TransNet Independent Taxpayer Oversight Committee Agenda

Wednesday, March 12, 2025
9:30 a.m.

Welcome to SANDAG. The TransNet Independent Taxpayer Oversight Committee (ITOC) meeting scheduled for Wednesday, March 12, 2025 will be held in person in the SANDAG Board Room. While ITOC members will attend in person, members of the public will have the option of participating either in person or virtually.

For public participation via Zoom webinar, click the link to join the meeting: https://us02web.zoom.us/j/83353252371

Webinar ID: 833 5325 2371

To participate via phone, dial a number based on your current location in the US:

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

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

If you desire to provide in-person verbal comment during the meeting, please fill out a speaker slip, which can be found in the lobby. If you have joined the Zoom meeting by computer or phone, please use the “Raise Hand” function to request to provide public comment. On a computer, the “Raise Hand” feature is on the Zoom toolbar. By phone, enter *9 to “Raise Hand” and *6 to unmute. Requests to provide live public comment must be made at the beginning of the relevant item, and no later than the end of any staff presentation on the item. The Clerk will call on members of the public who have timely requested to provide comment by name for those in person and joining via a computer, and by the last three digits of the phone number of those joining via telephone. Should you wish to display media in conjunction with your comments, please inform the Clerk when called upon. The Clerk will be prepared to have you promoted to a position where you will be able to share your media yourself during your allotted comment time. In-person media sharing must be conducted by joining the Zoom meeting on the personal device where the content resides. Please note that any available chat feature on the Zoom meeting platform should be used by panelists and attendees solely for procedural or other “housekeeping” matters as comments provided via the chat feature will not be retained as part of the meeting record. All comments to be provided for the record must be made in writing via email or speaker slip, or verbally per the instructions above.

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This meeting will be conducted in English, and simultaneous interpretation will be provided in Spanish. Interpretation in additional languages will be provided upon request to ClerkoftheBoard@sandag.org at least 72 business hours before the meeting.

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Vision Statement: *Pursuing a brighter future for all*

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

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

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

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

TransNet Independent Taxpayer Oversight Committee

MEMBERSHIP

The TransNet Independent Taxpayer Oversight Committee (ITOC) aids in the implementation of the TransNet program, the San Diego region's half-cent sales tax for transportation improvements. The TransNet program is administered by SANDAG. As outlined in the TransNet Ordinance and Expenditure Plan, the ITOC provides an increased level of accountability for expenditures of TransNet funds. With the passage of the TransNet Extension Ordinance and Expenditure Plan in November 2004 (Proposition A), it was mandated in the Ordinance that an Independent Taxpayer Oversight Committee for TransNet be formed to provide an enhanced level of accountability for the expenditure of funds under the Expenditure Plan. The Committee helps ensure that all voter mandates are carried out as required and develops recommendations for improvements to the financial integrity and performance of the program.

The ITOC generally meets at 9:30 a.m., on the second Wednesday of the month.

Staff contacts: Michelle Smith, (619) 595-5608, michelle.smith@sandag.org
Adrian Paniagua, (619) 515-1182, adrian.paniagua@sandag.org
Vanessa Leon, (619) 699-0726, vanessa.leon@sandag.org

MEMBERS

Vacant
Real Estate/Land Economics/Right-of-Way Category

Jacqueline Appleton-Deane
Contractor/Construction Category

Lorraine Ahlquist
Biology/Environmental Science Category

Maryam Babaki
Municipal/Public Finance and Budgeting Category

Les Hopper
Licensed Engineer Category

Sunnie House
Private Sector/CEO Category

Francisco X. Rivera
Licensed Civil/Traffic Engineer Category

ADVISORY MEMBERS

Tracy Drager
San Diego County Auditor's Office

Revised March 6, 2025

Independent Taxpayer Oversight Committee

Wednesday, March 12, 2025

Comments and Communications

1. Non-Agenda Public Comments/Member Comments

Members of the public shall have the opportunity to address the Independent Taxpayer Oversight Committee (ITOC) on any issue that is not on this agenda that is within the jurisdiction of the ITOC. Public speakers are limited to three minutes or less per person. Public comments under this agenda item will be limited to five public speakers. If the number of public comments under this agenda item exceeds five, additional public comments will be taken at the end of the agenda. ITOC members and SANDAG staff also may present brief updates under this agenda item.

Consent

+2. Approval of Meeting Minutes — Approve

Francesca Webb, SANDAG

The ITOC is asked to approve the minutes from its February 12, 2025, meeting.

Meeting Minutes.pdf

+3. TransNet Triennial Performance Audit: Completion Forms — Approve

Vanessa Leon, Adrian Paniagua, SANDAG

The ITOC is asked to approve the TransNet Triennial Performance Audit Completion Forms, which were included in the previous ITOC agenda on February 12, 2025.

TransNet TPA Completion Forms.pdf

Att. 1 - Implementation of TPA Recommendations Completion Forms.pdf

+4. FY 2025 ITOC Goals Update — Approve

Vanessa Leon, SANDAG

The ITOC is asked to approve the FY 2025 Goal Plan. This report also provides an update on progress made by the subcommittees, ITOC, and SANDAG staff to date.

FY2025 ITOC Goals Update.pdf

Att. 1 - ITOC Goals for FY 2025.pdf

Att. 2 - ITOC SANDAG Goals for FY 2025 - Progress Tracker.pdf

+5. FY 2024 TransNet Major Corridors and Bikeway Program Status Reports — Information

Chelsea Gonzales, SANDAG

This report provides the FY 2024 update for the TransNet Major Corridors and Regional Bikeway Program Status Reports.

FY24 TransNet Program Status Reports.pdf

Att. 1 - FY 2024 TransNet Program Status Report - Major Corridors Program.pdf

Att. 2 - FY 2024 TransNet Program Status Report - Reg Bikeway Pgrm.pdf

Reports

6. Local City Presentation — Information

Jonathan Schauble, City of Escondido

Staff from City of Escondido will present an update on their Grand Avenue Vision Project.

Presentation.pdf

7. Appointment of One Subcommittee Member for TransNet Triennial Performance Audit — Appoint

Vanessa Leon, SANDAG

The ITOC is asked to appoint one voting member to serve on its Subcommittee to consider the TransNet Triennial Performance Audit.

+8. FY 2024 TransNet Fiscal and Compliance Audits: Initial Findings and Recommendations — Approve

Kimberly Trammel, Marcus Pascual, SANDAG

The ITOC is asked to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on April 18, 2025.

FY 2024 TN Fiscal and Compliance Audits.pdf
Att. 1 - FY 2024 Summary Report.pdf
Presentation.pdf

+9. TransNet Funding Eligibility Requests — Recommend

Kimberly Trammel, Marcus Pascual, SANDAG

The ITOC is asked to:

1. Consider the TransNet funding eligibility requests of the City of Poway, City of Coronado, along with the North County Transit District and San Diego Metropolitan Transit System; and
2. Recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests.

TransNet Funding Eligibility Requests.pdf
Att. 1 - Discussion Memo.pdf
Att. 2 - FY24 Letter of Req from City of Coronado.pdf
Att. 3 - FY24 Letter of Req from City of Poway.pdf
Att. 4 - FY24 Letter of Request from MTS.pdf
Att. 5 - FY24 Letter of Request from NCTD.pdf

+10. Draft FY 2026 TransNet Capital Program Budget Update — Discussion

Jennifer Cha, Chelsea Gonzales, SANDAG

Staff will present the proposed SANDAG Draft FY 2026 Program Budget scheduled to be presented to the Board of Directors on March 28, 2025. The ITOC is asked to discuss the Draft FY 2026 TransNet Capital Program Budgets.

Draft FY 2026 TransNet Capital Program Budget Update.pdf
Att. 1 - FY26 Draft Summary of Changes (TransNet Projects).pdf
Att. 2 - Draft FY 2026 Planned Milestones.pdf

+11. 2025 Regional Plan Update — Information

Antoinette Meier, SANDAG

Staff will present an update on the 2025 Regional Plan.

ITOC- Regional Plan Update.pdf
Att. 1 - Draft Prop 2025 Region Plan Transport Network.pdf
Att. 2 - TransNet Ordinance Project List.pdf
Att. 3 - Draft 2025 RP Performance Measure Highlights.pdf
Att. 4 - Summary of Prop Revenue for Draft 2025 Reg Plan.pdf
Presentation.pdf

Adjournment

12. **Adjournment**
The next ITOC meeting is scheduled for Wednesday, April 9, 2025, at 9:30 a.m.

+ next to an agenda item indicates an attachment

March 12, 2025

February 12, 2025, Meeting Minutes

View Meeting Video

Chair Maryam Babaki (Finance/Budgeting) called the meeting of the TransNet Independent Taxpayer Oversight Committee (ITOC) to order at 9:31 a.m.

1. Non-Agenda Public Comments/Member Comments

Public Comments: None.

Member Comments: None.

Agency Updates: Senior Director of Regional Planning Antoinette Meier, SANDAG.

Consent

2. Approval of Meeting Minutes

The ITOC was asked to approve the minutes from its January 8, 2025, meeting.

3. Proposed FY 2026 ITOC Annual Operating Budget

The ITOC was asked to recommend that the Board of Directors approve the proposed ITOC Operating Budget as part of the FY 2026 SANDAG Program Budget.

4. TransNet Financial Reports for the Period Ending December 31, 2024, and Other Financial Data

This report provided an overview of the financial status of the TransNet Program.

5. Overview of Developments in the Financial Markets, Quarterly Finance Report as of December 31, 2024

This report provided an update on the latest developments in the financial markets, economy, sales tax revenues, and strategies being explored and implemented to minimize possible impacts to the TransNet Program.

6. TransNet Regional Transportation Congestion Improvement Program Fee Adjustment

The Board of Directors was asked to approve a 6% adjustment to the Regional Transportation Congestion Improvement Program, beginning July 1, 2025.

7. TransNet Major Corridor and Regional Bikeway Program of Projects: Quarterly Status Report

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

8. FY 2015, FY 2018, FY 2021, and FY 2024 TransNet Triennial Performance Audits Recommendations: Quarterly Update

This report provided an overview of progress made to date on recommendations from the FY 2015, FY 2018, FY 2021, and FY 2024 TransNet Triennial Performance Audits (third, fourth, fifth, and sixth Triennial Performance Audits).

Public Comments: None.

DRAFT

Action: Upon a motion by Sunnie House (CEO/Private Sector), and a second by Vice Chair Frank Rivera (Licensed Civil/Traffic Engineer), the ITOC voted to approve the Consent Agenda.

The motion passed.

Yes: Chair Babaki, Vice Chair Rivera, Lorraine Ahlquist (Biology/Environmental), and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Licensed Engineer, Real Estate/Right of Way Acquisition.

Reports

10. TransNet Grant Programs: Biannual Status Update and Amendment Request

Senior Grants Program Analyst Goldy Herbon presented the item.

Public Comments: None.

Action: Upon a motion by Sunnie House and a second by Vice Chair Rivera, the ITOC voted to recommend that the Transportation Committee approve a 3-month time extension for the City of Santee's Specific Plan Smart Growth Incentive Program Project.

The motion passed.

Yes: Chair Babaki, Vice Chair Rivera, Lorraine Ahlquist, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Licensed Engineer, Real Estate/Right of Way Acquisition.

11. TransNet Active Transportation Grant Program Project Amendment

Associate Grants Program Analyst Benjamin Gambler presented the item.

Public Comments: None.

Action: Upon a motion by Vice Chair Rivera and a second by Lorraine Ahlquist, the ITOC voted to recommend that the Board of Directors decline the City of Carlsbad's request for a two-year time extension and a reduced project scope of work for their Active Transportation Grant Program-funded Carlsbad Boulevard and Tamarack Avenue Pedestrian Improvement Project.

The motion passed.

Yes: Chair Babaki, Vice Chair Rivera, Lorraine Ahlquist, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Licensed Engineer, Real Estate/Right of Way Acquisition.

12. Proposed TransNet Ordinance Amendments: Selection Process

Sunnie House presented the item. The ITOC was asked to discuss the next steps for the proposed TransNet Extension Ordinance amendment primarily to the selection process for the ITOC.

Public Comments: None.

Action: Upon a motion by Lorraine Alquist and a second by Vice Chair Rivera, the ITOC voted to approve the proposed TransNet Extension Ordinance amendment.

DRAFT

The motion passed.

Yes: Chair Babaki, Vice Chair Rivera, Lorraine Ahlquist, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Licensed Engineer, Real Estate/Right of Way Acquisition.

9. Appointment of One Subcommittee Member for TransNet Ordinance Amendments[1]

Financial Analyst Vanessa Leon presented the item.

Public Comments: None.

Action: Upon a motion by Sunnie House and a second by Lorraine Ahlquist, the ITOC voted to appoint Chair Babaki to serve on its Subcommittee to Consider TransNet Ordinance Amendments regarding ITOC's governance structure.

The motion passed.

Yes: Chair Babaki, Vice Chair Rivera, Lorraine Ahlquist, and Sunnie House.

No: None.

Abstain: None.

Absent: Contractor/Construction, Licensed Engineer, Real Estate/Right of Way Acquisition.

13. 2025 ITOC Annual Report: Initial Input

Senior Financial Programing and Project Control Analyst Adrian Paniagua and Vanessa Leon presented the item. The ITOC was asked to discuss the proposed format and content for the 2025 ITOC Annual Report.

Public Comments: None.

Action: Discussion.

14. Revised FY 2025 and FY 2026 to FY 2030 TransNet Program and Transit-Related Revenues

Manager of Financial Programming and Project Control Michelle Smith and Principal Economic Research Analyst Naomi Young presented:

1. The Revised FY 2025 Transportation Development Act (TDA) and TransNet Estimates with a reduction of $3.9 million in TDA funding and a reduction of $13.9 million of TransNet funding; and
2. The FY 2026 to FY 2030 estimates and apportionments for TDA, Federal Transit Administration, and TransNet funds.

Public Comments: None.

Action: Discussion.

15. Adjournment

The next ITOC meeting is scheduled for Wednesday, March 12, 2025, at 9:30 a.m.

Chair Babaki adjourned the meeting at 11:55 a.m.

[1] This item was taken out of order

DRAFT

Attendance at TransNet Independent Taxpayer Oversight Committee Meeting

Jurisdiction	Name	Attend
Biology/Environmental	Lorraine Ahlquist	Yes
CEO/Private Sector	Sunnie House	Yes
Contractor/Construction	Jacqueline Appleton-Deane	No
Finance/Budgeting	Maryam Babaki	Yes
Licensed Civil/Traffic Engineer	Frank Rivera	Yes
Licensed Engineer	Les Hopper	No
Real Estate/Right-of-Way Acquisition	Vacant	
Advisory Members		
San Diego County Auditor's Office	Tracy Drager	Yes

DRAFT

March 12, 2025

TransNet Triennial Performance Audit: Completion Forms

Action: **Approve**
The ITOC is asked to approve the TransNet Triennial Performance Audit Completion Forms, which were included in the previous ITOC agenda on February 12, 2025.

Fiscal Impact:
The TransNet Triennial Performance Audits are conducted by the ITOC, and its independent performance auditor is funded through Overall Work Program Element No. 1500200 in the SANDAG Program Budget.

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

Overview

The Independent Taxpayer Oversight Committee (ITOC) accepted its third, fourth, fifth, and sixth TransNet Triennial Performance Audits (TPA) as follows:

- Fiscal Year (FY) 2015 TPA (third audit) on June 10, 2015
- FY 2018 TPA (fourth audit) on July 11, 2018
- FY 2021 TPA (fifth audit) on June 9, 2021
- FY 2024 TPA (sixth audit) on June 12, 2024

SANDAG staff included the Completion Forms in the ITOC meeting agenda on February 12, 2025 (Item 8).

Key Considerations

Out of the 110 audit recommendations from the previous TPAs, 70 have been fully implemented, while 40 are in progress. During the past quarter, staff completed 4 recommendations, documented in the completion forms (Attachment 1):

- FY 2021, Item No. 13
- FY 2024, Item No. 16
- FY 2024, Item No. 17
- FY 2024, Item No. 18

Completion Forms were introduced to streamline processes and enhance transparency and accountability in completing recommendations. These forms may include supporting documentation to validate the completion of the recommendations.

Next Steps

The next quarterly update on the audit recommendation implementation status is anticipated for presentation to the ITOC in May 2025. Moving forward, SANDAG staff will submit Completion Forms on a monthly basis as audit recommendations are completed. These monthly submissions will allow the ITOC to review and approve completed recommendations in a timely manner.

Susan Huntington, Director of Financial Planning, Budgets & Grants

Attachment: 1. Implementation of TPA Recommendations: Completion Forms

SANDAG

TransNet Triennial Performance Audit Recommendation Completion Form

TPA Year: 2021

Item Number: 13

Audit Recommendation:

Consider and prepare a regional safety plan that complements Caltrans' Statewide Plan and details SANDAG's vision, goals, objectives, and strategies to address regional trends, road conditions, and driving behaviors

Justification for Completion:

On November 15, 2024, staff presented the completed Regional Vision Zero Action Plan to the Transportation Committee. In November 2022, the SANDAG Board of Directors adopted Board Resolution 2023-02 directing staff to develop a regional safety action plan in an effort to reduce or eliminate fatal and serious injury crashes. The plan was developed in coordination with local stakeholders, representatives of local jurisdictions, tribal governments, and members of the public with feedback and input gathered at regular Technical Advisory Group meetings and public outreach events facilitated by Community Based Organizations. With the completion of the Plan, jurisdictions within San Diego County are eligible to apply for Safe Streets and Roads for All (SS4A) grant funding to support implementation of safety countermeasures in an effort to reduce traffic fatalities and serious injuries.

*** Supporting Documents:** Please attach any supporting documents or related links.

Approvals

PM Signature: Samual Sanford Digitally signed by Samual Sanford Date: 2024.12.13 14:41:25 -08'00' Date

Director Signature: Annette M. Meier (Dec 20, 2024 08:45 PST) Date: Dec 20, 2024

ITOC Approval: Yes: ☐ No: ☐

Meeting Date: Agenda number:

Meeting Link:

Supporting Documents:

Regional Vision Zero Action Plan: https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/regional-initiatives/vision-zero/sandag-vision-zero-action-plan-report-2024-11-21.pdf

Regional Vision Zero Action Plan Appendices: https://www.sandag.org/-/media/SANDAG/Documents/PDF/projects-and-programs/regional-initiatives/vision-zero/vision-zero-action-plan-appendices-a-g-2024-11-21.pdf

Transportation Committee Staff Report 11/1 /2024 https://legistarweb-production.s .amazonaws.com/uploads/attachment/pdf/2 2 / tem_ _-_Regional_Safety_Planning_Updates.pdf

TransNet Triennial Performance Audit Recommendation Completion Form

TPA Year: 2024

Item Number: 16

Audit Recommendation:

Revamp the smart growth grant application form to clearly identify quantified, detailed objectives and deliverables to allow for meaningful analysis.

Justification for Completion:

Changes to the application template and scope, schedule, budget template were made as part of the development of the cycle 6 SGIP call for projects. The Board of Directors approved the call for projects at their December 13, 2024 meeting.

*** Supporting Documents:** Please attach any supporting documents or related links.

Approvals

PM Signature: Jenny Russo Digitally signed by Jenny Russo Date: 2024.12.31 13:03:40 -08'00' Date 12/31/24

Director Signature: Susan Huntington Digitally signed by Susan Huntington Date: 2025.01.17 11:43:53 -08'00' Date: 1/17/25

ITOC Approval: Yes: ☐ No: ☐

Meeting Date: Agenda number:

Meeting Link:

GRANT APPLICATION INSTRUCTIONS

The following materials must be submitted electronically through BidNet before the Application Deadline. Applications cannot be emailed. If any of the required components are not completed and included with the application by the Application Deadline so that it can be fully evaluated without negatively impacting the fairness of the competitive process, the application will be deemed ineligible.

Required Components

- Completed Grant Application
- Signed Applicant Statement Form(s)
- Signed Required Forms
  - Equal Employment Opportunity Certificate
  - Public Contract Code Questionnaires and Statements
  - Non-Collusion Affidavit/Declaration
- GIS shapefile of the project area/limit, or PDF maps of the project area/limit using the SANDAG SGIP Cycle 6 Interactive Mapping Tool that corresponds to the following evaluation criteria:
  - Criteria #1 – Relationship To Regional Transit
  - Criteria #2.A.i. – Proximity To A Mobility Hub
  - Criteria #2.B.i. – Proximity To The Safety Focus Network Or Systemic Safety Network
  - Criteria #2.C.i. – Project Location
- Project Scope of Work, Schedule, and Budget workbook (Excel file)
  - The template is available in BidNet.
  - If a project is selected to receive funding, the Scope of Work, Schedule, and Budget will be added to the Grant Agreement, with any adjustments required by SANDAG, and the Applicant will be held responsible for implementing the project in accordance with the Scope of Work, Schedule, and Budget. Applicants should follow the directions in the Scope of Work, Schedule, and Budget template.

Recommended Components

- If the proposed project abuts other jurisdiction(s), include documentation showing the project is in the adopted plans of the adjacent jurisdiction(s), OR a letter from the abutting jurisdiction(s) demonstrating that cooperative efforts are underway
- A site plan and typical cross-sections depicting project-level detail, if applicable
- Photographs depicting existing conditions
- Documentation of support for the project from community groups or individuals
- Resolution including all statements provided in the Sample Resolution
  - The template is available in BidNet.

GRANT APPLICATION

General Information

Applicant Information

Applicant Name	
Applicant Address	
Contact Name	
Title	
Phone	
Email	

Climate Action Plan (CAP)

☐ The Applicant does not have a locally-adopted CAP.

☐ The Applicant has a locally adopted CAP. The document is available here (provide link):

Project Feasibility Evaluation

☐ The Project was not derived through a feasibility study.

☐ The Applicant completed a feasibility study that identified the need for the Project. The document is available here (provide a link in the space below or upload the file to BidNet):

Project Information

Project Title	
Project Location or Area Limits	
Brief Project Summary	

Project Manager

List the day-to-day project manager who will manage the project.

Name	
Title	
Phone	
Email	

Additional Contacts for Grant-Related Correspondence

Include the individual(s) who will prepare the quarterly reports, submit invoices, or otherwise be involved in the project.

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Project Partners

List the name(s) and contact information for any project partners.
(Applicants forming partnerships must provide a letter of support from each jurisdiction, CBO, or nonprofit.)

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Project Budget

SGIP Funding Request

Total SGIP Grant Request Amount	$

Matching Funds

List the source(s) and associated dollar amounts of proposed matching funds. Matching funds can consist of in-kind services or cash match from the Applicant, funds from outside sources such as developer contributions, non-profit contributions, other state or federal funds, or other quantifiable sources. Other TransNet funds, including Local Street and Road Program funding, cannot be used as a match.

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Total Matching Funds Provided	$

Indirect Costs

The Applicant intends to apply indirect costs to the project:

☐ Yes* ☐ No

*If the Applicant intends to apply indirect costs, the following method will be used:

☐ The Applicant has a Federally Negotiated Indirect Cost Rate (FNICR) recognized by the federal government, and that rate will be used.

☐ The Applicant has never received a FNICR and will elect the de minimis rate. The current de minimis rate is 15%.

**Applicants who intend to apply indirect costs to their proposed project should ensure that the indirect costs are incorporated into the Scope of Work, Schedule, and Budget worksheet.*

Performance Measures

Using the SGIP Performance Metrics, which are available with the other SGIP application materials in BidNet, select five metrics that can be used to measure the project's success in meeting the SGIP goals and objectives. **Please be aware that at the end of the grant term the Applicant must be able to meet all five metrics that it lists below or the Applicant may be required to repay the grant.** The Applicant will report on the progress toward meeting these performance metrics in its quarterly report.

In the table below, list each performance metric selected, and include the baseline measure (what the number is today, before the SGIP program begins).

Metric No.	Performance Metric (from the SGIP Performance Metrics list)	Baseline Measure
1.		
2.		
3.		
4.		
5.		

In the space below, include any additional information regarding the Applicant's selected performance metrics or baseline data.

Evaluation Criteria Responses

1. Relationship To Regional Transit

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/limits related to regional transit and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 1) to map the proposed project area/limit.
- Click the Layer List (Figure 2) to display the available layers.
- Click the box next to the “Transit Stops Buffer (0.5 miles)” and “Transit Priority Areas (TPA) 2035” layers to display these layers in proximity to the mapped project area/limit. See Figure 3. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 4) to print a PDF copy of your mapped project area related to regional transit.
- Provide the map with your application.

Figure 1: Draw Tool



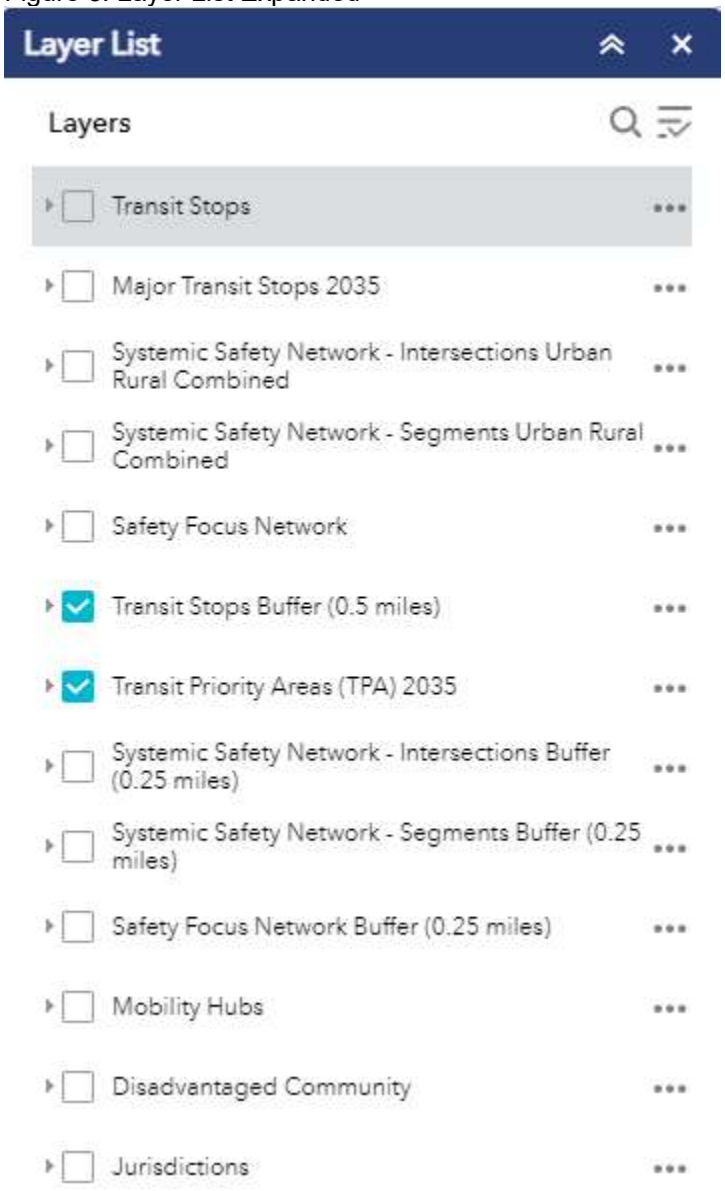
Figure 2: Layer List



Figure 4: Print Tool



Figure 3: Layer List Expanded



2. Furthers The Regional Plan and Sustainable Communities Implementation Strategies

A. Sustainable Communities Strategy

i. Proximity To A Mobility Hub

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to mobility hubs and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 5) to map the proposed project area/limit.
- Click the Layer List (Figure 6) to display the available layers.
- Click the box next to the “Mobility Hubs” layer to display this layer in proximity to the mapped project area/limit. See Figure 7. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 8) to print a PDF copy of your mapped project area in proximity to a Mobility Hub.
- Provide the map with your application.

Figure 5: Draw Tool



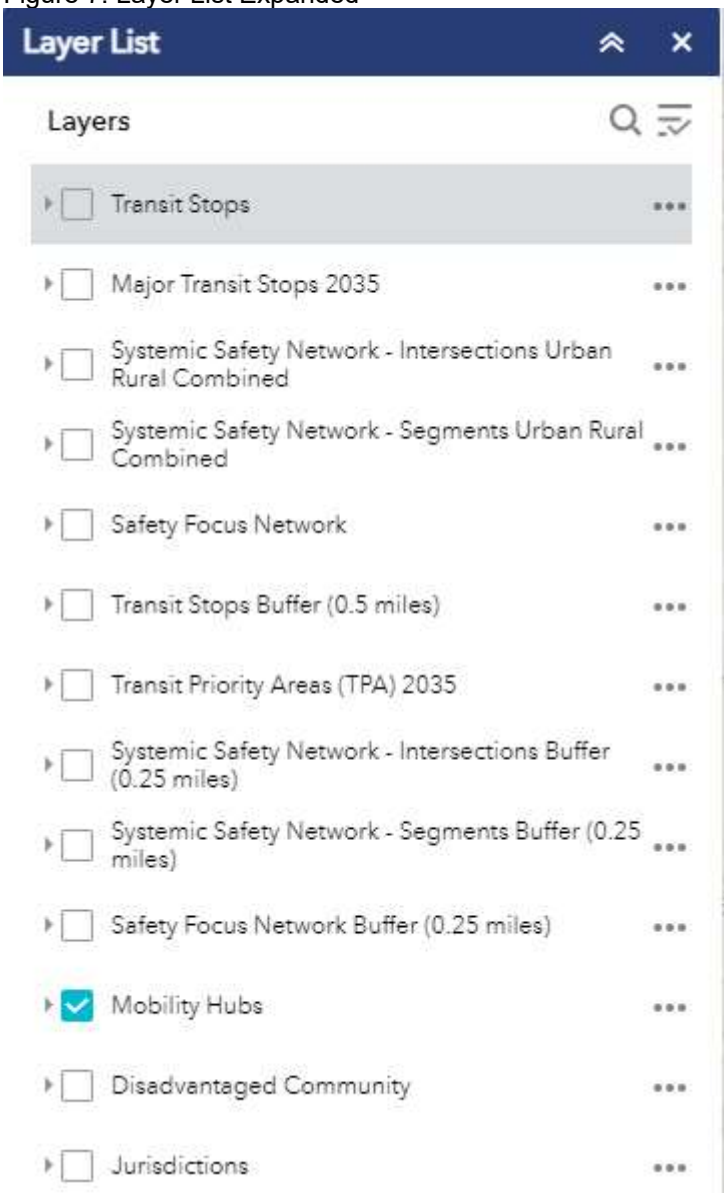
Figure 6: Layer List



Figure 8: Print Tool



Figure 7: Layer List Expanded



ii. Furthers The Sustainability Communities Strategy

The Sustainable Communities Strategy (SCS) shows how development patterns and our transportation system will work together to reduce greenhouse gas (GHG) emissions for cars and light trucks, providing a more sustainable future for our region.

How does your project further the Region's SCS? Examples include:

- Implementing a land use strategy that facilitates VMT reduction
- Zoning for a higher density of housing than is currently allowed
- Improving jobs-housing balance
- Planning for transportation/mobility improvements to better connect housing to the existing/planned regional transportation network
- Reducing or eliminating parking minimums or other innovative parking management strategies such as shared parking or dedicated parking for carshare in lieu of dedicated parking for personal vehicles

Describe in the space below how the project furthers the SCS. Provide documentation or evidence to support your description.

B. Furthers Safety And The Regional Vision Zero Resolution

i. Proximity To The Safety Focus Network Or Systemic Safety Network

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to the SFN and SSN and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 9) to map the proposed project area/limit.
- Click the Layer List (Figure 10) to display the available layers.
- Click the box next to the “Systemic Safety Network – Intersections Buffer (0.25 miles)”, “Systemic Safety Network – Segments Buffer (0.25 miles)”, and “Safety Focus Network Buffer (0.25 miles)” layers to display these layers in proximity to the mapped project area/limit. See Figure 11. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 12) to print a PDF copy of your mapped project area in proximity to the SFN and SSN.
- Provide the map with your application.

- Figure 9: Draw Tool
- 

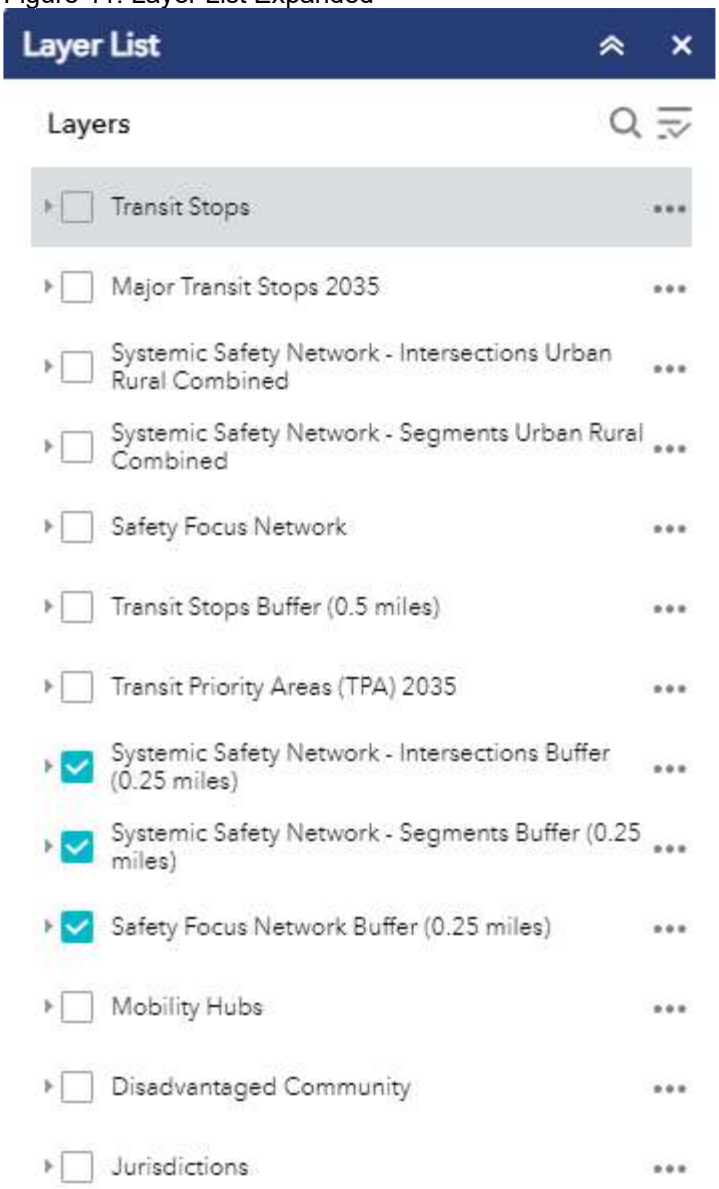
Figure 10: Layer List



Figure 12: Print Tool



Figure 11: Layer List Expanded



ii. Proposed Safety Improvements

Describe the proven bicycle, pedestrian, and traffic calming safety improvements that are included in your project.

C. Furthers Equity And Benefits Disadvantaged Communities

i. Project Location

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to the location of disadvantaged communities identified in the 2021 Regional Plan and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 13) to map the proposed project area/limit.
- Click the Layer List (Figure 14) to display the available layers.
- Click the box next to the “Disadvantaged Community” layer to display the layer in proximity to the mapped project area/limit. See Figure 15. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 16) to print a PDF copy of your mapped project area in proximity to a disadvantaged community.
- Provide the map with your application.

- Figure 13: Draw Tool
- 

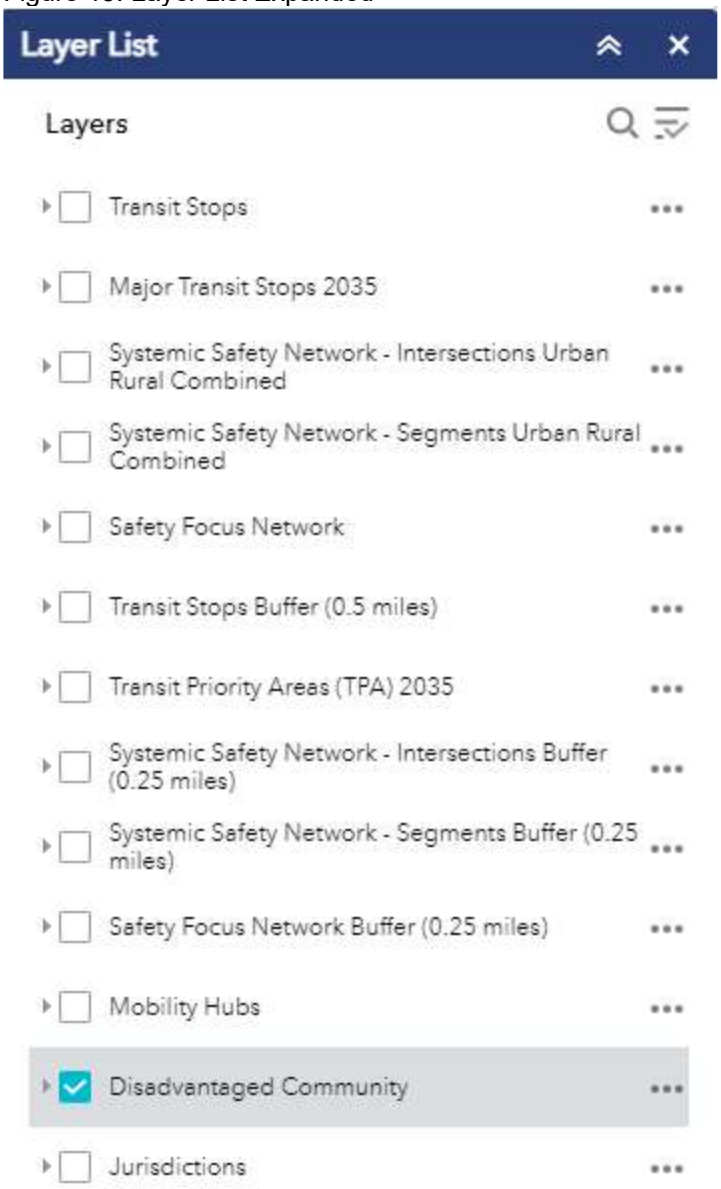
Figure 14: Layer List



Figure 16: Print Tool



Figure 15: Layer List Expanded



ii. Benefit To A Disadvantaged Community

Describe how your project furthers equity and benefits disadvantaged communities.

3. Smart Growth Implementation

Smart growth is a compact, efficient, and environmentally sensitive urban development pattern. It focuses future growth and infill development close to jobs, services, and public facilities to maximize the use of existing infrastructure and preserve open space and natural resources. Smart growth is characterized by more compact, higher-density development in urbanized areas throughout the region. These areas are walkable, bike-friendly, near public transit, and promote good community design, resulting in housing and transportation choices for those who live and work. SANDAG seeks to promote a pattern of development with whole communities that feature a convenient mix of travel choices, safer streets, and support amenities.

Describe how this project furthers the implementation of smart growth principles and strategies.

4. Project Feasibility

A. Completion Of Major Milestones

Please submit supporting materials demonstrating progress toward completing the major milestones listed below.

- Has a neighborhood-level plan, corridor study, or community active transportation strategy been completed that identifies this project?

  ☐ No

  ☐ Yes – please include a copy of the document with your application, or include a hyperlink to the materials in the space below.

- Has environmental review under the California Environmental Quality Act been completed?

  ☐ No

  ☐ Yes – please include a copy of the CEQA clearance document or completed environmental checklist with your application.

- Have right-of-way acquisition and all necessary entitlements been completed?

  ☒ No

  ☐ Yes – please describe in the space below what right of way or other entitlements were acquired for the project.

- When will the project be ready to bid for construction?

  Please be sure that the timeframe selected below matches the timeline included in the Scope of Work, Schedule, and Budget workbook.

  ☐ within six months or less (8/28/2025 or earlier)

  ☐ within 12 months or less (between 9/1/2025 and 2/28/2026)

  ☐ within 18 months or less (between 3/1/2026 and 8/28/2026)

  ☐ within 24 months or less (between 9/1/2026 and 2/28/2027)

  ☐ 24 months or more (3/1/2027 or later)

B. Efficient Use Of Project Funds

The Applicant's Scope of Work, Schedule, and Budget workbook will be reviewed to determine the degree to which the project will efficiently use program funds in the following three areas.

Project Scope of Work

Please indicate which of the following factors was considered when developing the Scope of Work. Check all that apply.

☐ All major tasks and subtasks were included that are necessary to complete the project, including any tasks or subtasks that may be deemed unnecessary during project implementation

☐ The Applicant considered the steps it would take to complete the planning work, including robust stakeholder engagement.

☐ The Applicant considered the work necessary to achieve CEQA compliance.

☐ The Applicant considered all right-of-way acquisition and entitlement requirements and the effort required to complete those steps, including subtasks when appropriate.

☐ The Applicant considered any regulatory influence on the project (e.g. the Public Utilities Commission, California Coastal Commission, etc.).

☐ The Applicant considered any tasks that require approval or input from another public agency and included those tasks in the Scope of Work.

☐ The Applicant considered the effort necessary to prepare a public works project for competitive bid and ensured that it's agency's procurement requirements will be met before putting the project out to bid.

☐ The Scope of Work considers the approvals needed to enter into a contract with the construction contractor and any other consultant or support services (e.g., design support, construction management, and labor compliance) needed during project construction.

Project Schedule
Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Schedule includes reasonable start dates, taking into account any work that has already been completed before the NTP has been issued and any other tasks or subtasks that might impact the start date for each task and subtask.

☐ Project durations and completion dates are reasonable and include timeframes that the Applicant can actually achieve.

☐ The Applicant is aware that it will be required to adhere to the Project Schedule and that all schedules must meet the Project Milestone and Completion Deadlines that are listed in SANDAG Board Policy No. 035.

Project Budget
Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Budget considered all of the tasks and subtasks listed in the Scope of Work.

☐ Each task and subtask identifies reasonable costs to complete the task or subtask, and any matching funds are included.

☐ If the Applicant intends to request reimbursement for indirect costs, those costs are included in the Project Budget and the Applicant indicated in this Application whether it will elect the de minimis rate or it has a FNICR.

C. Community Engagement

Please describe how the project has and will continue to have strong community support, opportunities for community input, and how community members can have a meaningful role in the project, including underserved and limited English proficiency populations.

5. Board Policy No. 033

A. Prohousing Policies

☐ Applicant currently has HCD Prohousing Designation

OR

Select all policies currently in place in the following categories:

Category 1: Favorable Zoning And Land Use

☐ Housing element plan for zoned capacity of >150% of RHNA
☐ Permitting missing middle uses (e.g., duplexes, triplexes, fourplexes, townhomes) in existing low-density single-family zones
☐ Eliminating minimum parking requirements
☐ Allowing residential in commercial zones
☐ Allowing more/larger accessory dwelling units (ADUs) than state law requires
☐ Density bonus that is >10% more than state requirements
☐ Established Workforce Housing Opportunity Zone (WHOZ) or housing sustainability district
☐ Standards to promote more density
☐ Housing element plan for zoned capacity of >125% of RHNA
☐ Reduced parking requirements

Category 2: Acceleration Of Housing Production Timeframes

☐ Ministerial approval of housing
☐ Streamlined/program level California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) for general plans/specific plans etc.
☐ Permit process that is less than two months
☐ Elimination of public hearings for projects consistent with zoning/general plan
☐ One-stop shop permitting processes or single point of contact
☐ Priority permit processing or reduced plan check times for ADUs/junior ADUs, multifamily, or affordable housing
☐ Streamlined housing development at the project level
☐ Permit process that is less than four months
☐ Three public hearings limit for projects consistent with zoning/general plan
☐ Eliminated or replaced subjective design standards with objective standards that simplify zoning
☐ Standard entitlement application
☐ Publicly posting online status updates on permit approvals

Category 3: Reduction Of Construction And Development Costs

☐ Waived development impact fees for housing
☐ Adopted universal design ordinances
☐ Preapproved prototype plans for missing middle housing (e.g., duplexes, triplexes, fourplexes, townhomes)
☐ Measures that reduce costs for transportation-related infrastructure or that encourage active transit or other alternatives to cars
☐ Reduced development impact fees for housing
☐ Less restrictive ADU standards than state requirements
☐ Fee reduction, including deferrals or reduced fees for housing with people with special needs
☐ Promoting innovative housing types that reduced development costs

Category 4: Providing Financial Subsidies

- ☐ Local housing trust fund or collaboration on regional fund
- ☐ Program to comply with Surplus Lands Act and make publicly owned land available for affordable housing
- ☐ Enhanced Infrastructure Financing District (EIFD)
- ☐ Prioritization of local general funds for affordable housing
- ☐ Grants/low-interest loans for affordable ADUs
- ☐ Direct residual redevelopment funds to affordable housing
- ☐ Development and regular use of housing subsidy pool, local/regional trust, or similar funding source

Please provide more information on each of the policies selected (or links to documentation)

B. Housing Equity

The Applicant has the following policies or practices that advance housing equity (mark all that apply).

- ☐ An adopted inclusionary housing ordinance
- ☐ Establishment of rent stabilization
- ☐ Establishment of anti-displacement policies in conjunction with transit improvements
- ☐ Creation of a strategy or fund to preserve naturally occurring affordable housing
- ☐ Creation of tenant protection policies such as access to legal counsel, just cause eviction policy, etc.
- ☐ Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from environmentally sensitive or hazardous areas.
- ☐ Programs, land use plans, and new policies (other than those indicated in the Prohousing Policy Implementation section above) that are intended to result in increased investment (such as infrastructure, housing, open space, etc.) in lower opportunity areas. Such areas include but are not limited to, Low Resource and High Segregation & Poverty areas designated in the 2021 California

Tax Credit Allocation Committee (TCAC)/HCD Opportunity Map, and disadvantaged communities under California Senate Bill 535 (2012).

☐ Zone changes or other policies (other than those listed in the Prohousing Policy Implementation section 3 above) that increase housing choices and affordability in High Resource and Highest Resource areas, as designated in the 2021 CTCAC/HCD Opportunity Maps.

☐ Displacement risk studies

☐ Creating a publicly available database of affordable housing properties at risk of losing affordability restrictions through the expiration of rent restrictions or tenant voucher programs

☐ Proactive monitoring of housing at risk of losing affordability restrictions and proactive enforcement of state-mandated tenant notification provision

Please provide more information on each of the policies selected (or links to documentation)

APPLICANT STATEMENT FORM

This form must be signed by an authorized representative of the Applicant, such as the city manager or other authorized individual under the Applicant's policies and procedures, and demonstrate the Applicant's willingness to participate and fulfill the program requirements. If applying in a partnership, each jurisdiction under the partnership must have an authorized representative sign this form.

Please indicate application completeness by checking the following boxes, then sign and date below.

As an authorized delegate, I certify that my agency:

☐ Has not submitted a project that is already underway and is fully funded unless the application requests funds for additional work beyond the scope of the current project. I understand that TransNet funds cannot replace existing project funding.

☐ Has read the Grant Agreement Template and accepts and can meet the terms and conditions.

☐ Understands that SANDAG will not reimburse the applicant for expenses incurred before the Notice to Proceed issuance or after the grant term expiration.

☐ Understand that Projects already underway are eligible to apply ONLY if the Application requests funds for additional work beyond the scope of the current project. TransNet funds cannot be used to supplant or replace existing project funding.

If this application is approved for funding, I certify that my agency:

☐ Understands that the responses in this application will become requirements reflected in the Grant Agreement with SANDAG.

☐ Agrees to sign and return the Grant Agreement to SANDAG, without exceptions, within 45 days of receipt.

☐ Will submit progress reports and invoices documenting the use of grant and matching funds to SANDAG no less frequently than quarterly using the method required by SANDAG.

☐ Understand that my project must meet the performance measures in the grant agreement between SANDAG and the grantee.

☐ Will set up a separate project account for quarterly reporting and invoicing.

☐ Will not use project funding for alcohol, political, religious, or discriminatory themes or affiliations.

I certify that I agree with the above statements and that the information submitted in this application is complete and accurate. I have the authorization to submit this Grant Application on behalf of my agency.

Print Name	Title
Signature	Date

REQUIRED FORMS

Equal Employment Opportunity Certificate

Certificate of Compliance with Equal Employment Opportunity Requirements

The Equal Employment Opportunity (EEO) provisions of the Agreement SANDAG will award to the Applicant requires the Applicant to provide equal employment to all people, regardless of race, color, religion, sex, or national origin.

Applicant certifies that it will comply with the provisions of the SANDAG Equal Employment Opportunity Program (SANDAG Board Policy No. 007) and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

Furthermore, the Applicant certifies that it

☐ has ☐ has not

been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000[e] et seq.); the Equal Pay Act (29 U.S.C. 206[d]); Executive Order (EO) 10925 (Kennedy, 1961), EO 11114 (Kennedy, 1963), or EO 11246 (Johnson, 1965); or the California Fair Employment and Housing Act (Government Code 12460 et seq.); by any federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance in the space below:

Print Name Title

Signature Date

Public Contract Code Questionnaires and Statements

Public Contract Code Section 10162 Questionnaire

The Applicant shall complete, under penalty of perjury, the following questionnaire:

Has the Applicant, any officer of the Applicant, or any employee of the Applicant who has a proprietary interest in the Applicant, ever been disqualified, removed, or otherwise prevented from bidding or proposing on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes* ☐ No

*If Yes, explain the circumstances in the space below.

