	(27,541,997)	-
SAN54	1144800	Regional Arterial Detection	141,772	(141,772)	-
SAN54	2301500	Multimodal TSM/TDM Model Tool	910,549	(910,549)	-
SAN54	3330700	TSM-Integrated Corridor Management Program	15,709	(15,709)	-
SAN54	3310500	511 Advanced Traveler Information System (511 ATIS)	709,864	(709,864)	-
SAN54	3311000	ITS Operations	8,002,540	(8,002,540)	-
SAN54	3311100	Regional ITS Program Management	1,322,251	(1,322,251)	-
SAN54	3311800	Connected Vehicle Development Program	422,749	(422,749)	-
		Total SAN54	11,525,434	(11,525,434)	-
SAN55	1143900	Bus & Fixed Guideway Support Equipment and Facilities	257,000	(257,000)	-
SAN64	1239809	Eastbrook to Shell Double Track	2,503,585	(2,503,585)	-
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	1,300,381	(1,300,381)	-
SAN73	3310708	TDM - North Coast Corridor	488,208	(488,208)	-
		Total SAN73	1,788,589	(1,788,589)	-
SAN73A	1239817	Chesterfield Drive Crossing Improvements	49,953	(49,953)	-
SAN78	1240001	Mid-City Rapid Bus	19,599,196	(19,599,196)	-
SAN79	1142500	Centralized Train Control	822,090	(822,090)	-
SAN94	1144601	I-15 Integrated Corridor Management	101,005	(101,005)	-
		Subtotal Major Corridor	547,012,134	(547,012,134)	-

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2016
		Balance carried forward - Major Corridor	\$ 547,012,134	\$ (547,012,134)	\$ -
SAN116	1239803	Oceanside Station Stub Tracks	4,538,202	(4,538,202)	-
SAN117	1239805	Poinsettia Run Through Track	377,214	(377,214)	-
SAN119	1239807	Sorrento Valley Double Track	1,047,755	(1,047,755)	-
SAN123	1143200	University Town Center (UTC) Transit Center	448,433	(448,433)	-
SAN128	1201512	I-15 BRT Sabre Springs Parking Structure	14,422,392	(14,422,392)	-
SAN129	1201514	Downtown Layover Facility	1,564,328	(1,564,328)	-
SAN130	1239810	Carlsbad Village Double Track	2,178,709	(2,178,709)	-
SAN131	1201511	Mira Mesa Blvd. BRT Priority Treatments	3,248,937	(3,248,937)	-
SAN132	1239811	Elvira to Morena Double Track	6,503,803	(6,503,803)	-
SAN133	1201513	South Bay BRT Maintenance Facility	30,762,591	(30,762,591)	-
SAN146	1280512	I-805 Imperial BRT Station	1,195,194	(1,195,194)	-
SAN149	1239814	Coaster PE	892,446	(892,446)	-
SAN171	1210020	Blue Line Crossovers and Signals	10,352,592	(10,352,592)	-
SAN172	1210030	Blue Line Station Rehabilitation	30,590,869	(30,590,869)	-
SAN173	1210040	Blue Line Rail Infrastructure	14,299,877	(14,299,877)	-
SAN174	1210050	Blue Line Communications Upgrades	4,831,526	(4,831,526)	-
SAN176	1210070	System Station Platforms	26,692,071	(26,692,071)	-
SAN182	1239815	San Diego River Bridge	1,355,705	(1,355,705)	-
SAN183	1239816	Batiquitos Lagoon Double Track	764,594	(764,594)	-
SAN202	1201516	I-15 BRT Station Improvements	95,734	(95,734)	-
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	806,004	(806,004)	-
SAN212	1201517	BRT Wi-Fi Phase 1	123,325	(123,325)	-
SAN224	1280513	I-805/SR 94 Bus on Shoulder Demonstration Project	100,223	(100,223)	-
V11	1201101	State Route 11	67,561	(67,561)	-
		Total Major Corridor	704,272,219	(704,272,219)	-

**SAN DIEGO ASSOCIATION OF GOVERNMENTS**  
*TransNet* Extension Activities  
 Cumulative Schedule of Status of Funds by Project (Continued)  
 Year Ended June 30, 2016

<u>MPO ID</u>	<u>Project Number</u>	<u>Project Name</u>	<u>Funds Received</u>	<u>Project Expenditures</u>	<u>Project Status June 30, 2016</u>
		Balance Carried Forward - Subtotal <i>TransNet</i> Extension	<u>\$ 1,474,375,890</u>	<u>\$ (1,474,375,890)</u>	<u>\$ -</u>
		<b>Completed Projects</b>			
		Bike, Pedestrians & Neighborhood Safety (BPNS):	8,349,100	(8,349,100)	-
		Senior Services	1,690,010	(1,690,010)	-
		Smart Growth	7,708,157	(7,708,157)	-
		Transit Systems Improvement	11,000,000	(11,000,000)	-
		Local Street Improvements	3,245,219	(3,245,219)	-
		Regional Environmental Mitigation Program	6,525,260	(6,525,260)	-
		Major Corridor	<u>256,410,962</u>	<u>(256,410,962)</u>	<u>-</u>
		Total Completed Projects	<u>294,928,708</u>	<u>(294,928,708)</u>	<u>-</u>
		Total Cumulative <i>TransNet</i> Extension	<u>\$ 1,769,304,598</u>	<u>\$ (1,769,304,598)</u>	<u>\$ -</u>