Public Contract Code Section 10232 Statement

In conformance with Public Contract Code Section 10232, the Applicant states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Applicant within the immediately preceding two-year period because the Applicant failed to comply with an order of a federal court which ordered the Applicant to comply with an order of the National Labor Relations Board.

Public Contract Code Section 10285.1 Statement

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the Applicant declares under penalty of perjury under the laws of the State of California that the Applicant(must check one)

☐ has ☐ has not

been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "Applicant" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as well as any subapplicant of the Applicant, as referred to in Section 10285.1 (reference to "bidder/proposer"). Applicants are cautioned that false certification may subject the certifier to criminal prosecution.

Print Name Title

Signature Date

Non-Collusion Affidavit/Declaration

In accordance with Title 23, United States Code Section 112, and Public Contract Code 7106, the Applicant declares that the application is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The application is genuine and not collusive or sham. The Applicant has not directly or indirectly induced or solicited any other Applicant to put in a false or sham application. The Applicant has not directly or indirectly colluded, conspired, connived, or agreed with any Applicant or anyone else to put in a sham application, or to refrain from applying. The Applicant has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the grant amount requested, or that any other Applicant, or to fix any overhead or cost element of the grant amount requested, or of that of any other Applicant. All statements contained in the application are true. The Applicant has not, directly or indirectly, submitted its grant amount requested or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, application depository, or to any member or agent thereof to effectuate a collusive or sham application, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of the Applicant that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Applicant.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Applicant is cautioned that making a false certification may subject the certifier to criminal prosecution.

Print Name	Title
Signature	Date

GRANT APPLICATION INSTRUCTIONS

The following materials must be submitted electronically through BidNet before the Application Deadline. Applications cannot be emailed. If any of the required components are not completed and included with the application by the Application Deadline so that it can be fully evaluated without negatively impacting the fairness of the competitive process, the application will be deemed ineligible.

Required Components

- Completed Grant Application
- Signed Applicant Statement Form(s)
- Signed Required Forms
  - Equal Employment Opportunity Certificate
  - Public Contract Code Questionnaires and Statements
  - Non-Collusion Affidavit/Declaration
- GIS shapefile of the project area/limit, or PDF maps of the project area/limit using the SANDAG SGIP Cycle 6 Interactive Mapping Tool that corresponds to the following evaluation criteria:
  - Criteria #1 – Relationship To Regional Transit
  - Criteria #2.A.i. – Proximity To A Mobility Hub
  - Criteria #2.B.i. – Proximity To The Safety Focus Network Or Systemic Safety Network
  - Criteria #2.C.i. – Project Location
- Project Scope of Work, Schedule, and Budget workbook (Excel file)
  - The template is available in BidNet.
  - If a project is selected to receive funding, the Scope of Work, Schedule, and Budget will be added to the Grant Agreement, with any adjustments required by SANDAG, and the Applicant will be held responsible for implementing the project in accordance with the Scope of Work, Schedule, and Budget. Applicants should follow the directions in the Scope of Work, Schedule, and Budget template.

Recommended Components

- Documentation of support for the project from community groups or individuals
- Resolution including all statements provided in the Sample Resolution
  - The template is available in BidNet.

GRANT APPLICATION

General Information

Applicant Information

Applicant Name	
Applicant Address	
Contact Name	
Title	
Phone	
Email	

Climate Action Plan (CAP)

☐ The Applicant does not have a locally-adopted CAP.

☐ The Applicant has a locally adopted CAP. The document is available here (provide link):

Project Information

Project Title	
Project Location or Area Limits	
Brief Project Summary	

Project Manager

List the day-to-day project manager who will manage the project.

Name	
Title	
Phone	
Email	

Additional Contacts for Grant-Related Correspondence

Include the individual(s) who will prepare the quarterly reports, submit invoices, or otherwise be involved in the project.

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Project Partners

List the name(s) and contact information for any project partners.
(Applicants forming partnerships must provide a letter of support from each jurisdiction, CBO, or nonprofit.)

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Project Budget

SGIP Funding Request

Total SGIP Grant Request Amount	$

Matching Funds

List the source(s) and associated dollar amounts of proposed matching funds. Matching funds can consist of in-kind services or cash match from the Applicant, funds from outside sources such as developer contributions, non-profit contributions, other state or federal funds, or other quantifiable sources. Other TransNet funds, including Local Street and Road Program funding, cannot be used as a match.

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Total Matching Funds Provided	$

Indirect Costs

The Applicant intends to apply indirect costs to the project:

☐ Yes* ☐ No

*If the Applicant intends to apply indirect costs, the following method will be used:

☐ The Applicant has a Federally Negotiated Indirect Cost Rate (FNICR) recognized by the federal government, and that rate will be used.

☐ The Applicant has never received a FNICR and will elect the de minimis rate. The current de minimis rate is 15%.

**Applicants who intend to apply indirect costs to their proposed project should ensure that the indirect costs are incorporated into the Scope of Work, Schedule, and Budget worksheet.*

Performance Measures

Using the SGIP Performance Metrics, which are available with the other SGIP application materials in BidNet, select five metrics that can be used to measure the project's success in meeting the SGIP goals and objectives. **Please be aware that at the end of the grant term the Applicant must be able to meet all five metrics that it lists below or the Applicant may be required to repay the grant.** The Applicant will report on the progress toward meeting these performance metrics in its quarterly report.

In the table below, list each performance metric selected, and include the baseline measure (what the number is today, before the SGIP program begins).

Metric No.	Performance Metric (from the SGIP Performance Metrics list)	Baseline Measure
1.		
2.		
3.		
4.		
5.		

In the space below, include any additional information regarding the Applicant's selected performance metrics or baseline data.

Evaluation Criteria Responses

1. Relationship To Regional Transit

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/limits related to regional transit and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 1) to map the proposed project area/limit.
- Click the Layer List (Figure 2) to display the available layers.
- Click the box next to the “Transit Stops Buffer (0.5 miles)” and “Transit Priority Areas (TPA) 2035” layers to display these layers in proximity to the mapped project area/limit. See Figure 3. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 4) to print a PDF copy of your mapped project area related to regional transit.
- Provide the map with your application.

Figure 1: Draw Tool



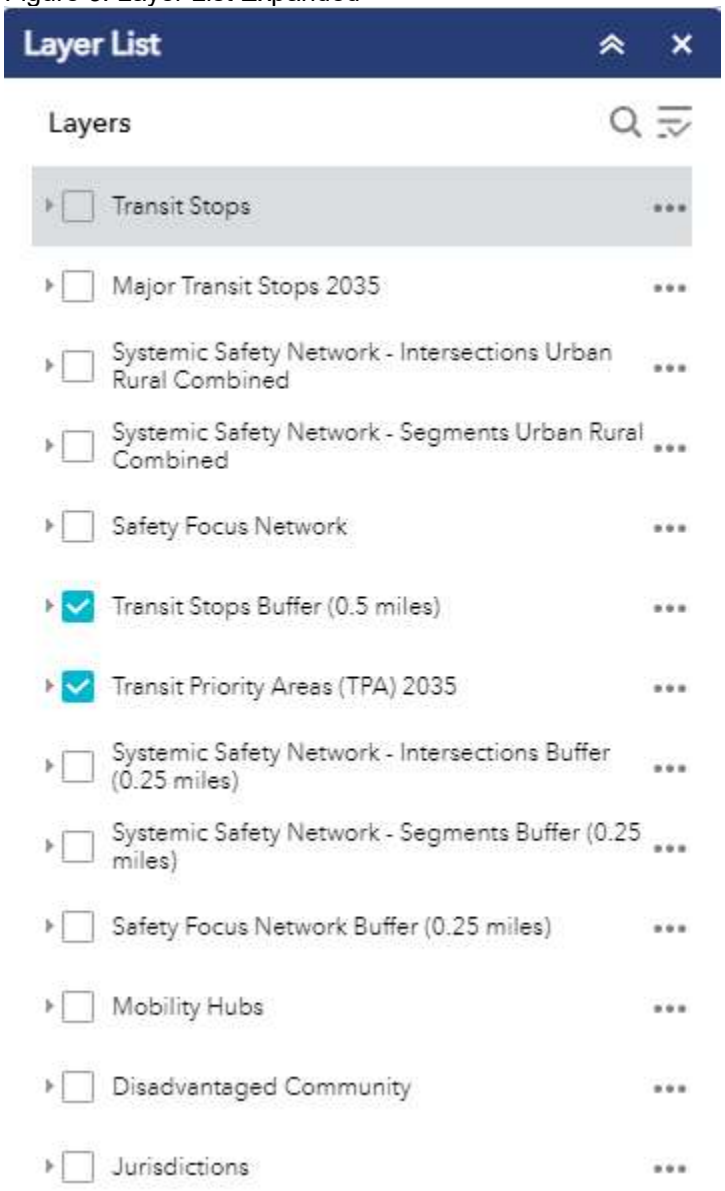
Figure 2: Layer List



Figure 4: Print Tool



Figure 3: Layer List Expanded



2. Furthers The Regional Plan and Sustainable Communities Implementation Strategies

A. Sustainable Communities Strategy

i. Proximity To A Mobility Hub

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to mobility hubs and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 5) to map the proposed project area/limit.
- Click the Layer List (Figure 6) to display the available layers.
- Click the box next to the “Mobility Hubs” layer to display this layer in proximity to the mapped project area/limit. See Figure 7. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 8) to print a PDF copy of your mapped project area in proximity to a Mobility Hub.
- Provide the map with your application.

Figure 5: Draw Tool



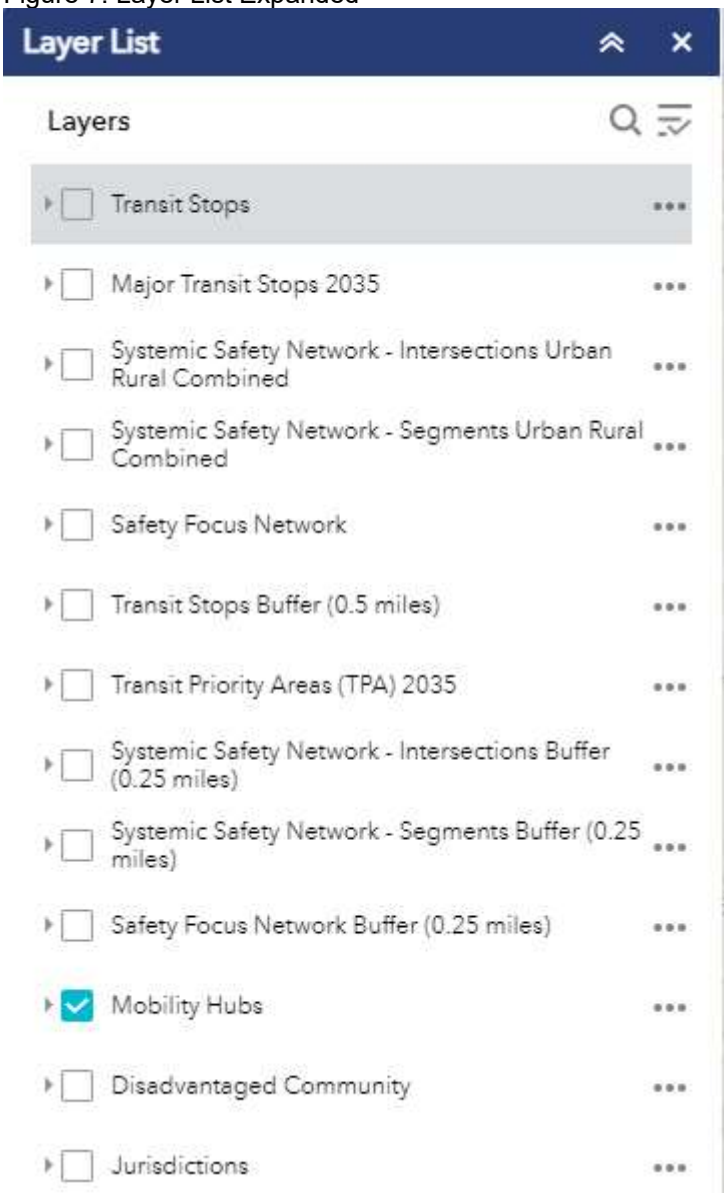
Figure 6: Layer List



Figure 8: Print Tool



Figure 7: Layer List Expanded



ii. Furthers The Sustainability Communities Strategy

The Sustainable Communities Strategy (SCS) shows how development patterns and our transportation system will work together to reduce greenhouse gas (GHG) emissions for cars and light trucks, providing a more sustainable future for our region.

How does your project further the Region's SCS? Examples include:

- Implementing a land use strategy that facilitates VMT reduction
- Zoning for a higher density of housing than is currently allowed
- Improving jobs-housing balance
- Planning for transportation/mobility improvements to better connect housing to the existing/planned regional transportation network
- Reducing or eliminating parking minimums or other innovative parking management strategies such as shared parking or dedicated parking for carshare in lieu of dedicated parking for personal vehicles

Describe in the space below how the project furthers the SCS. Provide documentation or evidence to support your description.

B. Furthers Safety And The Regional Vision Zero Resolution

i. Proximity To The Safety Focus Network Or Systemic Safety Network

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to the SFN and SSN and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 9) to map the proposed project area/limit.
- Click the Layer List (Figure 10) to display the available layers.
- Click the box next to the “Systemic Safety Network – Intersections Buffer (0.25 miles)”, “Systemic Safety Network – Segments Buffer (0.25 miles)”, and “Safety Focus Network Buffer (0.25 miles)” layers to display these layers in proximity to the mapped project area/limit. See Figure 11. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 12) to print a PDF copy of your mapped project area in proximity to the SFN and SSN.
- Provide the map with your application.

Figure 9: Draw Tool



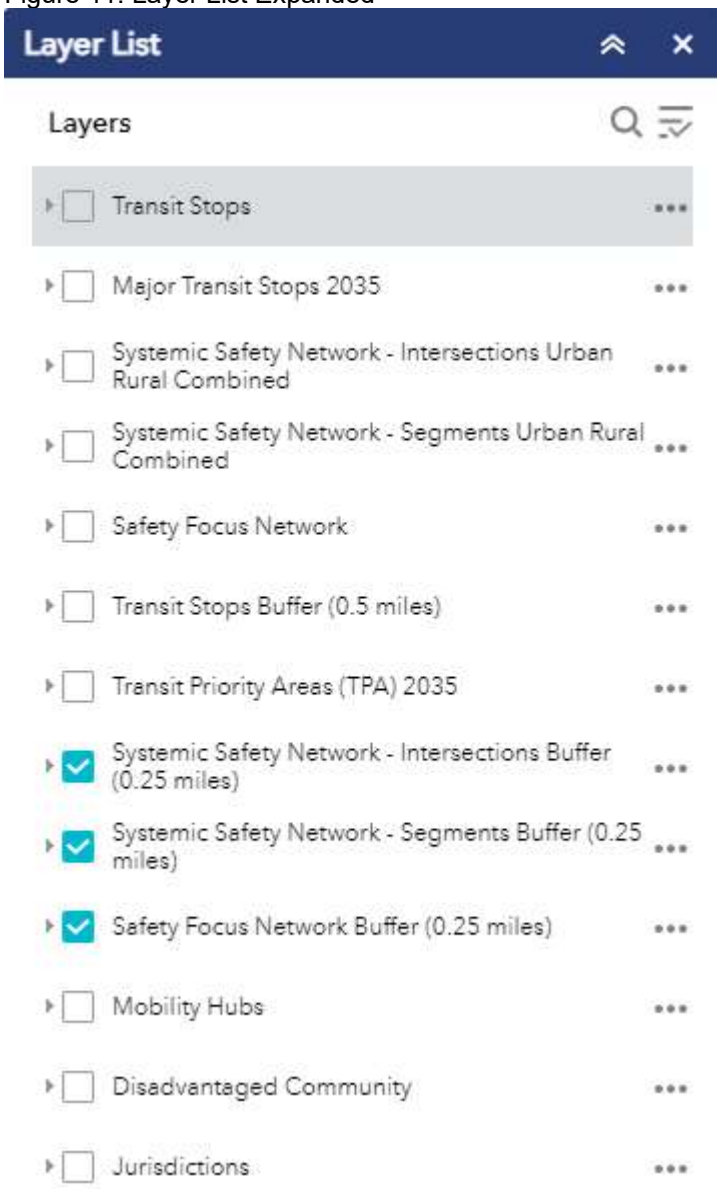
Figure 10: Layer List



Figure 12: Print Tool



Figure 11: Layer List Expanded



ii. Proposed Safety Improvements

Describe the proven bicycle, pedestrian, and traffic calming safety improvements that are included in your project.

C. Furthers Equity And Benefits Disadvantaged Communities

i. Project Location

Option 1: Submit a GIS shapefile with your application that includes the project area or limits.

Option 2: Use the SANDAG SGIP Cycle 6 Interactive Mapping Tool to create a map of the project area/ limits related to the location of disadvantaged communities identified in the 2021 Regional Plan and submit it with your application.

- Navigate to the SANDAG SGIP Cycle 6 Interactive Mapping Tool.
- Zoom to the proposed project location.
- Use the Draw tool (Figure 13) to map the proposed project area/limit.
- Click the Layer List (Figure 14) to display the available layers.
- Click the box next to the “Disadvantaged Community” layer to display the layer in proximity to the mapped project area/limit. See Figure 15. Do not turn on any other layers.
- Close the Layer List.
- Use the Print tool (Figure 16) to print a PDF copy of your mapped project area in proximity to a disadvantaged community.
- Provide the map with your application.

Figure 13: Draw Tool



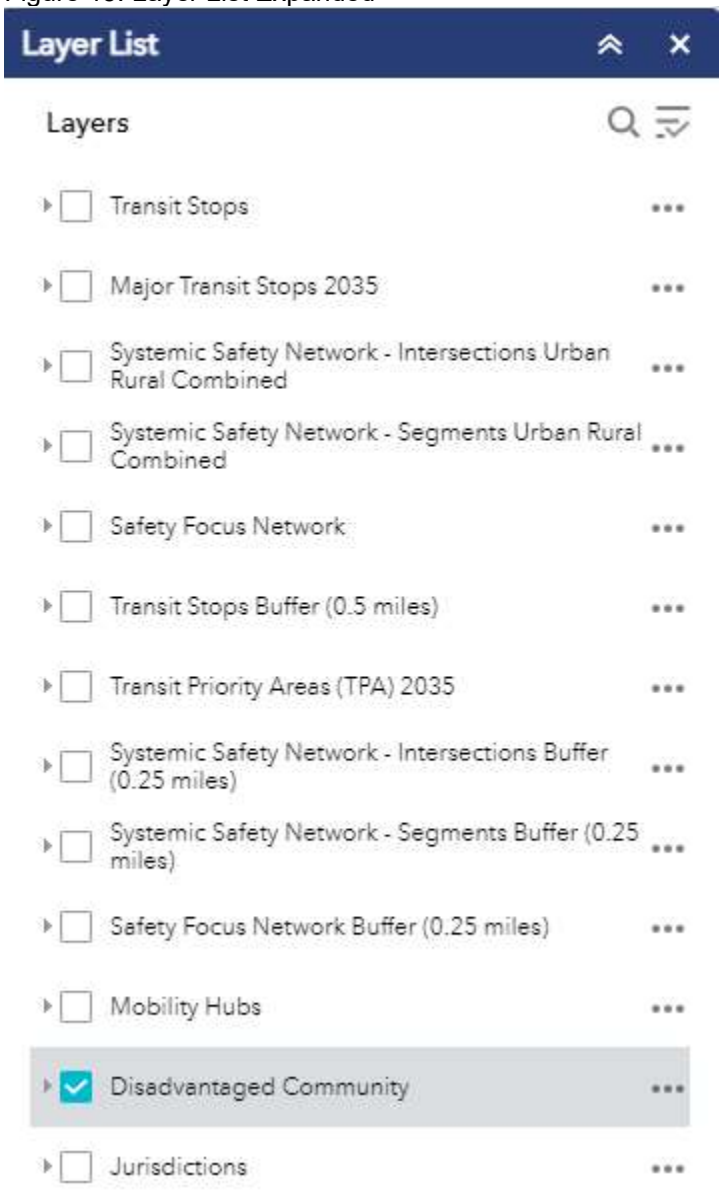
Figure 14: Layer List



Figure 16: Print Tool



Figure 15: Layer List Expanded



ii. Benefit To A Disadvantaged Community

Describe how your project furthers equity and benefits disadvantaged communities.

3. Smart Growth Implementation

A. Smart Growth Activities

Please check all activities supported by this project.

☐ Increasing density within a Transit Priority Area (TPA)

☐ Planning Transit Oriented Development (TOD) zones with incentives for affordable housing

☐ Creating Smart Growth & Housing Overlay Zones — A set of zoning ordinances specifying land use and/or design standards for a designated district; to ensure architectural character and urban form align with best practices in Smart Growth and support the development of range of housing options including moderate and affordable housing options

☐ Establishing density minimums

☐ Develop Smart Growth Design Guidelines — A set of standards that aims to promote walkability, active transportation, multimodal transportation options,

☐ Developing Smart Growth Street Design Standards to promote walking and multimodal transit options. Plans may include narrowing travel-lane width, increasing bicycle lanes, decreasing on-street parking, medians, sidewalks, landscaping, lighting, crosswalks, pedestrian refuge islands, bulbouts, and accessibility ramps.

☐ Creating zoning districts that allow mixed-use, mixed-income development by right (i.e., without the need for a rezoning or special discretionary approval process).

☐ Design guidelines to promote street-oriented buildings, with reduced or eliminated setbacks, building heights at least 50 percent of the street width, and locating vehicle entrances behind or on the sides of buildings.

☐ Modify development standards to promote more density

☐ Walkability or Bike Plans that include design improvements to the public realm such as street trees, increased crosswalk visibility, wider sidewalks, street benches, wayfinding signage, provisions for bicycle parking near building entrances using racks that can support the bicycle's frame at two points, protected bikeways, reduced vehicle speed limits, etc.

☐ Developing a comprehensive active transportation plan citywide, or within a targeted transit-rich neighborhood

☐ Implementing Vision Zero plan city-wide

☐ The project will offer people access to shared, on-demand transportation services that provide convenient and personalized travel options

☐ Measures that reduce costs for transportation-related infrastructure or that encourage active transit or other alternatives to cars

☐ Increasing transportation options (such as bus/rail service, micromobility, active transit, etc.) that connect existing or planned housing to other land uses

☐ The project will connect all adjacent roads to its internal street network and provide for future connection with adjacent properties, and street network is a highly connected grid, with street spaces no further than 350 feet apart on average

☐ Plan to provide amenities to improve mobility such as trip-planning kiosks, complimentary WiFi, mobile device charging options, electric vehicle charging options, parcel delivery lockers, mobile retail services, passenger loading areas, and secure parking and charging for bikes, scooters, and rideable electric vehicles.

☐ The project includes plans to minimize the impacts of climate change, such as actions identified by the EPA (e.g., building compactly and using energy-efficient, green building techniques).

B. Furthers Smart Growth Policy Implementation And Strategies

Describe how this project furthers smart growth policy implementation and strategies and achieves the goals marked above.

5. Project Feasibility

A. Efficient Use Of Project Funds

The Applicant's Scope of Work, Schedule, and Budget workbook will be reviewed to determine the degree to which the project will efficiently use program funds in the following three areas.

Project Scope of Work

Please indicate which of the following factors was considered when developing the Scope of Work. Check all that apply.

☐ All major tasks and subtasks were included that are necessary to complete the project, including any tasks or subtasks that may be deemed unnecessary during project implementation

☐ The Applicant considered the steps it would take to complete the planning work, including robust stakeholder engagement.

☐ The Applicant considered the effort necessary to prepare any necessary consultant work for competitive bidding and ensured that it's agency's procurement requirements will be met before advertising the solicitation.

☐ The Scope of Work considers the approvals needed to enter into a contract with the selected consultant.

Project Schedule

Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Schedule includes reasonable start dates, taking into account any work that has already been completed before the NTP has been issued and any other tasks or subtasks that might impact the start date for each task and subtask.

☐ Project durations and completion dates are reasonable and include timeframes that the Applicant can actually achieve.

☐ The Applicant is aware that it will be required to adhere to the Project Schedule and that all schedules must meet the Project Milestone and Completion Deadlines that are listed in SANDAG Board Policy No. 035.

Project Budget

Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Budget considered all of the tasks and subtasks listed in the Scope of Work.

☐ Each task and subtask identifies reasonable costs to complete the task or subtask, and any matching funds are included.

☐ If the Applicant intends to request reimbursement for indirect costs, those costs are included in the Project Budget and the Applicant indicated in this Application whether it will elect the de minimis rate or it has a FNICR.

B. Community Engagement

Please describe how the project has and will continue to have strong community support, opportunities for community input, and how community members can have a meaningful role in the project, including underserved and limited English proficiency populations.

6. Board Policy No. 033

A. Prohousing Policies

☐ Applicant currently has HCD Prohousing Designation

OR

Select all policies currently in place in the following categories:

Category 1: Favorable Zoning And Land Use
☐ Housing element plan for zoned capacity of >150% of RHNA
☐ Permitting missing middle uses (e.g., duplexes, triplexes, fourplexes, townhomes) in existing low-density single-family zones
☐ Eliminating minimum parking requirements
☐ Allowing residential in commercial zones
☐ Allowing more/larger accessory dwelling units (ADUs) than state law requires
☐ Density bonus that is >10% more than state requirements
☐ Established Workforce Housing Opportunity Zone (WHOZ) or housing sustainability district
☐ Standards to promote more density
☐ Housing element plan for zoned capacity of >125% of RHNA
☐ Reduced parking requirements

Category 2: Acceleration Of Housing Production Timeframes
☐ Ministerial approval of housing
☐ Streamlined/program level California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) for general plans/specific plans etc.
☐ Permit process that is less than two months
☐ Elimination of public hearings for projects consistent with zoning/general plan
☐ One-stop shop permitting processes or single point of contact
☐ Priority permit processing or reduced plan check times for ADUs/junior ADUs, multifamily, or affordable housing
☐ Streamlined housing development at the project level
☐ Permit process that is less than four months
☐ Three public hearings limit for projects consistent with zoning/general plan
☐ Eliminated or replaced subjective design standards with objective standards that simplify zoning
☐ Standard entitlement application
☐ Publicly posting online status updates on permit approvals

Category 3: Reduction Of Construction And Development Costs
☐ Waived development impact fees for housing
☐ Adopted universal design ordinances
☐ Preapproved prototype plans for missing middle housing (e.g., duplexes, triplexes, fourplexes, townhomes)
☐ Measures that reduce costs for transportation-related infrastructure or that encourage active transit or other alternatives to cars
☐ Reduced development impact fees for housing
☐ Less restrictive ADU standards than state requirements
☐ Fee reduction, including deferrals or reduced fees for housing with people with special needs
☐ Promoting innovative housing types that reduced development costs

Category 4: Providing Financial Subsidies

- ☐ Local housing trust fund or collaboration on regional fund
- ☐ Program to comply with Surplus Lands Act and make publicly owned land available for affordable housing
- ☐ Enhanced Infrastructure Financing District (EIFD)
- ☐ Prioritization of local general funds for affordable housing
- ☐ Grants/low-interest loans for affordable ADUs
- ☐ Direct residual redevelopment funds to affordable housing
- ☐ Development and regular use of housing subsidy pool, local/regional trust, or similar funding source

Please provide more information on each of the policies selected (or links to documentation)

B. Housing Equity

The Applicant has the following policies or practices that advance housing equity (mark all that apply).

- ☐ An adopted inclusionary housing ordinance
- ☐ Establishment of rent stabilization
- ☐ Establishment of anti-displacement policies in conjunction with transit improvements
- ☐ Creation of a strategy or fund to preserve naturally occurring affordable housing
- ☐ Creation of tenant protection policies such as access to legal counsel, just cause eviction policy, etc.
- ☐ Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from environmentally sensitive or hazardous areas.
- ☐ Programs, land use plans, and new policies (other than those indicated in the Prohousing Policy Implementation section above) that are intended to result in increased investment (such as infrastructure, housing, open space, etc.) in lower opportunity areas. Such areas include but are not limited to, Low Resource and High Segregation & Poverty areas designated in the 2021 California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Map, and disadvantaged communities under California Senate Bill 535 (2012).

☐ Zone changes or other policies (other than those listed in the Prohousing Policy Implementation section 3 above) that increase housing choices and affordability in High Resource and Highest Resource areas, as designated in the 2021 CTCAC/HCD Opportunity Maps.

☐ Displacement risk studies

☐ Creating a publicly available database of affordable housing properties at risk of losing affordability restrictions through the expiration of rent restrictions or tenant voucher programs

☐ Proactive monitoring of housing at risk of losing affordability restrictions and proactive enforcement of state-mandated tenant notification provision

Please provide more information on each of the policies selected (or links to documentation)

APPLICANT STATEMENT FORM

This form must be signed by an authorized representative of the Applicant, such as the city manager or other authorized individual under the Applicant's policies and procedures, and demonstrate the Applicant's willingness to participate and fulfill the program requirements. If applying in a partnership, each jurisdiction under the partnership must have an authorized representative sign this form.

Please indicate application completeness by checking the following boxes, then sign and date below.

As an authorized delegate, I certify that my agency:

☐ Has not submitted a project that is already underway and is fully funded unless the application requests funds for additional work beyond the scope of the current project. I understand that TransNet funds cannot replace existing project funding.

☐ Has read the Grant Agreement Template and accepts and can meet the terms and conditions.

☐ Understands that SANDAG will not reimburse the applicant for expenses incurred before the Notice to Proceed issuance or after the grant term expiration.

☐ Understand that Projects already underway are eligible to apply ONLY if the Application requests funds for additional work beyond the scope of the current project. TransNet funds cannot be used to supplant or replace existing project funding.

If this application is approved for funding, I certify that my agency:

☐ Understands that the responses in this application will become requirements reflected in the Grant Agreement with SANDAG.

☐ Agrees to sign and return the Grant Agreement to SANDAG, without exceptions, within 45 days of receipt.

☐ Will submit progress reports and invoices documenting the use of grant and matching funds to SANDAG no less frequently than quarterly using the method required by SANDAG.

☐ Understand that my project must meet the performance measures in the grant agreement between SANDAG and the grantee.

☐ Will set up a separate project account for quarterly reporting and invoicing.

☐ Will not use project funding for alcohol, political, religious, or discriminatory themes or affiliations.

I certify that I agree with the above statements and that the information submitted in this application is complete and accurate. I have the authorization to submit this Grant Application on behalf of my agency.

Print Name	Title
Signature	Date

REQUIRED FORMS

Equal Employment Opportunity Certificate

Certificate of Compliance with Equal Employment Opportunity Requirements

The Equal Employment Opportunity (EEO) provisions of the Agreement SANDAG will award to the Applicant requires the Applicant to provide equal employment to all people, regardless of race, color, religion, sex, or national origin.

Applicant certifies that it will comply with the provisions of the SANDAG Equal Employment Opportunity Program (SANDAG Board Policy No. 007) and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

Furthermore, the Applicant certifies that it

☐ has ☐ has not

been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000[e] et seq.); the Equal Pay Act (29 U.S.C. 206[d]); Executive Order (EO) 10925 (Kennedy, 1961), EO 11114 (Kennedy, 1963), or EO 11246 (Johnson, 1965); or the California Fair Employment and Housing Act (Government Code 12460 et seq.); by any federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance in the space below:

Print Name Title

Signature Date

Public Contract Code Questionnaires and Statements

Public Contract Code Section 10162 Questionnaire

The Applicant shall complete, under penalty of perjury, the following questionnaire:

Has the Applicant, any officer of the Applicant, or any employee of the Applicant who has a proprietary interest in the Applicant, ever been disqualified, removed, or otherwise prevented from bidding or proposing on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes* ☐ No

*If Yes, explain the circumstances in the space below.

Public Contract Code Section 10232 Statement

In conformance with Public Contract Code Section 10232, the Applicant states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Applicant within the immediately preceding two-year period because the Applicant failed to comply with an order of a federal court which ordered the Applicant to comply with an order of the National Labor Relations Board.

Public Contract Code Section 10285.1 Statement

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the Applicant declares under penalty of perjury under the laws of the State of California that the Applicant(must check one)

☐ has ☐ has not

been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "Applicant" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as well as any subapplicant of the Applicant, as referred to in Section 10285.1 (reference to "bidder/proposer"). Applicants are cautioned that false certification may subject the certifier to criminal prosecution.

Print Name Title

Signature Date

Non-Collusion Affidavit/Declaration

In accordance with Title 23, United States Code Section 112, and Public Contract Code 7106, the Applicant declares that the application is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The application is genuine and not collusive or sham. The Applicant has not directly or indirectly induced or solicited any other Applicant to put in a false or sham application. The Applicant has not directly or indirectly colluded, conspired, connived, or agreed with any Applicant or anyone else to put in a sham application, or to refrain from applying. The Applicant has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the grant amount requested, or that any other Applicant, or to fix any overhead or cost element of the grant amount requested, or of that of any other Applicant. All statements contained in the application are true. The Applicant has not, directly or indirectly, submitted its grant amount requested or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, application depository, or to any member or agent thereof to effectuate a collusive or sham application, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of the Applicant that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Applicant.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Applicant is cautioned that making a false certification may subject the certifier to criminal prosecution.

Print Name	Title
Signature	Date

GRANT APPLICATION INSTRUCTIONS

The following materials must be submitted electronically through BidNet before the Application Deadline. Applications cannot be emailed. If any of the required components are not completed and included with the application by the Application Deadline so that it can be fully evaluated without negatively impacting the fairness of the competitive process, the application will be deemed ineligible.

Required Components

- Completed Grant Application
- Signed Applicant Statement Form(s)
- Signed Required Forms
  - Equal Employment Opportunity Certificate
  - Public Contract Code Questionnaires and Statements
  - Non-Collusion Affidavit/Declaration
- Project Scope of Work, Schedule, and Budget workbook (Excel file)
  - The template is available in BidNet.
  - If a project is selected to receive funding, the Scope of Work, Schedule, and Budget will be added to the Grant Agreement, with any adjustments required by SANDAG, and the Applicant will be held responsible for implementing the project in accordance with the Scope of Work, Schedule, and Budget. Applicants should follow the directions in the Scope of Work, Schedule, and Budget template.

Recommended Components

- Documentation of support for the project from community groups or individuals
- Resolution including all statements provided in the Sample Resolution
  - The template is available in BidNet.

Grant Application

General Information

Applicant Information

Applicant Name	
Applicant Address	
Contact Name	
Title	
Phone	
Email	

Climate Action Plan (CAP)

☐ The Applicant does not have a locally-adopted CAP.

☐ The Applicant has a locally adopted CAP. The document is available here (provide link):

Project Information

Project Title	
Project Area Limits	
Brief Project Summary	

Project Manager

List the day-to-day project manager/person who will manage the project.

Name	
Title	
Phone	
Email	

Additional Contacts for Grant-Related Correspondence

Include the individual(s) who will prepare the quarterly reports, submit invoices, or otherwise be involved in the project.

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Role	
Name	
Title	
Phone	
Email	

Project Partners

List the name(s) and contact information for any project partners.

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Entity Name	
Contact Name	
Title	
Phone	
Email	

Project Budget

SGIP Funding Request

Total SGIP Grant Request Amount	$

Matching Funds

List the source(s) and associated dollar amounts of proposed matching funds. Matching funds can consist of in-kind services or cash match from the Applicant, funds from outside sources such as developer contributions, non-profit contributions, other state or federal funds, or other quantifiable sources. Other TransNet funds, including Local Street and Road Program funding, cannot be used as a match.

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Source of Funding	
Amount of Funding	$

Total Matching Funds Provided	$

INDIRECT COSTS

The Applicant intends to apply indirect costs to the project:

☐ Yes* ☐ No

*If the Applicant intends to apply indirect costs, the following method will be used:

☐ The Applicant has a Federally Negotiated Indirect Cost Rate (FNICR) recognized by the federal government, and that rate will be used.

☐ The Applicant has never received a FNICR and will elect the de minimis rate. The current de minimis rate is 15%.

**Applicants who intend to apply indirect costs to their proposed project should ensure that the indirect costs are incorporated into the Scope of Work, Schedule, and Budget worksheet.*

Performance Measures

Using the SGIP Performance Metrics, which are available with the other SGIP application materials in BidNet, select five metrics that can be used to measure the project's success in meeting the SGIP goals and objectives. **Please be aware that at the end of the grant term the Applicant must be able to meet all five metrics that it lists below or the Applicant may be required to repay the grant.** The Applicant will report on the progress toward meeting these performance metrics in its quarterly report.

In the table below, list each performance metric selected, and include the baseline measure (what the number is today, before the SGIP program begins).

Metric No.	Performance Metric (from the SGIP Performance Metrics list)	Baseline Measure
1.		
2.		
3.		
4.		
5.		

In the space below, include any additional information regarding the Applicant's selected performance metrics or baseline data.

Evaluation Criteria Responses

1. New Climate Action Plan Or CAP Update Contents

A. New CAP Or CAP Update Timeline

This project will (select one):

☐ Develop a new CAP

☐ Update an existing CAP. The existing CAP was adopted:

- ☐ Three or more years ago (2/28/2022 or earlier)
- ☐ Less than three years but more than one year ago (between 3/1/2022 and 2/28/2024)
- ☐ Within the last year (between 3/1/2024 and 2/28/2025)

☐ Neither develop a new CAP nor update an existing CAP(skip to Criteria #2 below)

B. GHG Emissions Inventory And Near- And Long-Term GHG Emissions Forecasts And Reduction Targets

Describe in the space below the approach to the new CAP or CAP Update, including the greenhouse gas (GHG) emissions inventory and the baseline year that will be used, in accordance with adopted protocols. Describe how the CAP or CAP Update will include near- and long-term GHG emissions forecasts (e.g., 2035 and 2050) and GHG reduction targets.

If the project is neither a new CAP nor CAP Update, this question can be skipped.

C. GHG Reduction Measures

Describe in the space below how the Applicant will ensure that the new CAP or CAP Update will include specific, quantifiable GHG reduction measures to achieve the GHG reduction targets.
If the project is neither a new CAP nor CAP Update, this question can be skipped.

2. Implementation and Monitoring

A. CAP Implementation

For a new CAP or CAP Update, describe in the space below the plan for implementing each GHG emissions reduction measure identified in the CAP, including, but not limited to, the identification of responsible parties, key actions, timeline, costs, and funding sources.

For an Implementation Plan for an existing CAP, describe in the space below how the project will develop an implementation plan for an existing CAP, including but not limited to the identification of responsible parties, key actions, timeline, costs, and funding sources.

B. CAP Monitoring

For a new CAP or CAP Update, describe in the space below how progress toward achievement of the GHG emissions reduction target(s) will be monitored, including but not limited to metrics for tracking progress, periodic updates to the GHG emissions inventory, regular reporting of progress, and timing of future CAP updates.

For an Implementation Plan for an existing CAP, describe in the space below how the project will establish monitoring measures for an existing CAP including but not limited to metrics for tracking progress, periodic updates to the GHG emissions inventory, regular reporting of progress, and timing of future CAP updates.

3. Project Feasibility

A. Efficient Use Of Project Funds

The Applicant's Scope of Work, Schedule, and Budget workbook will be reviewed to determine the degree to which the project will efficiently use program funds in the following three areas.

Project Scope of Work

Please indicate which of the following factors was considered when developing the Scope of Work. Check all that apply.

☐ All major tasks and subtasks were included that are necessary to complete the project, including any tasks or subtasks that may be deemed unnecessary during project implementation

☐ The Applicant considered the steps it would take to complete the planning work, including robust stakeholder engagement.

☐ The Applicant considered the effort necessary to prepare any necessary consultant work for competitive bidding and ensured that it's agency's procurement requirements will be met before advertising the solicitation.

☐ The Scope of Work considers the approvals needed to enter into a contract with the selected consultant.

Project Schedule

Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Schedule includes reasonable start dates, taking into account any work that has already been completed before the NTP has been issued and any other tasks or subtasks that might impact the start date for each task and subtask.

☐ Project durations and completion dates are reasonable and include timeframes that the Applicant can actually achieve.

☐ The Applicant is aware that it will be required to adhere to the Project Schedule and that all schedules must meet the Project Milestone and Completion Deadlines that are listed in SANDAG Board Policy No. 035.

Project Budget

Please indicate which of the following factors was considered when developing the Project Schedule. Check all that apply.

☐ The Project Budget considered all of the tasks and subtasks listed in the Scope of Work.

☐ Each task and subtask identifies reasonable costs to complete the task or subtask, and any matching funds are included.

☐ If the Applicant intends to request reimbursement for indirect costs, those costs are included in the Project Budget and the Applicant indicated in this Application whether it will elect the de minimis rate or it has a FNICR.

B. Community Engagement

Please describe how the project has and will continue to have strong community support, opportunities for community input, and how community members can have a meaningful role in the project, including underserved and limited English proficiency populations.

4. Board Policy No. 033

A. Prohousing Policies

☐ Applicant currently has HCD Prohousing Designation

OR

Select all policies currently in place in the following categories:

Category 1: Favorable Zoning And Land Use

☐ Housing element plan for zoned capacity of >150% of RHNA
☐ Permitting missing middle uses (e.g., duplexes, triplexes, fourplexes, townhomes) in existing low-density single-family zones
☐ Eliminating minimum parking requirements
☐ Allowing residential in commercial zones
☐ Allowing more/larger accessory dwelling units (ADUs) than state law requires
☐ Density bonus that is >10% more than state requirements
☐ Established Workforce Housing Opportunity Zone (WHOZ) or housing sustainability district
☐ Standards to promote more density
☐ Housing element plan for zoned capacity of >125% of RHNA
☐ Reduced parking requirements

Category 2: Acceleration Of Housing Production Timeframes

☐ Ministerial approval of housing
☐ Streamlined/program level California Environmental Quality Act (CEQA) Environmental Impact Report (EIR) for general plans/specific plans etc.
☐ Permit process that is less than two months
☐ Elimination of public hearings for projects consistent with zoning/general plan
☐ One-stop shop permitting processes or single point of contact
☐ Priority permit processing or reduced plan check times for ADUs/junior ADUs, multifamily, or affordable housing
☐ Streamlined housing development at the project level
☐ Permit process that is less than four months
☐ Three public hearings limit for projects consistent with zoning/general plan
☐ Eliminated or replaced subjective design standards with objective standards that simplify zoning
☐ Standard entitlement application
☐ Publicly posting online status updates on permit approvals

Category 3: Reduction Of Construction And Development Costs

☐ Waived development impact fees for housing
☐ Adopted universal design ordinances
☐ Preapproved prototype plans for missing middle housing (e.g., duplexes, triplexes, fourplexes, townhomes)
☐ Measures that reduce costs for transportation-related infrastructure or that encourage active transit or other alternatives to cars
☐ Reduced development impact fees for housing
☐ Less restrictive ADU standards than state requirements
☐ Fee reduction, including deferrals or reduced fees for housing with people with special needs
☐ Promoting innovative housing types that reduced development costs

Category 4: Providing Financial Subsidies

- ☐ Local housing trust fund or collaboration on regional fund
- ☐ Program to comply with Surplus Lands Act and make publicly owned land available for affordable housing
- ☐ Enhanced Infrastructure Financing District (EIFD)
- ☐ Prioritization of local general funds for affordable housing
- ☐ Grants/low-interest loans for affordable ADUs
- ☐ Direct residual redevelopment funds to affordable housing
- ☐ Development and regular use of housing subsidy pool, local/regional trust, or similar funding source

Please provide more information on each of the policies selected (or links to documentation)

B. Housing Equity

The Applicant has the following policies or practices that advance housing equity (mark all that apply).

- ☐ An adopted inclusionary housing ordinance
- ☐ Establishment of rent stabilization
- ☐ Establishment of anti-displacement policies in conjunction with transit improvements
- ☐ Creation of a strategy or fund to preserve naturally occurring affordable housing
- ☐ Creation of tenant protection policies such as access to legal counsel, just cause eviction policy, etc.
- ☐ Rezoning and other policies that result in a net gain of housing capacity while concurrently mitigating development impacts on or from environmentally sensitive or hazardous areas.
- ☐ Programs, land use plans, and new policies (other than those indicated in the Prohousing Policy Implementation section above) that are intended to result in increased investment (such as infrastructure, housing, open space, etc.) in lower opportunity areas. Such areas include but are not

limited to, Low Resource and High Segregation & Poverty areas designated in the 2021 California Tax Credit Allocation Committee (TCAC)/HCD Opportunity Map, and disadvantaged communities under California Senate Bill 535 (2012).

☐ Zone changes or other policies (other than those listed in the Prohousing Policy Implementation section 3 above) that increase housing choices and affordability in High Resource and Highest Resource areas, as designated in the 2021 CTCAC/HCD Opportunity Maps.

☐ Displacement risk studies

☐ Creating a publicly available database of affordable housing properties at risk of losing affordability restrictions through the expiration of rent restrictions or tenant voucher programs

☐ Proactive monitoring of housing at risk of losing affordability restrictions and proactive enforcement of state-mandated tenant notification provision

Please provide more information on each of the policies selected (or links to documentation)

APPLICANT STATEMENT FORM

This form must be signed by an authorized representative of the Applicant, such as the city manager or other authorized individual under the Applicant's policies and procedures, and demonstrate the Applicant's willingness to participate and fulfill the program requirements. If applying in a partnership, each jurisdiction under the partnership must have an authorized representative sign this form.

Please indicate application completeness by checking the following boxes, then sign and date below.

As an authorized delegate, I certify that my agency:

☐ Has not submitted a project that is already underway and is fully funded unless the application requests funds for additional work beyond the scope of the current project. I understand that TransNet funds cannot replace existing project funding.

☐ Has read the Grant Agreement Template and accepts and can meet the terms and conditions.

☐ Understands that SANDAG will not reimburse the applicant for expenses incurred before the Notice to Proceed issuance or after the grant term expiration.

☐ Understand that Projects already underway are eligible to apply ONLY if the Application requests funds for additional work beyond the scope of the current project. TransNet funds cannot be used to supplant or replace existing project funding.

If this application is approved for funding, I certify that my agency:

☐ Understands that the responses in this application will become requirements reflected in the Grant Agreement with SANDAG.

☐ Agrees to sign and return the Grant Agreement to SANDAG, without exceptions, within 45 days of receipt.

☐ Will submit progress reports and invoices documenting the use of grant and matching funds to SANDAG no less frequently than quarterly using the method required by SANDAG.

☐ Understand that my project must meet the performance measures in the grant agreement between SANDAG and the grantee.

☐ Will set up a separate project account for quarterly reporting and invoicing.

☐ Will not use project funding for alcohol, political, religious, or discriminatory themes or affiliations.

I certify that I agree with the above statements and that the information submitted in this application is complete and accurate. I have the authorization to submit this Grant Application on behalf of my agency.

Print Name	Title
Signature	Date

REQUIRED FORMS

Equal Employment Opportunity Certificate

Certificate of Compliance with Equal Employment Opportunity Requirements

The Equal Employment Opportunity (EEO) provisions of the Agreement SANDAG will award to the Applicant requires the Applicant to provide equal employment to all people, regardless of race, color, religion, sex, or national origin.

Applicant certifies that it will comply with the provisions of the SANDAG Equal Employment Opportunity Program (SANDAG Board Policy No. 007) and rules and regulations adopted pursuant thereto, Title VI of the Civil Rights Act of 1964, the California Fair Employment Practices Act, and any other applicable federal and state laws and regulations relating to equal employment opportunity, including laws and regulations hereinafter enacted.

Furthermore, the Applicant certifies that it

☐ has ☐ has not

been found, adjudicated, or determined to have violated any laws of Executive Orders relating to employment discrimination or affirmative action including, but not limited to, Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000[e] et seq.); the Equal Pay Act (29 U.S.C. 206[d]); Executive Order (EO) 10925 (Kennedy, 1961), EO 11114 (Kennedy, 1963), or EO 11246 (Johnson, 1965); or the California Fair Employment and Housing Act (Government Code 12460 et seq.); by any federal or California court or agency, including but not limited to the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance Programs, and the California Fair Employment and Housing Commission.

If yes, please explain the circumstance in the space below:

Print Name Title

Signature Date

Public Contract Code Questionnaires and Statements

Public Contract Code Section 10162 Questionnaire

The Applicant shall complete, under penalty of perjury, the following questionnaire:

Has the Applicant, any officer of the Applicant, or any employee of the Applicant who has a proprietary interest in the Applicant, ever been disqualified, removed, or otherwise prevented from bidding or proposing on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

☐ Yes* ☐ No

*If Yes, explain the circumstances in the space below.

Public Contract Code Section 10232 Statement

In conformance with Public Contract Code Section 10232, the Applicant states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Applicant within the immediately preceding two-year period because the Applicant failed to comply with an order of a federal court which ordered the Applicant to comply with an order of the National Labor Relations Board.

Public Contract Code Section 10285.1 Statement

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the Applicant declares under penalty of perjury under the laws of the State of California that the Applicant(must check one)

☐ has ☐ has not

been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "Applicant" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as well as any subapplicant of the Applicant, as referred to in Section 10285.1 (reference to "bidder/proposer"). Applicants are cautioned that false certification may subject the certifier to criminal prosecution.

Authorized Delegate Name Title

Signature Date

Non-Collusion Affidavit/Declaration

In accordance with Title 23, United States Code Section 112, and Public Contract Code 7106, the Applicant declares that the application is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The application is genuine and not collusive or sham. The Applicant has not directly or indirectly induced or solicited any other Applicant to put in a false or sham application. The Applicant has not directly or indirectly colluded, conspired, connived, or agreed with any Applicant or anyone else to put in a sham application, or to refrain from applying. The Applicant has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the grant amount requested, or that any other Applicant, or to fix any overhead or cost element of the grant amount requested, or of that of any other Applicant. All statements contained in the application are true. The Applicant has not, directly or indirectly, submitted its grant amount requested or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, application depository, or to any member or agent thereof to effectuate a collusive or sham application, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of the Applicant that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the Applicant.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Applicant is cautioned that making a false certification may subject the certifier to criminal prosecution.

Print Name	Title
Signature	Date

Scope of Work and Budget

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: Capital *Note: for Planning and Climate Action Plan Projects, use the Planning and Climate Action Plan Project Template*

Project Title: *[Copy and paste from application]*

Part I: Project Overview

Project Location: *[List the boundaries of the project by street name or other identifying factors.]*

Brief Project Summary: *[Copy and paste from application]*

Project Objectives: *[List the reason(s) this project exists and what it aims to accomplish when it is completed. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring the completed project meets the objectives that are listed in this section.]*

Part II: Scope of Work and Budget

[List the Project subtasks under each of the grey-shaded tasks below. Add the Deliverables for each grey-shaded task that corresponds to the subtasks listed below it. Include the SGIP Grant Amount and Matching Funds Amount total for each grey-shaded task by adding the total of all subtasks listed below. Add rows as needed. The Total Project Cost column will auto-calculate and is the sum of the SGIP grant and the matching funds. For subtask 3D, SANDAG will contract with a consultant to provide the baseline data collection and the grantee will not have any incurred cost other than minimal staff time to support the data collection effort (less than 8 hours).]

Task No.	Task Description	Task Outcome/Output	Deliverables	SGIP Grant Amount	Matching Funds Amount	Total Project Cost
1	Project Planning and Development	Development of a neighborhood-level plan, corridor study, or community active transportation strategy and subsequent planning documents to support the project.	[List all deliverables applicable to the project. Examples: Planning document that serves as the foundation for future project development. Project planning document including purpose and need, conceptual engineering, and project alternatives. Evidence of stakeholder engagement during project development (community meetings, feedback received)]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
1A	*[Enter subtask description.]*	*[Enter the desired outcome of the subtask. This is the objective that the subtask seeks to accomplish.]*	*[Enter deliverables associated with the subtask. Items must be quantified. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring all deliverables listed here are provided.]*	*[Enter amount requested]*	*[Enter match (non-SGIP funds)]*	$ -
1B						$ -
1C						$ -
2	Final Design and Environmental Clearance	Final design plans and environmental clearance under the California Environmental Quality Act, or evidence that environmental clearance is not required	[List all deliverables applicable to the project. Examples: Final project plans CEQA clearance document or agency-approved CEQA exemption]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
2A						$ -
2B						$ -
2C						$ -
3	Right-Of-Way Acquisition and All Necessary Entitlements	All right-of-way and necessary entitlements are secured	*[List all deliverables applicable to the project. Examples:* *Right-of-entry permit from other public agencies, signed easement agreement with utility, utility relocations, project agreements with partners/stakeholders.]*	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
3A						$ -
3B						$ -
3C						$ -
3D	Baseline Data Collection	Baseline data on the project area is collected to be able to compare to post-construction data to demonstrate how the improvements have been utilized.	Baseline data collection plan is developed by a SANDAG consultant with input and assistance from the grantee	$ -	$ -	$ -
4	Construction Contracting	Construction bid documents are developed and put out to bid, the construction contractor is identified, and the contract is executed, public groundbreaking ceremony	[List all deliverables applicable to the project. Examples: Issued construction IFB with plans, issued addenda, advertisement of IFB, pre-bid sign-in sheet, bid tabulation summary, approval of construction contract, final signed contract with the construction contractor, conformed IFB and plans, photos and social media posts of groundbreaking ceremony.]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
4A						$ -
4B						$ -
4C						$ -

5	Construction	Construction of the project occurs	*[List all deliverables applicable to the project. The deliverables must be detailed and include the major line items that will be listed in the construction bid/contract. Examples:* *X linear feet of sidewalks, X directional signs, X cubic yards of mulch, X street trees, etc.]*	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
5A						$ -
5B						$ -
5C						$ -
6	Project Closeout	Construction contractor is relieved of maintenance, city council or other approval is attained, project is open to the public	[List all deliverables applicable to the project. Examples: City Council agenda accepting the construction project, relief of maintenance letter to the construction contractor, photos of ribbon cutting ceremony with the public.]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
6A						$ -
6B						$ -
6C						$ -
			TOTAL PROJECT COST:	**#VALUE!**	**#VALUE!**	**$ -**

Part III: Summary of Funding

[This information will be populated using information from Part II. Make a selection in the unshaded cell only.]

Total Project Cost:	$ -
Total Grant Request:	#VALUE!
Total Matching Funds:	#VALUE!

Grant Percentage:	#VALUE!
Matching Funds Percentage:	#VALUE!
Will any of the matching funds be from the TransNet Local Street and Road program?	

Part IV: Project Budget and Expenditures Per Fiscal Year

[SANDAG staff will use this information for the Regional Transportation Improvement Program (RTIP) if this project receives funding. Fill in the unshaded cells only.]

Category*	Fiscal Year (FY) 2026 (NTP - June 30, 2026)		Fiscal Year (FY) 2027 (July 1, 2026 - June 30, 2027)		Fiscal Year (FY) 2028 (July 1, 2027 - June 30, 2028)		Fiscal Year (FY) 2029 (July 1, 2028 - June 30, 2029)		Total Grant Amount	Total Matching Funds	Total Project Cost
	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount			
PE									$ -	$ -	$ -
RW									$ -	$ -	$ -
CON									$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

*Key

Category	Category Description
PE	Planning, Environmental, and Engineering
RW	Right-of-Way
CON	Construction

Project Schedule

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: Capital *Note: for Planning and Climate Action Plan Projects, use the Planning and Climate Action Plan Project Template*

Project Title: *[Copy and paste from application]*

Part II: Project Schedule

[Propose a timeframe for each Project task and subtask. The schedule must use the same tasks and subtasks that are in the Scope of Work and be based on the number of months from the Notice to Proceed (NTP).]

Task No.	Task Description	Start Date	Completion Date	Duration
1	Project Planning and Development	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for task completion. Enter in number of months. Enter whole numbers.]*
1A	*[Enter subtask description.]*	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for subtask completion. Enter in number of months. Enter whole numbers.]*
1B				
1C				
2	Final Design and Environmental Review			
2A				
2B				
2C				
3	Right-Of-Way Acquisition and All Necessary Entitlements			
3A				
3B				
3C				
3D	Baseline Data Collection	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*
4	Construction Contracting			
4A				
4B				
4C				
5	Construction			
5A				
5B				
5C				
6	Project Closeout		*[Per SANDAG Board Policy No. 035, enter the date when the construction contractor will be relieved of its maintenance responsibilities.]*	
6A				
6B				
6C				
			Total Project Duration (In Months from NTP):	

Scope of Work and Budget

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: *Climate Action Plan* *[Select from the options in the dropdown field. Note: for Capital Projects, use the Capital Project Template.]*

Project Title: *[Copy and paste from application]*

Part I: Project Overview

Project Location: *[List the boundaries of the project by street name or other identifying factors.]*

Brief Project Summary: *[Copy and paste from application]*

Project Objectives: *[List the reason(s) this project exists and what it aims to accomplish when it is completed. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring the completed project meets the objectives that are listed in this section.]*

Part II: Scope of Work and Budget

[List the main project tasks in the grey-shaded spaces below. Include the task description, task outcome/output, deliverables, and grant and matching funds amount. Under each project task, include the subtasks that will be necessary to complete the main project task and include the subtask outcome/output, deliverables, and grant and matching funds. Add rows as needed. The Total Project Cost column will auto-calculate and is the sum of the SGIP grant and the matching funds.]

Task No.	Task Description	Task Outcome/Output	Deliverables	SGIP Grant Amount	Matching Funds Amount	Total Project Cost
1	*[Enter task description.]*	*[Enter the desired outcome of the task. This is the objective that the task seeks to accomplish.]*	*[Enter deliverables associated with the task. Items must be quantified. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring all deliverables listed here are provided.]*	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
1A	*[Enter subtask description.]*	*[Enter the desired outcome of the subtask. This is the objective that the subtask seeks to accomplish.]*	*[Enter deliverables associated with the subtask. Items must be quantified. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring all deliverables listed here are provided.]*	*[Enter amount requested]*	*[Enter match (non-SGIP funds)]*	$ -
1B						$ -
1C						$ -
2						$ -
2A						$ -
2B						$ -
2C						$ -
3						$ -
3A						$ -
3B						$ -
3C						$ -
4						$ -
4A						$ -
4B						$ -
4C						$ -
5						$ -
5A						$ -
5B						$ -
5C						$ -
			TOTAL PROJECT COST:	**#VALUE!**	**#VALUE!**	**$ -**

Part III: Summary of Funding

[This information will be populated using information from Part II. Make a selection in the unshaded cell only.]

Total Project Cost:	$ -
Total Grant Request:	#VALUE!
Total Matching Funds:	#VALUE!

Grant Percentage:	#VALUE!
Matching Funds Percentage:	#VALUE!
Will any of the matching funds be from the TransNet Local Street and Road program?	

Part IV: Project Budget and Expenditures Per Fiscal Year

[SANDAG staff will use this information for the Regional Transportation Improvement Program (RTIP) if this project receives funding. Fill in the unshaded cells only.]

Category*	Fiscal Year (FY) 2026 (NTP - June 30, 2026)		Fiscal Year (FY) 2027 (July 1, 2026 - June 30, 2027)		Fiscal Year (FY) 2028 (July 1, 2027 - June 30, 2028)		Fiscal Year (FY) 2029 (July 1, 2028 - June 30, 2029)		Total Grant Amount	Total Matching Funds	Total Project Cost
	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount			
PE									$ -	$ -	$ -
RW	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
CON	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

*Key

Category	Category Description
PE	Planning, Environmental, and Engineering
RW	Right-of-Way
CON	Construction

Project Schedule

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: _____ *[Select from the options in the dropdown field. Note: for Capital Projects, use the Capital Project Template.]*

Project Title: *[Copy and paste from application]*

Part II: Project Schedule

[Propose a timeframe for each Project task and subtask. The schedule must use the same tasks and subtasks that are in the Scope of Work and be based on the number of months from the Notice to Proceed (NTP).]

Task No.	Task Description	Start Date	Completion Date	Duration
1	*[Enter task description.]*	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for task completion. Enter in number of months. Enter whole numbers.]*
1A	*[Enter subtask description.]*	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for subtask completion. Enter in number of*
1B				
1C				
2				
2A				
2B				
2C				
3				
3A				
3B				
3C				
4				
4A				
4B				
4C				
5				
5A				
5B				
5C				
			Total Project Duration (In Months from NTP):	

TransNet Triennial Performance Audit Recommendation Completion Form

TPA Year: 2024

Item Number: 17

Audit Recommendation:

Require grantees to include a well- defined description of what will be constructed through the project to affect desired smart growth outcomes.

Justification for Completion:

Changes to the capital project scope, schedule, budget template were made as part of the development of the cycle 6 SGIP call for projects. The Board of Directors approved the call for projects at their December 13, 2024 meeting.

*** Supporting Documents:** Please attach any supporting documents or related links.

Approvals

PM Signature: Jenny Russo Digitally signed by Jenny Russo Date: 2024.12.31 13:16:38 -08'00' Date 12/31/24

Director Signature: Susan Huntington Digitally signed by Susan Huntington Date: 2025.01.17 11:44:41 -08'00' Date: 1/17/25

ITOC Approval: Yes: ☐ No: ☐

Meeting Date: Agenda number:

Meeting Link:

Scope of Work and Budget

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: Capital *Note: for Planning and Climate Action Plan Projects, use the Planning and Climate Action Plan Project Template*

Project Title: *[Copy and paste from application]*

Part I: Project Overview

Project Location: *[List the boundaries of the project by street name or other identifying factors.]*

Brief Project Summary: *[Copy and paste from application]*

Project Objectives: *[List the reason(s) this project exists and what it aims to accomplish when it is completed. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring the completed project meets the objectives that are listed in this section.]*

Part II: Scope of Work and Budget

[List the Project subtasks under each of the grey-shaded tasks below. Add the Deliverables for each grey-shaded task that corresponds to the subtasks listed below it. Include the SGIP Grant Amount and Matching Funds Amount total for each grey-shaded task by adding the total of all subtasks listed below. Add rows as needed. The Total Project Cost column will auto-calculate and is the sum of the SGIP grant and the matching funds. For subtask 3D, SANDAG will contract with a consultant to provide the baseline data collection and the grantee will not have any incurred cost other than minimal staff time to support the data collection effort (less than 8 hours).]

Task No.	Task Description	Task Outcome/Output	Deliverables	SGIP Grant Amount	Matching Funds Amount	Total Project Cost
1	Project Planning and Development	Development of a neighborhood-level plan, corridor study, or community active transportation strategy and subsequent planning documents to support the project.	[List all deliverables applicable to the project. Examples: Planning document that serves as the foundation for future project development. Project planning document including purpose and need, conceptual engineering, and project alternatives. Evidence of stakeholder engagement during project development (community meetings, feedback received)]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
1A	*[Enter subtask description.]*	*[Enter the desired outcome of the subtask. This is the objective that the subtask seeks to accomplish.]*	*[Enter deliverables associated with the subtask. Items must be quantified. Please be aware that if the project is selected for funding, the Grantee will be responsible for ensuring all deliverables listed here are provided.]*	*[Enter amount requested]*	*[Enter match (non-SGIP funds)]*	$ -
1B						$ -
1C						$ -
2	Final Design and Environmental Clearance	Final design plans and environmental clearance under the California Environmental Quality Act, or evidence that environmental clearance is not required	[List all deliverables applicable to the project. Examples: Final project plans CEQA clearance document or agency-approved CEQA exemption]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
2A						$ -
2B						$ -
2C						$ -
3	Right-Of-Way Acquisition and All Necessary Entitlements	All right-of-way and necessary entitlements are secured	*[List all deliverables applicable to the project. Examples:* *Right-of-entry permit from other public agencies, signed easement agreement with utility, utility relocations, project agreements with partners/stakeholders.]*	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
3A						$ -
3B						$ -
3C						$ -
3D	Baseline Data Collection	Baseline data on the project area is collected to be able to compare to post-construction data to demonstrate how the improvements have been utilized.	Baseline data collection plan is developed by a SANDAG consultant with input and assistance from the grantee	$ -	$ -	$ -
4	Construction Contracting	Construction bid documents are developed and put out to bid, the construction contractor is identified, and the contract is executed, public groundbreaking ceremony	[List all deliverables applicable to the project. Examples: Issued construction IFB with plans, issued addenda, advertisement of IFB, pre-bid sign-in sheet, bid tabulation summary, approval of construction contract, final signed contract with the construction contractor, conformed IFB and plans, photos and social media posts of groundbreaking ceremony.]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
4A						$ -
4B						$ -
4C						$ -

5	Construction	Construction of the project occurs	*[List all deliverables applicable to the project. The deliverables must be detailed and include the major line items that will be listed in the construction bid/contract. Examples:* *X linear feet of sidewalks, X directional signs, X cubic yards of mulch, X street trees, etc.]*	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
5A						$ -
5B						$ -
5C						$ -
6	Project Closeout	Construction contractor is relieved of maintenance, city council or other approval is attained, project is open to the public	[List all deliverables applicable to the project. Examples: City Council agenda accepting the construction project, relief of maintenance letter to the construction contractor, photos of ribbon cutting ceremony with the public.]	[Enter sum of all subtasks]	[Enter sum of all subtasks]	$ -
6A						$ -
6B						$ -
6C						$ -
			TOTAL PROJECT COST:	**#VALUE!**	**#VALUE!**	**$ -**

Part III: Summary of Funding

[This information will be populated using information from Part II. Make a selection in the unshaded cell only.]

Total Project Cost:	$ -
Total Grant Request:	#VALUE!
Total Matching Funds:	#VALUE!

Grant Percentage:	#VALUE!
Matching Funds Percentage:	#VALUE!
Will any of the matching funds be from the TransNet Local Street and Road program?	

Part IV: Project Budget and Expenditures Per Fiscal Year

[SANDAG staff will use this information for the Regional Transportation Improvement Program (RTIP) if this project receives funding. Fill in the unshaded cells only.]

Category*	Fiscal Year (FY) 2026 (NTP - June 30, 2026)		Fiscal Year (FY) 2027 (July 1, 2026 - June 30, 2027)		Fiscal Year (FY) 2028 (July 1, 2027 - June 30, 2028)		Fiscal Year (FY) 2029 (July 1, 2028 - June 30, 2029)		Total Grant Amount	Total Matching Funds	Total Project Cost
	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount	Grant Amount	Match Amount			
PE									$ -	$ -	$ -
RW									$ -	$ -	$ -
CON									$ -	$ -	$ -
Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

*Key

Category	Category Description
PE	Planning, Environmental, and Engineering
RW	Right-of-Way
CON	Construction

Project Schedule

Instructions: Complete this form using the instructions provided in green italicized text.

Applicant Name: *[Copy and paste from application]*

Project Type: Capital *Note: for Planning and Climate Action Plan Projects, use the Planning and Climate Action Plan Project Template*

Project Title: *[Copy and paste from application]*

Part II: Project Schedule

[Propose a timeframe for each Project task and subtask. The schedule must use the same tasks and subtasks that are in the Scope of Work and be based on the number of months from the Notice to Proceed (NTP).]

Task No.	Task Description	Start Date	Completion Date	Duration
1	Project Planning and Development	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for task completion. Enter in number of months. Enter whole numbers.]*
1A	*[Enter subtask description.]*	*[Enter start date as number of months from NTP. Enter whole numbers.]*	*[Enter end date as number of months from NTP. Enter whole numbers.]*	*[Enter total duration anticipated for subtask completion. Enter in number of months. Enter whole numbers.]*
1B				
1C				
2	Final Design and Environmental Review			
2A				
2B				
2C				
3	Right-Of-Way Acquisition and All Necessary Entitlements			
3A				
3B				
3C				
3D	Baseline Data Collection	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*	*[This can be left blank. SANDAG will fill this in with input from the Grantee once the schedule is finalized.]*
4	Construction Contracting			
4A				
4B				
4C				
5	Construction			
5A				
5B				
5C				
6	Project Closeout		*[Per SANDAG Board Policy No. 035, enter the date when the construction contractor will be relieved of its maintenance responsibilities.]*	
6A				
6B				
6C				
			Total Project Duration (In Months from NTP):	

TransNet Triennial Performance Audit Recommendation Completion Form

TPA Year: 2024

Item Number: 18

Audit Recommendation:

Require grantees to report on the quantifiable performance metrics now required in grant awards related to promoting smart growth goals to create compact, walkable, bikeable, and transit-oriented communities and increase housing and transportation choices around the

Justification for Completion:

Staff developed SGIP performance metrics and made changes to the grant application template as part of the development of the cycle 6 SGIP call for projects. The revised application template requires grantees to select five performance metrics and baseline data that will be included in the grant agreement. The Board of Directors approved the call for projects at their December 13, 2024 meeting.

*** Supporting Documents:** Please attach any supporting documents or related links.

Approvals

PM Signature: Jenny Russo Digitally signed by Jenny Russo Date: 2024.12.31 13:46:58 -08'00' Date 12/31/24

Director Signature: Susan Huntington Digitally signed by Susan Huntington Date: 2025.01.17 11:45:26 -08'00' Date: 1/17/25

ITOC Approval: Yes: ☐ No: ☐

Meeting Date: Agenda number:

Meeting Link:

Smart Growth Incentive Program (SGIP) Performance Metrics

Below are examples of performance metrics that could be used to measure a project's success in meeting the SGIP goals, depending on the type of project funded through the SGIP. Grantees may propose their own performance metric(s) but they must be related to the project scope, be quantifiable, and be included in the grant agreement. For each measure used, the Grantee must provide the baseline measure (before the SGIP project began) and the post-delivery measure (once the SGIP project was completed). A minimum of five metrics must be used for each project. Grantees can refer to Smart Growth America's *From Policy to Practice: A Guide to Measuring Complete Streets Progress* for additional guidance and examples.

PROCESS METRICS

***Funding Measures**: How money is budgeted and spent on Smart Growth*

- Percent of active transportation funding allocated to underserved communities
- Percent of funding allocated to systemic/risk-based safety efforts
- Percent of maintenance funding devoted to maintaining bike, pedestrian, and transit infrastructure
- Percent of publicly funded building projects that included an improvement for biking, walking, and/or transit (e.g., new/rebuilt schools, parks, or other capital projects that involve a publicly funded/owned site contributing to improvements)
- Percent of transportation funding allocated to high-injury networks
- Percent of transportation funding allocated to Safe Routes to Schools
- Percent of transportation funding allocated to sidewalks and bike lanes for transportation versus recreation
- Cost savings by combining efforts/funds leveraged between agencies or departments (e.g., transportation, public works, health, and parks departments)
- Transportation funding (Total and percent) allocated to projects that improve pedestrian, bicycle, and/or transit level of service

***Accountability**: Efficiency and transparency of internal processes related to Smart Growth*

- Level of coordination/collaboration among relevant departments (transportation, land use/zoning, housing, economic development, public health, etc.)
- Number and nature of approved and denied exceptions
- Number of existing plans/policies updated to comply with the smart growth policy (including plans/policies for other departments such as school site policies, policies for locating community services, etc.)
- Number of new staff hired or existing staff/full-time equivalents focused on smart growth policy implementation
- Number of publicly available progress reports and/or dashboards with pertinent performance measures
- Number of public requests for smart growth projects/improvements and their fulfillment rate
- Number/percentage of staff who received training on smart growth per year (disaggregated by tenure, role, etc.)
- Number of uses of smart growth checklists in planning and capital projects
- Use of performance measures to inform project selection and prioritization (For example: Have traffic crash hot spots (high-injury networks) been identified and prioritized? Have "communities of concern" been identified and prioritized? Have systemic/risk-based areas and corridors been identified and prioritized?)

***Community Engagement**: The extent to which the public can understand and participate in processes and projects related to smart growth*

- Number of authentic and creative public engagement events and actions such as "pop-up" demonstrations, walk audits, community bike/walk events, etc., and number of people engaged in them (disaggregated by demographics)
- Number of community members and community organizations involved in project development and representation by underserved/vulnerable groups
- Number of meetings held by a committee that includes both internal and external stakeholders (and representation of underinvested and vulnerable communities)
- Number of participatory budgeting events related to smart growth
- Number of suggestions/proposals from community engagement processes that are incorporated into decisions and plans

IMPLEMENTATION METRICS

***Infrastructure Projects** (built/repaired/upgraded/removed): Physical alterations to streets and surrounding areas*

- Percent of ADA-accessible sidewalks and intersections (curb ramps, audio signals, tactile pavement, etc.)
- Percent of repaving miles that included a change/improvement for biking, walking, and/or transit; or safety improvements such as traffic calming, intersection improvements, etc.
- Accessible signage and information (existing and new additions) for all users (pedestrians, bicyclists, transit riders, etc.)
- Coverage of streets with lighting, especially at intersections, that is pedestrian-scaled, etc.
- Miles of bike lanes: new, repaired, and total (condition/quality, width, striped, protected, shaded, etc.)
- Miles of sidewalk: new/repaired /total (condition/quality, width, shaded, accessible, etc.)
- Number of bike racks, bike parking spaces, bike maintenance stations, and other supportive infrastructure, and their location in relation to need
- Number of beautification/art/ cultural projects (street trees, murals, façade improvements, painted crosswalks, collaboration with local artists, etc.)
- Number of intersection improvements to facilitate multimodal access (crosswalks, new/adjusted signal timing, stop signs, circular intersections, bollards, bike signals, etc.)
- Number of midblock crosswalks (and details such as striped, raised, improved signal, signage, distance to nearest transit stop or intersection, etc.)

***Network Creation**: Projects to ensure a complete, multimodal transportation network*

- Percent of bike plan/walk plan/ Vision Zero network completed
- Average block length
- Conflicts (or absence thereof) between local and state or federal standards
- Distance between intersections/ changes in intersection density
- Measures of directness of implemented cycling and pedestrian projects from key origins and destinations throughout the network
- Number of interventions/projects to close gaps in pedestrian/bicycle/transit network and create connections to important destinations for nondriving (e.g., employment, food, healthcare)
- Number of projects focused on creating first-mile/last-mile transit access connections for non-drivers

***Places And Destinations**: Placemaking and other actions to create more livable and healthy communities*

- Amount of usable public space (e.g., number of spaces and square feet)
- Number and type of changes to zoning ordinances to promote smart growth (e.g., sidewalks in residential zones and pedestrian amenities like benches, lighting, and trees in commercial zones)
- Percent of land area with exclusionary zoning (e.g., land area reserved only for large single-family houses)
- Increase in mixed-use zones/ coverage (in sustainable and equitable ways)
- Increase in residential density (in sustainable and equitable ways)

- New and existing outdoor seating spaces added/repaired/replaced
- Number of new placemaking amenities that naturally invite walking, rolling, sitting, dancing, eating/drinking, socializing, waiting for transit, seeking shade, playing, learning, etc.
- Number of outdoor dining space permits issued (without encroachment on sidewalk/ clearance)

***Parking**: Actions to right-size parking policies and requirements*

- Percent of paid vs. unpaid parking
- Number of off-street surface parking spaces
- Number of on-street parking spaces added/removed, paid/unpaid
- Parking ratio in commercial office buildings: parking spaces per 100k sq ft of space
- Removal/reduction of parking minimum requirements and regulations
- Residential multifamily parking: number of spaces per unit in new buildings

IMPACT METRICS

***ACCESS**: Improvements to the multimodal transportation system that give users options for safely reaching important destinations*

- Percent of population and jobs near high-quality transit (e.g., high-frequency service seven days a week.
- Percent of population burdened by transportation and housing combined (spending more than 45% of annual income on transportation and housing combined)
- Percent of population burdened by transportation costs (spending more than 15% of annual income on transportation)
- Percent of the population for whom lack of transportation kept them from/resulted in being late to important destinations such as work, medical appointments, education, social engagements)
- Percent of population with direct access to a low-stress bike network/sidewalks
- Percent of students traveling to school via active transportation modes (e.g., walking, biking)
- Percent of transit stops that are ADA accessible and with amenities (e.g., sidewalk, curb-cut/ramp access, shelters, seating, lighting
- Percent of transit stops with marked crosswalks within 50 feet
- Changes in mode split and vehicle miles traveled (VMT) and/or single occupancy auto commute trips over time
- Commute times by travel mode. For example, the number of people that can reach jobs within 30, 45, and 60 minutes via transit, biking, walking, and driving

***ECONOMY**: Effects of smart growth interventions on local economies*

- Amount of affordable and attainable housing near important destinations
- Amount of private investment in adjacent properties
- Changes in property values, vacancy rates, retail sales, number of jobs and local businesses, tax yield per acre
- Employment rates in nearby census tracts
- Number of private sector-led projects or public-private collaborations
- Number of visitors to the project area (total and by travel mode) and changes over time
- Permanent maintenance jobs created (or FTE dedicated) and hiring from local communities
- Surrounding rehabilitation construction permits
- Sales tax revenue
- Temporary construction jobs created (or FTE dedicated) and use of local workforce

***SAFETY & PUBLIC HEALTH**: Benefits of smart growth interventions such as reducing crashes and rates of chronic illness*

- Percent of streets with stormwater facilities/xeriscape/rain gardens
- Average emergency vehicle response times (e.g., percentage of emergency calls for which the first arriving unit was <4 minutes)
- Changes in air quality (e.g., Air Quality Index or carbon emissions)
- Rates of chronic illnesses by race/age/income

- Changes in corridor and impact area noise levels (e.g., chronic exposure to noise levels > 45 dB)
- Changes in crash fatalities by demographics, location, and conditions
- Changes in crash injuries by demographics, location, and conditions
- Changes in motor vehicle operating speeds/speed limit compliance
- Changes in shade canopy coverage to mitigate the urban heat island effect and heat stress on vulnerable populations (measured via ambient temperatures)
- Changes in water pollution from runoff
- Rates of meeting physical activity guidelines by race/age/income

***USAGE**: Changes in the ways people move around and occupy space*

- Average number of minutes users spend in places at different times of day, days of week, and times of year
- Number of people congregating at different times of day, days of week, and times of year in the project area (disaggregated by demographics such as age, gender, ability, race/ethnicity)
- Number of users on existing and new infrastructure
- Parking utilization for cars and bicyclists
- Transit ridership

***PUBLIC PERCEPTION**: The opinions and perspectives of the public, business owners, and other stakeholders related to the implemented smart growth interventions*

- Changes in the perceived quality of life of residents in neighborhoods adjacent to the implemented project (compared with residents not adjacent to the project)
- Changes in the perceived safety of residents in neighborhoods adjacent to the implemented project (compared with residents not adjacent to the project) measured through surveys
- Changes in trust in government among residents in neighborhoods adjacent to the implemented project compared with residents of "control" neighborhoods (e.g., participation in community engagement events, surveys, etc)
- Perceptions of mobility among business owners and customers
- Perception of social cohesion/connectedness/community
- Perceptions of transportation needs: “Are your transportation needs being met?”
- Satisfaction with public places

Performance Measures

Using the SGIP Performance Metrics, which are available with the other SGIP application materials in BidNet, select five metrics that can be used to measure the project's success in meeting the SGIP goals and objectives. **Please be aware that at the end of the grant term the Applicant must be able to meet all five metrics that it lists below or the Applicant may be required to repay the grant.** The Applicant will report on the progress toward meeting these performance metrics in its quarterly report.

In the table below, list each performance metric selected, and include the baseline measure (what the number is today, before the SGIP program begins).

Metric No.	Performance Metric (from the SGIP Performance Metrics list)	Baseline Measure
1.		
2.		
3.		
4.		
5.		

In the space below, include any additional information regarding the Applicant's selected performance metrics or baseline data.

SANDAG

TransNet Independent Taxpayer Oversight Committee

Item: **4**

March 12, 2025

FY 2025 ITOC Goals Update

Action: **Approve**

The ITOC is asked to approve the FY 2025 Goal Plan. This report also provides an update on progress made by the subcommittees, ITOC, and SANDAG staff to date.

Fiscal Impact:

None.

Schedule/Scope Impact:

The next update on ITOC's goals for ITOC and SANDAG FY 2025 is scheduled for summer 2025.

Overview

The TransNet Extension Ordinance established the Independent Taxpayer Oversight Committee (ITOC) to help ensure voter mandates are carried out and recommendations for improvements to the financial integrity and performance of the program are made.

During ITOC's September 2022 meeting, ITOC renewed the goals for FY 2023, extending through FY 2024. In November 2024 (Item No. 11), the committee reviewed and agreed to extend the FY 2023-2024 goals into FY 2025. The ITOC is now requested to approve the FY 2025 Goal Plan (Attachment 1).

Key Considerations

Since the last quarterly update at the September 11, 2024, meeting (Item No. 10), there has been progress in addressing the goals established by the ITOC.

Progress on ITOC's Goals for ITOC FY 2025

Progress on ITOC's second goal: The ITOC Ordinance Subcommittee has been reestablished to review proposed updates to the amendment of the TransNet Extension Ordinance. These updates were discussed during the ITOC's February 2025 meeting (Item No. 12). Additional details are provided in Attachment 2.

Progress on ITOC's Goals for SANDAG FY 2025

Progress on ITOC's goals for SANDAG includes ongoing meetings with the Mobility Working Group Subcommittee to discuss amendments to the TransNet Extension Ordinance in which various topics such as accommodation of bicycles and pedestrians continue to be discussed. Staff is discussing an updated schedule with executive leadership and will provide ITOC with an update once a decision has been made. Lastly, the second ITOC goal, related to streamlining measures and increase transparency, for SANDAG this will be continuously maintained by staff. Further explanation can be found in Attachment 2.

Next Steps

Staff will work with ITOC's Chair to develop the goals for FY 2026-2027 and are scheduled to be brought to the ITOC in fall 2025.

Susan Huntington, Director of Financial Planning, Budgets & Grants

Attachments: 1. ITOC Goals for FY 2025
2. ITOC/SANDAG Goals for FY 2025 – Progress Tracker

Proposed ITOC/SANDAG Goals for FY 2025

ITOC Goals for FY 2025	METRIC	TIMELINE
1. Invite transit agencies, municipalities, grantees, and other recipients of TransNet funds to attend ITOC meetings and highlight their TransNet program successes and/or challenges in delivering TransNet-funded projects.	At least one presentation from such organizations per quarter	June 30, 2025
2. Enhance effectiveness and impact of ITOC in achieving its mission to ensure voter mandates are carried out and develop recommendations for improvements to the financial integrity and performance of the program.	Obtain ordinance amendments based on ITOC recommendation	June 30, 2025
SANDAG Goals for ITOC		
1. Consider how the TransNet program is supporting the 2021 Regional Plan priorities and policies.	Advance TransNet Ordinance amendments for ITOC and Board consideration	June 30, 2025
2. Work closely with ITOC to develop and implement streamlining measures to enhance communication practices that continue increasing transparency and accountability, and simplify information provided to make it more digestible for ITOC members and the public.	Simplify agendas and consider ways to more efficiently provide TransNet Ordinance-required reporting	June 30, 2025

DRAFT

GOAL			
ITOC Goals for FY 2025	**METRIC**	**TIMELINE**	**PROGRESS**
1. Invite transit agencies, municipalities, grantees, and other recipients of TransNet funds to attend ITOC meetings and highlight their TransNet program successes and/or challenges in delivering TransNet-funded projects.	At least one presentation from such organizations per quarter	June 30, 2025	05/08/2024-Item 6 Staff from the City of San Diego presented an update on the City's TransNet Local Street and Road Program. 01/10/2024-Item 6 Staff from the City of Encinitas presented an update on the City's TransNet Local Street and Road Program. 07/12/2023-Item 9 The City of National City presented an update on the City's TransNet Local Street and Road Program. 06/14/2023-Item 11 The City of San Diego, along with staff, presented an overview of the implementation of the Regional Bike Early Action projects. 03/08/2023-Item 8 Caltrans staff presented an update on the North Coast Corridor program of projects. 02/08/2023-Item 14 City of San Diego presented update on TransNet Program and Transportation Improvement Program Update. 01/11/2023-Item 10 Staff presented an update on the progress and status of the Central Mobility Hub project. 11/09/2022-Item 9 City of Chula Vista presented update on the City's TransNet Local Street and Road Program. 11/09/2022-Item 11 Caltrans staff presented an update on the SR 94/125 Interchange and Arterial Operational Improvement project and scope modification. 11/09/2022-Item 12 Staff presented an update on the progress and status of the Bus on Shoulders project.

ITOC/SANDAG Goals for FY 2025

GOAL			
ITOC Goals for FY 2025	**METRIC**	**TIMELINE**	**PROGRESS**
2. Enhance effectiveness and impact of ITOC in achieving its mission to ensure voter mandates are carried out and develop recommendations for improvements to the financial integrity and performance of the program.	Obtain ordinance amendments based on ITOC recommendation	June 30, 2025	02/12/2025-Item12 The ITOC discussed the updates to the proposed Amendments to the TransNet Extension Ordinance specific to the selection process and recommended that the Board of Directors approve the updated proposed amendment. 12/10/2024 The ITOC Ordinance Amendments Subcommittee met to discuss next steps and propose updates to the amendment. The focus was on amending the selection process to address procedural challenges and improve efficiency. 01/10/2024-Item 7 The ITOC discussed the updates to the proposed Amendments to the TransNet Extension Ordinance specific to ITOC membership and selection process and recommended that the Board of Directors approve the updated proposed amendments. 10/13/2023-Item 7 Chair Frankel presented an overview of the TransNet ITOC, including its mandates, responsibilities, and the 2023 TransNet ITOC Annual Report. 10/11/2023 The ITOC Ordinance Amendments Subcommittee proposed draft revised amendments. The revised amendments are anticipated to be brought back to the ITOC in January 2024. 09/21/2023 The ITOC Ordinance Amendments Subcommittee discussed potential revisions to the amendment language. 09/13/2023-Item 9 The ITOC discussed the next steps for the TransNet Ordinance and ITOC Bylaws amendments specific to the membership and selection process for the ITOC. 06/23/2023 Chair Frankel met with several BOD members and talked about ITOC's role and responsibilities, as well as the purpose and importance of ITOC's proposed amendments to TransNet Ordinance: ITOC Membership and Selection Process. 04/12/2023-Item 10 The ITOC discussed the next steps for the Proposed TransNet Ordinance Amendments. Members decided performing outreach and getting feedback from board members who voted against the proposed amendments would be the best course of action.

ITOC/SANDAG Goals for FY 2025

GOAL			
ITOC Goals for FY 2025	**METRIC**	**TIMELINE**	**PROGRESS**
			3/08/2023-Item 10 Chair Frankel presented the amendments item and BOD action on this item to ITOC members to discuss the next steps. The ITOC members requested this item be brought back at a future meeting to ensure all committee members were present for discussion. 01/27/2023-Item 11 Chair Frankel presented the second reading of proposed amendments to TransNet Extension Ordinance and ITOC Bylaws amendments to the BOD; however, the motion did not reach the required vote. 01/13/2023-Item 11 Chair Frankel presented the first reading of proposed amendments to TransNet Extension Ordinance related to ITOC membership and selection process to the BOD. 01/11/2023-Item 4 Chair Jonathan Frankel presented amendments to ITOC Bylaws that ITOC members proposed consistent with TransNet Ordinance amendments.
ITOC Goals for FY 2025: SANDAG			
1. Consider how the TransNet program is supporting the 2021 Regional Plan priorities and policies.	Advance TransNet Ordinance amendments for ITOC and Board consideration	June 30, 2025	11/08/2023-Item 12 Staff presented an update on the draft work plan, tasks, and estimated schedule for amending the TransNet Ordinance. 07/30/2023 Mobility Working Group Subcommittee continued meeting to discuss amendments to several topics including Dig Smart, Smart Growth Incentive Program, and Accommodation of Bicyclists and Pedestrians – Board Policy No. 31, Rule #21. 05/10/2023-Item 10 Staff brought a consent item providing an update on the changes occurring within the ordinance amendment subcommittee. The report included the new draft work plan, tasks, and estimated schedule for amending the TransNet Ordinance. 03/08/2023 A Subcommittee of the Mobility Working Group has been formed to discuss amendments to the TransNet Extension Ordinance. The subcommittee met several times and discussed various topics such as Transit Operations and Transit Operator Eligibility; Bicycle, Pedestrian, and Neighborhood Safety; Local Streets and Road Program; and Dig Smart. Other topics to be discussed in the future.

ITOC/SANDAG Goals for FY 2025

GOAL			
ITOC Goals for FY 2025	**METRIC**	**TIMELINE**	**PROGRESS**
2. Work closely with ITOC to develop and implement streamlining measures to enhance communication practices that continue increasing transparency and accountability, and simplify information provided to make it more digestible for ITOC members and the public.	Simplify agendas and consider ways to more efficiently provide TransNet Ordinance-required reporting	June 30, 2025	The streamlining efforts will be continuously maintained. 06/30/2023 Staff has been implementing and maintaining streamlining efforts for ITOC meetings. ITOC agendas now have links to the items' reports and attachments. A Table of Contents is also available on the agendas to provide quick and simple access to each agenda item and attachments. 10/12/2022-Item 8 ITOC discussed and gave direction to staff on how to enhance communication practices and streamline ITOC meetings. Changes to the ITOC meeting have been made by staff and streamlining efforts will be continuously maintained.

March 12, 2025

FY 2024 TransNet Major Corridors and Bikeway Program Status Reports

Overview

The FY 2015 TransNet Triennial Performance Audit provided recommendations to capture and report project delivery using standardized project management performance indicators such as schedule attainment and budget metrics, as well as other performance delivery indicators. While the TransNet Dashboard captures capital project data, the ITOC recommended reporting program performance results in an annual, comprehensive, program status-type format.

In response to these recommendations, SANDAG staff developed the first TransNet Program Status Reports for the Major Corridors and the Regional Bikeway Programs in FY 2017. The reports are updated and presented annually following the close of the prior fiscal year.

Action: **Information**

This report provides the FY 2024 update for the TransNet Major Corridors and Regional Bikeway Program Status Reports.

Fiscal Impact:

At the close of FY 2024, the total funding expended and programmed in future years was $10.9 billion for the Major Corridors program and $489.5 million for the Regional Bikeway Program.

Schedule/Scope Impact:

In FY 2024, two projects were advertised to the construction community for both the Major Corridors Program and Regional Bikeway Program.

Key Considerations

The Capital Project Office developed comprehensive reports to address recommendations provided in the FY 2015 TransNet Triennial Performance Audit (Recommendations (Nos. 1, 4, 16, and 17). The TransNet Program Status Reports were created by utilizing existing program data maintained in the Dashboard and other SANDAG reporting tools. The attached reports provide a summary of FY 2024 performance metrics such as projects delivered on schedule, funding leveraging ratios, contract award value against engineers' estimates, and bikeway miles constructed. These reports will continue to be updated annually to summarize prior fiscal year performance.

Next Steps

The next TransNet Major Corridors and Regional Bikeway Program Status Reports covering FY 2025 will be presented in FY 2026. The FY 2017 through FY 2024 reports are available on the TransNet Dashboard.

Clint Peace, Director of Program/Project Management

Attachments:
1. FY 2024 TransNet Program Status Report - Major Corridors Program
2. FY 2024 TransNet Program Status Report - Regional Bikeway Program

SANDAG

TRANSNET PROGRAM STATUS

FY 24 | Major Corridors

TransNet is the voter approved half-cent sales tax for San Diego region transportation projects administered by SANDAG and its partners.

The TransNet Extension went into effect in 2008 and planned for completion of 48 new transit and highway projects through 2048. The 48 projects have been broken down into segments for implementation. This Fiscal Year (FY) 2024 Project Status Report provides an overview of performance measures and highlights what the TransNet program has accomplished to date.

Leveraging TransNet Program Funding

The TransNet Ordinance assumed 50 percent of net capital costs would be funded by federal, state, and other sources. At the close of FY 24 (as of June 30, 2024), total program funding was $10.9 billion. TransNet funds represented $2.9 billion (27%), which helped leverage $8.0 billion (73%) from federal, state, and other local sources, which means **TransNet's leveraging ratio is about 2.78-to-1. This means for every TransNet dollar spent, we spend $2.78 of other funding.**



Schedule Milestone Attainment

Schedule milestones represent completion of a significant phase of the project.

Projects Advertised

The advertisement milestone represents completion of project design and advertisement of the construction contract to industry. Two projects were advertised in FY24 and two were rescheduled.

Accomplished Milestones (50%)

- SR 56 HOV Lanes
- I-805 North Auxiliary Lanes

Rescheduled Milestones (50%)

- SR 11 and Otay Mesa East Port of Entry*
- San Dieguito Lagoon Double Track Phase 1 Construction**

Advertised TransNet Projects



*Decision to shift to CM/GC contract delayed advertisement.
**Phases 1 & 2 were combined to save on soft costs, which delayed advertisement.

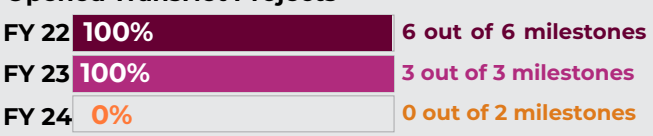
Projects Opened to the Public

The Open to Public milestone represents the opening of the constructed facility for its intended use. Two Open to Public dates were rescheduled in FY24.

Rescheduled Milestones (100%)

- Blue Line Railway Signal Improvements*
- COASTER Train Sets**

Opened TransNet Projects

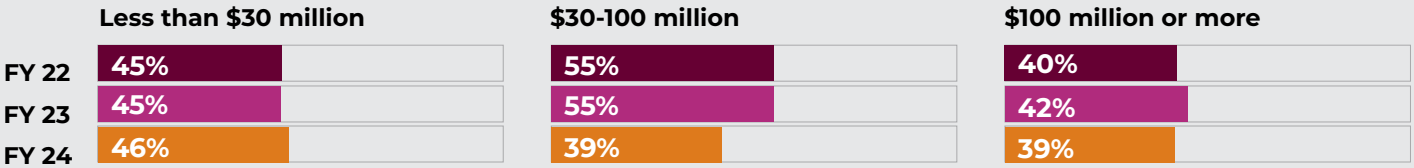


*Funding need delayed construction start until FY 2025.
**Yard commissioning tests are ongoing before all new train sets are operational.

Support-to-Capital Ratio

SANDAG projects range in size and scope, from less than $1 million to more than $1 billion, and support budgets (including administration, environmental, design, construction management, legal, and communications services) vary based on each project's unique characteristics. Support-to-capital ratio is calculated by the sum of support budgets divided by the construction capital budget; right-of-way support, right-of-way capital, vehicles, and project contingency are omitted from this calculation.

Trend of Support-to-Capital Ratio by Project Budget Category

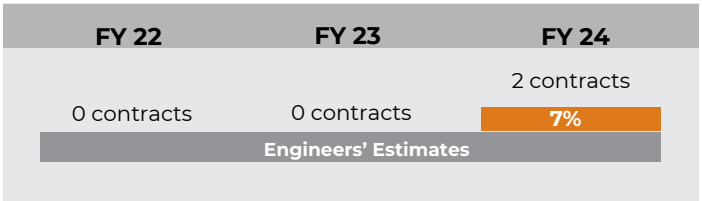


Note: The TransNet Major Corridors total program support-to-capital ratio may fluctuate from year to year for a variety of reasons including, but not limited to, changes in regulatory and permit requirements, project size and complexity, and market conditions for construction (inflation, labor costs, and material availability).

Construction Contracts

There were two construction contracts awarded for the Major Corridors program in FY 24: **I-805 North Auxiliary Lanes and SR 56 HOV Lanes.** On average, the lowest construction bids for these projects came in 7% higher than the engineer's estimate. This metric only reflects traditional Design-Bid-Build projects.

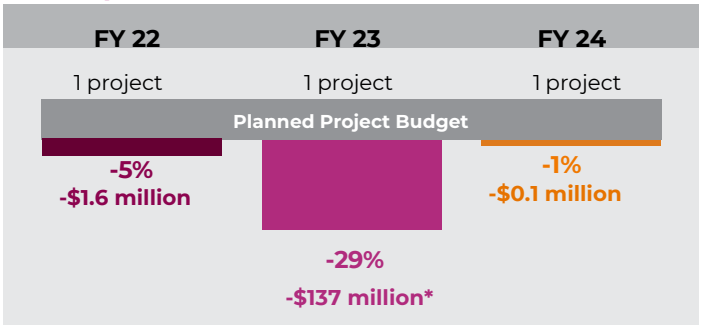
Construction vs. Engineers' Estimates (DBB)



Total Budget Variance

Total budget variance represents the pre-award project budget vs. the project's final costs at completion; total budget includes all project phases (i.e., planning, preliminary engineering, environmental, design, right-of-way, construction, and Communications support services). Projects with negative numbers realized savings in actual costs compared to the pre-construction budget. Positive numbers indicate actual costs exceeded the pre-construction budget (e.g., scope change, weather delays, claims, unanticipated site conditions, and added support costs).

Pre-Construction Project Budget vs. Project Costs at Completion

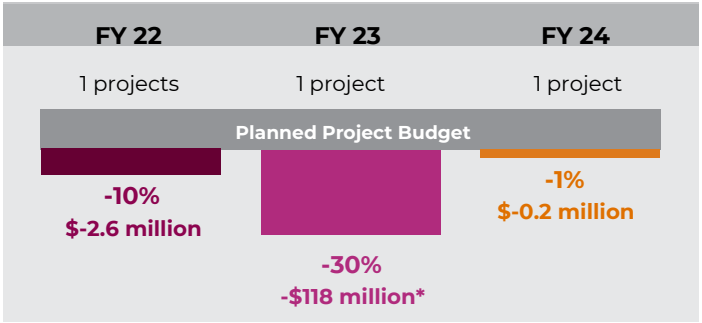


*Budget variance is mostly due to change in project scope or transfer of project scope and/or funds within the same corridor.

Construction Budget Variance

Construction budget variance represents the pre-construction budget vs. post-construction costs. Projects with negative numbers realized savings in actual construction costs compared to the pre-construction budget. A positive number indicates actual construction costs exceeded the pre-construction budget (e.g., scope change, weather delays, claims, and unanticipated site conditions).

Planned Construction Budget (prior to construction) vs. Final Construction Costs (after completion)



*Budget variance is mostly due to change in project scope or transfer of project scope and/or funds within the same corridor.

SANDAG

TRANSNET PROGRAM STATUS

FY 24 | Bikeways

TransNet is the voter approved half-cent sales tax for San Diego region transportation projects administered by SANDAG and its partners.

In September 2013, the SANDAG Board of Directors approved $200 million to implement the Regional Bike Plan Early Action Program, which comprises about 77 miles of new bikeways designed to enhance neighborhood connections to schools, shopping centers, and parks, as well as transit stations and other major regional destinations.

Bikeway Miles by Phase

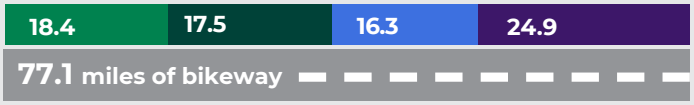
77.1 miles of the bike Early Action Program were programmed (funded for various phases) in the FY24 budget, and ended the year in the following phases:

Environmental: Projects seeking environmental clearance

Design: Projects with environmental clearance and in final design

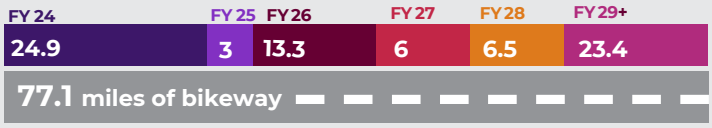
Under Construction: Projects in construction at the end of FY24

Open: Completed bikeways that are open to the public



Bikeway Miles Delivered by Fiscal Year

At the close of FY 24, 24.9 miles of bikeway had been completed. Another 28.8 miles are planned to be completed by FY 28.



Projects completed through FY 24:

- **Bayshore Bikeway Segments 4, 5, 7, & 8A:** 4.6 miles
- **Sweetwater Bikeway Plaza Bonita Segment:** 0.5 miles
- **Inland Rail Trail Phases 1 & 2:** 4 miles
- **Coastal Rail Trail Oceanside Phase 2B:** 0.4 miles
- **SR 15 Commuter Bikeway:** 1 mile
- **Coastal Rail Trail E Street to Chesterfield Drive:** 1.3 miles
- **Coastal Rail Trail Rose Creek:** 2.1 miles
- **Uptown Bikeways Fourth and Fifth Avenue:** 4.5 miles
- **North Park/Mid-City Bikeways Georgia-Meade and Landis:** 6.5 miles

Program Spotlight: Bikeway Miles in Final Design in the City of San Diego

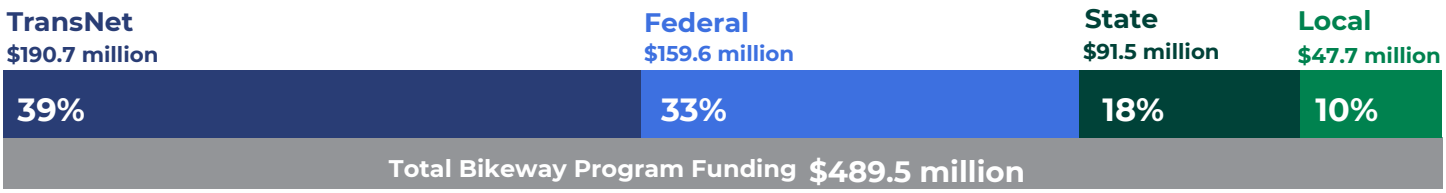
For bike projects in the City of San Diego (City), complete design plans must be reviewed and approved by the City prior to the advertisement of the construction contract to industry. Two projects, Eastern Hillcrest Bikeways and University Bikeway, received City approval in FY 24. At the close of FY 24, three projects were pending approval.

Project Name	Miles	Plans Review Status	Advertise Milestone Date*
Central Avenue Bikeway	1	Plans Approved January 2025	July 2025
Uptown Bikeways | Washington Street and Mission Valley	3.3	Plans Approved September 2024	October 2024
North Park | Mid-City Bikeways: Orange Bikeway	2.5	Plans Approved January 2025	April 2025
Total Miles	**6.8**		

*Advertise dates are tentative pending final design approval and funding allocation.

Leveraging TransNet Program Funding

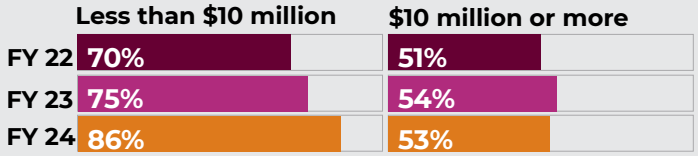
At the close of FY 24 (as of June 30, 2024), total bikeway program funding was $489.5 million. TransNet funds represented $190.7 million (39%), which helped leverage $298.8 million (61%) from federal, state, and other local sources.



Support-to-Capital Ratio

Bikeway projects range in Class (I, II, III, IV) and distance, and support budgets (including administration, environmental, preliminary engineering, design, construction management, legal, and communications services) vary based on each project's unique characteristics. Support-to-capital ratio is calculated by the sum of support budgets divided by the construction capital budget; right-of-way support, right-of-way capital, vehicles, and project contingency are omitted from this calculation.

Trend of Support-to-Capital Ratio by Project Budget Category

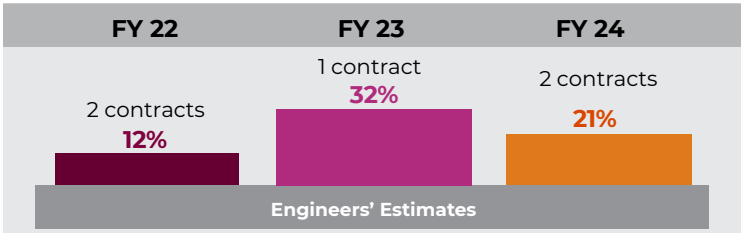


Note: The bikeway program support-to-capital ratio may fluctuate from year to year for a variety of reasons including, but not limited to, changes in regulatory and permit requirements, project size and complexity, and market conditions for construction (inflation, labor costs, material availability).

Construction Contracts

Two construction contracts were awarded for the Bikeway Program in FY 24: Inland Rail Trail Phase 3 and Downtown to Imperial Avenue Bikeway. On average, the lowest construction bids for these projects came in 21% higher than the engineers' estimates. This metric only reflects traditional Design-Bid-Build (DBB) projects.

Construction vs. Engineers' Estimates (DBB)



Schedule Milestone Attainment

Schedule milestones represent completion of a significant phase of the project.

Projects Advertised

The advertisement milestone represents completion of project design and advertisement of the construction contract to industry. Two projects were advertised in FY 24. Two others were rescheduled for FY 25 due to peer and constructibility reviews and construction cost escalation.

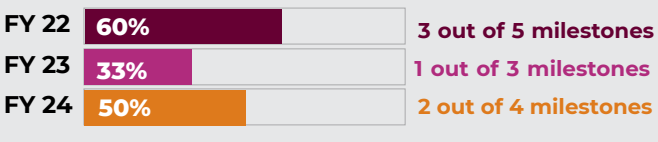
Accomplished Milestones (50%)

- **Inland Rail Trail Phase 3**
- **Eastern Hillcrest Bikeways**

Rescheduled Milestones (50%)

- **Washington Street and Mission Valley***
- **Orange Avenue Bikeway**

Advertised Bikeway Projects



*Project was advertised in October 2024.

Projects Opened to the Public

The Open to Public milestone represents opening the constructed facility for its intended use. No projects Opened to the Public in FY24.

Rescheduled Milestones (100%)

- **Pershing Drive Bikeway****

Opened Bikeway Projects



**Project opened to public in July 2024.

Escondido's Grand Avenue Vision Plan

March 12, 2025

Jonathan Schauble, City Engineer
City of Escondido

Development of the Grand Vision Plan

- 2015: Downtown merchants and stakeholders approached the City Council with a desire to revitalize Escondido's historic Grand Avenue.
- 2017: Developed concept plans and held a public meeting to receive community input on the concepts.
- 2018: The City Council approved the Grand Avenue Vision Plan.
- 2019: SGIP Grant agreement approved by Council.
- July 21, 2021: City Council adopted the Project's Mitigated Negative Declaration.

Grand Avenue Vision Goals

- Create a vibrant, pedestrian-friendly downtown area
- Provide wider sidewalks and outdoor dining space
- Improve parking
- Calm traffic



Grand Vision Plan

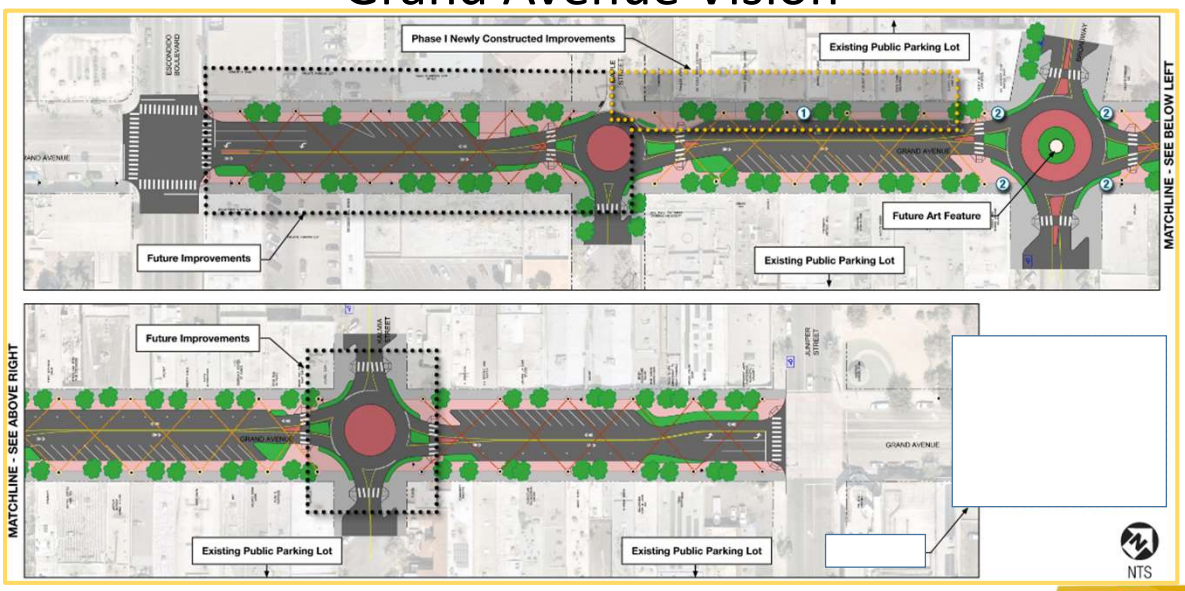


LEGEND
- Existing Sidewalk
- Sidewalk Extension
- On-Street Parking
- Landscaping Space
- Existing Buildings

N

GRAPHIC SCALE IN FEET
0 70 140 28

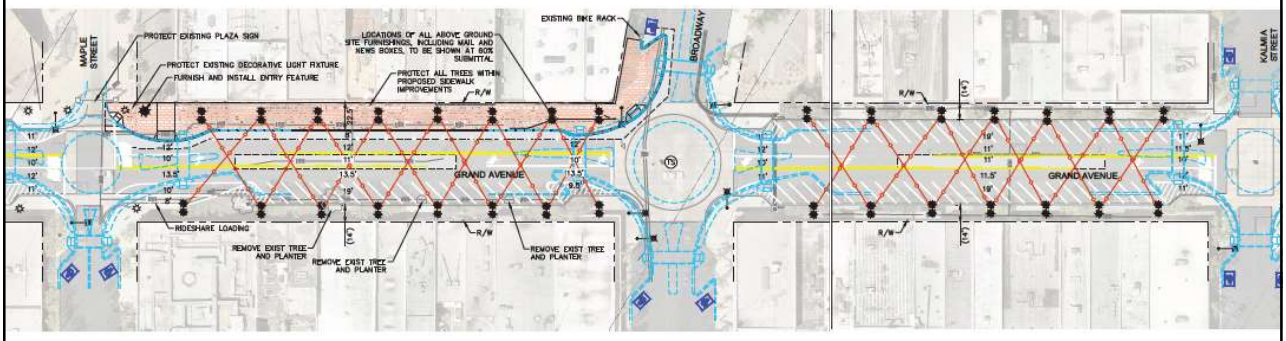
Grand Avenue Vision



Funding for Phase 1

- Project Total Cost
  - $2,500,000
- Smart Growth Incentive Program (SGIP) – TransNet Grant (~58%)
  - $1,443,161
- City Match (~42%) TransNet funds
  - $1,056,839

Grand Vision Phase 1



ESCONDIDO City of Choice

Grand Avenue Vision Plan - Phase 1





ESCONDIDO City of Choice

Grand Avenue Vision Plan - Phase 1





Phase 1 – Opportunities & Challenges

- Light Fixtures Installed – early procurement by City
- Supply-Chain Disruptions
  - Tree Grates Installed – lead time extended by 6 months
  - Meter Pedestal – lead time extended by 6 months

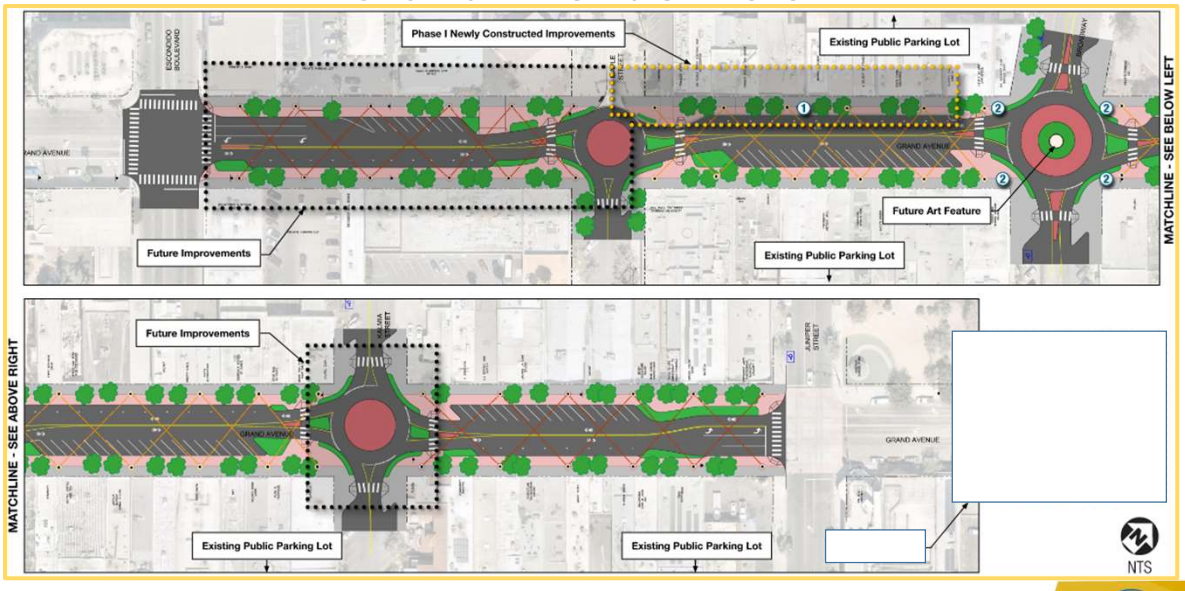




Funding for Phase 2

- Project Total Cost
  - $13,086,244
- American Rescue Plan Act
  - $9,553,144
- TransNet
  - $2,312,100
- City General Capital Construction
  - $1,221,000

Grand Avenue Vision



Grand Avenue Vision Plan – Phase 2

- Phase 2 includes:
  - Sidewalk widening on both sides of Grand from Maple to Juniper
  - 2 Traffic Circles at Grand/Broadway and Grand/Kalmia
  - Festoon (string) lighting from Kalmia to Juniper
  - Decorative railing for restaurant dining on wider sidewalks
  - Tree planting and water quality features
- Construction began September 30, 2024

Grand Vision Phase 2



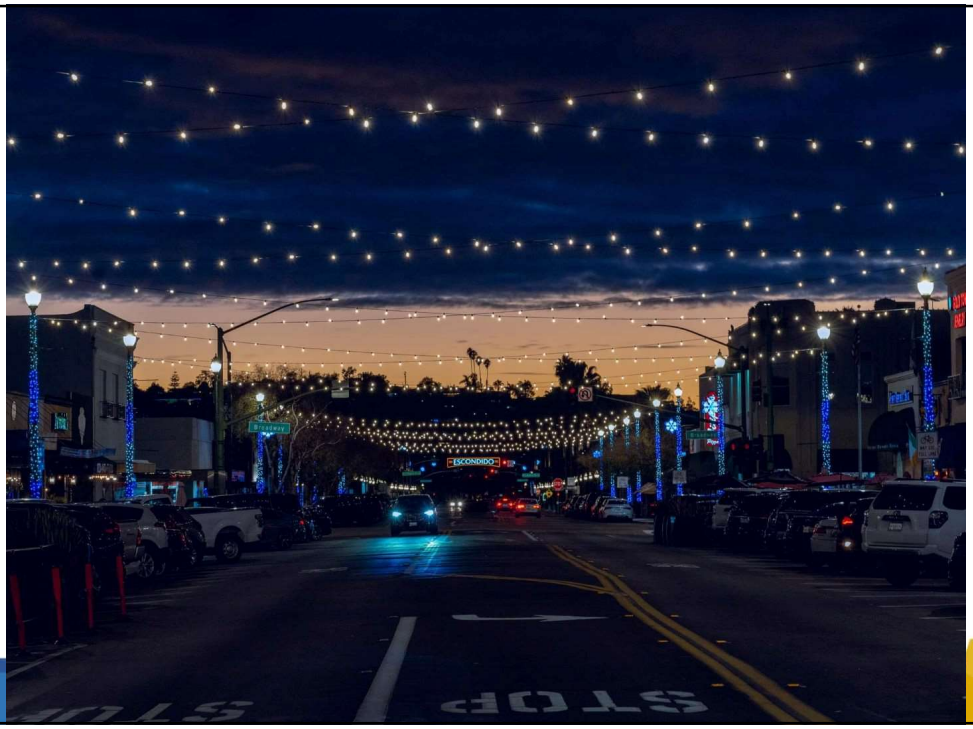
Grand Vision Phase 2





Grand Avenue Vision Plan – Future

- Phase 3 of Grand Vision Plan
  - Sidewalk widening on both sides of Grand from Maple to Escondido Blvd
  - Traffic Circles at Grand Ave and Maple Street intersection
  - Festoon (string) lighting from Maple to Escondido Blvd
- Phase 3 - Not yet fully funded
  - Estimated cost = $3.5 - $4.0 million
  - $1,000,000 HUD Community Project Funding (CPF) Grant FY24 - Representative Peters
  - TransNet SGIP Cycle 6 – applications due April 11, 2025.


STOP
ESCONDIDO

March 12, 2025

FY 2024 TransNet Fiscal and Compliance Audits: Initial Findings and Recommendations

Overview

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

Action: **Approve**
The ITOC is asked to accept the draft independent auditor's report on results of the agreed upon procedures, including initial findings and recommendations, for presentation to the Transportation Committee on April 18, 2025.

Fiscal Impact:
The annual TransNet fiscal and compliance audits are conducted by the ITOC and its independent fiscal auditor and funded through Overall Work Program Element No. 1500200 in the FY 2024 Program Budget.

Schedule/Scope Impact:
The FY 2024 TransNet Fiscal and Compliance Audit is an annual review of all agencies that receive TransNet funding.

Key Considerations

Davis Farr, LLP, performed the audit of the FY 2024 TransNet sales tax revenue recipient agencies using the agreed-upon procedures (AUP) approved by the ITOC at its July 10, 2024, meeting. These AUP include requirements specific to the TransNet Extension Ordinance and SANDAG Board Policy No. 031. Attachment 1 includes both the independent auditor's summary of results of the draft AUP and recipient agency FY 2024 TransNet draft AUP reports.

Next Steps

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

- **March 2025**: Auditors issue a report of compliance audit results and present to the ITOC at its March 12, 2025 meeting. The ITOC presents initial results and finding(s) of the audit and its recommendations to the Transportation Committee at its April 18, 2025 meeting.
- **June 17, 2025**: Earliest date the ITOC could accept and issue the final compliance audit results (60 days following the report of the initial draft audit findings to the Transportation Committee on April 18).
- **July 2025**: Acceptance of the final summary of results of the AUP for issuance is scheduled for ITOC consideration, and the ITOC Annual Report, which includes results of the annual compliance audit, is presented to the ITOC and Board of Directors. The ITOC meeting is scheduled for July 9, 2025

Kimberly Trammel, Director of Accounting and Finance

Attachment: 1. FY 2024 Summary Report

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Year Ended June 30, 2024

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Year Ended June 30, 2024

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

Background

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

Scope of the Engagement

This engagement was to apply agreed-upon procedures in order to assist the Independent Taxpayer Oversight Committee (ITOC) and SANDAG in determining whether the recipients of *TransNet* funds were in compliance with the *TransNet* Ordinance and the *TransNet* Extension Ordinance for the year ended June 30, 2024. We performed the procedures in accordance with attestation standards established by the American Institute of Certified Public Accountants.

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

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

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

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

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

The procedures performed were approved by the ITOC prior to commencing fieldwork. The specific procedures performed, and the results of those procedures are included in each of the draft reports for the recipient agencies. The reports may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of the reports and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Following approval of the procedures, we scheduled and performed our fieldwork during the months of September 2024 through January 2025.

Results of Procedures

TransNet and *TransNet* Extension Expenditures

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

During our fieldwork, we obtained the following items:

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

The objectives of the procedures were to ensure the following:

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

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

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

Maintenance of Effort (MOE)

In accordance with Section 8 of the *TransNet* Extension Ordinance, each recipient agency receiving revenues pursuant to Section 4(D) shall annually maintain, at a minimum, the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years (FY) completed prior to the operative date of the *TransNet* Extension Ordinance (FY 2001 through FY 2003), as was reported in the State Controller's Annual Report of Financial Transactions for Street and Roads, and as re-indexed in FY24.

During our fieldwork, we obtained the following items:

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

Based upon the results of the procedures performed, all recipient agencies, with the exception of City of Poway, were in compliance with the MOE requirements for the year ended June 30, 2024. See Attachment B for a summary of compliance with the MOE requirements.

In addition, we performed the following procedures to re-index the MOE bases year as of June 30, 2024 to use for fiscal years 2027, 2028 and 2029 agreed-upon procedures.

- Calculated the growth rate in the construction price index from June 30, 2021 to June 30, 2024.
- Calculated the growth rate in the general fund revenues from June 30, 2021 to June 30, 2024.
- Selected the lowest growth rate and applied to the previously calculated MOE base year amount.

See Attachment C for re-indexing of the MOE base year as of June 30, 2024. As of February 28, 2025, City of Del Mar, City of Encinitas, City of La Mesa, City of Lemon Grove, City of National City, and City of Santee are pending finalization of their ACFR to complete the re-indexing of the MOE bases.

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

In accordance with the 30% Rule, a recipient agency that maintains a balance of more than 30 percent of its annual apportionment (after debt service payments) must use the remaining balance to fund projects. SANDAG will defer payment until the recipient agency's Director of Finance, or

equivalent, submits a certification that the unused balance has fallen below the 30 percent threshold, and will remain below the threshold until such time that a new threshold is determined.

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

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

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

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

Local Street Improvements – Congestion Relief vs. Maintenance

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

- Inquired and obtained source data used to calculate the Local Street Improvements Allocation Schedule in SANDAG's TTrak program (SANDAG's *TransNet* tracking program) and recalculated the total fund distribution per jurisdiction; and
- Reviewed the FY24 *TransNet* Streets and Road Fund Allocation Schedule and determined that at least 70% of the revenues provided for local street and road purposes were used for congestion relief purposes and that no more than 30% were used for maintenance purposes.

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

Local Street Improvements: Maintenance Monitoring

At the request of ITOC, we documented the percentage of local street and road revenue cumulatively expended for maintenance. In accordance with the *TransNet* Extension Ordinance, the local jurisdictions receiving local street improvement funds may not spend more than 30% of cumulative

funds for Maintenance purposes. All recipient agencies were in compliance with this requirement. Results of this procedure are located in Attachment F.

Indirect Costs Allocated to Projects in RTIP

We inquired of management whether indirect costs are allocated to the projects included in the RTIP. If so, we documented the indirect cost rate allocated and the basis of allocation. We documented whether the recipient agency's indirect cost plan had been reviewed by a federal or state agency or audited by a certified public accounting firm. If not, we documented the year the indirect cost plan was last updated, the year the methodology was last reviewed, and whether the methodology was reasonable. If indirect costs exceeded 10% of total *TransNet* expenditures, we documented an explanation. The City of San Diego and County of San Diego each exceeded 10%. Additionally, we noted Caltrans overallocated approximately $77K to several projects during FY24. See the Summary of Findings by Recipient Agency for further information. See Attachment G for the indirect costs allocated to the RTIP.

Regional Transportation Congestion Improvement Program (RTCIP)

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

The objectives of the procedures were to ensure the following:

- Each recipient agency collected at least the minimum exaction fee of $2,741.97 from each newly constructed residential housing unit;
- Documentation was submitted to the ITOC on a timely basis and proper approval was obtained for the exaction fee; and
- Expenditures were allowable in accordance with the *TransNet* Extension Ordinance and Expenditure Plan.

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

- Obtained a detailed general ledger from the recipient agencies;
- Obtained the RTCIP approved schedule for collecting and/or contributing private sector exactions;

- Obtained the RTCIP schedule (Schedule C of the associated reports) including beginning balance, exactions collected, interest earned, expenditures, and ending balance;

- Verified that the exaction fee being collected was approved by the City Council or Board of Supervisors and is in compliance with the *TransNet* Extension Ordinance and SANDAG Board Policy No. 031; and

- Verified that expenditures, if any, complied with the *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

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

Transit Operator Eligibility for Receipt of Funds

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

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

- Calculated the increase in operating cost per revenue vehicle hour for bus services and revenue vehicle mile for rail services between June 30, 2023 and June 30, 2024;

- Calculated the increase in the CPI for San Diego County between June 30, 2023 and June 30, 2024; and

- Compared the increase in total operating cost per revenue vehicle hour for bus services, and revenue vehicle mile for rail services, to the increase in the CPI.

Both North County Transit District (NCTD) and San Diego Metropolitan Transit System (MTS) are not in compliance with rail operator portion of the eligibility requirements.

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

Summary of Findings by Recipient Agency

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

Recipient Agency	Finding	Management Response
City of Coronado	Need to use the approved exaction fee	The city has attempted to collect the under-collected amounts and has been unsuccessful. The City will record the uncollected fees as receivable in FY25 and will complete a General Fund transfer to cover the deficit once SANDAG passes the procedure to take this action.
City of Coronado	RTCIP funding not expended nor committed within seven years of collection	The City has committed RTCIP funds to a project in FY25 and it was discovered that the commitment was not reported in ProjectTrak. During FY25, Finance will work with City staff to ensure that commitments are entered into ProjectTrak to properly record the commitments with SANDAG
County of San Diego	Need to use the approved exaction fee	In process of collecting
City of Poway	Need to meet Maintenance of Effort Requirement	The cost allocation model has been adjusted for FY25 to accurately capture the correct amount required to meet the MOE. The city will also provide additional training and oversight to ensure compliance in future budgets.
San Diego Metropolitan Transit System	Increase in operating cost per revenue vehicle miles exceeded increase in CPI	Request to use 3-year average
North County Transit District	Increase in operating cost per revenue vehicle miles exceeded increase in CPI	Request to use 3-year average

INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet and *TransNet* Extension Activities

Summary of Results

Year Ended June 30, 2024

Summary of Findings by Recipient Agency (Continued)

Recipient Agency	Finding	Management Response
Caltrans	Higher indirect cost rate was charged	In process of setting up the projects accurately with the correct indirect cost rate in addition to working on staff training to ensure ongoing process will be developed to verify all the SANDAG projects are set up and are charging the correct indirect cost rate.

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

Summary of 8 Major Compliance Components

City of Carlsbad	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of Chula Vista	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of Coronado	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	**No**	**No**	**No**
Transit Operator Eligibility	n/a	n/a	n/a

City of Del Mar	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	**No**
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	**No**	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of El Cajon	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	**No**	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of Encinitas	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of Escondido	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	**No**
Transit Operator Eligibility	n/a	n/a	n/a

City of Imperial Beach	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of La Mesa	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	**No**	**No**
Transit Operator Eligibility	n/a	n/a	n/a

City of Lemon Grove	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	**No**
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of National City	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	**No**
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of Oceanside	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of Poway	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	**No**	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of San Diego	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of San Marcos	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	**No**
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of Santee	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

City of Solana Beach	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	**No**	Yes
Transit Operator Eligibility	n/a	n/a	n/a

City of Vista	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	Yes	Yes	Yes
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	Yes	Yes	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

Caltrans	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	n/a	n/a	n/a
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	**No**	Yes	Yes
RTCIP	n/a	n/a	n/a
Transit Operator Eligibility	n/a	n/a	n/a

County of San Diego	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	n/a	n/a	n/a
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	**No**	**No**	Yes
Transit Operator Eligibility	n/a	n/a	n/a

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

SANDAG	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	n/a	n/a	n/a
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	Yes	Yes	Yes
LSI – Maintenance Monitoring	Yes	Yes	Yes
Indirect Costs	Yes	Yes	Yes
RTCIP	n/a	n/a	n/a
Transit Operator Eligibility	n/a	n/a	n/a

MTS	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	n/a	n/a	n/a
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	n/a	n/a	n/a
LSI – Maintenance Monitoring	n/a	n/a	n/a
Indirect Costs	Yes	Yes	Yes
RTCIP	n/a	n/a	n/a
Transit Operator Eligibility	**No**	Yes	Yes

Yes = In Compliance No = Not in compliance n/a = Not applicable

Summary of 8 Major Compliance Components

NCTD	FY 2024	FY 2023	FY 2022
Compliance Components	**In Compliance**	**In Compliance**	**In Compliance**
TransNet and *TransNet* Extension Expenditures	Yes	Yes	Yes
Maintenance of Effort (MOE)	n/a	n/a	n/a
30% Fund Balance Limitation	Yes	Yes	Yes
LSI – Congestion Relief vs. Maintenance	n/a	n/a	n/a
LSI – Maintenance Monitoring	n/a	n/a	n/a
Indirect Costs	Yes	Yes	Yes
RTCIP	n/a	n/a	n/a
Transit Operator Eligibility	**No**	Yes	Yes

Yes = In Compliance No = Not in compliance n/a = Not applicable

Compliance With Maintenance of Effort Requirement

	Fiscal Year 2024				
Recipient Agency	In Compliance	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	Deficit Amount
Carlsbad	Yes	$4,250,218	–	–	–
Chula Vista	Yes	2,763,821	–	–	–
Coronado	Yes	620,164	–	–	–
Del Mar	Yes	379,643	17,493	–	–
El Cajon	Yes	1,165,357	–	–	–
Encinitas	Yes	1,436,353	–	–	–
Escondido	Yes	2,111,880	–	–	–
Imperial Beach	Yes	146,928	–	–	–
La Mesa	Yes	1,274,724	–	–	–
Lemon Grove	Yes	127,907	–	–	–
National City	Yes	1,278,879	–	–	–
Oceanside	Yes	1,965,970	–	–	–
Poway	**No**	836,358	–	–	92,916
San Diego	Yes	16,288,475	120,526	648,839	–
San Marcos	Yes	3,082,862	–	–	–
Santee	Yes	414,730	–	–	–
Solana Beach	Yes	337,419	–	–	–
Vista	Yes	1,703,119	–	–	–
County of San Diego (1)	–	–	–	–	–

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

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

Maintenance of Effort Re-Indexing

	Previously approved MOE Base			Growth Rate		Adjusted MOE as of June 30, 2024		
	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies	Jurisdiction Growth Rate	Construction Cost Index Growth rate	Streets and Roads	Specialized Transportation Services	Transit Bus Subsidies
Carlsbad	$4,250,218	0	0	**1.32**	1.76	$5,610,288	0	0
Chula Vista	2,763,821	0	0	**1.22**	1.76	3,371,862	0	0
Coronado	620,164	0	0	**1.46**	1.76	905,439	0	0
Del Mar	379,643	17,493	0		1.76			
El Cajon	1,165,357	0	0	**1.25**	1.76	1,456,696	0	0
Encinitas	1,436,353	40	0	**1.27**	1.76	1,824,168	0	0
Escondido	2,111,880	0	0	**1.13**	1.76	2,386,424	0	0
Imperial Beach	146,928	0	0	**1.35**	1.76	198,353	0	0
La Mesa	1,274,724	0	0		1.76			
Lemon Grove	127,907	0	0		1.76			
National City	1,278,879	0	0		1.76			
Oceanside	1,965,970	0	0	**1.30**	1.76	2,555,761	0	0
Poway	836,358	0	0	**1.34**	1.76	1,120,720	0	0
San Diego, City	16,288,475	120,526	648,839	**1.34**	1.76	21,826,557	161,505	869,444
San Marcos	3,082,862	0	0	**1.13**	1.76	3,483,634	0	0
Santee	414,730	0	0		1.76			
Solana Beach	337,419	0	0	**1.55**	1.76	522,999	0	0
Vista	1,703,119	0	0	**1.28**	1.76	2,179,992	0	0
San Diego, County(1)	0	0	0	n/a	n/a	0	0	0

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

Compliance With 30 Percent Fund Balance Limitation FY 2022 – FY 2024

	Fiscal Year 2024				Fiscal Year 2023				Fiscal Year 2022			
Recipient Agency	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount	In Compliance	30% Limitation	S&R Balance	Excess Amount
Streets and Roads												
Carlsbad	Yes	1,453,271	219,917	–	Yes	1,477,093	653,397	–	Yes	1,259,563	830,551	–
Chula Vista	Yes	2,725,386	129,509	–	Yes	2,821,061	(480,229)	–	Yes	2,523,474	(344,144)	–
Coronado	Yes	239,226	(48,452)	–	Yes	242,680	107,341	–	Yes	231,738	(361,259)	–
Del Mar	Yes	39,851	3,390	_	Yes	42,619	3,285	_	Yes	37,385	3,167	_
El Cajon	Yes	1,055,606	(2,245,047)	_	Yes	1,059,124	(1,277,814)	_	Yes	989,663	(629,159)	_
Encinitas	Yes	701,079	4,758	–	Yes	728,255	142,498	–	Yes	666,660	(204,026)	–
Escondido	Yes	1,557,844	(1,206,832)	–	Yes	1,594,196	(321,770)	–	Yes	1,509,225	(1,659,886)	–
Imperial Beach	Yes	137,662	(416,827)	_	Yes	182,160	(109,219)	_	Yes	196,519	(19,704)	_
La Mesa	Yes	652,760	(931,155)	–	Yes	494,998	(94,884)	–	Yes	473,545	(855,519)	–
Lemon Grove	Yes	299,092	(256,301)	_	Yes	290,657	4,615	_	Yes	281,219	(90,478)	_
National City	Yes	603,594	(1,801,289)	_	Yes	603,110	(838,387)	_	**No**	578,295	1,373,673	795,378
Oceanside	Yes	1,864,451	(1,518,684)	–	Yes	1,927,938	(1,547,572)	–	Yes	1,358,351	(2,697,217)	–
Poway	Yes	619,489	(222,678)	_	Yes	622,290	(1,034,020)	_	Yes	584,864	(104)	_
San Diego, City	Yes	13,728,770	9,747,322	–	Yes	14,075,217	11,175,015	–	Yes	13,742,311	6,041,776	
San Marcos	Yes	811,358	(2,084,765)	–	Yes	796,302	(784,208)	–	Yes	725,011	397,603	–
Santee	Yes	367,161	(104,213)	–	Yes	351,680	21,194	–	Yes	330,212	(63,042)	–
Solana Beach	Yes	120,119	1,702	–	Yes	113,953	1,702	–	Yes	102,117	(131,456)	–
Vista	Yes	988,250	236,147	–	Yes	1,009,302	(27,142)	–	Yes	944,059	518,622	–
County of San Diego	Yes	6,617,312	368,602	–	Yes	6,222,015	4,242,047	–	Yes	5,752,318	1,264,885	–
Transit												
Metropolitan Transit System (MTS)	Yes	13,545,417	359,295	–	Yes	13,680,714	–	–	Yes	12,923,070	–	–
North County Transit District (NCTD)	Yes	5,116,529	146,998	–	Yes	5,117,399	–	–	Yes	4,823,047	–	–

Yes = In Compliance

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

Compliance with Allocation of Local Street Improvements Revenues

Recipient Agency	Fiscal Year 2024		
	Allocation of Sales Tax Revenues Received	70% Congestion Relief Allocated	30% Maintenance Allocated
Carlsbad	$4,844,235	$3,390,965	$1,453,270
Chula Vista	9,084,621	6,359,234	2,725,387
Coronado	797,420	558,194	239,226
Del Mar	265,598	185,919	79,679
El Cajon	3,518,686	2,463,080	1,055,606
Encinitas	2,336,931	1,635,852	701,079
Escondido	5,192,812	3,634,968	1,557,844
Imperial Beach	899,992	629,994	269,998
La Mesa	2,175,866	1,523,106	652,760
Lemon Grove	996,974	697,882	299,092
National City	2,011,980	1,408,386	603,594
Oceanside	6,214,838	4,350,386	1,864,452
Poway	2,064,963	1,445,474	619,489
San Diego, City	46,327,054	32,428,938	13,898,116
San Marcos	3,175,297	2,222,708	952,589
Santee	2,021,078	1,414,755	606,323
Solana Beach	559,795	391,857	167,938
Vista	3,294,166	2,305,916	988,250
County of San Diego	23,273,259	16,291,281	6,981,978

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

Local Street Improvements: Maintenance Monitoring

Recipient Agency	Cumulative Revenue	30% of Cumulative Revenue	Cumulative Maintenance Expenditures	Available Maintenance Funds	Cumulative % Expended for Maintenance	In Compliance
Carlsbad	$61,818,366	$18,545,510	$2,034,308	$16,511,202	3.29%	Yes
Chula Vista	106,369,444	31,910,833	22,408,647	9,502,186	21.07%	Yes
Coronado	10,774,125	3,232,238	386,910	2,845,328	3.59%	Yes
Del Mar	7,761,744	2,328,523	403,270	1,925,253	5.20%	Yes
El Cajon	42,559,977	12,767,993	7,662,498	5,105,495	18.00%	Yes
Encinitas	31,664,792	9,499,438	1,117,046	8,382,392	3.53%	Yes
Escondido	68,937,196	20,681,159	18,434,725	2,246,434	26.74%	Yes
Imperial Beach	14,335,090	4,300,527	3,251,304	1,049,223	22.68%	Yes
La Mesa	33,482,010	10,044,603	5,548,056	4,496,547	16.57%	Yes
Lemon Grove	12,203,298	3,660,989	3,195,092	465,897	26.18%	Yes
National City	28,288,031	8,486,409	0	8,486,409	0.00%	Yes
Oceanside	89,548,620	26,864,586	16,008,927	10,885,659	17.88%	Yes
Poway	25,760,139	7,728,042	6,477,513	1,250,529	25.15%	Yes
San Diego, City	587,271,206	176,181,362	165,837,902	10,343,460	28.24%	Yes
San Marcos	53,755,577	16,126,673	3,793,217	12,333,456	7.06%	Yes
Santee	42,545,723	12,763,717	5,964,595	6,799,122	14.02%	Yes
Solana Beach	13,146,737	3,944,021	389,587	3,554,434	2.96%	Yes
Vista	42,120,811	12,636,243	7,626,053	5,010,190	18.11%	Yes
San Diego, County	273,599,356	82,079,807	11,463,804	70,616,003	4.19%	Yes

Indirect Costs Charged to *TransNet*

Recipient Agency	2024 Total *TransNet* Expenditures	2024 Indirect Costs Charged to *TransNet*	2024 Indirect Costs as a % of Total *TransNet* Expenditures	Last Allocation Plan Approval	2023 Indirect Costs as a % of Total *TransNet* Expenditures
Carlsbad	$3,722,418	$93,791	2.52%	2021[1,3]	14.21%
Chula Vista	3,410,530	246,133	7.22%	2021[3]	8.49%
Coronado	210,047	0	0.00%	n/a	0.00%
Del Mar	228,757	0	0.00%	n/a	0.00%
El Cajon	6,942,547	15,379	0.22%	2021[3]	0.87%
Encinitas	2,066,580	0	0.00%	n/a	0.00%
Escondido	6,852,355	298,257	4.35%	2022[1,3]	19.12%
Imperial Beach	1,244,696	0	0.00%	n/a	0.00%
La Mesa	1,092,376	0	0.00%	n/a	0.00%
Lemon Grove	1,066,817	102,039	9.56%	2019[1]	14.41%
National City	1,896,283	0	0.00%	n/a	0.00%
Oceanside	4,987,002	146,249	2.93%	2010[3]	5.45%
Poway	359,069	0	0.00%	n/a	0.00%
San Diego, City	51,367,341	5,628,384	10.96%	2023[3]	13.59%
San Marcos	3,892,482[4]	0	0.00%	2023[2]	0.00%
Santee	2,310,678[4]	17,924	0.78%	2023[3]	1.48%
Solana Beach	474,398	0	0.00%	n/a	0.00%
Vista	3,714,889	0	0.00%	n/a	0.00%
Caltrans	17,665,961	994,037	5.63%	2024[2]	8.02%
San Diego, County	9,371,607	1,622,290	17.31%	2023[3]	9.44%
SANDAG	85,351,130	7,357,632	8.62%	2023[2]	5.38%
MTS	81,989,000	164,302	0.20%	2024[2]	0.17%
NCTD	33,792,772	0	0.00%	n/a	0.00%

Indirect Costs Charged to *TransNet*

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

[1] – approved by City Council

[2] – approved by federal cognizant agency

[3] – approved by Management or another individual within the agency

[4] – based on expenditure less debt service

CALTRANS

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the State of California Department of Transportation's (Caltrans or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. Caltrans' management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by Caltrans with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

2. We obtained from SANDAG the applicable approved RTIP.

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

TransNet payments made by SANDAG	$ 2,012,877
TransNet revenue recorded by Caltrans	(4,829,628)
Variance	$ 6,842,505

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The variance was a result of the following:

Paid by SANDAG in 2023 but received by Caltrans in 2024	$(2,784,057)
Paid by SANDAG in 2024 but received by Caltrans in 2025	9,626,562
Variance	$ 6,842,505

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

i. We inspected the interest income reported on Schedule A and agreed to the Caltrans general ledger.

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

ii. We inspected 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 inspected 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 $17,665,961 (prior to the adjustments being netted). We selected $5,495,050 (31.11%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: Indirect costs are allocated to RTIP projects at a rate of 71.57% of direct labor costs from 7/1/2023 - 7/10/2023 and a rate of 52.09% of direct labor costs from 7/10/2023 to 6/30/2024 associated with each project when the contributor is considered a self-help county. As of July 1, 2020, SB 848 was enacted which limits the Indirect Cost Rate Proposal (ICRP) rates for self-help counties. Caltrans' indirect cost plan has been reviewed by the State of California Department of Finance and the Federal Highway Administration as of 9/1/2023. The indirect cost plan is reviewed and updated by Caltrans on an annual basis. Caltrans allocated a total of $994,037 of indirect costs in the RTIP resulting in 5.63% of indirect costs compared to total TransNet expenditures. Caltrans' methodology for allocating indirect costs appears reasonable.

In addition, it was noted in FY24, Caltrans charged the incorrect ICRP rate of 56.17% for *TransNet*, as a result of several Caltrans project IDs not set up correctly with the SANDAG contributor (*TransNet*) as a self-help county. This resulted in certain projects being allocated an incorrect ICRP rate. A total of $77,785 was overcharged for FY24. See Finding 1 in the Findings and Recommendations section of this report.

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

Results: This procedure is not applicable as there were no adjustments made during FY24.

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

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

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

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

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that 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 is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

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

j. We confirmed 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: CAL26 had no activity over the past two years. The status of the project has been added to Schedule A.

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

Results: SANDAG approved the inactive project on January 23, 2025.

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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 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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 in Schedule A.

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

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

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

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

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

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

    Results: See Findings and Recommendation section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on Caltrans's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

(1) Indirect Rate Charged to Certain Projects Were Using Higher Indirect Cost Rate Proposal Rate for FY 2024

During inquiry with Caltrans regarding indirect allocation to the projects included in the RTIP, Caltrans discovered that several of Caltrans' projects were not set up correctly with the SANDAG contributor (*TransNet*) as a self-help county. This resulted in several projects being charged a higher Indirect Cost Rate Proposed (ICRP) than it should have charged. Actual ICRP rate charged was calculated to be 56.17% when the correct ICRP for the FY 2024 should have been 52.09%. Total of $77,784.57 was overcharged for FY 2024. They also noted some charges in the 2025 fiscal year that needs to be adjusted too during this discovery phase.

Recommendation

We recommend that Caltrans set up the projects accurately in their system for the correct ICRP to be charged to the fiscal year.

Management Response

Caltrans is concentrating on making sure that the projects identified that were set up wrong are amended and set up correctly. Once they are all set up correctly, an adjustment from the incorrect ICRP rate charged to the correct ICRP rate in 2024 (and 2025) year will be processed. Caltrans is also working with staff training and once all the adjustments are completed, an ongoing process will be developed to verify all the SANDAG projects are set up as self-help and are charging the correct ICRP rate.

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GLOSSARY OF TERMS

"Current Fiscal Year" means the fiscal period of July 1, 2023, through June 30, 2024.

"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 Caltrans, which receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

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

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

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

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

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

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CALTRANS
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID/ Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2024	Notes
	TransNet:							
	Highways:							
CAL26	Route 52	$ 13,864	$ -	$ -	$ -	$ -	$ 13,864	(a)
	Total Highways	13,864	-	-	-	-	13,864	
	Total *TransNet*	$ 13,864	$ -	$ -	$ -	$ -	$ 13,864	
	***TransNet* Extension:**							
	Major Corridor:							
CAL09	I-5 North Coast	$ (2,662,479)	$ 2,862,600	$ -	$ 888,650	$ -	$ 1,088,771	
CAL09 C	I-805 HOV / Carroll Canyon DAR	-	-	-	-	-	-	
CAL09 D	5/805 Conversion to Express	(105,903)	340,000	-	(172,605)	-	61,492	
CAL18B	Mira Mesa DAR and Bus Station	-	-	-	(14,643)	-	(14,643)	(b)
CAL 29	SR 76 Middle	-	-	-	-	-	-	(c)
CAL29 B	SR 76 East	(15,919)	243,000	-	4,237,444	-	4,464,525	
CAL38	SR-905 New Freeway	-	-	-	-	-	-	
CAL67	SR-94 HOV	(673)	62,257	-	(50,754)	-	10,830	
CAL68	94/125 S to E Connector	(900)	2,000	-	(1,000)	-	100	
CAL75	I-5 Genesee	30,407	41,000	-	(1,337,646)	-	(1,266,239)	(d)
CAL78 B	I-805 North	(7,913)	7,913	-	-	-	-	
CAL78 C	I-805 South	(1,775)	9,000	-	(5,259)	-	1,966	
CAL78 D	I-805 South Soundwalls	(460,380)	838,000	-	(837,019)	-	(459,399)	(d)
CAL114	I-5/56 Interchange	(164,888)	198,000	-	(80,633)	-	(47,521)	(d)
CAL277A	SR78/I-5 Express Lanes	(23,236)	559,000	-	(876,246)	-	(340,482)	(d)
CAL278	SR-78 HOV / Managed Lanes	-	-	-	-	-	-	
CAL 538	SR-67 Improvements	-	12,000	-	(10,528)	-	1,472	
CAL 547	CML-6211 (155) Transit Connection	-	-	-	(2,300)	-	(2,300)	(d)
CAL 550	CMCP--Coast, Canyons, Trails SR-52	(52,443)	50,747	-	1,696	-	-	
CAL 552	CMCP--South Bay to Sorrento	-	-	-	-	-	-	(c)
CAL 553	CMCP--SPRINTER/Palomar Airport SR78/76	-	-	-	-	-	-	(c)
CAL 571	I-805 Transit Priority Lanes (15 to 52)	-	202,000	-	(677,285)	-	(475,285)	(d)
SAN23	Mid-Coast LRT	(16,517)	-	-	(3,466)	-	(19,983)	(d)
SAN26 C	I-15 BRT Stations - South	-	-	-	-	-	-	(c)
SAN47	I-805 BRT	-	-	-	-	-	-	
SAN73	San Elijo Lagoon Double Track	-	-	-	-	-	-	
SAN73A	Chesterfield Dr Crossing	-	-	-	-	-	-	
SAN 183	Batiquitos Lagoon Double Track	-	-	-	(245,856)	-	(245,856)	(d)
SAN224	I-805/SR-94 Bus on Shoulder Demonstration	(2,058)	2,058	-	-	-	-	
SAN253	CMCP--Central Mobility Hub Connections/Military	-	-	-	-	-	-	(c)
V-11	SR-11	(5,685)	5,685	-	(165,248)	-	(165,248)	(d)
V-15	I-5 Gilman Dr Bridge	(7,922)	7,922	-	-	-	-	
V-18	I-5 Voigt	-	-	-	-	-	-	
V-22	CMCP--San Vicente Corridor SR 67	-	-	-	-	-	-	(c)
1200100	Program Office	-	-	-	(569)	-	(569)	(d)
	Total Major Corridor	$ (3,498,284)	$ 5,443,182	$ -	$ 646,733	$ -	$ 2,591,631	

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(Continued)

CALTRANS
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID/ Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	Caltrans Adjustments	Project Status June 30, 2024	Notes
	Major Corridor Environmental: Mitigation Program (MC EMP):							
V-07	Mitigation Program	$ 16,446,020	$ (10,272,810)	$ -	$ (11,836,348)	$ -	$ (5,663,138)	(d)
	Total MC EMP	16,446,020	(10,272,810)	-	(11,836,348)	-	(5,663,138)	
	***TransNet* Bike, Pedestrian & Neighborhood Safety (BPNS) Program:**							
CAL330	SR-15 Bike Path	-	-	-	-	-	-	(c)
SAN156	Coastal Rail Trail: E St to Chesterfield	185,712	-	-	-	-	185,712	(e)
	Total *TransNet* BPNS Program	185,712	-	-	-	-	185,712	
	Total *TransNet* Extension	$ 13,133,448	$ (4,829,628)	$ -	$ (11,189,615)	$ -	$ (2,885,795)	
	Total *TransNet* and *TransNet* Extension	$ 13,147,312	$ (4,829,628)	$ -	$ (11,189,615)	$ -	$ (2,871,931)	

Notes:
(a) All projects related to CAL 26 in the TransNet Highway section are still in the final vouchering process and the goal is to complete it by FY 2025.
(b) Expenditure posted in error and will be removed in FY 2025--Negative ending balance will be removed once 100% of the expenditure is removed.
(c) Project is complete.
(d) Negative ending balance will be removed with the next invoice to SANDAG in FY 2025.
(e) Project is completed and in the process of close out.

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CALTRANS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
	***TransNet* Extension:**				
	Major Corridor:				
CAL09	I-5 North Coast	$ 105,216,460	$ -	$ (104,127,689)	$ 1,088,771
CAL09 C	I-805 HOV / Carroll Canyon DAR	27,274,289	-	(27,274,289)	-
CAL09 D	5/805 Conversion to Express	340,000	-	(278,508)	61,492
CAL18 B	Mira Mesa DAR and Bus Station	-	-	(14,643)	(14,643)
CAL29	SR 76 Middle	39,397,631	-	(39,397,631)	-
CAL29 B	SR 76 East	48,901,495	-	(44,436,970)	4,464,525
CAL38	SR-905 New Freeway	612,440	-	(612,440)	-
CAL67	SR-94 HOV	8,281,707	-	(8,270,877)	10,830
CAL68	94/125 S to E Connector	424,079	-	(423,979)	100
CAL75	I-5 Genesee	13,167,317	-	(14,433,556)	(1,266,239)
CAL78 B	I-805 North	12,285,517	-	(12,285,517)	-
CAL78 C	I-805 South	135,810,214	-	(135,808,248)	1,966
CAL78 D	I-805 South Soundwalls	6,752,374	-	(7,211,773)	(459,399)
CAL114	I-5/56 Interchange	1,694,000	-	(1,741,521)	(47,521)
CAL 277A	SR78/I-5 Express Lanes	3,187,523	-	(3,528,005)	(340,482)
CAL 278	SR-78 HOV / Managed Lanes	1,662,367	-	(1,662,367)	-
CAL 538	SR-67 Improvements	12,000	-	(10,528)	1,472
CAL 547	CML-6211 (155) Transit Connection	-	-	(2,300)	(2,300)
CAL 550	CMCP--Coast, Canyons, Trails SR-52	(23,638)	-	23,638	-
CAL 552	CMCP--South Bay to Sorrento	258,575	-	(258,575)	-
CAL 553	CMCP--SPRINTER/Palomar Airport SR78/76	301,846	-	(301,846)	-
CAL 571	I-805 Transit Priority Lanes (15 to 52)	202,000	-	(677,285)	(475,285)
SAN23	Mid-Coast LRT	444,000	-	(463,983)	(19,983)
SAN26 C	I-15 BRT Stations - South	11,994,074	-	(11,994,074)	-
SAN47	I-805 BRT	2,939,727	-	(2,939,727)	-
SAN73	San Elijo Lagoon Double Track	7,786,582	-	(7,786,582)	-
SAN73A	Chesterfield Dr Crossing	3,154,106	-	(3,154,106)	-
SAN 183	Batiquitos Lagoon Double Track	655,365	-	(901,221)	(245,856)
SAN224	I-805/SR-94 Bus on Shoulder Demonstration	128,058	-	(128,058)	-
SAN253	CMCP--Central Mobility Hub Connections/Military	38,099	-	(38,099)	-
V-11	SR-11	1,931,235	-	(2,096,483)	(165,248)
V-15	I-5 Gilman Dr Bridge	130,921	-	(130,921)	-
V-18	I-5 Voigt	686,952	-	(686,952)	-
V-22	CMCP--San Vicente Corridor SR 67	11,910	-	(11,910)	-
1200100	Program Office	221,956	-	(222,525)	(569)
	Total Major Corridor	435,881,181	-	(433,289,550)	2,591,631

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(Continued)

CALTRANS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID/ Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
	***TransNet* Extension:**				
	MC EMP				
V-07	Mitigation Program	$ 181,519,882	$ -	$ (187,183,020)	$ (5,663,138)
	Total MC EMP	181,519,882	-	(187,183,020)	(5,663,138)
	TransNet BPNS Program:				
CAL330	SR-15 Bike Path	2,905,773	-	(2,905,773)	-
SAN156	Coastal Rail Trail: E St to Chesterfield	4,786,000	-	(4,600,288)	185,712
	Total *TransNet* BPNS Program	7,691,773	-	(7,506,061)	185,712
	Subtotal Cumulative *TransNet* Extension	625,092,836	-	(627,978,631)	(2,885,795)
	Completed Projects:				
	Major Corridor	221,963,888	-	(221,963,888)	-
	Mitigation Program (MC EMP)	14,279,000	-	(14,279,000)	-
	TransNet Local Program	3,093,119	-	(3,093,119)	-
	Total Completed Projects	239,336,007	-	(239,336,007)	-
	Total Cumulative *TransNet* Extension	$ 864,428,843	$ -	$ (867,314,638)	$ (2,885,795)

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CITY OF CARLSBAD, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Carlsbad, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $3,722,418. We selected $1,800,942 (48.38%) 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 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City allocates indirect costs to capital projects by using the employee's direct cost charged to a project and multiplying it by an allocation percentage of 116%, which was determined by a consultant. The City allocated a total of $93,791 of indirect costs in the RTIP, resulting in 2.52% of indirect costs compared to total *TransNet* expenditures. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA but has been approved by management and City Council during FY21. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

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i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

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

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

Results: This procedure is not applicable as there were no inactive projects during FY24.

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

Results: This procedure is not applicable as there were no inactive projects during FY24.

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 did not have any non-*TransNet* activity during FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

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

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

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

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

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

Fiscal year 2024 apportionment	$4,844,235
Less: debt service payment	-
Net estimated apportionment	4,844,235
30% base	30%
Fiscal year 2024 30% threshold	1,453,271
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	655,363
Maintenance fund balance	(435,446)
Total Local Streets and Roads and Local Street Improvement fund balance	219,917
Fund balance under apportionment	$1,233,354

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ 655,363	$14,445,697	$15,101,060
Maintenance	(435,446)	16,433,631	15,998,185
Totals	$ 219,917	$30,879,328	$31,099,245

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

    Results: The City has expended 3.29% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$29,236,257	$11,666,167	$40,902,424
Maintenance	1,579,825	15,267,970	16,847,795
Interest	122,956	3,945,191	4,068,147
Total local street and road revenue	$30,939,038	$30,879,328	$61,818,366
30% of total local street and road revenue			$18,545,510
Less maintenance expenditures incurred to date			(2,034,308)
Available maintenance funds			$16,511,202
Cumulative percentage expended for maintenance			3.29%

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

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

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i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$234,094,927	$177,085,370	1.32

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.32.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$4,250,218
Growth Rate	1.32
Adjusted MOE base as of June 30, 2024	$5,610,288

13. With respect to the MOE requirement:

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

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

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

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or
ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

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iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$15,263,320
Less MOE base year requirement	(4,250,218)
Excess MOE for the year ended June 30, 2024	$11,013,102

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $244,021. We selected $49,619 (20.33%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable RTCIP expenditures for the fiscal year ending June 30, 2024.

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

Results: This procedure is not applicable as RCTIP payroll amounts did not exceed the 20% threshold during FY24.

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

Results: This procedure is not applicable as there were no program revenue spent for fund administration or indirect costs.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program. Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP

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general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 7, 2024.

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

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

15. We inspected 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.

16. We 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.

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

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CB44	N/A	Regional Arterial Management Systems	$ -	$ 11,700	$ -	$ (11,700)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	11,700	-	(11,700)	-	-	
		Congestion Relief:							
CB12	36364	College Rch A, Cannon Reach 4A	187,469	-	-	(118)	-	187,351	
CB17	60143	Carlsbad Blvd Bridge - Powerplant	48,392	-	-	-	(48,392)	-	(a)
CB17	60532	CB Blvd Railing East Side	9,728	-	-	-	(9,728)	-	(a)
		Total CB17 Projects	58,120	-	-	-	(58,120)	-	
CB20	60011	Pavement Management - Overlay	212,713	120,000	-	(65,589)	-	267,124	
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	324,267	110,000	-	(328,615)	-	105,652	
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	113,625	-	-	-	(113,625)	-	(a)
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	6,483	-	-	-	(6,483)	-	(a)
CB36	60311	Carlsbad Blvd Realignment	(74,002)	120,000	-	(36,688)	-	9,310	
CB43	60491	ADA Improvements	(362,346)	1,020,000	-	(592,499)	178,228	243,383	(a)
CB46	60543	Terramar Area Coastal Improvements	(579)	-	-	(10,765)	-	(11,344)	(b)
CB49	60751	Kelly and Park Dr. Street Improvements	(48,254)	45,000	-	(22,872)	-	(26,126)	(b)
CB52	40152	Village/Barrio Traffic Circles	59,414	260,000	-	(102,301)	-	217,113	
CB53	60681	Carlsbad Blvd. Pedestrian Roadway Lighting	33,254	-	-	(29,198)	-	4,056	
CB59	60941	ECR Wid-SunnyCrk to Jackspar	(186,018)	120,000	-	(255,154)	-	(321,172)	(b)
CB62	40134	Barrio Street Lighting	(1,935)	-	-	(36,793)	-	(38,728)	(b)
CB63	60193	Valley St. and Magnolia Ave Complete Streets	(1,990)	1,200,000	-	(1,198,009)	-	1	
		Interest Income	13,542	-	5,201	-	-	18,743	
		Total Congestion Relief	333,763	2,995,000	5,201	(2,678,601)	-	655,363	
		Maintenance:							
CB58	60622	Street Light Bulb Replacement Program	313,831	-	-	(757,309)	-	(443,478)	(b)
		Interest Income	5,803	-	2,229	-	-	8,032	
		Total Maintenance	319,634	-	2,229	(757,309)	-	(435,446)	
		Total Local Street Improvements	653,397	3,006,700	7,430	(3,447,610)	-	219,917	

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(Continued)

CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Bikes and Pedestrian (BPNS):							
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	$ (136,202)	$ 165,851	$ -	$ (274,808)	$ -	$ (245,159)	(b)
		Total Bikes and Pedestrian (BPNS):	(136,202)	165,851	-	(274,808)	-	(245,159)	
		Total *TransNet* Extension	517,195	3,172,551	7,430	(3,722,418)	-	(25,242)	
		GASB 31 Fair Market Value Adjustment	(41,249)	-	11,820	-	-	(29,429)	
		Total *TransNet* Extension after GASB 31 Adjustment	475,946	3,172,551	19,250	(3,722,418)	-	(54,671)	
		Total *TransNet* Extension after GASB 31 Adjustment and Non-*TransNet*	$ 475,946	$ 3,172,551	$ 19,250	$ (3,722,418)	$ -	$ (54,671)	

Notes:
(a) The City obtained council approval via Resolution No. 2024-141 to transfer funds from MPO ID's CB17, CB34 and CB35 to CB43. The movement of funds is due to projects being completed and moving remaining funds to an existing project.
(b) The City will be drawing funds to clear negative balances in FY25.

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass Through:				
CB44	N/A	Regional Arterial Management Systems	$ 140,400	$ -	$ (140,400)	$ -
		Total Congestion Relief-Pass Through	140,400	-	(140,400)	-
		Congestion Relief:				
CB12	36364	College Rch A, Cannon Reach 4A	716,900	-	(529,549)	187,351
CB17	60143	Carlsbad Blvd Bridge-Powerplant	183,886	2,224	(186,110)	-
CB17	60532	CB Blvd Railing East Side	272	433	(705)	-
CB20	60011	Pavement Management - Overlay	10,606,709	18,059	(10,357,644)	267,124
CB32	60721	ECR Widening - Cassia to Cam Vid Robl	582,000	1,790	(478,138)	105,652
CB34	60442	Palomar Airport Rd./Paseo Del Norte Rt. Turn Lane	723,375	3,032	(726,407)	-
CB35	60432	Palomar Airport Rd./Paseo Del Norte Lt. Turn Lane	228,517	3,906	(232,423)	-
CB36	60311	Carlsbad Blvd Realignment	3,160,135	14,529	(3,165,354)	9,310
CB43	60491	ADA Improvements	2,893,228	1,308	(2,651,153)	243,383
CB46	60543	Terramar Area Coastal Improvements	-	-	(11,344)	(11,344)
CB49	60751	Kelly and Park Dr. Street Improvements	796,000	991	(823,117)	(26,126)
CB52	40152	Adaptive Traffic Signal Program	937,000	50	(719,937)	217,113
CB53	60681	Village/Barrio Traffic Circles	65,000	1,628	(62,572)	4,056
CB59	60941	Carlsbad Blvd. Pedestrian Roadway Lighting	458,000	-	(779,172)	(321,172)
CB62	40134	ECR Wid-SunnyCrk to Jackspar	-	-	(38,728)	(38,728)
CB63	60193	Barrio Street Lighting	1,200,000	-	(1,199,999)	1
		Interest Income	-	18,743	-	18,743
		Total Congestion Relief	22,551,022	66,693	(21,962,352)	655,363
		Maintenance:				
CB58	60622	Street Light Bulb Replacement Program	1,295,000	10,988	(1,749,466)	(443,478)
		Interest Income	-	8,032	-	8,032
		Total Maintenance	1,295,000	19,020	(1,749,466)	(435,446)
		Total Local Street Improvements	23,986,422	85,713	(23,852,218)	219,917

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(Continued)

CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Bikes and Pedestrian (BPNS):				
CB45	60583	Tamarack Ave/CB Blvd Ped Imprvmt	$ 318,318	$ 114	$ (563,591)	$ (245,159)
		Total Bikes and Pedestrian (BPNS):	318,318	114	(563,591)	(245,159)
		Subtotal Cumulative *TransNet* Extension	24,304,740	85,827	(24,415,809)	(25,242)
		Completed Projects:				
		Congestion Relief	6,544,835	37,112	(6,581,947)	-
		Maintenance	284,825	17	(284,842)	-
		Bikes and Pedestrian	564,048	-	(564,048)	-
		Environmental Mitigation Grant	384,947	-	(384,947)	-
		Total Completed Projects	7,778,655	37,129	(7,815,784)	-
		Total Cumulative *TransNet* Extension	$ 32,083,395	$ 122,956	$ (32,231,593)	$ (25,242)

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CITY OF CARLSBAD, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	CB04A	$ 1,727,814	$ -	$ (1,727,814)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	CB04A	751,460	-	(751,460)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	CB04A	715,030	-	(699,760)	-	-	15,270	259,291
For Fiscal Year ended June 30, 2020	June 30, 2027	CB04A	773,020	-	-	-	-	773,020	773,020
For Fiscal Year ended June 30, 2021	June 30, 2028	CB04A	373,424	-	-	-	-	373,424	373,424
For Fiscal Year ended June 30, 2022	June 30, 2029	CB31	57,981	-	-	-	-	57,981	57,981
For Fiscal Year ended June 30, 2023	June 30, 2030	CB31	755,387	-	-	-	-	755,387	755,387
For Fiscal Year ended June 30, 2024	June 30, 2031	CB31	765,010	-	-	-	-	765,010	-
Interest Income			-	215,096	-	-	-	215,096	139,197
Total RTCIP Funds			$ 5,919,126	$ 215,096	$ (3,179,034)	$ -	$ -	$ 2,955,188	$ 2,358,300

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CITY OF CHULA VISTA, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Chula Vista, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $3,410,530. We selected $1,110,898 (32.57%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* payroll expenditures in the amount of $1,565,176, which represented 45.89% of total expenditures. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City allocates costs out of their various departments and into capital projects by using the Engineering time directly charged to a project and multiplying the hours worked by the City's fully burdened hourly rate. Department Overhead Rates range from 6.76% to 40.64%, with an average rate of 18.66%. Total staff time costs (which includes both direct and indirect costs) included within projects on the RTIP were $1,565,176. Total estimated indirect costs were $246,133, or 7.22% of total *TransNet* expenditures. In order to verify that the City was allocating their indirect cost appropriately, we tested five job positions to ensure that the City was recording their direct and indirect costs properly according to internal project rates. The City's written indirect cost plan was last updated during FY 2021. The plan is approved by Management or another individual within the City. The City's indirect cost plan has not been reviewed by a federal or state agency or audited by an independent CPA firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We inspected 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.

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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, 2025.

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

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

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

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

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

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

Results: *(Pending Staff Resolution – Expected February 2025)*

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 inspected 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 inspected the ending balances

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at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

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

Fiscal year 2024 apportionment	$9,084,621
Less: debt service payment	-
Net estimated apportionment	9,084,621
30% base	30%
Fiscal year 2024 30% threshold	2,725,386
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	461,416
Maintenance fund balance	(331,907)
Total Local Streets and Roads and Local Street Improvement fund balance	129,509
Fund balance under apportionment	$2,595,877

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$461,416	$19,585,467	$20,046,883
Maintenance	(331,907)	10,198,111	9,866,204
Totals	$129,509	$29,783,578	$29,913,087

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

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

	City	SANDAG	Total
Congestion relief	$54,450,604	$17,456,156	$71,906,760
Maintenance	22,052,567	9,300,412	31,352,979
Interest	82,699	3,027,006	3,109,705
Total local street and road revenue	$76,585,870	$29,783,574	$106,369,444
30% of total local street and road revenue			$31,910,833
Less maintenance expenditures incurred to date			(22,408,647)
Available maintenance funds			$9,502,186
Cumulative percentage expended for maintenance			21.07%

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$264,706,174	$217,347,023	1.22

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.22.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$2,763,821
Growth Rate	1.22
Adjusted MOE base as of June 30, 2024	$3,371,862

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$4,724,990
Less MOE base year requirement	(2,763,821)
Excess MOE for the year ended June 30, 2024	$1,961,169

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $13,600. We selected $1,827 (13.43%) for testing. No exceptions noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures for the fiscal year ended June 30, 2024.

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

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TransNet Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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

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

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 25, 2024.

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

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

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that

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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.

16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CHV39	N/A	Regional Arterial Management Systems	$ -	$ 15,500	$ -	$ (15,500)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	15,500	-	(15,500)	-	-	
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
CHV39	TRF0350	Traffic Signal System Optimization	(2,057)	58,300	-	(55,461)	-	782	
CHV39	TRF0354	Traffic Congestion Relief Program	-	71,800	-	(70,809)	-	991	
CHV39	TRF0400	Signal Retiming of Yellow	(4,680)	272,299	-	(102,344)	-	165,275	
CHV39	TRF0423	Traffic Signal Comm Improv W of 805	600	500	-	(382)	-	718	
CHV39	TRF0426	Adapt Signal Expansion Otay Lakes Rd	(616)	20,700	-	(19,523)	-	561	
		Total CHV39 Projects	(6,753)	423,599	-	(248,519)	-	168,327	
CHV44	TRF0356	Otay Mesa Transportation System	140	-	-	-	-	140	
CHV48	STM0393	Major Pavement Rehabilitation FY17/18	257,726	-	-	(2,900)	(253,000)	1,826	
CHV48	STM0400	RMRA Major Pavement Rehab FY19/20	(271,247)	964,000	-	(688,753)	100,000	104,000	
CHV48	STM0401	RMRA Major Pavement Rehab FY20/21	(497,950)	886,600	-	(387,890)	118,000	118,760	
CHV48	STM0408	Pavement Major Rehabilitation Program	(28,382)	188,128	-	(189,448)	30,000	298	
CHV48	STM0411	Pavement Major Rehabilitation Program	5,910	43,600	-	(53,497)	5,000	1,013	
CHV48	STM0414	Pavement Major Rehabilitation Program FY23/24	-	3,500	-	(3,442)	-	58	
		Total CHV48 Projects	(533,943)	2,085,828	-	(1,325,930)	-	225,955	
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	2,531	30,500	-	(31,218)	-	1,813	
CHV58	STL0442	Alpine (Naples to Emerson)	-	41,000	-	(40,354)	-	646	
CHV58	STM0405	ADA Path Install at Otay Lakes Rd	3,569	-	-	(2,392)	-	1,177	
CHV58	TRF0414	3rd Ave @ Seavale Pedestrian Improv	2,887	5,000	-	(2,205)	-	5,682	
		Total CHV58 Projects	8,987	76,500	-	(76,169)	-	9,318	
		Subtotal Congestion Relief	(531,569)	2,585,927	-	(1,650,618)	-	403,740	

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Balance carried forward - Congestion Relief	$ (531,569)	$ 2,585,927	$ -	$ (1,650,618)	$ -	$ 403,740	
CHV60	STL0437	EB Right Turn Lane Install/ East H St Study	3,005	-	-	(1,326)	1,143	2,822	
CHV60	TRF0398	Traffic Sig Install at Main St and Jacqua St	3,931	-	-	(767)	-	3,164	
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	1,791	-	-	-	-	1,791	
CHV60	TRF0424	Ped Hybr Beacon Upgrade	1,143	-	-	-	(1,143)	-	(a)
		Total CHV60 Projects	9,870	-	-	(2,093)	-	7,777	
CHV70	STL0451	Bayshore Bikeway Segment 6A	-	1,000	-	(6,634)	3,765	(1,869)	(b)
CHV70	STM0384	Bike Lanes onBrdwy FsbltyStudy	103	-	-	-	(103)	-	(a)
CHV70	STM0392	Bike Lanes on Broadway	3,662	-	-	-	(3,662)	-	(a)
		Total CHV70 Projects	3,765	1,000	-	(6,634)	-	(1,869)	
CHV77	TRF0395	SANDAG MainSt Fiber OpticAddtl	(444)	1,000	-	-	(556)	-	(c)
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	1,799	27,500	-	(20,911)	-	8,388	
CHV79	TRF0446	Left Turn Imp Bonita Rd@ Bonita Glen	(6,014)	21,000	-	(99,353)	-	(84,367)	(b)
		Total CHV79 Projects	(4,215)	48,500	-	(120,264)	-	(75,979)	
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	68,336	-	-	(3,530)	-	64,806	
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	4,545	-	-	-	(4,545)	-	(c)
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	3,467	-	-	-	(3,467)	-	(c)
CHV88	STL0464	F Street Promenade Phase 1	412	2,000	-	(5,397)	8,568	5,583	(c)
CHV89	TRF0432	Olympic Parkway Safety Enhancements	1,868	5,500	-	(3,571)	-	3,797	
		Interest Income	52,272	-	1,289	-	-	53,561	
		Total Congestion Relief	(391,693)	2,643,927	1,289	(1,792,107)	-	461,416	

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
CHV06	CTY0219	Pavement Management System	$ (13,144)	$ 121,000	$ -	$ (107,578)	$ 79	$ 357	
CHV06	STL0445	Pavement Minor Rehab	79	-	-	-	(79)	-	(a)
CHV06	STL0455	Pavement Maintenance Program FY21/22	(14,757)	29,000	-	(11,409)	-	2,834	
		Total CHV06 Projects	(27,822)	150,000	-	(118,987)	-	3,191	
CHV22	CTY0202	CIP Advanced Planning	(82,340)	90,000	-	(68,079)	-	(60,419)	(b)
CHV22	CTY0208	CIP Management & Equipment Purchase	1,013	5,000	-	(277)	-	5,736	
CHV22	CTY0232	ADA Pedestrian Connectivity Program	890	20,000	-	(19,849)	-	1,041	
CHV22	STM0406	Bay Boulevard at L Street Sidewalk Improvements Study	369	5,500	-	(5,147)	-	722	
		Total CHV22 Projects	(80,068)	120,500	-	(93,352)	-	(52,920)	
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	700	-	-	-	(700)	-	(a)
CHV33	STM0380	Sidewalk Replacement E H Street Study	275	-	-	-	(275)	-	(a)
CHV33	TRF0345	School Zone Traffic Calming	(56,830)	154,160	-	(91,236)	2,126	8,220	
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	1,151	-	-	-	(1,151)	-	(a)
CHV33	TRF0417	Enhanced Crosswalks School Zones	(5,840)	5,840	-	-	-	-	(a)
		Total CHV33 Projects	(60,544)	160,000	-	(91,236)	-	8,220	
CHV34	SW0292	Indtrl Blvd &Main St Swr Imprv	2,272	-	-	-	-	2,272	
CHV34	TRF0327	Neighborhood Safety Program	(15,219)	261,000	-	(245,508)	-	273	
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	530	53,000	-	(53,354)	-	176	
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Program	2,171	-	-	(1,441)	-	730	
CHV34	TRF0416	Intersection Safety Improvements	5,784	50,800	-	(56,302)	-	282	
CHV34	TRF0422	Radar Speed Feedback Signs	910	49,200	-	(59,429)	-	(9,319)	(b)
CHV34	TRF0429	Pedestr and Guardrail Imprv Various	141	119,000	-	(118,636)	-	505	
		Total CHV34 Projects	(3,411)	533,000	-	(534,670)	-	(5,081)	
		Subtotal Maintenance	(171,845)	963,500	-	(838,245)	-	(46,590)	

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Balance carried forward - Maintenance	$ (171,845)	$ 963,500	$ -	$ (838,245)	$ -	$ (46,590)	
CHV35	STM0369	Bikeway Facilities Gap Project	49	9,200	-	(65,383)	-	(56,134)	(b)
CHV35	TRF0332	Signing and Stripping Program	109	13,800	-	(13,713)	-	196	
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	221	44,000	-	(43,408)	-	813	
CHV35	TRF0421	Engineering & Traffic Survey Updates Program	497	11,500	-	(11,750)	-	247	
		Total CHV35 Projects	876	78,500	-	(134,254)	-	(54,878)	
CHV45	TRF0321	Citywide Traffic Count Program	(2,066)	20,516	-	(2,961)	-	15,489	
CHV45	TRF0354	Traffic Congestion Relief Program	(5,484)	5,484	-	-	-	-	
		Total CHV45 Projects	(7,550)	26,000	-	(2,961)	-	15,489	
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	15,186	-	-	-	(15,186)	-	(a)
CHV50	DR0217	CMP Repair ROW FY20/21	(4,899)	37,000	-	(304,009)	15,186	(256,722)	(b)
CHV50	STM0385	Bridge Maintenance	12,726	-	-	(11,961)	-	765	
		Total CHV50 Projects	23,013	37,000	-	(315,970)	-	(255,957)	
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	455	-	-	-	(455)	-	(a)
CHV75	STL0447	ADA Pedestrian Curb Ramps Prog	453	-	-	-	(453)	-	(a)
CHV75	STL0448	Sidewalk Replacement Program FY20/21	568	2,000	-	(1,417)	-	1,151	
CHV75	STL0454	ADA Pedestrian Curb Ramps Program FY21/22	2,034	47,000	-	(91,980)	908	(42,038)	(b)
CHV75	STL0461	ADA Pedestrian Curb Ramps FY22/23	265	74,000	-	(73,578)	-	687	
		Total CHV75 Projects	3,775	123,000	-	(166,975)	-	(40,200)	
CHV83	STL0404	Bikeway Master Plan2016 Update	5,589	-	-	-	(5,589)	-	(a)
CHV83	STM0394	Local Street Utility Undergrounding District	18,169	-	-	(2,328)	5,589	21,430	
CHV83	STM0407	F Street Undergrounding Phase 2 - Street Light Design	15,549	-	-	-	-	15,549	
		Total CHV83 Projects	39,307	-	-	(2,328)	-	36,979	
		Subtotal Maintenance	(112,424)	1,228,000	-	(1,460,733)	-	(345,157)	

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Balance carried forward - Maintenance	$ (112,424)	$ 1,228,000	$ -	$ (1,460,733)	$ -	$ (345,157)	
CHV90	TRF0427	North Second Avenue Shoulder Improv	1,486	131,000	-	(142,190)	-	(9,704)	
		Interest Income	22,402	-	552	-	-	22,954	
		Total Maintenance	(88,536)	1,359,000	552	(1,602,923)	-	(331,907)	
		Total Local Street Improvements	(480,229)	4,018,427	1,841	(3,410,530)	-	129,509	
		Total *TransNet* Extension	(480,229)	4,018,427	1,841	(3,410,530)	-	129,509	
		GASB 31 Market Value Adjustment	(3,061)	-	-	-	3,061	-	(d)
		Total *TransNet* Extension after GASB 31 Adjustment	$ (483,290)	$ 4,018,427	$ 1,841	$ (3,410,530)	$ 3,061	$ 129,509	

Notes:
(a) CIP Project complete. Remaining funds were redistributed within same MPO ID.
(b) Deficit will be covered by drawdown in FY 2025.
(c) Adjustment reflects the transfer of funds totaling $8,568 ($556 from TRF0395/CHV77, $4,545 from STL0420/CHV82, and $3,467 from TRF0404/CHV84) from completed projects to active project STL0464/CHV88. *Pending council approval as part of Jan 2025 RTIP*
(d) Adjustment is to remove GASB 31 from Schedule A presentation.

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass Through:				
CHV39	N/A	Regional Arterial Management Systems	$ 186,000	$ -	$ (186,000)	$ -
		Total Congestion Relief-Pass Through	186,000	-	(186,000)	-
		Congestion Relief:				
CHV39	TRF0350	Traffic Signal System Optimization	2,055,213	833	(2,055,264)	782
CHV39	TRF0354	Traffic Congestion Relief Program	71,800	-	(70,809)	991
CHV39	TRF0400	Signal Retiming of Yellow	455,275	-	(290,000)	165,275
CHV39	TRF0423	Traffic Signal Comm Improv W of 805	5,795	-	(5,077)	718
CHV39	TRF0426	Adapt Signal Expansion Otay Lakes Rd	34,399	-	(33,838)	561
		Total CHV39 Projects	2,622,482	833	(2,454,988)	168,327
CHV44	TRF0356	Otay Mesa Transportation System	31,455	-	(31,315)	140
CHV48	STM0393	Major Pavement Rehabilitation FY17/18	2,884,082	-	(2,882,256)	1,826
CHV48	STM0400	RMRA Major Pavement Rehab FY19/20	1,238,000	-	(1,134,000)	104,000
CHV48	STM0401	RMRA Major Pavement Rehab FY20/21	1,035,600	-	(916,840)	118,760
CHV48	STM0408	Pavement Major Rehabilitation Program	604,123	-	(603,825)	298
CHV48	STM0411	Pavement Major Rehabilitation Program	76,600	-	(75,587)	1,013
CHV48	STM0414	Pavement Major Rehabilitation Program FY23/24	3,500	-	(3,442)	58
		Total CHV 48 Projects	5,841,905	-	(5,615,950)	225,955
CHV58	STL0426	Sidewalk Gap Citywide FY 17/18	685,619	-	(683,806)	1,813
CHV58	STL0442	Alpine (Naples to Emerson)	41,000	-	(40,354)	646
CHV58	STM0405	ADA Path Install at Otay Lakes Rd	7,556	-	(6,379)	1,177
CHV58	TRF0414	3rd Ave @ Seavale Pedestrian Improv	16,864	-	(11,182)	5,682
		Total CHV58 Projects	751,039	-	(741,721)	9,318
		Subtotal Congestion Relief	9,246,881	833	(8,843,974)	403,740

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Congestion Relief balance carried forward	$ 9,246,881	$ 833	$ (8,843,974)	$ 403,740
CHV60	STL0437	EB Right Turn Lane Install/ East H St Study	8,106	-	(5,284)	2,822
CHV60	TRF0398	Traffic Sig Install at Main St and Jacqua St	13,815	-	(10,651)	3,164
CHV60	TRF0418	Lead Ped Interval Traf Signal Ops	101,100	-	(99,309)	1,791
CHV60	TRF0424	Ped Hybr Beacon Upgrade	192,802	-	(192,802)	-
		Total CHV60 Projects	315,823	-	(308,046)	7,777
CHV70	STL0451	Bayshore Bikeway Segment 6A	4,765	-	(6,634)	(1,869)
CHV70	STM0384	Bike Lanes onBrdwy FsbltyStudy	1,995,392	-	(1,995,392)	-
CHV70	STM0392	Bike Lanes on Broadway	966,761	-	(966,761)	-
		Total CHV70 Projects	2,966,918	-	(2,968,787)	(1,869)
CHV77	TRF0395	SANDAG Main St Fiber OpticAddtl	41,974	-	(41,974)	-
CHV79	TRF0415	Telegraph Cnyn Rd Raised Median Impvmnts	104,792	-	(96,404)	8,388
CHV79	TRF0446	Left Turn Imp Bonita Rd@ Bonita Glen	69,830	-	(154,197)	(84,367)
		Total CHV79 Projects	174,622	-	(250,601)	(75,979)
CHV80	STL0406	3rd Ave Streetscp Imprv Phs 3	2,644,038	-	(2,579,232)	64,806
CHV82	STL0420	Palomar St/Orange Ave Sidewalk	598,836	-	(598,836)	-
CHV84	TRF0404	Retiming Signals/ Install Fiber Optic Comm Sys	923,383	-	(923,383)	-
CHV88	STL0464	F Street Promenade Phase 1	13,068	-	(7,485)	5,583
CHV89	TRF0432	Olympic Parkway Safety Enhancements	11,500	-	(7,703)	3,797
		Interest Income	-	53,561	-	53,561
		Total Congestion Relief	16,937,043	54,394	(16,530,021)	461,416

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
CHV06	CTY0219	Pavement Management System	1,533,767	-	(1,533,410)	357
CHV06	STL0445	Pavement Minor Rehab	32,353	-	(32,353)	-
CHV06	STL0455	Pavement Maintenance Program FY21/22	152,800	-	(149,966)	2,834
		Total CHV06 Projects	1,718,920	-	(1,715,729)	3,191
CHV22	CTY0202	CIP Advanced Planning	919,448	-	(979,867)	(60,419)
CHV22	CTY0208	CIP Management & Equipment Purchase	50,873	-	(45,137)	5,736
CHV22	CTY0232	ADA Pedestrian Connectivity Program	42,950	-	(41,909)	1,041
CHV22	STM0406	Bay Boulevard at L Street Sidewalk Improvements Study	50,200	-	(49,478)	722
		Total CHV 22 Projects	1,063,471	-	(1,116,391)	(52,920)
CHV33	STL0410	Kellog Elem Schl Ped Improvmt	224,993	-	(224,993)	-
CHV33	STM0380	Sidewalk Replacement E H Street Study	148,337	-	(148,337)	-
CHV33	TRF0345	School Zone Traffic Calming	815,646	-	(807,426)	8,220
CHV33	TRF0384	Lauderbach Elem. Pedestrian Imprv	362,645	-	(362,645)	-
CHV33	TRF0417	Enhanced Crosswalks School Zones	37,840	-	(37,840)	-
		Total CHV 33 Projects	1,589,461	-	(1,581,241)	8,220
CHV34	SWR0292	Indtrl Blvd &Main St Swr Imprv	142,401	-	(140,129)	2,272
CHV34	TRF0327	Neighborhood Safety Program	2,288,008	-	(2,287,735)	273
CHV34	TRF0411	Ped Imprvmnts- Castle Park Middle School	71,069	-	(70,893)	176
CHV34	TRF0413	Ladder Crosswalks at Controlled Intersections Program	21,806	-	(21,076)	730
CHV34	TRF0416	Intersection Safety Improvements	256,300	-	(256,018)	282
CHV34	TRF0422	Radar Speed Feedback Signs	52,100	-	(61,419)	(9,319)
CHV34	TRF0429	Pedestr and Guardrail Imprv Various	162,800	-	(162,295)	505
		Total CHV 34 Projects	2,994,484	-	(2,999,565)	(5,081)
		Subtotal Maintenance	7,366,336	-	(7,412,926)	(46,590)

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(Continued)

CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance balance carried forward	$ 7,366,336	$ -	$ (7,412,926)	$ (46,590)
CHV35	STM0369	Bikeway Facilities Gap Project	67,400	-	(123,534)	(56,134)
CHV35	TRF0332	Signing and Stripping Program	549,463	-	(549,267)	196
CHV35	TRF0366	Traffic Signal & St. Lighting Upgrade / Maint.	2,193,248	-	(2,192,435)	813
CHV35	TRF0421	Engineering & Traffic Survey Updates Program	14,241	-	(13,994)	247
		Total CHV 35 Projects	2,824,352	-	(2,879,230)	(54,878)
CHV45	TRF0321	Citywide Traffic Count Program	542,207	-	(526,718)	15,489
CHV45	TRF0354	Traffic Congestion Relief Program	76,028	-	(76,028)	-
		Total CHV 45 Projects	618,235	-	(602,746)	15,489
CHV50	DR0205	CMP Rehabilitation In Right of Way FY17/18	2,100,164	-	(2,100,164)	-
CHV50	DR0217	CMP Repair ROW FY20/21	153,736	-	(410,458)	(256,722)
CHV50	STM0385	Bridge Maintenance	138,485	-	(137,720)	765
		Total CHV 50 Projects	2,392,385	-	(2,648,342)	(255,957)
CHV75	STL0432	ADA Pedestrian Curb Ramps Program FY18/19	375,048	-	(375,048)	-
CHV75	STL0447	ADA Pedestrian Curb Ramps Program	249,571	-	(249,571)	-
CHV75	STL0448	Sidewalk Replacement Program FY20/21	87,163	-	(86,012)	1,151
CHV75	STL0454	ADA Pedestrian Curb Ramps Program FY21/22	75,968	-	(118,006)	(42,038)
CHV75	STL0461	ADA Pedestrian Curb Ramps FY22/23	84,100	-	(83,413)	687
		Total CHV 75 Projects	871,850	-	(912,050)	(40,200)
CHV83	STL0404	Bikeway Master Plan 2016 Update	63,539	-	(63,539)	-
CHV83	STM0394	Local Street Utility Undergrounding District	95,929	-	(74,499)	21,430
CHV83	STM0407	F Street Undergrounding Phase 2 - Street Light Design	24,801	-	(9,252)	15,549
		Total CHV 83 Projects	184,269	-	(147,290)	36,979
		Subtotal Maintenance	14,257,427	-	(14,602,584)	(345,157)

(Continued)

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance balance carried forward	$ 14,257,427	$ -	$ (14,602,584)	$ (345,157)
CHV90	TRF0427	North Second Avenue Shoulder Improv	161,000	-	(170,704)	(9,704)
		Interest Income	-	22,954	-	22,954
		Total Maintenance	14,418,427	22,954	(14,773,288)	(331,907)
		Total Local Street Improvements	31,541,470	77,348	(31,489,309)	129,509
		Subtotal Cumulative *TransNet* Extension	31,541,470	77,348	(31,489,309)	129,509
		Completed Projects:				
		LSI - Congestion Relief	37,327,561	4,132	(37,331,693)	-
		LSI - Maintenance	7,634,140	1,219	(7,635,359)	-
		Major Corridor Environmental Mitigation	1,072,678	-	(1,072,678)	-
		Smart Growth	6,252,698	-	(6,252,698)	-
		Bike and Pedestrian	828,582	-	(828,582)	-
		Total Completed Projects	53,115,659	5,351	(53,121,010)	-
		Total Cumulative *TransNet* Extension	$ 84,657,129	$ 82,699	$ (84,610,319)	$ 129,509

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CITY OF CHULA VISTA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	CHV45	$ 5,708	$ -	$ (5,708)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	CHV45	389,773	-	(38,967)	-	-	350,806	364,406
For Fiscal Year ended June 30, 2019	June 30, 2026		120,066	-	-	-	-	120,066	120,066
For Fiscal Year ended June 30, 2020	June 30, 2027		68,068	-	-	-	-	68,068	68,068
For Fiscal Year ended June 30, 2021	June 30, 2028		564,393	-	-	-	-	564,393	564,393
For Fiscal Year ended June 30, 2022	June 30, 2029		1,033,556	-	-	-	-	1,033,556	1,033,556
For Fiscal Year ended June 30, 2023	June 30, 2030		1,213,000	-	-	-	-	1,213,000	1,213,000
For Fiscal Year ended June 30, 2024	June 30, 2031		256,453	-	-	-	-	256,453	-
Interest Income			-	246,685	-	-	-	246,685	150,391
Subtotal RTCIP Funds			3,651,017	246,685	(44,675)	-	-	3,853,027	3,513,880
GASB 31 Market Value Adjustment			-	77,225	-	-	-	77,225	(63,615)
Total RTCIP Funds			$ 3,651,017	$ 323,910	$ (44,675)	$ -	$ -	$ 3,930,252	$ 3,450,265

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CITY OF CORONADO, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Coronado, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $210,047. We selected $71,272 (33.93%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no payroll expenditures identified during FY24.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated during FY24.

g. We inspected 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, 2025.

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City had no non-*TransNet* activity included within Schedule A in FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more

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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 2024 apportionment	$797,420
Less: debt service payment	-
Net estimated apportionment	797,420
30% base	30%
Fiscal year 2024 30% threshold	239,226
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(44,832)
Maintenance fund balance	(3,620)
Total Local Streets and Roads and Local Street Improvement fund balance	(48,452)
Fund balance under apportionment	$287,678

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(44,832)	$845,656	$800,824
Maintenance	(3,620)	2,893,989	2,890,369
Totals	$(48,452)	$3,739,645	$3,691,193

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

Results: The City has expended 3.59% of cumulative local street and road revenue for maintenance as indicated below:

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	City	SANDAG	Total
Congestion relief	$6,629,514	$553,204	$7,182,718
Maintenance	382,949	2,778,142	3,161,091
Interest	22,018	408,299	430,316
Total local street and road revenue	$7,034,481	$3,739,645	$10,774,125
30% of total local street and road revenue			$3,232,238
Less maintenance expenditures incurred to date			(386,910)
Available maintenance funds			$2,845,328
Cumulative percentage expended for maintenance			3.59%

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

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

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Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$86,218,210	$58,950,751	1.46

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.46.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$620,164
Growth Rate	1.46
Adjusted MOE base as of June 30, 2024	$905,439

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$1,454,395
Less MOE base year requirement	(620,164)
Excess MOE for the year ended June 30, 2024	$ 834,231

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

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

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

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

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

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

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

Results: The City did not consistently collect the required exaction fee amount of $2,741.97. For one permit issued, the exaction fee collected was based upon the prior year's exaction fee amount. This resulted in an under-collection of the exaction fee in the amount of $53.76. See Finding 1 in the Findings and Recommendations section of this report.

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

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

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

Results: The City did not expend or commit exaction fees collected within the required seven-year timeframe. See Finding 2 in the Findings and Recommendations Section within the report.

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

Results: The City did not expend or commit exaction fees collected within the required seven-year timeframe. See Finding 2 in the Findings and Recommendations Section within the report.

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for the fiscal year ending June 30, 2024.

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

Results: This procedure is not applicable as there were no RTCIP payroll expenditures for the fiscal year ending June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 18, 2024.

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

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

15. We inspected 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.

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

Results: The City had one prior year finding relating to the City not consistently collecting the required exaction fee amount of $2,635.50. For two permits issued, the exaction fee collected was based upon the prior year's exaction fee amount. Per further discussion with the City, it was determined that the City was not able to collect those funds and will record them as a receivable until FY25. In FY25 the City

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will transfer the under collection of funds from their General Fund to cover the undercollected fees from FY22 – FY24.

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

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

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

CITY OF CORONADO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations

Year Ended June 30, 2024

(1) Need to Use Approved Exaction Fee

Per review of the City's exaction fee collections for the year ended June 30, 2024, the City did not consistently collect the required exaction fee amount of $2,741.97. For one permit issued, the exaction fee collected was based upon the prior year's exaction fee amount of $2,688.21. In addition, the City had one prior year finding relating to the City not consistently collecting the required exaction fee amount of $2,635.50. For two permits issued, the exaction fee collected was based upon the prior year's exaction fee amounts. This resulted in an under-collection of the exaction fee in the amount of $53.76 as follows:

Permit Number	Audited Amount	Amount Required	Variance
NC2007-001	$2,688.21	$2,741.97	$53.76
Totals	$2,688.21	$2,741.97	$53.76

SANDAG Board recommendations as of February 8, 2023 and subsequent approval states, in part:

> "…the Board of Directors will be asked to approve a 2% adjustment to the Regional Transportation Congestion Improvement Program (RTCIP) raising the minimum fee from $2,688.21 to $2,741.97 beginning July 1, 2023."

Additionally, Board Policy 031, Rule #23 B.5 states in part:

> "…if, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalized and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year that was the subject of the audit will be retroactively owed to the Commission…"

Recommendation

We recommend that the City recover the under-collection of exaction fees in the amount of $53.76 for FY24. Furthermore, the City has under-collected exaction fees in the amount of $646.34 from FY23 for which we recommend the City recover the under-collected fees or fund the deficit from an alternate source. Lastly, we recommend that the City update and collect the proper exaction fees on a yearly basis to be in compliance with the RTCIP fees.

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

Management Response

Management agrees with the finding and is continuing to evaluate internal controls to prevent errors in collections and is working with permitting staff to identify gaps in their collection procedures. During fiscal year 2025, the City has attempted to collect the under-collected amounts and has been unsuccessful. The City will record the uncollected fees as a receivable in FY25 and will complete a General Fund transfer to cover the deficit once SANDAG passes the procedure to take this action.

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(2) RTCIP Funding not Expended nor Committed Within Seven Years of Collection

The City did not expend or commit RTCIP funding collected during fiscal year 2017 within seven years of collection. For the year ended June 30, 2017, the City collected $21,213 in exaction fees. Of this amount, $19,519 should have been expended or committed by June 30, 2024.

TransNet Extension and Ordinance, *TransNet* Extension Regional Transportation Congestion Improvement Program, Section G, *Procedure for the Levy, Collection and Disposition of Funding Program Revenues*, Paragraph 4, states, in part:

> "Each jurisdiction shall have up to but no more than seven fiscal years to expend Funding Program revenues on the Regional Arterial Systems projects. The seven year term shall commence on the first day of July following the jurisdiction's receipt of the revenue. At the time of the review and audit by the Independent Taxpayer Oversight Committee, each jurisdiction collecting a development impact fee to meet the requirements of its Funding Program shall provide the Committee with written findings for any expended, unexpended and uncommitted fees in their Program Fund and demonstrates a reasonable relationship between the fee and the purpose for which it was charged… Contributions to the Funding Program not committed or expended by the tenth anniversary date of the July 1 following collection shall be refunded to the current record owner of the development project on a prorated basis…"

Recommendation

We recommend that the City expend or commit the remaining unspent RTCIP funds to restore compliance with the *TransNet* Extension and Ordinance. Additionally, we recommend the City develop procedures to ensure exaction fees collected for RTCIP purposes are properly tracked to ensure said collections are expended or committed within the required seven-year timeframe.

Management Response

Management agrees with the finding. The City has committed RTCIP funds to a project in Fiscal Year 2025 and it was discovered that the commitment was not reported in ProjectTrak. During Fiscal Year 2025, Finance will work with City staff to ensure that commitments are entered into ProjectTrak to properly record the commitments with SANDAG.

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GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Congestion Relief:							
COR07	97400-20002	Street, Curb & Gutter-FY19/FY20	$ 106,844	$ -	$ -	$ -	$ (106,844)	$ -	
COR07	98070-21001	Street, Curb & Gutter-FY20/FY21	-	-	-	(73,277)	57,344	(15,933)	(a)
COR07	98987-23000	Seawall Stabilization & Repairs	-	-	-	(49,500)	49,500	-	
COR07	97520-20013	Shores Median	-	22,256	-	(22,256)	-	-	
		Total COR07 Projects	106,844	22,256	-	(145,033)	-	(15,933)	
COR25	97120-18003	Ocean Blvd. Street Improvement	2	-	-	-	(2)	-	(b)(c)
COR27	98987-24008	Five Points Drainage Preliminary Eng	-	31,940	-	(61,376)	-	(29,436)	(a)
		Interest Income	495	-	42	-	-	537	
		Total Congestion Relief	107,341	54,196	42	(206,409)	(2)	(44,832)	
		Maintenance:							
COR04	98987-STPVM FY23	Street Preventative Maintenance FY23	-	-	-	(3,638)	-	(3,638)	(a)
		Interest Income	-	-	18	-	-	18	
		Total Maintenance	-	-	18	(3,638)	-	(3,620)	
		Total Local Street Improvements	107,341	54,196	60	(210,047)	(2)	(48,452)	
		Total *TransNet* Extension	107,341	54,196	60	(210,047)	(2)	(48,452)	
		GASB 31 Market Value Adjustment	(1,985)	-	1,593	-	392	-	(d)
		Total *TransNet* Extension after GASB 31 adjustment	$ 105,356	$ 54,196	$ 1,653	$ (210,047)	$ 390	$ (48,452)	

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Notes:
(a) City will request funds during FY25.
(b) Adjustment is due to rounding from PY revenues and expenditures.
(c) Project is complete.
(d) Adjustment is to remove GASB31 from Schedule A in FY24.

CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
COR07	97400-20002	Street, Curb & Gutter-FY19/FY20	$ 80,735	$ -	$ (80,735)	$ -
COR07	98070-21001	Street, Curb & Gutter-FY20/FY21	57,344	-	(73,277)	(15,933)
COR07	98987-23000	Seawall Stabilization & Repairs	49,500	-	(49,500)	-
COR07	97520-20013	Shores Median	22,256	-	(22,256)	-
		Total COR07 Projects	209,835	-	(225,768)	(15,933)
COR25	97120-18003	Ocean Blvd. Street Improvement	959,042	3,866	(962,908)	-
COR27	98987-24008	Five Points Drainage Preliminary Eng	31,940	-	(61,376)	(29,436)
		Interest Income	-	537	-	537
		Total Congestion Relief	1,200,817	4,403	(1,250,052)	(44,832)
		Maintenance:				
COR04	98987-STPVM FY23	Street Preventative Maintenance FY23	100,000	-	(103,638)	(3,638)
		Interest Income	-	18	-	18
		Total Maintenance	100,000	18	(103,638)	(3,620)
		Total Local Street Improvements	1,300,817	4,421	(1,353,690)	(48,452)
		Total Cumulative *TransNet* Extension	1,300,817	4,421	(1,353,690)	(48,452)
		Completed Projects:				
		LSI - Congestion Relief	5,428,697	17,274	(5,445,971)	-
		LSI - Maintenance	282,949	323	(283,272)	-
		Senior Mini Grant	89,083	-	(89,083)	-
		Total Completed Projects	5,800,729	17,597	(5,818,326)	-
		Total Cumulative *TransNet* Extension	$ 7,101,546	$ 22,018	$ (7,172,016)	$ (48,452)

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CITY OF CORONADO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Cumulative Funds Committed	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
For Fiscal Year ended June 30, 2017	June 30, 2024	COR24	$ 21,213	$ 1,977	$ (3,671)	$ -	$ -	$ 19,519	$ 19,519	
For Fiscal Year ended June 30, 2018	June 30, 2025		14,425	1,344	-	2,404	-	18,173	15,769	(a)
For Fiscal Year ended June 30, 2019	June 30, 2026		26,446	2,465	-	-	-	28,911	28,911	
For Fiscal Year ended June 30, 2020	June 30, 2027		15,943	1,486	-	-	-	17,429	17,429	
For Fiscal Year ended June 30, 2021	June 30, 2028		-	-	-	-	-	-	-	
For Fiscal Year ended June 30, 2022	June 30, 2029		12,919	1,204	-	-	-	14,123	8,955	
For Fiscal Year ended June 30, 2023	June 30, 2030		20,859	1,944	-	-	-	22,803	22,803	
For Fiscal Year ended June 30, 2024	June 30, 2031		2,688	4,318	-	-	-	7,006	-	
Subtotal RTCIP Funds			114,493	14,738	(3,671)	2,404	-	127,964	113,386	
GASB 31 Market Value Adjustment			-	2,912	-	(2,912)	-	-	930	(b)
Total RTCIP Funds			$ 114,493	$ 17,650	$ (3,671)	$ (508)	$ -	$ 127,964	$ 114,316	

Notes:
(a) The City processed an adjustment in FY24 for a refund in the amount of $2,404 of erroneous RTCIP charge in FY2018 for permit #B1807-001.
(b) Adjustment is to remove GASB31 from Schedule C in FY25.

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CITY OF DEL MAR, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Del Mar, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $228,757. We selected $95,996 (41.96%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

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

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

Results: This procedure is not applicable as there were no adjustments during the year ending June 30, 2024.

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

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

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

Results: This procedure is not applicable as there were no transfers during the year ending June 30, 2024.

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, 2025.

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

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There are two projects that have been inactive over the past two years. The City indicated for DM02 project that "the City of Del Mar has secured other local funding sources that will be utilized first before using *TransNet* Funds. It is anticipated that the other available local funds will be exhausted during the construction phase of the project. The construction phase of the project is projected to begin in December 2026. It is not anticipated that *TransNet* funds will be used for this project prior to that date." The City also indicated for DM01 project that "The City completed a street assessment to evaluate the priority of required pothole/small area street maintenance. The City did not spend *TransNet* funds in FY24 but plans to spend funding in FY25 for DM01 project." The status of the projects has been added to Schedule A.

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

Results: SANDAG approved the reason for the inactivity on October 31, 2024.

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

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

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

Results: This procedure is not applicable as the City did not have non-*TransNet* activity in Schedule A.

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

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

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

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

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

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

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

Fiscal year 2024 apportionment	$ 265,598
Less: debt service payment	(132,761)
Net estimated apportionment	132,837
30% base	30%
Fiscal year 2024 30% threshold	39,851
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	3,390
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	3,390
Fund balance under apportionment	$ 36,461

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9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ 3,390	$(149,943)	$(146,553)
Maintenance	-	657,655	657,655
Totals	$ 3,390	$ 507,712	$ 511,102

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

    Results: The City has expended 5.20% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$6,842,923	$(195,081)	$6,647,842
Maintenance	402,626	639,370	1,041,996
Interest	8,483	63,423	71,906
Total local street and road revenue	$7,254,032	$507,712	$7,761,744
30% of total local street and road revenue			$ 2,328,523
Less maintenance expenditures incurred to date			(403,270)
Available maintenance funds			$ 1,925,253
Cumulative percentage expended for maintenance			5.20%

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

    Results: The results are summarized below.

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Total Debt Service *
2014 Series A Bonds	$ 70,000	$ -	$ (70,000)	$ -	$ (54,706)
2019 Series A Bonds	855,000	-	(216,895)	638,105	(18,442)
2021 Series A Bonds	1,610,000	-	-	1,610,000	(50,402)
2023 Series A Bonds	-	216,895	-	216,895	(9,211)
Total	$2,535,000	$216,895	$(286,895)	$2,465,000	$(132,761)

* Total Debt Service is comprised of principal payments, interest, debt service expenses and withholdings.

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12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.
        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$19,708,653	1.14

    c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

        Results: The lowest growth rate is 0.63.

    d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

        Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$379,643
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

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13. With respect to the MOE requirement:

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

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

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

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

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

            iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

        Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

	Street & Roads	Specialized Transportation	Total
Current year local discretionary expenditures	$1,280,535	$ 60,000	$1,340,535
Less MOE base year requirement	(379,643)	(17,493)	397,136
Excess MOE for the year ended June 30, 2024	$ 900,892	$ 42,507	$943,399

14. 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.

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

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

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

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

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

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

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

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

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

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

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for FY24.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for FY24.

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

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Results: This procedure is not applicable as there were no payroll expenditures identified during FY24.

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

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

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

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 16, 2024.

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

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

15. We inspected 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.

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

    Results: The prior year's report included a finding that the City did not consistently collect the required exaction fee amount. There were two permits issued where the exaction fees collected were based on FY22 fees instead of FY23. The City was able to collect the balance due. As such, the finding will be removed.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Irvine, California
_____, 2025

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GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		TransNet Extension:							
		Local Street Improvements:							
		Congestion Relief:							
DM02	44.7000.7011	Local Match to Bridge Retrofit Projects	$ -	$ -	$ -	$ -	$ -	$ -	(a)
DM06	44.7000.7050	Sidewalk, Street and Drainage Improv	3,285	95,996	105	(95,996)	-	3,390	
		2014 Series A Bond	-	54,706	-	(54,706)	-	-	
		2019 Series A Bond	-	18,442	-	(18,442)	-	-	
		2021 Series A Bond	-	50,402	-	(50,402)	-	-	
		2023 Series A Bond	-	9,211	-	(9,211)	-	-	
		Total Congestion Relief	3,285	228,757	105	(228,757)	-	3,390	
		Maintenance:							
DM01	44.7000.7009	Resurfacing and Drainage Project	-	-	-	-	-	-	(b)
		Total Maintenance	-	-	-	-	-	-	
		Total Local Street Improvements	3,285	228,757	105	(228,757)	-	3,390	
		Total *TransNet* Extension	3,285	228,757	105	(228,757)	-	3,390	
		GASB 31 Market Value Adjustment	(95)	-	31	-	-	(64)	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 3,190	$ 228,757	$ 136	$ (228,757)	$ -	$ 3,326	

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Notes:

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

(b) The City completed a street assessment to evaluate the priority of required pothole/small area street maintenance. The City did not spend *TransNet* funds in FY24 but plans to spend funding in FY25.

CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
DM02	44.7000.7011	Local Match to Bridge Retrofit Projects	$ 207,386	$ 459	$ (207,845)	$ -
DM06	44.7000.7009	Sidewalk, Street and Drainage Improv	4,349,981	5,969	(4,352,560)	3,390
		2014 Series A Bonds	1,349,888	-	(1,349,888)	-
		2019 Series A Bonds	98,755	-	(98,755)	-
		2021 Series A Bonds	122,397	-	(122,397)	-
		2023 Series A Bonds	9,211	-	(9,211)	-
		Total Congestion Relief	6,137,618	6,428	(6,140,656)	3,390
		Maintenance:				
DM01	44.7000.7009	Resurfacing and Drainage Project	402,626	644	(403,270)	-
		Total Maintenance	402,626	644	(403,270)	-
		Total Local Street Improvements	6,540,244	7,072	(6,543,926)	3,390
		Total Cumulative *TransNet* Extension	6,540,244	7,072	(6,543,926)	3,390
		Completed Projects:				
		LSI - Commercial Paper Debt Service	1,082	-	(1,082)	-
		LSI - Congestion Relief	704,223	1,411	(705,634)	-
		Bikes and Pedestrian	812,000	-	(812,000)	-
		Total Completed Projects	1,517,305	1,411	(1,518,716)	-
		Total Cumulative *TransNet* Extension	$ 8,057,549	$ 8,483	$ (8,062,642)	$ 3,390

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CITY OF DEL MAR, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	DM06	$ -	$ -	$ -	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	DM06	2,404	25	(2,429)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	DM06	2,483	68	(2,551)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	DM06	2,533	125	(3)	-	-	2,655	2,655
For Fiscal Year ended June 30, 2021	June 30, 2028	DM06	2,584	131	-	-	-	2,715	2,715
For Fiscal Year ended June 30, 2022	June 30, 2029	DM06	2,636	58	-	-	-	2,694	2,694
For Fiscal Year ended June 30, 2023	June 30, 2030		23,720	675	-	-	-	24,395	24,395
For Fiscal Year ended June 30, 2024	June 30, 2031		3,216	1,067	-	-	-	4,284	-
Subtotal RTCIP Funds			39,576	2,149	(4,983)	-	-	36,743	32,459
GASB 31 Market Value Adjustment			-	270	-	-	-	270	(610)
Total RTCIP Funds			$ 39,576	$ 2,419	$ (4,983)	$ -	$ -	$ 37,013	$ 31,849

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CITY OF EL CAJON, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of El Cajon, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

      i. We inspected interest income reported on Schedule A and agreed 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 inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of $6,942,547. We selected $2,283,694 (32.89%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City distributes indirect costs in two ways. For operating departments, an allocation for each cost pool is made on a reasonable allocation basis. For irregularly timed or project work, such as Capital Improvement Projects, indirect costs are applied using Fully Burdened Rates (FBR). FBRs are calculated for each job classification. Since job classifications may exist in many budgetary units, an average of each unit's hourly rate is calculated and used as the FBR for that classification. This average hourly rate is weighed by the portion of full time equivalent (FTE) employees in that unit. FBRs are used to assign indirect costs where they are not allocated. The City's indirect cost rates were last updated and approved on October 19, 2020 by the City's Finance Department. The dollar amount of the indirect costs charged to the *TransNet* program was $15,379 resulting in 0.22% of indirect costs compared to total *TransNet* expenditures. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent certified public accounting firm.

g. We inspected 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.

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

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

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

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

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

Results: There are four projects that have been inactive over the past two years. The City indicated that, "EL06 is an active City project funded by multiple MPOID funding sources. Activity funded by this MPOID was not present during this phase of the project. EL18, EL11 and EL21 projects completed in Fiscal Year 2022-23. Remaining balances will be reprogrammed with Fiscal Year 2024-25 RTIP amendment in April 2025." The status of the projects has been added to Schedule A.

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

Results: SANDAG approved the reason for the inactivity on December 6, 2024.

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

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

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

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

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.

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a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

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

Fiscal year 2024 apportionment	$3,518,686
Less: debt service payment	-
Net estimated apportionment	3,518,686
30% base	30%
Fiscal year 2024 30% threshold	1,055,606
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(1,535,046)
Maintenance fund balance	(710,001)
Total Local Streets and Roads and Local Street Improvement fund balance	(2,245,047)
Fund balance under apportionment	$3,300,653

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9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(1,535,046)	$ 6,375,800	$4,840,754
Maintenance	(710,001)	5,815,982	5,105,981
Totals	$(2,245,047)	$12,191,782	$9,946,735

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 18.00% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$23,408,849	$5,507,634	$28,916,483
Maintenance	6,949,561	5,455,848	12,405,409
Interest	9,785	1,228,300	1,238,085
Total local street and road revenue	$30,368,195	$12,191,782	$42,559,977
30% of total local street and road revenue			$12,767,993
Less maintenance expenditures incurred to date			(7,662,498)
Available maintenance funds			$5,105,495
Cumulative percentage expended for maintenance			18.00%

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

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

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a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.
   i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

   Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

   i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

   Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$104,805,159	$83,725,760	1.25

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

   Results: The lowest growth rate is 1.25.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

   Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,165,357
Growth Rate	1.25
Adjusted MOE base as of June 30, 2024	$1,456,696

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13. With respect to the MOE requirement:

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

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

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

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

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

            iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

    Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$2,513,050
Less MOE base year requirement	(1,165,357)
Excess MOE for the year ended June 30, 2024	$1,347,693

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

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

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

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

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

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

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

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

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

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

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

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

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

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

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $151,247. We selected $66,184 (43.76%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

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Results: This procedure is not applicable as there were no payroll expenditures for fiscal year ending June 30, 2024.

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

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

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

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 9, 2024.

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

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

15. We inspected 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.

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

    Results: The City had one prior year finding from FY23 relating to not collecting the correct required exaction fee amount. As of June 30, 2024, City was able to collect the $52.71 and as such, the finding has been resolved.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

Irvine, California
_____, 2025

DRAFT 2

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
EL06	N/A	Regional Arterial Management Systems	$ -	$ 9,700	$ -	$ (9,700)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	9,700	-	(9,700)	-	-	
		Congestion Relief:							
EL03	200020PWCP	Overlay 2020	(247,473)	207,134	-	-	-	(40,339)	(a)
EL03	203688PWCP	Jamacha Road Safety Improvements	(13,233)	35,454	-	(30,934)	-	(8,713)	(a)
EL03	203689PWCP	Madison Avenue Safety Improvements	(2,382)	2,383	-	-	-	1	
EL03	203690PWCP	El Cajon Transit Center Improvements	-	1,189,854	-	(2,434,697)	-	(1,244,843)	(a)
EL03	223748PWCP	Luke Lane Drainage Improvements	(2,637)	94,193	-	(115,399)	-	(23,843)	(a)
EL03	233785PWCP	Oakdale Alameda Gateway Beautification	-	72,056	-	(155,972)	-	(83,916)	(a)
		Total EL03 Projects	(265,725)	1,601,074	-	(2,737,002)	-	(1,401,653)	
EL06	200020PWCP	Overlay 2020	38	-	-	-	(38)	-	(b)
EL06	203688PWCP	Jamacha Road Safety Improvements	12,415	3,562	-	(5,134)	-	10,843	
EL06	203689PWCP	Madison Avenue Safety Improvements	9,624	264,467	-	-	-	274,091	
EL06	203690PWCP	El Cajon Transit Center Improvements	28,514	-	-	-	38	28,552	(b)(c)
EL06	203691PWCP	Main/Green Street Gateway Improvements	6,000	4,950	-	(9,305)	-	1,645	
EL06	223744PWCP	Traffic Signal System Upgrades 2022	(18,785)	37,570	-	-	-	18,785	(d)
		Total EL06 Projects	37,806	310,549	-	(14,439)	-	333,916	
EL18	N/A	Street Light LED Retrofit Program 2019	(17,462)	17,462	-	-	-	-	(e)
EL18	203688PWCP	Jamacha Road Safety Improvements	(24,160)	28,633	-	(5,134)	-	(661)	(a)
EL18	203689PWCP	Madison Avenue Safety Improvements	(301,209)	174,355	-	(161,284)	-	(288,138)	(a)
EL18	N/A	Street Light LED Retrofit Program 2021	(38,750)	38,750	-	-	-	-	(e)
EL18	N/A	Street Light LED Retrofit Program 2022	7,090	-	-	-	-	7,090	(f)
		Total EL18 Projects	(374,491)	259,200	-	(166,418)	-	(281,709)	
EL29	203689PWCP	Madison Avenue Safety Improvements	-	18,531	-	(158,096)	-	(139,565)	(a)
EL29	213719PWCP	Traffic Safety Calming 2021	(41,366)	41,366	-	(9,261)	-	(9,261)	(a)
EL29	223745PWCP	Traffic Safety Calming 2022	(36,808)	37,660	-	(1,982)	-	(1,130)	(a)
EL29	223755PWCP	Pedestrian Safety Improvements	(2,081)	2,081	-	-	-	-	(e)
EL29	233790PWCP	Traffic Safety Calming 2023	(5,856)	-	-	(36,637)	-	(42,493)	(a)
		Total EL29 Projects	(86,111)	99,638	-	(205,976)	-	(192,449)	
		Interest Income	6,849	-	-	-	-	6,849	
		Total Congestion Relief	$ (681,672)	$ 2,270,461	$ -	$ (3,123,835)	$ -	$ (1,535,046)	

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(Continued)

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
EL11	203688PWCP	Jamacha Road Safety Improvements	$ (36,949)	$ 43,303	$ -	$ (5,134)	$ -	$ 1,220	(a)
EL11	203689PWCP	Madison Avenue Safety Improvements	(5,149)	5,149	-	-	-	-	(e)
EL11	203690PWCP	El Cajon Transit Center Improvements	(14,314)	60,753	-	(77,180)	-	(30,741)	(a)
EL11	203691PWCP	Main/Green Street Gateway Improvements	(2,425)	15,492	-	(19,363)	-	(6,296)	(a)
EL11	222022PWCP	Concrete Sidewalk Slicing	(31,503)	53,572	-	(5,637)	-	16,432	(a)
EL11	N/A	ADA Concrete Improvements 2020	(152,107)	152,107	-	-	-	-	(e)
EL11	N/A	ADA Concrete Improvements 2021	55	-	-	-	-	55	(f)
		Total EL11 Projects	(242,392)	330,376	-	(107,314)	-	(19,330)	
EL21	N/A	Slurry 2020	(237,656)	237,656	-	-	-	-	(e)
EL21	N/A	Slurry 2021	(111,736)	111,736	-	-	-	-	(e)
EL21	233788PWCP	Slurry 2022	(7,294)	13,429	-	(699,742)	-	(693,607)	(a)
		Total EL21 Projects	(356,686)	362,821	-	(699,742)	-	(693,607)	
		Interest Income	2,936	-	-	-	-	2,936	
		Total Maintenance	(596,142)	693,197	-	(807,056)	-	(710,001)	
		Total Local Street improvements	(1,277,814)	2,973,358	-	(3,940,591)	-	(2,245,047)	
EL40	SNDG5488	El Cajon Transit Center Community Connection Improvements	(231,086)	1,701,506	-	(1,351,350)	-	119,070	
EL41	SNDG5489	Main Street/Green Street Gateway	(53,554)	1,401,907	-	(1,650,606)	-	(302,253)	(a)
		Total Smart Growth	(284,640)	3,103,413	-	(3,001,956)	-	(183,183)	
		Total *TransNet* Extension	(1,562,454)	6,076,771	-	(6,942,547)	-	(2,428,230)	
		GASB 31 Market Value Adjustment	-	-	-	-	-	-	
		Total *TransNet* Extension after GASB 31 Adjustment	$ (1,562,454)	$ 6,076,771	$ -	$ (6,942,547)	$ -	$ (2,428,230)	

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Notes:
(a) City will request funds during FY25.
(b) Adjustment is to project being completed in FY23 and moved to another project.
(c) This is an active City project funded by multiple MPOID funding sources. Activity funded by this MPOID was not present during this phase of the project.
(d) A duplicate drawdown for Project 223744PWCP under EL06 and will move the balance in April 2025.
(e) Project completed.
(f) Projects completed in Fiscal Year 2022-23. Remaining balances will be reprogrammed with Fiscal Year 2024-25 RTIP amendment in April 2025.

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
EL06	N/A	Regional Arterial Management Systems	$ 116,400	$ -	$ (116,400)	$ -
		Total Congestion Relief - Pass-Through	116,400	-	(116,400)	-
		Congestion Relief:				
EL03	200020PWCP	Overlay 2020	1,064,828	-	(1,105,167)	(40,339)
EL03	203688PWCP	Jamacha Road Safety Improvements	35,454	-	(44,167)	(8,713)
EL03	203689PWCP	Madison Avenue Safety Improvements	2,383	-	(2,382)	1
EL03	203690PWCP	El Cajon Transit Center Improvements	1,189,854	-	(2,434,697)	(1,244,843)
EL03	223748PWCP	Luke Lane Drainage Improvements	94,193	-	(118,036)	(23,843)
EL03	233785PWCP	Oakdale Alameda Gateway Beautification	72,056	-	(155,972)	(83,916)
		Total EL06 Projects	2,458,768	-	(3,860,421)	(1,401,653)
EL06	200020PWCP	Overlay 2020	13	-	(13)	-
EL06	203688PWCP	Jamacha Road Safety Improvements	94,053	-	(83,210)	10,843
EL06	203689PWCP	Madison Avenue Safety Improvements	365,616	-	(91,525)	274,091
EL06	203690PWCP	El Cajon Transit Center Improvements	28,552	-	-	28,552
EL06	203691PWCP	Main/Green Street Gateway Improvements	10,950	-	(9,305)	1,645
EL06	223744PWCP	Traffic Signal System Upgrades 2022	252,820	-	(234,035)	18,785
		Total EL06 Projects	752,004	-	(418,088)	333,916
EL18	N/A	Street Light LED Retrofit Program 2019	156,335	-	(156,335)	-
EL18	203688PWCP	Jamacha Road Safety Improvements	82,550	-	(83,211)	(661)
EL18	203689PWCP	Madison Avenue Safety Improvements	195,955	-	(484,093)	(288,138)
EL18	N/A	Street Light LED Retrofit Program 2021	135,750	-	(135,750)	-
EL18	N/A	Street Light LED Retrofit Program 2022	107,300	-	(100,210)	7,090
		Total EL18 Projects	677,890	-	(959,599)	(281,709)
EL29	203689PWCP	Madison Avenue Safety Improvements	275,114	-	(414,679)	(139,565)
EL29	213719PWCP	Traffic Safety Calming 2021	50,366	-	(59,627)	(9,261)
EL29	223745PWCP	Traffic Safety Calming 2022	38,512	-	(39,642)	(1,130)
EL29	223755PWCP	Pedestrian Safety Improvements	2,081	-	(2,081)	-
EL29	233790PWCP	Traffic Safety Calming 2023	-	-	(42,493)	(42,493)
		Total EL29 Projects	366,073	-	(558,522)	(192,449)
		Interest Income	-	6,849	-	6,849
		Total Congestion Relief	$ 4,254,735	$ 6,849	$ (5,796,630)	$ (1,535,046)

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(Continued)

CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
EL11	203688PWCP	Jamacha Road Safety Improvements	$ 84,430	$ -	$ (83,210)	$ 1,220
EL11	203689PWCP	Madison Avenue Safety Improvements	91,170	-	(91,170)	-
EL11	203690PWCP	El Cajon Transit Center Improvements	140,240	-	(170,981)	(30,741)
EL11	203691PWCP	Main/Green Street Gateway Improvements	35,507	-	(41,803)	(6,296)
EL11	222022PWCP	Concrete Sidewalk Slicing	87,320	-	(70,888)	16,432
EL11	N/A	ADA Concrete Improvements 2020	305,607	-	(305,607)	-
EL11	N/A	ADA Concrete Improvements 2021	1,100	-	(1,045)	55
		Total EL11 Projects	745,374	-	(764,704)	(19,330)
EL21	N/A	Slurry 2020	722,674	-	(722,674)	-
EL21	N/A	Slurry 2021	276,736	-	(276,736)	-
EL21	233788PWCP	Slurry 2022	14,203	-	(707,810)	(693,607)
		Total EL21 Projects	1,013,613	-	(1,707,220)	(693,607)
		Interest Income	-	2,936	-	2,936
		Total Maintenance	1,758,987	2,936	(2,471,924)	(710,001)
		Total Local Street Improvements	6,130,122	9,785	(8,384,954)	(2,245,047)
		Smart Growth:				
EL40	SNDG5488	El Cajon Transit Center Community Connection Improvements	2,010,497	-	(1,891,427)	119,070
EL41	SNDG5489	Main Street/Green Street Gateway	1,730,117	-	(2,032,370)	(302,253)
		Total Smart Growth	3,740,614	-	(3,923,797)	(183,183)
		Subtotal Cumulative *TransNet* Extension	9,870,736	9,785	(12,308,751)	(2,428,230)
		Completed Projects:				
		Congestion Relief	19,037,714	-	(19,037,714)	-
		Maintenance	5,190,574	-	(5,190,574)	-
		Smart Growth	537,626	-	(537,626)	-
		Total Completed Projects	24,765,914	-	(24,765,914)	-
		Total Cumulative *TransNet* Extension	$ 34,636,650	$ 9,785	$ (37,074,665)	$ (2,428,230)

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CITY OF EL CAJON, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	EL40	$ 260,933	$ -	$ (260,933)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	EL40	50,449	-	(50,449)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	EL40	302,985	-	(221,728)	-	-	81,257	232,504
For Fiscal Year ended June 30, 2020	June 30, 2027		298,912	-	-	-	-	298,912	298,912
For Fiscal Year ended June 30, 2021	June 30, 2028		79,997	-	-	-	-	79,997	79,997
For Fiscal Year ended June 30, 2022	June 30, 2029		44,648	-	-	-	-	44,648	44,648
For Fiscal Year ended June 30, 2023	June 30, 2030		37,530	-	-	-	-	37,530	37,530
For Fiscal Year ended June 30, 2024	June 30, 2031		147,099	-	-	-	-	147,099	-
Interest Income			-	74,560	-	-	-	74,560	59,256
Total RTCIP Funds			$ 1,222,553	$ 74,560	$ (533,110)	$ -	$ -	$ 764,003	$ 752,847

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CITY OF ENCINITAS, CALIFORNIA

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

Year Ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Encinitas, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $2,066,580. We selected $1,355,251 (65.58%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

Results: This procedure is not applicable as payroll expenditures were not allocated to projects on the RTIP for the fiscal year ended June 30, 2024.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet*

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program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects included within the RTIP for the fiscal year ended June 30, 2024.

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

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

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

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

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

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

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

Results: This procedure is not applicable as there were no projects with a negative ending balance at June 30, 2024.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: This procedure is not applicable as there were no projects with a negative ending balance at June 30, 2024.

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

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

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

Results: This procedure is not applicable as the City did not have projects with no activity for the past two years on Schedule A.

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

Results: *(Pending council resolution expected in February 2025)*

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

Results: This procedure is not applicable as there were no non-*TransNet* projects included within Schedule A.

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

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

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

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

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

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

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

Fiscal year 2024 apportionment	$2,336,931
Less: debt service payment	-
Net estimated apportionment	2,336,931
30% base	30%
Fiscal year 2024 30% threshold	701,079
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	4,758
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	4,758
Fund balance under apportionment	$696,321

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$4,758	$(4,978,183)	$(4,973,425)
Maintenance	-	8,099,005	8,099,005
Totals	$4,758	$3,120,822	$3,125,580

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

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Results: The City has expended 3.53% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$27,367,981	$(5,780,166)	$21,587,815
Maintenance	1,117,046	7,773,540	8,890,586
Interest	58,943	1,127,448	1,186,391
Total local street and road revenue	$28,543,970	$3,120,822	$31,664,792
30% of total local street and road revenue			$9,499,438
Less maintenance expenditures incurred to date			(1,117,046)
Available maintenance funds			$8,382,392
Cumulative percentage expended for maintenance			3.53%

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

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient

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agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$106,116,237	$83,327,537	1.27

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.27.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,436,353
Growth Rate	1.27
Adjusted MOE base as of June 30, 2024	$1,824,168

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$ 9,859,829
Less MOE base year requirement	(1,436,353)
Excess MOE for the year ended June 30, 2024	$ 8,423,476

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

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

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

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

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

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

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

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

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

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

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

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

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed

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in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: This procedure is not applicable as exaction fees were expended within seven years of collection.

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

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

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

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

Results: This procedure is not applicable as the City did not incur expenditures for fund administration for the fiscal year ended June 30, 2024.

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

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

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP

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general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 2, 2024.

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

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

15. We inspected 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.

16. We 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.

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

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief Pass-Through:							
ENC28	CS02G	Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
ENC14A	CS22A	FY 21/22 Annual Street Overlay	(29,562)	31,676	62	-	(2,176)	-	(a)(b)
ENC14A	CS23A	FY 22/23 Annual Street Overlay	169,199	1,664,934	3,241	(1,834,133)	-	3,241	
ENC14A	CS24A	FY 23/24 Annual Street Overlay	-	221,097	430	(225,047)	5,037	1,517	(b)(c)
		Total ENC14A Projects	139,637	1,917,707	3,733	(2,059,180)	2,861	4,758	
ENC20	CS04D	No. Coast Hwy 101 Streetscape	1,955	-	-	-	(1,955)	-	(a)(c)
ENC20	CS22F	Leucadia Streetscape Seg B & C	906	-	-	-	(906)	-	(a)(c)
		Total ENC20 Projects	2,861	-	-	-	(2,861)	-	
		Total Congestion Relief	142,498	1,917,707	3,733	(2,059,180)	-	4,758	
		Total Local Street Improvements	142,498	1,917,707	3,733	(2,059,180)	-	4,758	
		Total *TransNet* Extension	$ 142,498	$ 1,925,107	$ 3,733	$ (2,066,580)	$ -	$ 4,758	

Notes:
(a) Project is complete.
(b) Remaining project balance of $2,176 for CS22A was transferred to CS24A within the same MPO ID.
(c) Adjustment to transfer remaining positive balance on closed projects CS04D and CS22F under MPO ID ENC20 to project CS24A under MPO ID ENC14A due to prior year accumulated interest income will be included in City's midyear adjustments resolution in FY25.

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CITY OF ENCINITAS, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
ENC28	CS02G	Regional Arterial Management Systems	$ 88,800	$ -	$ (88,800)	$ -
		Total Congestion Relief - Pass-Through	88,800	-	(88,800)	-
		Congestion Relief:				
ENC14A	CS22A	FY 21/22 Annual Street Overlay	1,656,997	2,947	(1,659,944)	-
ENC14A	CS23A	FY 22/23 Annual Street Overlay	2,068,404	4,870	(2,070,033)	3,241
ENC14A	CS24A	FY 23/24 Annual Street Overlay	223,273	3,291	(225,047)	1,517
		Total ENC14A Projects	3,948,674	11,108	(3,955,024)	4,758
ENC20	CS04D	No. Coast Hwy 101 Streetscape	6,779,518	24,268	(6,803,786)	-
ENC20	CS22F	Leucadia Streetscape Seg B & C	224,452	-	(224,452)	-
		Total ENC20 Projects	7,003,970	24,268	(7,028,238)	-
		Total Congestion Relief	10,952,644	35,376	(10,983,262)	4,758
		Subtotal Cumulative *TransNet* Extension	11,041,444	35,376	(11,072,062)	4,758
		Completed Projects:				
		LSI - Congestion Relief	16,326,537	23,567	(16,350,104)	-
		LSI - Maintenance	1,117,046	-	(1,117,046)	-
		Environmental Mitigation Grant	52,744	-	(52,744)	-
		Total Completed Projects	17,496,327	23,567	(17,519,894)	-
		Total Cumulative *TransNet* Extension	$ 28,537,771	$ 58,943	$ (28,591,956)	$ 4,758

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SCHEDULE C

CITY OF ENCINITAS, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	ENC46	$ 94,233	$ -	$ (94,233)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	ENC28/ENC46	125,062	-	(125,062)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	ENC28	151,651	-	(151,651)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	ENC28	157,055	-	(85,652)	-	-	71,403	71,403
For Fiscal Year ended June 30, 2021	June 30, 2028		98,317	-	-	-	-	98,317	98,317
For Fiscal Year ended June 30, 2022	June 30, 2029		89,720		-	-	-	89,720	89,720
For Fiscal Year ended June 30, 2023	June 30, 2030		259,177	-	-	-	-	259,177	259,177
For Fiscal Year ended June 30, 2024	June 30, 2031		392,499	-	-	-	-	392,499	-
Interest Income			-	136,834	-	-	-	136,834	95,441
Total RTCIP Funds			$ 1,367,714	$ 136,834	$ (456,598)	$ -	$ -	$ 1,047,950	$ 614,058

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CITY OF ESCONDIDO, CALIFORNIA

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

Year Ended June 30, 2024

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Escondido, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total *TransNet* expenditures in the amount of $6,852,355. We selected $2,129,759 (31.08%) 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 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City allocates costs out of the various departments and into capital projects by using the engineering time directly charged to a project as the cost basis, and multiplying it by a set percentage associated with each department. The indirect cost percentage charged by departments varied between 0.50% and 35.11%. The City allocated a total of $298,257 of indirect costs in the RTIP, resulting in 4.35% of indirect costs compared to total *TransNet* expenditures. The City's indirect cost plan was last updated in June 2023 and approved by the Director of Finance. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We inspected 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.

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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, 2025.

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

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

Results: There were three projects that have been inactive over the past two years. The City indicated that for project ESC06 "Funds will be re-programmed in FY25 towards the Citracado Parkway Extension Project." Additionally, for project ESC24 the City stated, "This project will be completed in FY26 and FY27. Additional funds will be added in the next RTIP update." Lastly for project ESC38, the City indicated, "The project still has an open consulting agreement to perform a pavement condition survey to gather current street distress data, update the Pavement Condition Index (PCI), and update the City's street inventory." The status of the projects has been added to Schedule A.

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

Results: SANDAG approved the reason for the inactivity on January 8, 2025.

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

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

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

Results: This procedure is not applicable as the City did not have non-*TransNet* activity in Schedule A.

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

a. We inspected 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 inspected the ending balances

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at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

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

Fiscal year 2024 apportionment	$5,192,812
Less: debt service payment	-
Net estimated apportionment	5,192,812
30% base	30%
Fiscal year 2024 30% threshold	1,557,844
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(285,113)
Maintenance fund balance	(921,719)
Total Local Streets and Roads and Local Street Improvement fund balance	(1,206,832)
Fund balance under apportionment	$2,764,676

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ (285,113)	$10,905,655	$10,620,542
Maintenance	(921,719)	2,440,241	1,518,522
Totals	$(1,206,832)	$13,345,896	$12,139,064

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 26.74% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$38,048,798	$ 9,171,179	$47,219,977
Maintenance	17,500,611	1,689,214	19,189,825
Interest	41,891	2,485,503	2,527,394
Total local street and road revenue	$55,591,300	$13,345,896	$68,937,196
30% of total local street and road revenue			$ 20,681,159
Less maintenance expenditures incurred to date			(18,434,725)
Available maintenance funds			$ 2,246,434
Cumulative percentage expended for maintenance			26.74%

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

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$98,173,842	1.14

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 0.63.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$2,111,880
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$ 6,679,925
Less MOE base year requirement	(2,111,880)
Excess MOE for the year ended June 30, 2024	$4,568,045

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City recorded total RTCIP expenditures in the amount of $3,333,666. We selected $1,137,577 (34.12%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 4, 2024.

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

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

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

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

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16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status June 30, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
ESC02A	691705	East Valley/Valley Center Road	$ 12,771	$ -	$ -	(229)	$ -	$ 12,542	
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	(853,846)	1,750,000	-	(1,429,227)	-	(533,073)	(a)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	7,746	-	-	-	-	7,746	(b)
ESC08	690309	Felicita Ave/Juniper Street	(85,025)	438,000	-	(352,975)	-	-	
ESC24	690029	Centre City/Highway 78 to Mission Ave	5,580	-	-	-	-	5,580	(c)
ESC46	609901	Escondido Creek Trail Bike Path Improvements	61,580	100,000	-	(24,049)	-	137,531	
ESC48	699902	Grand Ave Streetscape Improvements	64,482	-	-	(46,927)	(40,926)	(23,371)	(d)
ESC49	699901	Quince/Tulip Pedestrian Signal	963	-	-	-	-	963	
ESC51	698201	Comprehensive Active Transp. Strategy	40,291	145,000	-	(229,721)	-	(44,430)	(a)
ESC58	694401	Escondido Creek Drainage Capac	-	-	-	(5,324)	-	(5,324)	(a)
		Subtotal Congestion Relief	(745,458)	2,433,000	-	(2,088,452)	(40,926)	(441,836)	
ESC38	694801	Pavement Rehabilitation FY 18	8,250	-	-	(8,250)	-	-	(e)
ESC38	694901	Pavement Rehabilitation FY 19	7,071	-	-	-	-	7,071	(f)
ESC38	694102	Pavement Rehabilitation FY 21	-	-	-	(325)	325	-	(g)
ESC38	694103	Pavement Rehabilitation FY 22	318,251	600,000	-	(1,129,960)	-	(211,709)	(a)
ESC38	694104	Pavement Rehabilitation FY 23	-	700,000	-	(938,706)	-	(238,706)	(a)
ESC38	694105	Pavement Rehabilitation FY 24	-	981,701	-	(376,068)	(325)	605,308	(g)
		Total ESC38 Project	333,572	2,281,701	-	(2,453,309)	-	161,964	
ESC39	691901	Traffic Signals FY 19	16,275	-	-	(9,325)	-	6,950	
ESC39	691001	Traffic Signals FY 20	(197,803)	600,000	-	(422,311)	-	(20,114)	(a)
		Total ESC39 Project	(181,528)	600,000	-	(431,636)	-	(13,164)	
		Interest Income	6,789	-	1,134	-	-	7,923	
		Total Congestion Relief	(586,625)	5,314,701	1,134	(4,973,397)	(40,926)	(285,113)	

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(Continued)

CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status June 30, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
ESC37	697901	Pavement Maintenance FY 19	$ 437	$ -	$ -	(436)	$ (1)	$ -	(e)
ESC37	687001	Pavement Maintenance FY 20	(52,936)	57,336	-	(4,400)	-	-	(e)
ESC37	687101	Pavement Maintenance FY 21	(39,153)	50,100	-	(10,947)	-	-	(e)
ESC37	687201	Pavement Maintenance FY 22	(13,950)	51,500	-	(37,549)	(1)	-	(e)
ESC37	687301	Pavement Maintenance FY 23	367,549	151,064	-	(1,214,348)	-	(695,735)	(a)
ESC37	687401	Pavement Maintenance FY 24	-	381,900	-	(611,278)	-	(229,378)	(a)
		Total ESC37 Project	261,947	691,900	-	(1,878,958)	(2)	(925,113)	
		Interest Income	2,908	-	486	-	-	3,394	
		Total Maintenance	264,855	691,900	486	(1,878,958)	(2)	(921,719)	
		Total Local Street Improvements	(321,770)	6,006,601	1,620	(6,852,355)	(40,928)	(1,206,832)	
		Smart Growth:							
ESC44	699601	Transit Center Active Transportation Connections	(6,890)	-	-	-	-	(6,890)	(h)
ESC48	699902	Grand Ave Streetscape Improvements	(40,926)	-	-	-	-	(40,926)	(h)
		Total Smart Growth	(47,816)	-	-	-	-	(47,816)	
		Total *TransNet* Extension	$ (369,586)	$ 6,006,601	$ 1,620	$ (6,852,355)	$ (40,928)	$ (1,254,648)	

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Notes:
(a) More project expenditures incurred in June 2024 than anticipated, drawdowns were requested in FY 2025 for ESC04, ESC51, ESC58, ESC37, ESC38, and ESC39.
(b) Funds will be re-programmed in FY25 towards the Citracado Parkway Extension Project.
(c) This project will be completed in FY26 and FY27. Additional funds will be added in the next RTIP update.
(d) Agreement setup included a cost allocation of 42.27% towards SGIP and 57.73% towards MPO ESC48. Since, the project cost were less than the estimated project budget there was a calculation difference. Moved costs from Self Generation Incentive Program to ESC48.
(e) Project is complete.
(f) The project still has an open consulting agreement to perform a pavement condition survey to gather current street distress data, update the Pavement Condition Index (PCI), and update the City's street inventory.
(g) Costs were erroneously charged to 694102 adjusting journal entry moved them to 694105.
(h) Grant Projects are on a reimbursement basis and 10% retention is held by SANDAG.

CITY OF ESCONDIDO, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		TransNet* Extension*:				
		Local Street Improvements:				
		Congestion Relief:				
ESC02A	691705	East Valley/Valley Center Road	$ 5,160,417	$ 8,686	$ (5,156,561)	$ 12,542
ESC04	691101	Citracado/Harmony Grove to W Valley Pkwy	6,219,637	321	(6,753,031)	(533,073)
ESC06	691706	El Norte Pkwy Bridge at Escondido Creek	2,698,084	-	(2,690,338)	7,746
ESC08	690309	Felicita Ave/Juniper Street	750,000	-	(750,000)	-
ESC24	690029	Centre City/Highway 78 to Mission Ave	110,000	-	(104,420)	5,580
ESC46	609901	Escondido Creek Trail Bike Path Improvements	250,000	-	(112,469)	137,531
ESC48	699902	Grand Ave Streetscape Improvements	987,900	-	(1,011,271)	(23,371)
ESC49	699901	Quince/Tulip Pedestrian Signal	80,000	-	(79,037)	963
ESC51	698201	Comprehensive Active Transp. Strategy	250,000	-	(294,430)	(44,430)
ESC 58	694401	Escondido Creek Drainage Capac	-	-	(5,324)	(5,324)
		Subtotal Congestion Relief	16,506,038	9,007	(16,956,881)	(441,836)
ESC38	694801	Pavement Rehabilitation FY 18	2,709,453	-	(2,709,453)	-
ESC38	694901	Pavement Rehabilitation FY 19	684,873	-	(677,802)	7,071
ESC38	694103	Pavement Rehabilitation FY 22	1,012,194	-	(1,223,903)	(211,709)
ESC38	694104	Pavement Rehabilitation FY 23	700,000	-	(938,706)	(238,706)
ESC38	694105	Pavement Rehabilitation FY 24	981,701	-	(376,393)	605,308
		Total ESC38 Project	6,088,221	-	(5,926,257)	161,964
ESC39	691901	Traffic Signals FY 19	120,000	-	(113,050)	6,950
ESC39	691001	Traffic Signals FY 20	975,000	-	(995,114)	(20,114)
		Total ESC39 Project	1,095,000	-	(1,108,164)	(13,164)
		Interest Income	-	7,923	-	7,923
		Total Congestion Relief	23,689,259	16,930	(23,991,302)	(285,113)

(Continued)

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CITY OF ESCONDIDO, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
ESC37	697901	Pavement Maintenance FY19	$ 1,676,757	$ -	$ (1,676,757)	$ -
ESC37	687001	Pavement Maintenance FY20	1,155,579	2,121	(1,157,700)	-
ESC37	687101	Pavement Maintenance FY21	1,070,100	-	(1,070,100)	-
ESC37	687201	Pavement Maintenance FY22	1,201,500	-	(1,201,500)	-
ESC37	687301	Pavement Maintenance FY23	701,064	-	(1,396,799)	(695,735)
ESC37	687401	Pavement Maintenance FY24	381,900	-	(611,278)	(229,378)
		Total ESC37 Project	6,186,900	2,121	(7,114,134)	(925,113)
		Interest Income	-	3,394	-	3,394
		Total Maintenance	6,186,900	5,515	(7,114,134)	(921,719)
		Total Local Street Improvements	29,876,159	22,445	(31,105,436)	(1,206,832)
		Smart Growth:				
ESC44	699601	Transit Center Active Transportation Connections	1,165,172	-	(1,172,062)	(6,890)
ESC48	699902	Grand Ave Streetscape Improvements	1,220,226	-	(1,261,152)	(40,926)
		Total Smart Growth	2,385,398	-	(2,433,214)	(47,816)
		Subtotal Cumulative *TransNet* Extension	32,261,557	22,445	(33,538,650)	(1,254,648)
		Completed Projects:				
		Congestion Relief	14,015,453	12,566	(14,028,019)	-
		Congestion Relief Pass-Through	344,086	-	(344,086)	-
		Maintenance	11,313,711	6,880	(11,320,591)	-
		Bikes and Pedestrian	2,253,049	4,479	(2,257,528)	-
		Total Completed Projects	27,926,299	23,925	(27,950,224)	-
		Total Cumulative *TransNet* Extension	$ 60,187,856	$ 46,370	$ (61,488,874)	$ (1,254,648)

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CITY OF ESCONDIDO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	ESC04	$ 453,403	$ -	$ (453,403)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	ESC04	726,884	-	(726,884)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	ESC04	64,347	-	(64,347)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	ESC04	106,094	-	(106,094)	-	-	-	-
For Fiscal Year ended June 30, 2021	June 30, 2028	ESC04	1,074,561	247,390	(1,321,951)	-	-	-	690,425
For Fiscal Year ended June 30, 2022	June 30, 2029	ESC04	726,410	-	(726,410)	-	-	-	726,410
For Fiscal Year ended June 30, 2023	June 30, 2030	ESC04	511,469	-	(511,469)	-	-	-	511,469
For Fiscal Year ended June 30, 2024	June 30, 2031	ESC04	1,157,972	-	(1,157,972)	-	-	-	-
Interest Income			-	-	-	-	-	-	247,390
Total RTCIP Funds			$ 4,821,140	$ 247,390	$ (5,068,530)	$ -	$ -	$ -	$ 2,175,694

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CITY OF IMPERIAL BEACH, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of Imperial Beach, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

   Results: The City does not maintain a separate fund for *TransNet*. As a result, the City has to manually calculate interest income between *TransNet* and RTCIP funds. No exceptions were noted as a result of our procedures.

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

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

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

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

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

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i. We inspected 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 $1,244,696. We selected $445,258 (35.77%) for testing. No exceptions were noted as a result of our procedures.

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

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

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

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

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

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

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

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

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP during FY24.

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

Results: This procedure is not applicable as there were no adjustments during FY24.

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 FY24.

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 FY24.

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, 2025.

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

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

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

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

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

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

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

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

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

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

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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

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

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

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

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

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

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

Fiscal year 2024 apportionment	$899,992
Less: debt service payment	(441,119)
Net estimated apportionment	458,873
30% base	30%
Fiscal year 2024 30% threshold	137,662
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(416,931)
Maintenance fund balance	104
Total Local Streets and Roads and Local Street Improvement fund balance	(416,827)
Fund balance under apportionment	$ 554,489

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9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(416,931)	$ 554,577	$ 137,646
Maintenance	104	332,053	332,157
Totals	$(416,827)	$ 886,630	$ 469,803

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

    Results: The City has expended 22.68% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$10,158,702	$ 486,213	$10,644,915
Maintenance	3,249,602	304,108	3,553,710
Interest	40,156	96,309	136,465
Total local street and road revenue	$13,448,460	$886,630	$14,335,090
30% of total local street and road revenue			$ 4,300,527
Less maintenance expenditures incurred to date			(3,251,304)
Available maintenance funds			$ 1,049,223
Cumulative percentage expended for maintenance			22.68%

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

    Results: The results are summarized below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Interest	Total
Commercial Paper Debt Services	$649,428	$196,000	$438,266	$407,162	$2,853	$441,119

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

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b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$30,974,365	$23,021,407	1.35

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.35.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$146,928
Growth Rate	1.35
Adjusted MOE base as of June 30, 2024	$198,353

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$ 776,345
Less MOE base year requirement	(146,928)
Excess MOE for the year ended June 30, 2024	$ 629,417

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

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

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

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

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

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

i. We inspected exactions collected 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.

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

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

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

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

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $269,210. We selected $208,422 (77.42%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

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

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

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

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

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension

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Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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

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

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

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

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

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

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

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

Results: The City provided RTCIP documentation on October 7, 2024.

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

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

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

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

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16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

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

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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

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CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
IB12	S22101	Major Street Improvements	$ (5,441)	$ 52,756	$ -	$ (50,392)	$ -	$ (3,077)	(a)
IB21	S20112	SR-75 Signal Interconnection Project (CP)	(82,081)	196,000	-	(214,919)	-	(101,000)	(a)
IB23	S22107	10th St. Streetscape Enhancement Project	(21,800)	82,512	-	(373,566)	-	(312,854)	(a)
		Commercial Paper Debt Service	-	441,119	-	(441,119)	-	-	
		Total Congestion Relief	(109,322)	772,387	-	(1,079,996)	-	(416,931)	
		Maintenance:							
IB02	N/A	Street Maintenance - Operations	103	164,700	1	(164,700)	-	104	
		Total Maintenance	103	164,700	1	(164,700)	-	104	
		Total Local Street Improvements	(109,219)	937,087	1	(1,244,696)	-	(416,827)	
		Total *TransNet* Extension	(109,219)	937,087	1	(1,244,696)	-	(416,827)	
		GASB 31 Market Value Adjustment	2,722	-	-	-	-	2,722	
		Total *TransNet* Extension after GASB 31 Adjustment	(106,497)	937,087	1	(1,244,696)	-	(414,105)	
		Non-*TransNet*							
IB22	S22101	9th St. Active Transportation Corridor	(29,727)	305,506	-	(288,695)	-	(12,916)	(a)
IB23	S22107	10th St. Streetscape Grant (Clean CA)	(39,515)	765,692	-	(726,177)	-	-	
		Total Non-*TransNet*	(69,242)	1,071,198	-	(1,014,872)	-	(12,916)	
		Total *TransNet* Extension after GASB 31 Adjustment and Non-*TransNet*	$ (175,739)	$ 2,008,285	$ 1	$ (2,259,568)	$ -	$ (427,021)	

Notes:
(a) The City will request drawdown/ reimbursement in FY25 to address the deficit.

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CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		TransNet Extension:				
		Local Street Improvements:				
		Congestion Relief:				
IB12	S22101	Major Street Improvements	$ 6,811,953	$ 38,350	$ (6,853,380)	$ (3,077)
IB21	S20112	SR-75 Signal Interconnection Project	499,000	-	(600,000)	(101,000)
IB23	S22107	10th St. Streetscape Enhancement Project	108,136	-	(420,990)	(312,854)
		Commercial Paper Debt Services	1,439,596	-	(1,439,596)	-
		Total Congestion Relief	8,858,685	38,350	(9,313,966)	(416,931)
		Maintenance:				
IB02	N/A	Street Maintenance - Operations	3,232,225	1,806	(3,233,927)	104
		Total Maintenance	3,232,225	1,806	(3,233,927)	104
		Total Local Street Improvements	12,090,910	40,156	(12,547,893)	(416,827)
		Completed Projects:				
		Congestion Relief	1,300,009	-	(1,300,009)	-
		Maintenance	17,377	-	(17,377)	-
		Smart Growth Grant	795,281	-	(795,281)	-
		Bicycles and Pedestrian	1,800,000	-	(1,800,000)	-
		Active Transport Grants	50,000	-	(50,000)	-
		Total Completed Projects	3,962,667	-	(3,962,667)	-
		Total Cumulative *TransNet* Extension	$ 16,053,577	$ 40,156	$ (16,510,560)	$ (416,827)

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CITY OF IMPERIAL BEACH, CALIFORNIA
TransNet Extension Activities
RTCIP Fund

Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	IB11	$ 197,988	$ -	$ (197,988)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	IB11	352,277	-	(352,277)	-	-	-	64,118
For Fiscal Year ended June 30, 2019	June 30, 2026	IB11	38,178	-	(38,178)	-	-	-	38,178
For Fiscal Year ended June 30, 2020	June 30, 2027	IB11	61,329	-	(61,329)	-	-	-	61,329
For Fiscal Year ended June 30, 2021	June 30, 2028	IB11	25,838	-	(25,838)	-	-	-	25,838
For Fiscal Year ended June 30, 2022	June 30, 2029	IB11	31,626	-	(31,626)	-	-	-	31,626
For Fiscal Year ended June 30, 2023	June 30, 2030	IB11	48,388	-	(48,388)	-	-	-	48,388
For Fiscal Year ended June 30, 2024	June 30, 2031	IB11	46,613	-	(133)	-	-	46,480	-
Interest Income			-	17,002	-	-	-	17,002	15,351
Total RTCIP Funds			802,237	17,002	(755,757)	-	-	63,482	284,828
GASB 31 Market Value Adjustment			-	3,017	-	-	-	3,017	(696)
Total RTCIP Funds			$ 802,237	$ 20,019	$ (755,757)	$ -	$ -	$ 66,499	$ 284,132

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CITY OF LA MESA, CALIFORNIA

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

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

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

We have performed the procedures enumerated below in reviewing the City of La Mesa, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

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

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

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

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

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

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

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

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

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

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

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

   a. We substantiated all footnotes required in Schedule A.

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

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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

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

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

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

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

         Results: This procedure is not applicable as there was no interest income reported on Schedule A in FY24.

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

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

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

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i. We inspected 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 $1,092,376. We selected $314,995 (28.84%) 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 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

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

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

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

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

Results: This procedure is not applicable as there were no payroll expenditures identified during FY24.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

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

g. We inspected 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, 2025.

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

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

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Results: This procedure is not applicable as there were no projects during FY24 that were inactive.

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

Results: This procedure is not applicable as there were no projects during FY24 that were inactive.

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

Results: 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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of

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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 2024 apportionment	$2,175,866
Less: debt service payment	-
Net estimated apportionment	2,175,866
30% base	30%
Fiscal year 2024 30% threshold	652,760
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(388,906)
Maintenance fund balance	(542,249)
Total Local Streets and Roads and Local Street Improvement fund balance	(931,155)
Fund balance under apportionment	$1,583,915

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(388,906)	$1,781,093	$1,392,187
Maintenance	(542,249)	3,744,943	3,202,694
Totals	$(931,155)	$5,526,036	$4,594,881

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 16.57% of cumulative local street and road revenue for maintenance as indicated on the following page:

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	City	SANDAG	Total
Congestion relief	$22,949,661	$1,332,132	$24,281,793
Maintenance	5,005,615	3,551,943	8,557,558
Interest	700	641,959	642,659
Total local street and road revenue	$27,955,976	$5,526,034	$33,482,010
30% of total local street and road revenue			$10,044,603
Less maintenance expenditures incurred to date			(5,548,056)
Available maintenance funds			$4,496,547
Cumulative percentage expended for maintenance			16.57%

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

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

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Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$155,643,413	1.14

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 0.63.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,274,724
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

13. With respect to the MOE requirement:

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

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

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

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

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

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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

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

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$4,682,808
Less MOE base year requirement	(1,274,724)
Excess MOE for the year ended June 30, 2024	$3,408,084

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

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

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

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

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

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

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

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

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v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for the fiscal year ending June 30, 2024.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no RTCIP expenditures for the fiscal year ending June 30, 2024.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: This procedure is not applicable as the City did not report interest income at June 30, 2024.

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xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on October 30, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected 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.

16. We documented the status of any prior year findings and recommendations.

Results: The City had one prior year finding related to the use of incorrect exaction fees for RTCIP collections. Per discussion with the City, it was noted that they were not able to recoup the $2,067 under-collected from developers in FY23. As a result, the City has made a transfer from the General Fund to absorb the loss for both fiscal years. Furthermore, this finding was not repeated in FY24.

17. 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, 2024.

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We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF LA MESA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
LAM46	n/a	Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
LAM34	2232TR	Street Lights/ OH Utilities 23	11	73,834	-	(156,028)	-	(82,183)	(a)
LAM37	2223TR	Traffic Signal Upgrades 22	(19,354)	19,354	-	-	-	-	(b)
LAM37	2233TR	Traffic Signal Upgrades 23	(25,801)	90,128	-	(78,491)	-	(14,164)	(a)
LAM37	2243TR	Traffic Signal Upgrades 24	-	8,810	-	(32,798)	-	(23,988)	(a)
		Total LAM37 Projects	(45,155)	118,292	-	(111,289)	-	(38,152)	
LAM39	2204TR	Traffic Calming Program 20	2	12,873	-	(12,873)	-	2	
LAM39	2214TR	Traffic Calming Program 21	-	-	-	(23,702)	-	(23,702)	(a)
		Total LAM39 Projects	2	12,873	-	(36,575)	-	(23,700)	
LAM40	2205TR	Street Construction 20	6	-	-	-	-	6	
LAM40	2215TR	Street Construction 21	(3,017)	6,145	-	(36,193)	-	(33,065)	(a)
LAM40	2225TR	Street Construction 22	(4)	37,061	-	(50,436)	-	(13,379)	(a)
LAM40	2235TR	Street Construction 23	-	500	-	(15,347)	-	(14,847)	(a)
LAM40	2245TR	Street Construction 24	-	-	-	(91,326)	-	(91,326)	(a)
		Total LAM40 Projects	(3,015)	43,706	-	(193,302)	-	(152,611)	
LAM44	4210TR	Roadway Drainage Improvements 21	19	-	-	-	-	19	
LAM44	4221TR	Roadway Drainage Improvements 22	-	-	-	(25,225)	-	(25,225)	(a)
LAM44	4241TR	Roadway Drainage Improvements 24	-	-	-	(24,238)	-	(24,238)	(a)
		Total LAM44 Projects	19	-	-	(49,463)	-	(49,444)	
LAM52	2239TR	LM Bike & Sidewalk	-	-	-	(43,324)	-	(43,324)	(a)
		Interest Income	508	-	-	-	-	508	
		Total Congestion Relief	$ (47,630)	$ 248,705	$ -	$ (589,981)	$ -	$ (388,906)	

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(Continued)

CITY OF LA MESA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
LAM31	General Fund	Street Maintenance	$ -	$ -	$ -	$ (150,000)	$ -	$ (150,000)	(a)
LAM33	2201TR	Curb, Gutter, Sidewalk 20	-		-	(33,570)	-	(33,570)	(a)(c)
LAM33	2211TR	Curb, Gutter, Sidewalk 21	-	-	-	(72,870)	-	(72,870)	(a)
LAM33	2221TR	Curb, Gutter, Sidewalk 22	(36,988)	-	-	(33,580)	-	(70,568)	(a)
LAM33	2231TR	Curb, Gutter, Sidewalk 23	(10,458)	-	-	(19,002)	-	(29,460)	(a)
LAM33	2241TR	Curb, Gutter, Sidewalk 24	-	-	-	(185,973)	-	(185,973)	(a)
		Total LAM33 Projects	(47,446)	-	-	(344,995)	-	(392,441)	
		Interest Income	192	-	-	-	-	192	
		Total Maintenance	(47,254)	-	-	(494,995)	-	(542,249)	
		Total Local Street Improvements	(94,884)	256,105	-	(1,092,376)	-	(931,155)	
		Senior Mini-Grants:							
LAM27	212001	La Mesa Rides4Neighbors	(2,433)	-	-	-	-	(2,433)	(a)
		Total Senior Mini-Grants	(2,433)	-	-	-	-	(2,433)	
		Smart Growth Grant							
LAM47	2168OT	North Spring Street	(12)	-	-	-	12	-	(d)
LAM49	220EOT	Complete Streets Design Manual	(15,443)	15,457	-	-	-	14	(e)
		Total Smart Growth Grant	(15,455)	15,457	-	-	12	14	
		Total *TransNet* Extension	$ (112,772)	$ 271,562	$ -	$ (1,092,376)	$ 12	$ (933,574)	

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Notes:
(a) This is a reimbursable funding source and expenditures are expected to be in excess of funding while the project is active.
(b) Project Completed in FY24.
(c) Work for this phase of the project is complete, awaiting final reimbursement from SANDAG.
(d) JE 1270 moved $12 expenditure to HUTA 2227FT Account
(e) Project Completed in FY24. Excess funding will be transferred to another project or returned to SANDAG in FY25.

CITY OF LA MESA, CALIFORNIA
TransNet and *TransNet* Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
LAM46	n/a	Regional Arterial Management Systems	$ 88,800	$ -	$ (88,800)	$ -
		Total Congestion Relief - Pass-Through	88,800	-	(88,800)	-
		Congestion Relief:				
LAM34	2232TR	Street Lights/ OH Utilities 23	79,396	-	(161,579)	(82,183)
LAM37	2223TR	Traffic Signal Upgrades 22	99,014	-	(99,014)	-
LAM37	2233TR	Traffic Signal Upgrades 23	128,127	-	(142,291)	(14,164)
LAM37	2243TR	Traffic Signal Upgrades 24	8,810	-	(32,798)	(23,988)
		Total LAM 37 Projects	235,951	-	(274,103)	(38,152)
LAM39	2204TR	Traffic Calming Program 20	92,760	-	(92,758)	2
LAM39	2214TR	Traffic Calming Program 21	-	-	(23,702)	(23,702)
		Total LAM 39 Projects	92,760	-	(116,460)	(23,700)
LAM40	2205TR	Street Construction 20	268,973	-	(268,967)	6
LAM40	2215TR	Street Construction 21	109,468	-	(142,533)	(33,065)
LAM40	2225TR	Street Construction 22	238,621	-	(252,000)	(13,379)
LAM40	2235TR	Street Construction 23	1,800	-	(16,647)	(14,847)
LAM40	2245TR	Street Construction 24	-	-	(91,326)	(91,326)
		Total LAM40 Projects	618,862	-	(771,473)	(152,611)
LAM44	4210TR	Roadway Drainage Improvements 21	258,391	-	(258,372)	19
LAM44	4221TR	Roadway Drainage Improvements 22	-	-	(25,225)	(25,225)
LAM44	4241TR	Roadway Drainage Improvements 24	-	-	(24,238)	(24,238)
		Total LAM44 Projects	258,391	-	(307,835)	(49,444)
LAM52	2239TR	LM Bike & Sidewalk	-	-	(43,324)	(43,324)
		Interest Income	-	508	-	508
		Total Congestion Relief	$ 1,285,360	$ 508	$ (1,674,774)	$ (388,906)

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(Continued)

CITY OF LA MESA, CALIFORNIA

TransNet and *TransNet* Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
LAM31	General Fund	Street Maintenance	$ 1,658,281	$ -	$ (1,808,281)	$ (150,000)
LAM33	2201TR	Curb, Gutter, Sidewalk 20	159,431		(193,001)	(33,570)
LAM33	2211TR	Curb, Gutter, Sidewalk 21	126,445	-	(199,315)	(72,870)
LAM33	2221TR	Curb, Gutter, Sidewalk 22	128,014	-	(198,582)	(70,568)
LAM33	2231TR	Curb, Gutter, Sidewalk 23	95,541	-	(125,001)	(29,460)
LAM33	2241TR	Curb, Gutter, Sidewalk 24	-	-	(185,973)	(185,973)
		Total LAM33 Projects	509,431	-	(901,872)	(392,441)
		Interest Income	-	192	-	192
		Total Maintenance	2,167,712	192	(2,710,153)	(542,249)
		Total Local Street Improvements	3,541,872	700	(4,473,727)	(931,155)
		Senior Mini-Grants:				
LAM27	212001	La Mesa Rides4Neighbors	1,464,063	-	(1,466,496)	(2,433)
		Total Senior Mini-Grants	1,464,063	-	(1,466,496)	(2,433)
		Smart Growth Grant				
LAM49	30220EOT	North Spring Street	992,502	-	(992,502)	-
LAM49	30220EOT	Complete Streets Design Manual	169,802	-	(169,788)	14
		Total Smart Growth	1,162,304	-	(1,162,290)	14
		Subtotal Cumulative *TransNet* Extension	$ 6,168,239	$ 700	$ (7,102,513)	$ (933,574)
		Completed Projects:				
		Local Street Improvements				
		Congestion Relief	$ 21,575,501	$ -	$ (21,575,501)	$ -
		Maintenance	2,837,903	-	(2,837,903)	-
		Smart Growth	2,000,000	-	(2,000,000)	-
		Bikes and Pedestrians	449,000	-	(449,000)	-
		Total Completed Projects	26,862,404	-	(26,862,404)	-
		Total Cumulative *TransNet* Extension	$ 33,030,643	$ 700	$ (33,964,917)	$ (933,574)

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CITY OF LA MESA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
For Fiscal Year ended June 30, 2017	June 30, 2024		$ 43,984	$ -	$ (43,984)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2018	June 30, 2025		382,078	-	(382,078)	-	-	-	-	
For Fiscal Year ended June 30, 2019	June 30, 2026		519,185	-	(519,185)	-	-	-	-	
For Fiscal Year ended June 30, 2020	June 30, 2027		572,799	-	(572,799)	-	-	-	-	
For Fiscal Year ended June 30, 2021	June 30, 2028		2,533	-	(2,533)	-	-	-	-	
For Fiscal Year ended June 30, 2022	June 30, 2029		187,061	-	(34,033)	-	-	153,028	153,028	
For Fiscal Year ended June 30, 2023	June 30, 2030		210,881	-	-	2,067	-	212,948	210,881	(a)
For Fiscal Year ended June 30, 2024	June 30, 2031		238,551	-	-	-	-	238,551	-	
Interest Income			-	43,881	-	-	-	43,881	43,881	(b)
Total RTCIP Funds			$ 2,157,072	$ 43,881	$ (1,554,612)	$ 2,067	$ -	$ 648,409	$ 407,790	

Notes:
(a) Adjustment is for City absorbing undercollected exactions from FY 23. City has transferred funds from the general fund to cover the costs.
(b) Interest income for FY24 will be allocated to the RTCIP Fund in FY25.

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CITY OF LEMON GROVE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

DRAFT 2

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Lemon Grove, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed 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 inspected 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 were no interest income reported on Schedule A.

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f. We identified the total *TransNet* expenditures for the fiscal year.

i. We inspected 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 $1,066,817. We selected $298,644 (27.99%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City has a formal cost allocation plan that was adopted by City Council in June of 2019. The cost allocation plan has been submitted with the audit documents for reference. In FY24 salaries and benefits charged to the *TransNet* fund were $51,768. In addition, payments for services made to the City Engineer, Rick Engineering, was allocated to the *TransNet* program to reflect the time the Engineer spent working on *TransNet* projects, such as the annual road repaving program and storm drain design. The City contracts out for engineering services, therefore these costs are reflected as a professional services contract rather than as internal staff within the salaries and benefits. In FY24, this expenditure totaled $50,271. In total the City allocated $102,039 of indirect costs to the *TransNet* program, which represents 9.56% of total *TransNet* expenditures during FY24. The overhead costs are then allocated to the Congestion Relief and Preventative Maintenance projects based on actual expense for the current year.

g. We inspected 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.

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i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects during FY24.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects during FY24.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: No exceptions were noted as a result of our procedures.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$996,974
Less: debt service payment	-
Net estimated apportionment	996,974
30% base	30%
Fiscal year 2024 30% threshold	299,092
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	6,254
Maintenance fund balance	(262,555)
Total Local Streets and Roads and Local Street Improvement fund balance	(256,301)
Fund balance under apportionment	$ 555,393

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$ 6,254	$1,521,059	$1,527,313
Maintenance	(262,555)	710,169	447,614
Totals	$(256,301)	$2,231,228	$1,974,927

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 26.18% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$7,023,388	$1,334,683	$8,358,071
Maintenance	2,932,169	630,569	3,562,738
Interest	16,513	265,976	282,489
Total local street and road revenue	$9,972,070	$2,231,228	$12,203,298
30% of total local street and road revenue			$ 3,660,989
Less maintenance expenditures incurred to date			(3,195,092)
Available maintenance funds			$ 465,897
Cumulative percentage expended for maintenance			26.18%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

            Results: The growth rate is calculated as follows:

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	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$18,896,186	1.14

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 0.63.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$127,907
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

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a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$1,209,568
Less MOE base year requirement	(127,907)
Excess MOE for the year ended June 30, 2024	$1,081,661

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

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Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $10,121. We selected $9,461 (93.48%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures during FY24.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on November 6, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	$ 16,931	$ -	$ -	$ -	$ (14,351)	$ 2,580	(a)
LG20	7300	Street Improvements - Congestion Relief	(6,314)	30,380	-	-	(20,456)	3,610	(a)
		Interest Income	64	-	-	-	-	64	
		Total Congestion Relief	10,681	30,380	-	-	(34,807)	6,254	
		Maintenance:							
LG14	7310	Traffic Improvements - Preventive Maintenance	284	47,715	-	(180,462)	(26,513)	(158,976)	(a)(b)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	(7,509)	19,481	-	(73,792)	(13,162)	(74,982)	(a)(b)
LG17	7150	Street Improvements - Preventive Maintenance	1,131	7,850	-	(28,088)	(9,518)	(28,625)	(a)(b)
		Interest Income	28	-	-	-	-	28	
		Total Maintenance	(6,066)	75,046	-	(282,342)	(49,193)	(262,555)	
		Total Local Street Improvements	4,615	105,426	-	(282,342)	(84,000)	(256,301)	
		Smart Growth Grant:							
LG26	7340	Connect Main St	(92,041)	202,981	-	(784,475)	83,182	(590,353)	(a)(b)
		Total Smart Growth Grant	(92,041)	202,981	-	(784,475)	83,182	(590,353)	
		Total *TransNet* Extension	$ (87,426)	$ 308,407	$ -	$ (1,066,817)	$ (818)	$ (846,654)	

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Notes:
(a) Adjustments made by the City to reflect additional FY22 and FY23 expenditures and the reallocation of FY22 and 23 indirect costs.
(b) The City has requested additional funds in FY25.

CITY OF LEMON GROVE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
LG16	7280	Storm Drain Rehabilitation - Congestion Relief	$ 1,096,574	$ 2,931	$ (1,096,925)	$ 2,580
LG20	7300	Street Improvements - Congestion Relief	4,338,394	646	(4,335,430)	3,610
		Interest Income	-	64	-	64
		Total Congestion Relief	5,434,968	3,641	(5,432,355)	6,254
		Maintenance:				
LG14	7310	Traffic Improvements - Preventive Maintenance	1,485,492	124	(1,644,592)	(158,976)
LG15	7290	Storm Drain Rehabilitation - Preventive Maintenance	681,688	124	(756,794)	(74,982)
LG17	7150	Street Improvements - Preventive Maintenance	764,989	92	(793,706)	(28,625)
		Interest Income	-	28	-	28
		Total Maintenance	2,932,169	368	(3,195,092)	(262,555)
		Total Local Street Improvements	8,367,137	4,009	(8,627,447)	(256,301)
		Smart Growth Grant:				
LG26	7340	Connect Main St	557,573	-	(1,147,926)	(590,353)
		Total Smart Growth Grant	557,573	-	(1,147,926)	(590,353)
		Subtotal Cumulative *TransNet* Extension	8,924,710	4,009	(9,775,373)	(846,654)
		Completed Projects:				
		Congestion Relief	1,588,420	12,504	(1,600,924)	-
		Smart Growth Grant	3,275,001	-	(3,275,001)	-
		Total Completed Projects	4,863,421	12,504	(4,875,925)	-
		Total Cumulative *TransNet* Extension	$ 13,788,131	$ 16,513	$ (14,651,298)	$ (846,654)

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CITY OF LEMON GROVE, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Note
For Fiscal Year ended June 30, 2017	June 30, 2024	LG 13	$ 51,854	$ 2,997	$ (54,851)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2018	June 30, 2025	LG 13	50,484	5,909	(56,393)	-	-	-	-	
For Fiscal Year ended June 30, 2019	June 30, 2026	LG 13	52,888	2,012	(54,900)	-	-	-	18	
For Fiscal Year ended June 30, 2020	June 30, 2027	LG 13	40,351	-	(10,103)	-	-	30,248	40,351	
For Fiscal Year ended June 30, 2021	June 30, 2028		35,229	-	-	-	-	35,229	35,229	
For Fiscal Year ended June 30, 2022	June 30, 2029		311,993	-	-	(52,007)	-	259,986	311,993	(a)
For Fiscal Year ended June 30, 2023	June 30, 2030		144,437	-	-	-	-	144,437	144,437	
For Fiscal Year ended June 30, 2024	June 30, 2031		194,680	-	-	-	-	194,680	-	
Interest Income			-	27,108	-	-	-	27,108	7,737	
Total RTCIP Funds			$ 881,916	$ 38,026	$ (176,247)	$ (52,007)	$ -	$ 691,688	$ 539,765	

Notes:
(a) City adjustment is due to an exception made to a developer, allowing the developer to delay the RTCIP fee payment until the time of a Certificate of Occupancy issuance or the completion of the final inspection, whichever comes first.

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CITY OF NATIONAL CITY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

DRAFT 1

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of National City, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: This procedure is not applicable as no interest income was reported on Schedule A.

      ii. We inspected 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 no interest income was reported on Schedule A.

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f. We identified the total *TransNet* expenditures for the fiscal year.

i. We inspected 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 $1,896,283. We selected $1,301,022 (68.61%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects in FY24.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as the City did not allocate indirect costs to *TransNet* projects in FY24.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments made to projects on Schedule A in FY24.

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: This procedure is not applicable as there were no projects completed in the previous or current fiscal year.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no projects completed in FY24.

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, 2025.

Results: No exceptions were noted as a result of our procedures.

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j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There are three projects that have been inactive over the past two years. The City indicated that for NC29, NC34, and NC35, "The Engineering Department will conduct a review of inactive projects and their statuses in FY 25, and will either continue the projects or request a final reimbursement." The status of these projects has been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 24, 2025.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-*TransNet* activity included within Schedule A in FY 24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments made to projects on Schedule A in FY24.

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c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: This procedure is not applicable as the City did not have any completed projects in the prior or current year's Schedule A.

8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$2,011,980
Less: debt service payment	-
Net estimated apportionment	2,011,980
30% base	30%
Fiscal year 2024 30% threshold	603,594
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(1,801,289)
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	(1,801,289)
Fund balance under apportionment	$2,404,883

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9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are indicated on the following page:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(1,801,289)	$(1,361,107)	$(3,162,396)
Maintenance	-	7,386,999	7,386,999
Totals	$(1,801,289)	$ 6,025,892	$ 4,224,603

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 below:

	City	SANDAG	Total
Congestion relief	$22,208,332	$(2,013,249)	$20,195,083
Maintenance	-	7,132,951	7,132,951
Interest	53,807	906,190	959,997
Total local street and road revenue	$22,262,139	$ 6,025,892	$28,288,031
30% of total local street and road revenue			$8,486,409
Less maintenance expenditures incurred to date			-
Available maintenance funds			$8,486,409
Cumulative percentage expended for maintenance			0.00%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

            Results: The growth rate is calculated on the following page:

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	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$65,018,006	1.14

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 0.63.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,278,879
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

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a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$2,955,675
Less MOE base year requirement	(1,278,879)
Excess MOE for the year ended June 30, 2024	$1,676,796

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

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Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $14,785. We selected $9,220 (62.36%) for testing. No exceptions noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the city did not incur payroll expenditures for RTCIP projects in FY 24.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on October 29, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through							
NC04	6558	Regional Arterial Management Systems	$ -	$ 8,000	$ -	$ (8,000)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	8,000	-	(8,000)	-	-	
		Congestion Relief:							
NC03	6035	Street Resurfacing Project	(737,804)	-	-	(861,961)	-	(1,599,765)	(a)
NC04	6558	Traffic Signal Install/Upgrade	90,322	-	-	(49,684)	-	40,638	
NC15	6166	Citywide Safe Routes to School	(190,905)	-	-	(51,257)	-	(242,162)	(a)
		Total Congestion Relief	(838,387)	-	-	(962,902)	-	(1,801,289)	
		Total Local Street Improvements	(838,387)	8,000	-	(970,902)	-	(1,801,289)	
		Smart Growth:							
NC29	6604	24th Street TOD Overlay	(56,184)	-	-	-	-	(56,184)	(b)
NC36	6605	Roosevelt Ave Corridor	(10,852)	27,044	-	-	-	16,192	
NC37	6606	Sweetwater Rd Protected Bikeway	(326,850)	446,045	-	(684,878)	-	(565,683)	(c)
NC43	478	Together We Plan National City	(123,081)	93,634	-	-	-	(29,447)	(d)
		Total Smart Growth	(516,967)	566,723	-	(684,878)	-	(635,122)	
		Active Transportation Grant - Bike and Pedestrian:							
NC34	6603	Waterfront To Homefront Connectivity	(12,447)	-	-	-	-	(12,447)	(b)
NC35	6602	National City Bike Parking Enhancements	(1,801)	-	-	-	-	(1,801)	(b)
NC38	1925	National City Bike Wayfinding	(69,650)	-	-	(31,119)	-	(100,769)	(c)
NC39	6588	Central Community Mobility Enhancements	(100,398)	-	-	(43,770)	-	(144,168)	(c)
NC40	6610	Bayshore Bikeway - Segment 5	(38,624)	-	-	-	-	(38,624)	(c)
NC42	6608	Highland Ave Inter-City Bike Connection	(53,405)	-	-	(165,614)	-	(219,019)	(c)
		Total Bike and Pedestrian	(276,325)	-	-	(240,503)	-	(516,828)	
		Total *TransNet* Extension	$ (1,631,679)	$ 574,723	$ -	$ (1,896,283)	$ -	$ (2,953,239)	

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Notes:
(a) The City will request a drawdown to remove the deficit in FY 25.
(b) This project has been inactive over the past two years. The Engineering Department will assess the need for future work to complete the project, or will request final reimbursement in FY 25.
(c) Engineering Department will conduct a review of this account and will request a reimbursement in FY 25.
(d) Housing Department will request a reimbursement for the balance in FY 25.

CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
NC04	6558	Regional Arterial Management Systems	$ 96,000	$ -	$ (96,000)	$ -
		Total Congestion Relief - Pass-Through	96,000	-	(96,000)	-
		Congestion Relief:				
NC03	6035	Street Resurfacing Project	11,913,110	7,183	(13,520,058)	(1,599,765)
NC04	6558	Traffic Signal Install/Upgrade	2,326,233	22,118	(2,307,713)	40,638
NC15	6166	Citywide Safe Routes to School Tax	3,101,700	13,415	(3,357,277)	(242,162)
		Total Congestion Relief	17,341,043	42,716	(19,185,048)	(1,801,289)
		Total Local Street Improvements	17,437,043	42,716	(19,281,048)	(1,801,289)
		Smart Growth:				
NC29	6604	24th Street TOD Overlay	446,426	-	(502,610)	(56,184)
NC36	6605	Roosevelt Ave Corridor	2,079,999	-	(2,063,807)	16,192
NC37	6606	Sweetwater Rd Protected Bikeway	1,628,112	-	(2,193,795)	(565,683)
NC43	478	Together We Plan National City	265,030	-	(294,477)	(29,447)
		Total Smart Growth	4,419,567	-	(5,054,689)	(635,122)
		Active Transportation Grant:				
		Bike and Pedestrian:				
NC34	6603	Waterfront To Homefront Connectivity	185,554	-	(198,001)	(12,447)
NC35	6604	National City Bike Parking Enhancements	46,072	-	(47,873)	(1,801)
NC38	1925	National City Bike Wayfinding	-	-	(100,769)	(100,769)
NC39	6588	Central Community Mobility Enhancements	-	-	(144,168)	(144,168)
NC40	6610	Bayshore Bikeway - Segment 5	-	-	(38,624)	(38,624)
NC42	6608	Highland Ave Inter-City Bike Connection	-	-	(219,019)	(219,019)
		Total Bike and Pedestrian	231,626	-	(748,454)	(516,828)
		Subtotal Cumulative *TransNet* Extension	22,088,236	42,716	(25,084,191)	(2,953,239)

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(Continued)

CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Completed Projects:				
		Congestion Relief	$ 4,771,289	$ 11,091	$ (4,782,380)	$ -
		Smart Growth	7,145,000	-	(7,145,000)	-
		Bikes and Pedestrian	1,806,861	-	(1,806,861)	-
		Total Completed Projects	13,723,150	11,091	(13,734,241)	-
		Total Cumulative *TransNet* Extension	$ 35,811,386	$ 53,807	$ (38,818,432)	$ (2,953,239)

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CITY OF NATIONAL CITY, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	NC01	$ 28,143	$ -	$ (28,143)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	NC01	494,561	-	(181,688)	-	-	312,873	327,658
For Fiscal Year ended June 30, 2019	June 30, 2026		141,430	-	-	-	-	141,430	141,430
For Fiscal Year ended June 30, 2020	June 30, 2027		1,061,746	-	-	-	-	1,061,746	1,061,746
For Fiscal Year ended June 30, 2021	June 30, 2028		136,652	-	-	-	-	136,652	136,652
For Fiscal Year ended June 30, 2022	June 30, 2029		220,926	-	-	-	-	220,926	220,926
For Fiscal Year ended June 30, 2023	June 30, 2030		260,790	-	-	-	-	260,790	260,790
For Fiscal Year ended June 30, 2024	June 30, 2031		71,387	-	-	-	-	71,387	-
Interest Income			-	120,708	-	-	-	120,708	89,800
Subtotal RTCIP Funds			2,415,635	120,708	(209,831)	-	-	2,326,512	2,239,002
GASB 31 Market Value Adjustment			-	47,793	-	-	-	47,793	29,066
Total RTCIP Funds			$ 2,415,635	$ 168,501	$ (209,831)	$ -	$ -	$ 2,374,305	$ 2,268,068

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CITY OF OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

DRAFT 2

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Oceanside, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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 $4,987,002. We selected $2,826,389 (56.68%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City's indirect cost plan was last approved during FY 2010 by Development Services Director and Financial Services Director. The City allocates costs based on all expenses charged to the designated Engineering Account, as a percentage of each active CIP account on a quarterly basis. The City allocated a total of $146,249 of indirect costs in the RTIP, resulting in 2.93% of indirect costs compared to total *TransNet* expenditures. The City's methodology for allocating indirect costs appears reasonable. The City's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA firm. No exceptions were noted as a result of our procedures.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

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i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There are two projects that have been inactive over the past two years. The City indicated that "O17 is on hold pending the construction of a new sewer line to be completed by the Water Utilities department. The project is expected to resume in FY26-27". Additionally, "O41 is a completed project and pending a final drawdown which should occur in FY25." The status of these projects have been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 13, 2025.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there was no non-*TransNet* activity reported for the fiscal year.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

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b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$6,214,838
Less: debt service payment	-
Net estimated apportionment	6,214,838
30% base	30%
Fiscal year 2024 30% threshold	1,864,451
Less:	
Local Streets and Roads fund balance	(195,079)
Local Street Improvement:	
Congestion Relief fund balance	(1,322,237)
Maintenance fund balance	(1,368)
Total Local Streets and Roads and Local Street Improvement fund balance	(1,518,684)
Fund balance under apportionment	$3,383,135

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are indicated on the following page:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(1,322,237)	$5,937,122	$4,614,885
Maintenance	(1,368)	8,939,682	8,938,314
Totals	$(1,323,605)	$14,876,804	$13,553,199

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

    Results: The City has expended 17.88% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$58,473,078	$ 4,667,059	$63,140,137
Maintenance	15,925,406	8,384,015	24,309,421
Interest	273,332	1,825,730	2,099,062
Total local street and road revenue	$74,671,816	$14,876,804	$89,548,620
30% of total local street and road revenue			$26,864,586
Less maintenance expenditures incurred to date			(16,008,927)
Available maintenance funds			$10,885,659
Cumulative percentage expended for maintenance			17.88%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

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Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$231,641,251	$177,734,877	1.30

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.30.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,965,970
Growth Rate	1.30
Adjusted MOE base as of June 30, 2024	$2,555,761

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

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a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$6,226,734
Less MOE base year requirement	(1,965,970)
Excess MOE for the year ended June 30, 2024	$4,260,764

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

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Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $549,284. We selected $247,839 (45.12%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as RTCIP payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on October 25, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		TransNet:							
		Local Streets and Roads:							
O14	914560800212	Douglas Dr. Bridge Seismic Retro	$ (197,727)	$ 200,620	$ -	$ (364,622)	$ -	$ (361,729)	(a)
O14	914560900212	No Coast Hwy Bridge Seismic Retro	(145,695)	-	-	(1,689)	314,034	166,650	(b)
		Total Local Streets and Roads	(343,422)	200,620	-	(366,311)	314,034	(195,079)	
		Total *TransNet*	(343,422)	200,620	-	(366,311)	314,034	(195,079)	
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
O35	N/A	Regional Arterial Management Systems	-	11,200	-	(11,200)	-	-	
		Total Congestion Relief - Pass-Through	-	11,200	-	(11,200)	-	-	
		Congestion Relief:							
O17	905120100212	Loma Alta Creek Detention Basins	-	-	-	-	-	-	(c)
O24	902754200212	Street Restoration	(167,545)	1,600,549	-	(2,201,223)	-	(768,219)	(d)
O25	902146516212	Downtown Fiber-Optic	(170,013)	-	-	-	-	(170,013)	(d)
O33	902131200212	Coast Hwy Corridor Study/EIR	124,277	-	-	-	(124,277)	-	(e)
O33	902162120212	Coast Hwy Corridor Design	(412,441)	913,904	-	(556,463)	124,277	69,277	
		Total O33 Projects	(288,164)	913,904	-	(556,463)	-	69,277	
		Subtotal Congestion Relief	(625,722)	2,514,453	-	(2,757,686)	-	(868,955)	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Congestion Relief - balance carried forward	$ (625,722)	$ 2,514,453	$ -	$ (2,757,686)	$ -	$ (868,955)	
O37	425449212	Bicycle Master Plan Coordinator	(45,724)	73,544	-	(34,692)	-	(6,872)	(d)
O37	902135600212	Bicycle Master Plan/Bike Sfty	(95,812)	120,627	-	(83,964)	-	(59,149)	(d)
O37	902165720212	Loma Alta Bike Trail	-	-	-	-	-	-	
		Total O37 Projects	(141,536)	194,171	-	(118,656)	-	(66,021)	
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	(262,659)	308,167	-	(79,612)	-	(34,104)	(d)
O38	902135500212	Neighborhood Traffic Sfty Impr	(482)	220,724	-	(260,011)	-	(39,769)	(d)
		Total O38 Projects	(263,141)	528,891	-	(339,623)	-	(73,873)	
O40	902135400212	Mainline R/R Xing Sfty	(104,174)	104,174	-	(162,108)	-	(162,108)	(f)
O41	907118100212	Lot 23 Transit Parking Strctr	(265,986)	-	-	-	-	(265,986)	(g)
O45	902147216212	Douglas Dr Median HSIP-City	(21,259)	-	-	(1)	-	(21,260)	(g)
O46	902162320212	Coastal Rail Trail Design	-	157,293	-	(212,506)	-	(55,213)	(d)
		Subtotal Congestion Relief	(1,421,818)	3,498,982	-	(3,590,580)	-	(1,513,416)	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Congestion Relief balance carried forward	$ (1,421,818)	$ 3,498,982	$ -	$ (3,590,580)	$ -	$ (1,513,416)	
O47	907146416212	Pier Restoration	33,750	-	-	-	(33,750)	-	(e)
		Interest income	170,117	-	21,062	-	-	191,179	
		Total Congestion Relief	(1,217,951)	3,498,982	21,062	(3,590,580)	(33,750)	(1,322,237)	
		Maintenance:							
O18	425411212	Misc Traffic Markings	-	171,198	-	(188,411)	-	(17,213)	(d)
O18	425418212	Neighborhood Traffic Improvement	(59,106)	112,370	-	(106,077)	-	(52,813)	(d)
O18	425426212	Misc Street Projects	-	639,825	-	(653,100)	-	(13,275)	(d)
		Total O18 Projects	(59,106)	923,393	-	(947,588)	-	(83,301)	
		Interest Income	72,907	-	9,026	-	-	81,933	
		Total Maintenance	13,801	923,393	9,026	(947,588)	-	(1,368)	
		Total Local Street Improvements	(1,204,150)	4,433,575	30,088	(4,549,368)	(33,750)	(1,323,605)	
		Bike and Pedestrian:							
O47	902157419212	Pier VWay Bridge Replacement PDR	(24,337)	35,947	-	(11,610)	33,750	33,750	(h)
		Total Bike and Pedestrian	(24,337)	35,947	-	(11,610)	33,750	33,750	

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Smart Growth:							
O49	836164419272	Coastal Rail Trail Extension	$ (770)	$ -	$ -	$ (59,713)	$ -	$ (60,483)	(i)
		Total Smart Growth	(770)	-	-	(59,713)	-	(60,483)	
		Total *TransNet* Extension	(1,229,257)	4,469,522	30,088	(4,620,691)	-	(1,350,338)	
		Total *TransNet* and *TransNet* Extension	(1,572,679)	4,670,142	30,088	(4,987,002)	314,034	(1,545,417)	
		GASB 31 Market Value Adjustment	(42,450)	-	683	-	-	(41,767)	
		Total *TransNet and TransNet* Extension after GASB 31 Adjustment	$ (1,615,129)	$ 4,670,142	$ 30,771	$ (4,987,002)	$ 314,034	$ (1,587,185)	

Notes:
(a) This project is a multi-year project that requires coordination with Caltrans and concurrence from the California Transportation Commission (CTC) and is a regionally significant project. Design efforts are continuing. This money is and will be spent over the next five years.
(b) The project is funded by TransNet and a Grant. In previous years the appropriate percentage of expenses had not be charged to the Grant so an adjustment was processed to rectify the percentage breakdown between the two.
(c) This project is on hold pending construction of a Sewer line to be done by Water Utilities. Project is estimated to resume in FY26-27.
(d) This negative balance is a result of contract work completed and paid for in advance with local funds. A drawdown to reconcile this negative balance will be processed for submission to SANDAG for reimbursement in FY25.
(e) Project is complete. A transfer of funds to another project with the same MPOID was made to eliminate the remaining balance of this phase of the project.
(f) The City will program additional funding for this project in ProjectTrak once council approval is obtained. The City will go to council for additional funding for the project in FY25.
(g) Project is complete. A final drawdown of funds will be requested of SANDAG in FY25.
(h) Project received funding as part of an inter-MPOID transfer.
(i) Grant funding will be requested for reimbursement in FY25.

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CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
O35	N/A	Regional Arterial Management Systems	$ 134,400	$ -	$ (134,400)	$ -
		Total Congestion Relief - Pass-Through	134,400	-	(134,400)	-
		Congestion Relief:				
O17	905120100212	Loma Alta Creek Detention Basins	2,394,236	-	(2,394,236)	-
O24	902754200212	Street Restoration	27,710,363	-	(28,478,582)	(768,219)
O25	902146516212	Downtown Fiber-Optic	146,900	-	(316,913)	(170,013)
O33	902131200212	Coast Hwy Corridor Study/EIR	1,034,941	-	(1,034,941)	-
O33	902162120212	Coast Hwy Corridor Design	1,084,466	-	(1,015,189)	69,277
		Total O33 Projects	2,119,407	-	(2,050,130)	69,277
O37	425449212	Bicycle Master Plan Coordinator	73,544	-	(80,416)	(6,872)
O37	902135600212	Bicycle Master Plan/Bike Sfty	513,989	-	(573,138)	(59,149)
O37	902165720212	Loma Alta Bike Trail	532	-	(532)	-
		Total O37 Projects	588,065	-	(654,086)	(66,021)
O38	902134400212	Ada Ramp Rplcmt/Sdwlks In-fill	1,308,939	-	(1,343,043)	(34,104)
O38	902135500212	Neighborhood Traffic Sfty Impr	703,814	-	(743,583)	(39,769)
		Total O38 Projects	2,012,753	-	(2,086,626)	(73,873)
		Subtotal Congestion Relief	34,971,724	-	(35,980,573)	(1,008,849)

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(Continued)

CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Congestion Relief balance carried forward	$ 34,971,724	$ -	$ (35,980,573)	$ (1,008,849)
O40	902135400212	Mainline R/R Xing Sfty	5,544,174	-	(5,706,282)	(162,108)
O41	907118100212	Lot 23 Transit Parking Strctr	3,416,993	-	(3,682,979)	(265,986)
O45	902147216212	Douglas Dr Median HSIP-City	289,810	-	(311,070)	(21,260)
O46	902162320212	Coastal Rail Trail Design	178,276	-	(233,489)	(55,213)
O47	907146416212	Pier Restoration	466,250	-	(466,250)	-
		Interest Income	-	191,179	-	191,179
		Total Congestion Relief	44,867,227	191,179	(46,380,643)	(1,322,237)
		Maintenance:				
O18	425411212	Misc Traffic Markings	646,447	-	(663,660)	(17,213)
O18	425418212	Neighborhood Traffic Improvement	1,113,820	-	(1,166,633)	(52,813)
O18	425426212	Misc Street Projects	8,876,693	-	(8,889,968)	(13,275)
		Total O18 Projects	10,636,960	-	(10,720,261)	(83,301)
		Interest Income	-	81,933	-	81,933
		Total Maintenance	10,636,960	81,933	(10,720,261)	(1,368)
		Total Local Street Improvements	55,638,587	273,112	(57,235,304)	(1,323,605)

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CITY OF OCEANSIDE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Bike and Pedestrian:				
O47	902157419212	Pier VWay Bridge Replacement PDR	$ 107,008	$ -	$ (73,258)	$ 33,750
		Total Bike and Pedestrian	107,008	-	(73,258)	33,750
		Smart Growth:				
O49	836164419272	Coastal Rail Trail Extension	$ 339,517	$ -	$ (400,000)	$ (60,483)
		Total Smart Growth	339,517	-	(400,000)	(60,483)
		Subtotal Cumulative *TransNet* Extension	56,085,112	273,112	(57,708,562)	(1,350,338)
		Completed Projects:				
		LSI - Congestion Relief	13,471,451	-	(13,471,451)	-
		LSI - Maintenance	5,288,446	220	(5,288,666)	-
		Bike and Pedestrian	567,620	-	(567,620)	-
		Smart Growth	431,451	-	(431,451)	-
		Senior Mini-Grant	1,756,754	13	(1,756,767)	-
		Total Completed Projects	21,515,722	233	(21,515,955)	-
		Total Cumulative *TransNet* Extension	$ 77,600,834	$ 273,345	$ (79,224,517)	$ (1,350,338)

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CITY OF OCEANSIDE, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	O22	$ 912,159	$ 7,156	$ (919,315)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	O22	951,228	-	(951,228)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	O22	623,484	-	(623,484)	-	-	-	314,174
For Fiscal Year ended June 30, 2020	June 30, 2027	O22	509,334	-	(235,110)	-	-	274,224	509,334
For Fiscal Year ended June 30, 2021	June 30, 2028		398,288	-	-	-	-	398,288	398,288
For Fiscal Year ended June 30, 2022	June 30, 2029		1,153,320	-	-	-	-	1,153,320	1,153,320
For Fiscal Year ended June 30, 2023	June 30, 2030		1,097,718	-	-	-	-	1,097,718	1,097,718
For Fiscal Year ended June 30, 2024	June 30, 2031		1,394,639	-	-	-	-	1,394,639	-
Interest Income			-	70,070	-	-	-	70,070	37,994
Total RTCIP Funds			$ 7,040,170	$ 77,226	$ (2,729,137)	$ -	$ -	$ 4,388,259	$ 3,510,828

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CITY OF POWAY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Poway, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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 $359,069. We selected $121,697 (33.89%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as there were no payroll expenditures in FY 24.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as the City does not allocate indirect costs to RTIP projects.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments included within Schedule A in FY24.

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, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There is one project that has been inactive over the past two years. The City indicated that for POW 37, "The project is complete, and excess funding will be moved to another project in FY25 through council resolution." The status of this project has been added to Schedule A.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on January 24, 2025.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there was no non-*TransNet* activity to report on Schedule A in FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 within Schedule A in FY24.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

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Results: No exceptions were noted as a result of our procedures.

8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

   Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$2,064,963
Less: debt service payment	-
Net estimated apportionment	2,064,963
30% base	30%
Fiscal year 2024 30% threshold	619,489
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(107,097)
Maintenance fund balance	(115,581)
Total Local Streets and Roads and Local Street Improvement fund balance	(222,678)
Fund balance under apportionment	$842,167

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(107,097)	$3,392,002	$3,284,905
Maintenance	(115,581)	1,333,508	1,217,927
Totals	$(222,678)	$4,725,510	$4,502,832

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10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

    Results: The City has expended 25.15% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$14,633,562	$3,113,270	$17,746,832
Maintenance	6,355,898	1,217,389	7,573,287
Interest	45,169	394,851	440,020
Total local street and road revenue	$21,034,629	$4,725,510	$25,760,139
30% of total local street and road revenue			$7,728,042
Less maintenance expenditures incurred to date			(6,477,513)
Available maintenance funds			$1,250,529
Cumulative percentage expended for maintenance			25.15%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

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i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$67,863,790	$50,554,714	1.34

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.34.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$ 836,358
Growth Rate	1.34
Adjusted MOE base as of June 30, 2024	$1,120,720

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

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ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was not in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. See Finding 1 within the Findings and Recommendations section of the report. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$743,442
Less MOE base year requirement	(836,358)
Deficit MOE for the year ended June 30, 2024	$(92,916)

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected 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.

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iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no RTCIP expenditures for the fiscal year ending June 30, 2024.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not incur RTCIP expenditures for the fiscal year ending June 30, 2024.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

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Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on October 2, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected 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.

16. We documented the status of any prior year findings and recommendations.

Results: This procedure is not applicable as there were no prior year findings and recommendations.

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17. 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: The MOE requirement for Streets & Roads resulted in a shortfall in the current year. See the Findings and Recommendations section of the report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

CITY OF POWAY, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the TransNet Fund

Findings and Recommendations

Year ended June 30, 2024

(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	$743,442
Less MOE base year requirement	(836,358)
Amount over (under) MOE requirement for the year ended June 30, 2024	$(92,916)

TransNet Extension Ordinance, Section 8, *Maintenance of Effort*, states, in part:

> "…Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to operative date as of this Ordinance…"

Recommendation

We recommend the City budget and incur adequate discretionary expenditures to meet its MOE requirement.

Management Response

We acknowledge the finding regarding the unmet MOE requirement. This occurred due to issues with our cost allocation model, which did not fully align with MOE criteria, and turnover of key staff during the budget process.

The cost allocation model has been adjusted for FY25 to accurately capture the correct amount required to meet the MOE. We will also provide additional training and oversight to ensure compliance in future budgets.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief Pass-Through:							
POW 29	N/A	Regional Arterial Management Systems	$ -	$ 7,300	$ -	$ (7,300)	$ -	$ -	
		Total Congestion Relief Pass-Through	-	7,300	-	(7,300)	-	-	
		Congestion Relief:							
POW 36	ST014	Neighborhood Sidewalks	-	-	-	(254)	-	(254)	(a)
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	126,889	-	-	-	-	126,889	(b)
POW 38	ST019/ST023/ST028	Annual Reconstruction and Overlay Project	(949,874)	1,064,989	-	(139,538)	-	(24,423)	(a)
POW 48	STR0001	Espola Road Safety Improvement	(57,095)	-	-	(155,457)	-	(212,552)	(c)
		Interest Income	-	-	3,243	-	-	3,243	
		Total Congestion Relief	(880,080)	1,064,989	3,243	(295,249)	-	(107,097)	
		Maintenance:							
POW 30	ST022/ST026	Street Maintenance Project	(153,940)	93,489	-	(56,520)	-	(116,971)	(a)
		Interest Income	-	-	1,390	-	-	1,390	
		Total Maintenance	(153,940)	93,489	1,390	(56,520)	-	(115,581)	
		Total Local Street Improvement	(1,034,020)	1,165,778	4,633	(359,069)	-	(222,678)	
		Total *TransNet* Extension	$ (1,034,020)	$ 1,165,778	$ 4,633	$ (359,069)	$ -	$ (222,678)	

Notes:
(a) Funding will be requested in FY25 to remove the project deficit.
(b) Project complete. The City will move the excess funding through council resolution in FY25.
(c) Project complete. The City will request a final drawdown in FY25 to remove the project deficit.

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CITY OF POWAY, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief Pass-Through:				
POW 29	N/A	Regional Arterial Management Systems	$ 87,600	$ -	$ (87,600)	$ -
		Total Congestion Relief Pass-Through	87,600	-	(87,600)	-
		Congestion Relief:				
POW 36	ST014	Neighborhood Sidewalks	-	-	(254)	(254)
POW 37	STR0009	Espola Road Bicycle and Pedestrian Widening	123,744	3,145	-	126,889
POW 38	T019/ST023/ST028	Annual Reconstruction and Overlay Project	4,558,125	12,865	(4,595,413)	(24,423)
POW 48	STR0001	Espola Road Safety Improvement	-	-	(212,552)	(212,552)
		Interest Income	-	3,243	-	3,243
		Total Congestion Relief	4,681,869	19,253	(4,808,219)	(107,097)
		Maintenance:				
POW 30	ST022	Street Maintenance Project	2,035,198	-	(2,152,169)	(116,971)
		Interest Income	-	1,390	-	1,390
		Total Maintenance	2,035,198	1,390	(2,152,169)	(115,581)
		Subtotal Cumulative *TransNet* Extension	6,804,667	20,643	(7,047,988)	(222,678)
		Completed Projects:				
		Local Street Improvements:				
		Congestion Relief	9,864,093	19,882	(9,883,975)	-
		Maintenance	4,320,700	4,644	(4,325,344)	-
		Total Completed Projects	14,184,793	24,526	(14,209,319)	-
		Total Cumulative *TransNet* Extension	$ 20,989,460	$ 45,169	$ (21,257,307)	$ (222,678)

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CITY OF POWAY, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	POW48	$ 32,998	$ -	$ (32,998)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	POW48	43,275	-	(43,275)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	POW48	17,464	-	(17,464)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	POW48	43,064	-	(43,064)	-	-	-	-
For Fiscal Year ended June 30, 2021	June 30, 2028	POW48	364,319	-	(364,319)	-	-	-	-
For Fiscal Year ended June 30, 2022	June 30, 2029	POW48	279,363	-	(32,233)	-	-	247,130	247,130
For Fiscal Year ended June 30, 2023	June 30, 2030		938,185	-	-	-	-	938,185	938,185
For Fiscal Year ended June 30, 2024	June 30, 2031		79,517	-	-	-	-	79,517	-
Interest Income			-	84,670	-	-	-	84,670	55,469
Total RTCIP Funds			$ 1,798,185	$ 84,670	$ (533,353)	$ -	$ -	$ 1,349,502	$ 1,240,784

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CITY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of San Diego, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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 $51,367,341. We selected $13,649,710 (26.57%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as the City's payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

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vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. Indirect costs are allocated to RTIP projects at a rate that depends on the department of the employee that charged labor to the project. In total, two city departments charged labor and applied indirect costs to projects in the RTIP. The indirect cost rates charged by the departments ranged from 10.00% to 172.19% of direct labor. Total indirect costs included within projects in the RTIP was $5,628,384 or 10.96% of total *TransNet* expenditures. The City's indirect costs exceeded 10% of total *TransNet* expenditures due to the City having preliminary project internal orders that are 100% labor expenses. In addition, the City employs its own engineers, project managers and other employees that smaller cities would contract out to vendors. The City's cost allocation plan was approved by the Chief Financial Officer during FY23. The City's cost allocation plan has not been reviewed by a federal or state agency, nor has it been audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedure.

g. We inspected 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

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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, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: There were two projects that were inactive over the past two years. The City indicated that "SD34 is an ongoing project that may use *TransNet* in the Future. There is a $998K budget in RTCIP, $6.2M total budget at June 30, 2024. SD260 is grant 1000493-2018 and a final payment is being withheld by SANDAG pending resolution of outstanding issues."

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: SANDAG approved the reason for the inactivity on December 19, 2024.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there was no non-*TransNet* activity separate from *TransNet* activity in Schedule A.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

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a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

   Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$46,327,054
Less: debt service payment	(564,486)
Net estimated apportionment	45,762,568
30% base	30%
Fiscal year 2024 30% threshold	13,728,770
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	9,751,391
Maintenance fund balance	(4,069)
Total Local Streets and Roads and Local Street Improvement fund balance	9,747,322
Fund balance under apportionment	$ 3,981,448

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9. We reported the ending balance from Schedule A, of Local Street Improvements (LSI) and Congestion Relief and Maintenance. We reported the ending balances of Congestion Relief and Maintenance from the SANDAG FY 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$9,751,391	$39,290,299	$49,041,690
Maintenance	(4,069)	1,478,590	1,474,521
Totals	$9,747,322	$40,768,889	$50,516,215

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

    Results: The City has expended 28.24% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$379,889,842	$33,292,362	$413,182,204
Maintenance	165,833,833	(1,282,583)	164,551,250
Interest	813,643	8,759,110	9,537,752
Total local street and road revenue	$546,537,318	$40,768,889	$587,271,206
30% of total local street and road revenue			$ 176,181,362
Less maintenance expenditures incurred to date			(165,837,902)
Available maintenance funds			$ 10,343,460
Cumulative percentage expended for maintenance			28.24%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: The results are summarized below:

	Balance July 1, 2023	Additions	Principal Payments	Balance June 30, 2024	Interest Payment
Commercial paper	$26,167,000	$ -	$(26,167,000)	$ -	$564,486

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12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$2,367,386,000	$1,765,970,000	1.34

    c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

        Results: The lowest growth rate is 1.34.

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d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

	Street and Road	Specialized Transportation Services	Transit Bus Subsidies	Total
Previously approved MOE base	$16,288,475	$120,526	$648,839	$17,057,840
Growth rate	1.34	1.34	1.34	1.34
Adjusted MOE base as of June 30, 2024	$21,826,557	$161,505	$869,444	$22,857,506

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

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	Street and Road	Specialized Transportation Services	Transit Bus Subsidies	Total
Current year local discretionary expenditures	$66,149,059	$120,526	$694,017	$66,963,602
Less MOE Discretionary in Transit Bus Subsidies	(101,208)	-	-	(101,208)
Less MOE base year requirement	(16,288,475)	(120,526)	(648,839)	(17,57,840)
Excess MOE for the year ended June 30, 2024	$49,759,376	$ -	$ 45,178	$49,804,554

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

    a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

       Results: No exceptions were noted as a result of our procedures.

    b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

       Results: No exceptions were noted as a result of our procedures.

    c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

       i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

          Results: No exceptions were noted as a result of our procedures.

       ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

          Results: No exceptions were noted as a result of our procedures.

       iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

          Results: No exceptions were noted as a result of our procedures.

       iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

          Results: No exceptions were noted as a result of our procedures.

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v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $2,014,203. We selected $321,844 (15.98%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedures 13.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: No exceptions were noted as a result of our procedures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected 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.

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xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on November 18, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: No exceptions were noted as a result of our procedures.

16. We 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.

17. 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, 2024.

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We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		TransNet* Extension*:							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SD16A	13001747	Regional Arterial Management Systems	$ -	$ 67,600	$ -	$ (67,600)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	67,600	-	(67,600)	-	-	
		Congestion Relief - Commercial Paper:							
SD70	S00871	Commercial Paper	26,167,000	-	-	-	(26,167,000)	-	(a)
		Total Congestion Relief - Commercial Paper:	26,167,000	-	-	-	(26,167,000)	-	
		Congestion Relief:							
SD09	AIK.00001	New Walkways	605,858	1,804,535	-	(2,067,587)	-	342,806	
SD15	AIH.00001	Installation of City Owned Street Lights	94,504	1,779,851	-	(1,498,250)	-	376,105	
SD16A	21004805	Traffic Signals - Modifications/ Modernization	317,326	-	-	(441,134)	123,808	-	
SD16A	AIL.00002	Traffic Signal Interconnect Projects	427,826	225,342	-	(541,636)	-	111,532	
SD16A	AIL.00004	Traffic Signals - Citywide	519,275	3,051,796	-	(2,508,371)	(123,808)	938,892	
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	215,567	1,105,101	-	(901,854)	-	418,814	
		Total SD16A Projects	1,479,994	4,382,239	-	(4,392,995)	-	1,469,238	
SD18	AIL.00001	Traffic Calming	1,076,923	-	-	(284,513)	-	792,410	
SD23	ACA.00001	Drainage Projects	40,473	21,774	-	(100,460)	-	(38,213)	(b)
SD34	S00856	El Camino Real Road and Bridge Widening	-	-	-	-	-	-	(c)
		Subtotal Congestion Relief	3,297,752	7,988,399	-	(8,343,805)	-	2,942,346	

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(Continued)

CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Congestion Relief balance carried forward	$ 3,297,752	$ 7,988,399	$ -	$ (8,343,805)	$ -	$ 2,942,346	
SD38	S00863	Georgia St Bridge Improvements	76,838	-	-	-	(76,838)	-	(d)(e)(f)
SD49	AIG.00001	Median Installation	372,641	2,073,932	-	(2,115,080)	-	331,493	
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	329,591	-	-	(62,307)	-	267,284	
SD83	S00851	State Route 163 and Friars Road	34,366	-	-	(133,172)	98,806	-	(d)
SD96	AID.00005	Street Resurfacing and Reconstruction	(3,325,651)	11,749,118	-	(10,554,027)	-	(2,130,560)	(b)
SD96	S23006	Sunset Cliffs Seawall Improvements - Sunset Cliff Blvd	-	178,630	-	(107,485)	-	71,145	
		Total SD96 Projects	(3,325,651)	11,927,748	-	(10,661,512)	-	(2,059,415)	
SD99	AIE.00001	Bridge Rehabilitation	664,212	-	-	(57,841)	-	606,371	
SD102A	S11060	Otay Mesa Truck Route Phase 4	1,944,810	296,920	-	(921,170)	-	1,320,560	
SD129	S00915	University Avenue Mobility	-	-	-	(610,108)	321,108	(289,000)	(b)(d)
SD166	AIA.00001	Minor Bicycle Facilities	505,092	867,324	-	(402,540)	-	969,876	
SD166	21004803	Minor Bicycle Facilities (Non-Capital)	797,904	-	-	(766,395)	-	31,509	
		Total SD166 Projects	1,302,996	867,324	-	(1,168,935)	-	1,001,385	
		Subtotal Congestion Relief	4,697,555	23,154,323	-	(24,073,930)	343,076	4,121,024	

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Congestion Relief balance carried forward	$ 4,697,555	$ 23,154,323	$ -	$ (24,073,930)	$ 343,076	$ 4,121,024	
SD186	21002143	Administrative Expenses - Finance	5,404	111,045	-	(125,571)	-	(9,122)	(b)
SD186	21002273	Administrative Expenses - Engineering	(8,302)	328,772	-	(328,119)	-	(7,649)	(b)
		Total SD186 Projects	(2,898)	439,817	-	(453,690)	-	(16,771)	
SD188	various	Congestion Relief /Traffic Signal Operations	-	3,283,730	-	(3,283,730)	-	-	
SD226	S00870	Old Otay Road Westerly	-	-	-	(115)	115	-	(d)(e)
SD237	S00951	Coastal Rail Trail	1,808,741	1,000,000	-	(265,789)	-	2,542,952	
SD245	S16061	Market St-47th St to Euclid Complete St	915,454	-	-	(31,984)	-	883,470	
SD249	S18000	Steamview Drive Improvement Phase 2	1,072,564	800,000	-	(393,679)	-	1,478,885	
SD250	S15018	La Media Road Improvements	1,029,587	4,219,145	-	(5,949,042)	-	(700,310)	(b)
SD252	S18001	University Ave Complete Street Phase 1	98,388	-	-	(745,508)	647,120	-	(d)
SD263	B19020	La Media Impr-Siempre Viva to Truck Rte	639,675	250,000	-	(216,164)	-	673,511	
SD264	S22005	Alvarado Canyon Rd Realignment Project	802,580	560,218	-	(615,639)	-	747,159	
SD266	S22012	Normal Street Promenade	-	183,126	-	(161,749)	-	21,377	
		Commercial Paper Debt Services	-	564,486	-	(564,486)	-	-	(a)
		Interest income - Congestion Relief 70%	145,130	-	316,452	-	(461,488)	94	(d)
		Total Congestion Relief	11,206,776	34,454,845	316,452	(36,755,505)	528,823	9,751,391	

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(Continued)

CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
SD176	Various I/Os	Slurry Seal & Crack Repairs	$ (31,761)	$ 1,451,303	$ -	$ (1,423,611)	$ -	$ (4,069)	(b)
SD176	13000768	Maintenance	-	12,511,719	-	(12,511,719)	-	-	
		Total SD176 Projects	(31,761)	13,963,022	-	(13,935,330)	-	(4,069)	
		Interest income - Maintenance 30%	-	-	-	-	-	-	
		Total Maintenance	(31,761)	13,963,022	-	(13,935,330)	-	(4,069)	
		Total Local Street Improvements	37,342,015	48,485,467	316,452	(50,758,435)	(25,638,177)	9,747,322	
		Smart Growth:							
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	(137,192)	-	-	-	-	(137,192)	(g)
SD261	5005485	Downtown San Diego Wayfinding Signage - Cycle Network	(41,756)	40,375	-	(20,619)	-	(22,000)	(h)
SD262	5005486	East Village Green Park Phase 1	(131,557)	169,468	-	(109,135)	-	(71,224)	(h)
SD267	S1021763	Mid City Communities Smart Growth Study Area	(15,637)	67,473	-	(232,397)	-	(180,561)	(h)
		Total Smart Growth	(326,142)	277,316	-	(362,151)	-	(410,977)	

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CITY OF SAN DIEGO, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Environmental Mitigation:							
VO8	1000531-2018	Otay Res Cactus Wren	$ (12,144)	$ 15,959	$ -	$ (22,584)	$ -	$ (18,769)	(h)
VO8	1000532-2018	San Pasq Cactus Wren	(22,582)	44,251	-	(39,781)	-	(18,112)	(h)
		Total V08 Projects	(34,726)	60,210	-	(62,365)	-	(36,881)	
V10	1000720-2022	Dennery Canyon Restoration	-	28,673	-	(56,623)	-	(27,950)	(h)
V10	1000721-2022	West Otay Mesa Stinknet Removal	-	40,871	-	(62,883)	-	(22,012)	(h)
V10	1000723-2022	Otay Mesa Vernal Pool Restoration	-	44,578	-	(64,884)	-	(20,306)	(h)
		Total V10 Projects	-	114,122	-	(184,390)	-	(70,268)	
		Total Environmental Mitigation	(34,726)	174,332	-	(246,755)	-	(107,149)	
		Total *TransNet* Extension	36,981,147	48,937,115	316,452	(51,367,341)	(25,638,177)	9,229,196	
		GASB 31 Market Value Adjustment	(318,334)	-	234,567	-	-	(83,767)	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 36,662,813	$ 48,937,115	$ 551,019	$ (51,367,341)	$ (25,638,177)	$ 9,145,429	

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Notes:
(a) Commercial Paper was refunded in full to SANDAG in FY24 using City's own local funding.
(b) FY25 draws will provide coverage for MPO ID projects with negative balances as of June 30, 2024.
(c) On going project that may use TransNet in the Future. $998K budget in RTCIP, $6.2M Total Budget @ 6/30/24
(d) City Council approval obtained for the transfer of funds per Resolution R-315938 on 12/16/2024.
(e) Project is Complete
(f) Prior year expenditures in SD38 for $528,823 were transferred into non-SANDAG / TransNet grant with available funding.
(g) Grant 1000493-2018 final payment is being withheld by SANDAG pending resolution of outstanding issues.
(h) Negative grant balance as of June 30, 2024 covered by grant reimbursement in FY25 or withheld retention to be released when the project is completed.

CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		TransNet* Extension*:				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SD16A	13001747	Regional Arterial Management Systems	$ 811,200	$ -	$ (811,200)	$ -
		Total Congestion Relief - Pass-Through	811,200	-	(811,200)	-
		Congestion Relief - Commercial Paper:				
SD70	S00871	Commercial paper	26,167,000	-	(26,167,000)	-
		Total Congestion Relief - Commercial Paper	26,167,000	-	(26,167,000)	-
		Congestion Relief:				
SD09	AIK.00001	New Walkways	16,503,246	(8,383)	(16,152,057)	342,806
SD15	AIH.00001	Installation of City Owned Street Lights	6,075,276	(4,702)	(5,694,469)	376,105
SD16A	21004805	Traffic Signals - Modifications/modernization	955,915	-	(955,915)	-
SD16A	AIL.00002	Traffic Signal Interconnect Projects	3,264,632	(1,572)	(3,151,528)	111,532
SD16A	AIL.00004	Traffic Signals - Citywide	11,820,994	(4,826)	(10,877,276)	938,892
SD16A	AIL.00005	Traffic Signals - Modifications/Modernization	9,854,725	(3,471)	(9,432,440)	418,814
		Total SD16A Projects	25,896,266	(9,869)	(24,417,159)	1,469,238
SD18	AIL.00001	Traffic Calming	5,914,017	(2,224)	(5,119,383)	792,410
SD23	ACA.00001	Drainage Projects	15,447,375	(1,690)	(15,483,898)	(38,213)
SD34	S00856	El Camino Real Road and Bridge Widening	836,313	2,965	(839,278)	-
		Subtotal Congestion Relief	70,672,493	(23,903)	(67,706,244)	2,942,346

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(Continued)

CITY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Congestion Relief balance carried forward	$ 70,672,493	$ (23,903)	$ (67,706,244)	$ 2,942,346
SD38	S00863	Georgia St Bridge Improvements	1,976,695	916	(1,977,611)	-
SD49	AIG.00001	Median Installation	7,674,978	(4,375)	(7,339,110)	331,493
SD51	S00935	North Torrey Pines Road Bridge over Los Penasquitos Creek	1,319,652	1,817	(1,054,185)	267,284
SD70	S00871	West Mission Bay Drive Bridge over San Diego River	4,450,183	(1,394)	(4,448,789)	-
SD83	S00851	State Route 163 and Friars Road	31,733,699	(27,402)	(31,706,297)	-
SD96	AID.00005	Street Resurfacing and Reconstruction	48,018,516	-	(50,149,076)	(2,130,560)
SD96	S23006	Sunset Cliffs Seawall Improvement	272,268	-	(201,123)	71,145
		Total SD96 Projects	48,290,784	-	(50,350,199)	(2,059,415)
SD99	AIE.00001	Bridge Rehabilitation	3,759,486	(492)	(3,152,623)	606,371
SD102A	S11060	Otay Mesa Truck Route Phase 4	10,818,094	-	(9,497,534)	1,320,560
SD129	S00915	University Avenue Mobility	2,095,638	(1,380)	(2,383,258)	(289,000)
SD166	AIA.00001	Minor Bicycle Facilities	4,199,366	(171)	(3,229,319)	969,876
SD166	21004803	Minor Bicycle Facilities (Non-Capital)	2,584,550	-	(2,553,041)	31,509
		Total SD166 Projects	6,783,916	(171)	(5,782,360)	1,001,385
		Subtotal Congestion Relief	189,575,618	(56,384)	(185,398,210)	4,121,024

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CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Congestion Relief balance carried forward	$ 189,575,618	$ (56,384)	$ (185,398,210)	$ 4,121,024
SD186	21002143	Administrative Expenses - Comptrollers	1,465,402	2,320	(1,476,844)	(9,122)
SD186	21002273	Administrative Expenses - Engineering	3,047,428	431	(3,055,508)	(7,649)
		Total SD186 Projects	4,512,830	2,751	(4,532,352)	(16,771)
SD188	various	Congestion Relief /Traffic Signal Operations	38,717,624	39,944	(38,757,568)	-
SD200	S14009	SR56 / Euclid Avenue Interchange Phase 2	3,117,530	-	(3,117,530)	-
SD226	S00870	Old Otay Mesa Road - Westerly	9,695,427	10,213	(9,705,640)	-
SD237	S00951	Coastal Rail Trail	4,795,796	-	(2,252,844)	2,542,952
SD245	S16061	Market St-47th St to Euclid Complete St	6,025,875	-	(5,142,405)	883,470
SD249	S18000	Steamview Drive Improvement Phase 2	2,810,000	-	(1,331,115)	1,478,885
SD250	S15018	La Media Road Improvements	10,349,084	-	(11,049,394)	(700,310)
SD252	S18001	University Ave Complete Street Phase 1	1,522,120	-	(1,522,120)	-
SD263	B19020	La Media Impr-Siempre Viva to Truck Rte	1,250,000	-	(576,489)	673,511
SD264	S22005	Alvarado Canyon Rd Realignment Project	1,682,581	-	(935,422)	747,159
SD266	S22012	Normal Street Promenade	183,126	-	(161,749)	21,377
		Commercial Paper Debt Services	1,726,249	-	(1,726,249)	-
		Interest Income - Congestion Relief	(647,275)	647,369	-	94
		Total Congestion Relief	275,316,585	643,893	(266,209,087)	9,751,391

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CITY OF SAN DIEGO, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
SD176	Various I/Os	Slurry Seal & Crack Repairs	$ 9,389,808	$ -	$ (9,393,877)	$ (4,069)
SD176	13000768	Maintenance	150,393,625	-	(150,393,625)	-
		Total SD176 Projects	159,783,433	-	(159,787,502)	(4,069)
		Interest Income - Maintenance	-	-	-	-
		Total Maintenance	159,783,433	-	(159,787,502)	(4,069)
		Total Local Street Improvements	462,078,218	643,893	(452,974,789)	9,747,322
		Smart Growth:				
SD260	1000493-2018	Downtown Mobility Cycle Way Improvement Phase I & II	2,362,809	-	(2,500,001)	(137,192)
SD261	5005485	Downtown San Diego Wayfinding Signage Cycle Network	198,000	-	(220,000)	(22,000)
SD262	5005486	East Village Green Park Phase 1	220,161	-	(291,385)	(71,224)
SD267	S1021763	Mid City Communities Smart Growth Study Area	67,473	-	(248,034)	(180,561)
		Total Smart Growth	2,848,443	-	(3,259,420)	(410,977)

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CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Environmental Mitigation:				
V08	1000531-2018	Otay Res Cactus When	$ 98,322	$ -	$ (117,091)	$ (18,769)
V08	1000532-2018	San Pasq Cactus Wren	163,003	-	(181,115)	(18,112)
		Total V08 Projects	261,325	-	(298,206)	(36,881)
V10	1000720-2022	Dennery Canyon Restoration	28,673	-	(56,623)	(27,950)
V10	1000721-2022	West Otay Mesa Stinknet Removal	40,871	-	(62,883)	(22,012)
V10	1000723-2022	Otay Mesa Vernal Pool Restoration	44,578	-	(64,884)	(20,306)
		Total V10 Projects	114,122	-	(184,390)	(70,268)
		Total Environmental Mitigation	375,447	-	(482,596)	(107,149)
		Subtotal Cumulative *TransNet* Extension	465,302,108	643,893	(456,716,805)	9,229,196
		Completed Projects:				
		Major Corridor	3,774,000	35,001	(3,809,001)	-
		LSI-Congestion Relief	77,595,057	134,749	(77,729,806)	-
		LSI-Maintenance	6,050,400	-	(6,050,400)	-
		Active Transportation	124,998	-	(124,998)	-
		Bikes and Pedestrian	1,543,659	-	(1,543,659)	-
		Smart Growth	8,467,614	-	(8,467,614)	-
		Environmental Mitigation	356,304	-	(356,304)	-
		Total Completed Projects	97,912,032	169,750	(98,081,782)	-
		Total Cumulative *TransNet* Extension	$ 563,214,140	$ 813,643	$ (554,798,587)	$ 9,229,196

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CITY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	Various	$ 6,897,302	$ 140,438	$ (7,037,740)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	Various	6,311,935	130,648	(6,442,583)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	Various	5,300,604	-	(4,200,681)	-	1,099,923	1,099,923	3,114,126
For Fiscal Year ended June 30, 2020	June 30, 2027	Various	4,563,070	-	-	-	4,563,070	4,563,070	4,563,070
For Fiscal Year ended June 30, 2021	June 30, 2028	Various	7,643,260	-	-	-	7,643,260	7,643,260	7,643,260
For Fiscal Year ended June 30, 2022	June 30, 2029	Various	9,466,104	-	-	-	9,466,104	9,466,104	9,466,104
For Fiscal Year ended June 30, 2023	June 30, 2030	Various	5,972,942	-	-	-	5,972,942	5,972,942	5,972,942
For Fiscal Year ended June 30, 2024	June 30, 2031	Various	8,604,312	-	-	-	2,973,830	8,604,312	-
Interest Income			-	3,004,164	-	-	-	3,004,164	1,977,316
Total RTCIP Funds			$ 54,759,529	$ 3,275,250	$ (17,681,004)	$ -	$ 31,719,129	$ 40,353,775	$ 32,736,818

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CITY OF SAN MARCOS, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of San Marcos, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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, net of debt service of $470,770, in the amount of $3,892,482. We selected $1,223,895 (31.44%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet*

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program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

g. We inspected 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, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-*TransNet* activity for the year ended June 30, 2024.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

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8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

   Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$3,175,297
Less: debt service payment	(470,770)
Net estimated apportionment	2,704,527
30% base	30%
Fiscal year 2024 30% threshold	811,358
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(2,076,050)
Maintenance fund balance	(8,715)
Total Local Streets and Roads and Local Street Improvement fund balance	(2,084,765)
Fund balance under apportionment	$2,896,123

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(2,076,050)	$ 6,215,468	$ 4,139,418
Maintenance	(8,715)	7,721,286	7,712,571
Totals	$(2,084,765)	$13,936,754	$11,851,989

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

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Results: The City has expended 7.06% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$35,994,537	$ 4,907,279	$40,901,816
Maintenance	3,751,242	7,169,226	10,920,468
Interest	73,044	1,860,249	1,933,293
Total local street and road revenue	$39,818,823	$13,936,754	$53,755,577
30% of total local street and road revenue			$ 16,126,673
Less maintenance expenditures incurred to date			(3,793,217)
Available maintenance funds			$ 12,333,456
Cumulative percentage expended for maintenance			7.06%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The results are summarized below:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Total Debt Service *
2010 Series A Bonds	$15,139,627	$ -	$ -	$15,139,627	$(438,767)
2019 Series A Bonds	1,025,000	-	(120,739)	904,261	(21,343)
2023 Series A Bonds	-	120,739	-	120,739	(10,660)
Total	$16,164,627	$120,739	$(120,739)	$16,164,627	$(470,770)

*Total Debt Service is comprised of principal payments, subsidy payments, interest, debt service expenses, and withholdings.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

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Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$98,192,617	$87,011,814	1.13

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.13.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$3,082,862
Growth Rate	1.13
Adjusted MOE base as of June 30, 2024	$3,483,634

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

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a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$ 6,488,696
Less MOE base year requirement	(3,082,862)
Excess MOE for the year ended June 30, 2024	$ 3,405,834

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

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Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The city recorded total RTCIP expenditures in the amount of $1,655,153. We selected $1,650,063 (99.69%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as the City did not have payroll expenditures that exceeded 20% of total RTCIP expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

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Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on September 26, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

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Results: The City did not include any administrative projects in the RTIP.

16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF SAN MARCOS, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SM54	N/A	Regional Arterial Management Systems	$ -	$ 10,800	$ -	$ (10,800)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	10,800	-	(10,800)	-	-	
		Congestion Relief:							
SM22	88179	South Santa Fe from Bosstick to Smilax	(26,519)	44,382	-	(18,268)	-	(405)	(a)
SM31	88265	Discovery Street Improvements	-	-	-	-	-	-	(b)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	-	1,636,720	-	(2,071,663)	-	(434,943)	(a)
SM48	88505	SM Creek Specific Plan	54	-	-	(412,466)	-	(412,412)	(a)
SM56	88263	Bent Ave Bridge and Street Improvement	-	-	-	(913,116)	(65,356)	(978,472)	(a)(c)
SM59	86009	Annual Street Overlay Project	27	-	-	-	-	27	(d)
SM63	TR001	Rancho Santa Fe and Grandon Traffic Signal Mod	(12,241)	-	-	-	-	(12,241)	(a)
SM64	ST005	San Marcos Blvd. Reconstruction	(895)	26,146	-	(129,089)	-	(103,838)	(a)
SM67	86002	San Marcos Blvd at Discovery St	(349,999)	350,000	-	-	-	1	
SM68	88532	Traffic Management System Enhancement	(435,676)	435,676	-	-	-	-	
SM75	ST014	RSF Pavement Restoration	-	108,495	-	(281,898)	-	(173,403)	(a)
		2010 Series A Bonds Debt Service	-	438,767	-	(438,767)	-	-	
		2019 Series A Bonds	-	21,343	-	(21,343)	-	-	
		2023 Series A Bonds	-	10,660	-	(10,660)	-	-	
		Subtotal Congestion Relief	(825,249)	3,072,189	-	(4,297,270)	(65,356)	(2,115,686)	
		Interest Income	17,337	-	22,299	-	-	39,636	
		Total Congestion Relief	(807,912)	3,072,189	22,299	(4,297,270)	(65,356)	(2,076,050)	

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(Continued)

CITY OF SAN MARCOS, CALIFORNIA
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Maintenance:							
SM72	ST011	Annual Surface Seal Project FY24-FY27	$ -	$ 13,207	$ -	$ (55,182)	$ -	$ (41,975)	(a)
		Interest Income	23,703	-	9,557	-	-	33,260	
		Total Maintenance	23,703	13,207	9,557	(55,182)	-	(8,715)	
		Total Local Street Improvements	(784,209)	3,096,196	31,856	(4,363,252)	(65,356)	(2,084,765)	
		Total *TransNet* Extension	$ (784,209)	$ 3,096,196	$ 31,856	$ (4,363,252)	$ (65,356)	$ (2,084,765)	

Notes:
(a) The City will request drawdown from programmed funds in FY25
(b) Project is still active, but did not have any TransNet budget appropriation remaining. Will have additional TransNet budget appropriation added in FY25
(c) Prior year expenditures not relating to the current fiscal year.
(d) Project complete. Remaining funds will be reprogrammed as local/city funds during RTIP amendment in January 2025.

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CITY OF SAN MARCOS, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SM54	N/A	Regional Arterial Management Systems	$ 118,800	$ -	$ (118,800)	$ -
		Total Congestion Relief - Pass-Through	118,800	-	(118,800)	-
		Congestion Relief:				
SM22	88179	South Santa Fe from Bosstick to Smilax	203,567	-	(203,972)	(405)
SM32	88264	Via Vera Cruz Bridge and Street Improvement	4,068,249	-	(4,503,192)	(434,943)
SM48	88505	SM Creek Specific Plan	2,771,657	-	(3,184,069)	(412,412)
SM56	88263	Bent Ave Bridge and Street Improvement	1,324,723	-	(2,303,195)	(978,472)
SM59	86009	Annual Street Overlay Project	138,527	-	(138,500)	27
SM63	TR001	Rancho Santa Fe and Grandon Traffic Signal Mod	255,167	-	(267,408)	(12,241)
SM64	ST005	San Marcos Blvd. Reconstruction	26,146	-	(129,984)	(103,838)
SM67	86002	San Marcos Blvd at Discovery St	350,000	-	(349,999)	1
SM68	88532	Traffic Management System Enhancement	1,244,000	-	(1,244,000)	-
SM75	ST014	RSF Pavement Restoration	108,495	-	(281,898)	(173,403)
		2010 Series A Bonds Debt Service	7,933,276	-	(7,933,276)	-
		2019 Series A Bonds	132,386	-	(132,386)	-
		2023 Series A Bonds	10,660	-	(10,660)	-
		Subtotal Congestion Relief	18,566,853	-	(20,682,539)	(2,115,686)
		Interest Income	-	39,636	-	39,636
		Total Congestion Relief	18,566,853	39,636	(20,682,539)	(2,076,050)

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CITY OF SAN MARCOS, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Maintenance:				
SM72	ST011	Annual Surface Seal Project FY24-FY27	$ 13,207	$ -	$ (55,182)	$ (41,975)
		Interest Income	-	33,260	-	33,260
		Total Maintenance	13,207	33,260	(55,182)	(8,715)
		Total Local Street Improvements	18,698,860	72,896	(20,856,521)	(2,084,765)
		Subtotal Cumulative *TransNet* Extension	18,698,860	72,896	(20,856,521)	(2,084,765)
		Completed projects:				
		Congestion Relief	$ 17,308,884	$ 148	$ (17,309,032)	$ -
		Maintenance	3,738,035	-	(3,738,035)	-
		Bikes and Pedestrian	948,941	1,668	(950,609)	-
		Senior Mini-Grant	34,992	-	(34,992)	-
		Smart Growth	1,000,000	-	(1,000,000)	-
		Total Completed Projects	23,030,852	1,816	(23,032,668)	-
		Total Cumulative *TransNet* Extension	$ 41,729,712	$ 74,712	$ (43,889,189)	$ (2,084,765)

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CITY OF SAN MARCOS, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023
For Fiscal Year ended June 30, 2017	June 30, 2024	SM31/SM42	$ 874,955	$ -	$ (874,955)	$ -	$ -	$ -	$ -
For Fiscal Year ended June 30, 2018	June 30, 2025	SM31/SM42	1,345,318	-	(1,345,318)	-	-	-	-
For Fiscal Year ended June 30, 2019	June 30, 2026	SM31/SM42	466,033	-	(466,033)	-	-	-	-
For Fiscal Year ended June 30, 2020	June 30, 2027	SM31/SM42	890,385	-	(890,385)	-	-	-	-
For Fiscal Year ended June 30, 2021	June 30, 2028	SM31/SM42	328,796	-	(328,796)	-	-	-	-
For Fiscal Year ended June 30, 2022	June 30, 2029		1,047,857	-	(1,047,857)	-	-	-	43,458
For Fiscal Year ended June 30, 2023	June 30, 2030		1,188,651	-	(1,188,651)	-	-	-	1,188,651
For Fiscal Year ended June 30, 2024	June 30, 2031		158,490	264,554	(423,044)	-	-	-	-
Interest Income			-	256,242	-	-	-	256,242	467,602
Total RTCIP Funds			$ 6,300,485	$ 520,796	$ (6,565,039)	$ -	$ -	$ 256,242	$ 1,699,711

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CITY OF SANTEE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Santee, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total *TransNet* expenditures less debt service in the amount of $2,310,678. We selected $1,903,809 (82.39%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of *TransNet* expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The City allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The City charges indirect costs at the rate of 23.7% of direct salary and benefit costs associated with each project. The City allocated a total of $43,399 of indirect costs to all RTIP projects, resulting in 0.78% of indirect costs compared to total project expenditures. We then extrapolated this percentage to calculate total TransNet indirect costs of $17,924. The City does not have a formal written indirect cost plan. The City's indirect cost allocation is reviewed internally and updated annually and last updated during FY24 by the Finance Director. The City's indirect cost allocation has not been reviewed by a federal or state agency or audited by an independent certified public accounting firm. The City's methodology for allocating indirect costs appears reasonable. Indirect costs did not exceed 10% of total expenditures, as such no explanation was obtained. No exceptions were noted as a result of our procedures.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: No exceptions were noted as a result of our procedures.

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: No exceptions were noted as a result of our procedures.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent

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year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there was no non-*TransNet* activity on Schedule A in FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

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b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: No exceptions were noted as a result of our procedures.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$2,021,078
Less: debt service payment	(797,208)
Net estimated apportionment	1,223,870
30% base	30%
Fiscal year 2024 30% threshold	367,161
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	(15,950)
Maintenance fund balance	(88,263)
Total Local Streets and Roads and Local Street Improvement fund balance	(104,213)
Fund balance under apportionment	$471,374

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are indicated on the following page:

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	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$(15,950)	$(480,579)	$(496,529)
Maintenance	(88,263)	1,257,261	1,168,998
Totals	$(104,213)	$776,682	$672,469

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 14.02% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$35,889,070	$(751,479)	$35,137,591
Maintenance	5,874,142	1,154,857	7,028,999
Interest	5,829	373,304	379,133
Total local street and road revenue	$41,769,041	$776,682	$42,545,723
30% of total local street and road revenue			$12,763,717
Less maintenance expenditures incurred to date			(5,964,595)
Available maintenance funds			$6,799,122
Cumulative percentage expended for maintenance			14.02%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: The results are summarized below:

	Balance July 1, 2023	Additions	Principal Payments	Balance June 30, 2024	Total Debt Service*
2014 Bonds	$220,000	$ -	$(220,000)	$ -	$(171,843)
2020 Bonds	2,945,000	-	(365,000)	2,580,000	(505,256)
2021 Bonds	2,870,000	-	-	2,870,000	(120,109)
Total	$6,035,000	-	(585,000)	(5,450,000)	$(797,208)

* - Total Debt Service is comprised of principal payments, interest, debt service expenses, and withholdings.

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12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$177,085,370	$155,643,413	1.14

    c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

        Results: The lowest growth rate is 0.63.

    d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

        Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$6,746,377
Growth Rate	0.63
Adjusted MOE base as of June 30, 2024	$4,250,218

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13. With respect to the MOE requirement:

    a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

    b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

        a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

            i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

            ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

            iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

    c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

    d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

    Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$1,950,779
Less MOE base year requirement	(414,730)
Excess MOE for the year ended June 30, 2024	$1,536,049

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

    a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

    Results: No exceptions were noted as a result of our procedures.

    b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

    Results: No exceptions were noted as a result of our procedures.

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c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $461,387. We selected $431,549 (93.53%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

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Results: This procedure is not applicable as payroll expenditures did not exceed 20% of total expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on November 29, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

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Results: No exceptions were noted as a result of our procedures.

15. We inspected 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.

16. We 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.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
SNT20		Regional Arterial Management Systems	$ -	$ 7,400	$ -	$ (7,400)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	7,400	-	(7,400)	-	-	
		Congestion Relief:							
SNT04	2023-05	Citywide Pavement Repair & Rehab 2023	11,932	838,426	-	(893,207)	42,849	-	(a)(b)
SNT04	2024-01	Citywide Pavement Repair & Rehab 2024	-	7,494	-	(25,657)	-	(18,163)	(c)
		Subtotal SNT04	11,932	845,920	-	(918,864)	42,849	(18,163)	
		2014 Bonds Debt Service	-	171,843	-	(171,843)	-	-	
		2020 Bonds Debt Service	-	505,256	-	(505,256)	-	-	
		2021 Bonds Debt Service	-	120,109	-	(120,109)	-	-	
		Interest Income	118	-	2,095	-	-	2,213	
		Total Congestion Relief	12,050	1,643,128	2,095	(1,716,072)	42,849	(15,950)	
		Maintenance:							
SNT22	2023-04	Citywide Crack Sealing Program 2023	-	164,180	-	(164,180)	-	-	(a)
SNT22	2023-06	Citywide Slurry Seal & Roadway Maintenance 2023	9,094	985,721	-	(1,023,447)	(42,849)	(71,481)	(a)(b)(c)
SNT22	2024-02	Citywide Slurry Seal & Roadway Maintenance 2024	-	-	-	(3,839)	-	(3,839)	(c)
SNT22	2024-03	Citywide Crack Sealing Program 2024	-	-	-	(13,891)	-	(13,891)	(c)
		Subtotal SNT22	9,094	1,149,901	-	(1,205,357)	(42,849)	(89,211)	
		Interest Income	50	-	898	-	-	948	
		Total Maintenance	9,144	1,149,901	898	(1,205,357)	(42,849)	(88,263)	

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(Continued)

CITY OF SANTEE, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		Total Local Street Improvements	$ 21,194	$ 2,800,429	$ 2,993	$ (2,928,829)	$ -	$ (104,213)	
		Smart Growth:							
SNT31	55073	Santee Town Center Specific Plan	-	214,588	-	(179,057)	(80,748)	(45,217)	(d)(e)
		Total Smart Growth	-	214,588	-	(179,057)	(80,748)	(45,217)	
		Total *TransNet* Extension	21,194	3,015,017	2,993	(3,107,886)	(80,748)	(149,430)	
		GASB 31 Market Value Adjustment	(448)	-	448	-	-	-	
		Total *TransNet* Extension after GASB 31 Adjustment	$ 20,746	$ 3,015,017	$ 3,441	$ (3,107,886)	$ (80,748)	$ (149,430)	

Notes:
(a) - Completed Project.
(b) - Adjustment to reflect a movement of FY23 expenditures from SNT04 to SNT22 not captured on the previous year's Schedule A.
(c) - Project deficit to be addressed through drawdown in FY25.
(d) - Adjustment to reflect FY23 expenditures not reported on the prior year Schedule A.
(e) - Grant funding will be requested for reimbursement in FY25.

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SCHEDULE B

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass Through:				
SNT20		Regional Arterial Management Systems	$ 88,800	$ -	$ (88,800)	$ -
		Total Congestion Relief - Pass Through	88,800	-	(88,800)	-
		Congestion Relief:				
SNT04	2023-05	Citywide Pavement Repair & Rehab 2023	924,054	-	(924,054)	-
SNT04	2024-01	Citywide Pavement Repair & Rehab 2024	7,494	-	(25,657)	(18,163)
		Subtotal SNT04	931,548	-	(949,711)	(18,163)
		2014 Bonds Debt Service	2,791,523	-	(2,791,523)	-
		2020 Bonds Debt Service	2,170,131	-	(2,170,131)	-
		2021 Bonds Debt Service	262,413	-	(262,413)	-
		Interest Income	-	2,213	-	2,213
		Total Congestion Relief	6,155,615	2,213	(6,173,778)	(15,950)
		Maintenance:				
SNT22	2023-04	Citywide Crack Sealing Program 2023	173,811	-	(173,811)	-
SNT22	2023-06	Citywide Slurry Seal & Roadway Maintenance 2023	997,080	-	(1,068,561)	(71,481)
SNT22	2024-02	Citywide Slurry Seal & Roadway Maintenance 2024	-	-	(3,839)	(3,839)
SNT22	2024-03	Citywide Crack Sealing Program 2024	-	-	(13,891)	(13,891)
		Subtotal SNT22	1,170,891	-	(1,260,102)	(89,211)
		Interest Income	-	948	-	948
		Total Maintenance	1,170,891	948	(1,260,102)	(88,263)
		Total Local Street Improvements	7,415,306	3,161	(7,522,680)	(104,213)

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(Continued)

CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Smart Growth:				
SNT31	55073	Santee Town Center Specific Plan	214,588	-	(259,805)	(45,217)
		Total Smart Growth	214,588	-	(259,805)	(45,217)
		Completed Projects				
		LSI - Congestion Relief	$ 20,015,261	$ 1,426	$ (20,016,687)	$ -
		LSI - Maintenance	4,703,251	1,242	(4,704,493)	-
		Commercial Paper Debt Service	9,629,394	-	(9,629,394)	-
		Bikes and Pedestrian	423,141	-	(423,141)	-
		Total Completed Projects	34,771,047	2,668	(34,773,715)	-
		Total Cumulative *TransNet* Extension	$ 42,400,941	$ 5,829	$ (42,556,200)	$ (149,430)

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CITY OF SANTEE, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
For Fiscal Year ended June 30, 2017	June 30, 2024	SNT23, SNT26	$ 228,629	$ -	$ (228,629)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2018	June 30, 2025	SNT23, SNT26	1,079,459	-	(710,626)	(38,182)	-	330,651	792,038	(a)
For Fiscal Year ended June 30, 2019	June 30, 2026		255,798	-	-	-	-	255,798	255,798	
For Fiscal Year ended June 30, 2020	June 30, 2027		672,284	-	-	-	-	672,284	672,284	
For Fiscal Year ended June 30, 2021	June 30, 2028		258,688	-	-	-	-	258,688	258,688	
For Fiscal Year ended June 30, 2022	June 30, 2029		301,308	-	-	-	-	301,308	301,308	
For Fiscal Year ended June 30, 2023	June 30, 2030		323,753	-	-	-	-	323,753	323,753	
For Fiscal Year ended June 30, 2024	June 30, 2031		202,666	-	-	-	-	202,666	-	
Interest Income			-	242,880	-	-	-	242,880	113,542	
Total RTCIP Funds			$ 3,322,585	$ 242,880	$ (939,255)	$ (38,182)	$ -	$ 2,588,028	$ 2,717,411	

Notes:

(a) Adjustment made in FY19 to correct FY18 revenue incorrectly reported in the RTCIP fund in error.

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CITY OF SOLANA BEACH, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Solana Beach, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: This procedure is not applicable as there was no interest income reported in Schedule A or within the general ledger for FY24.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected the total project expenditures per Schedule A and agreed to the recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: The City recorded total *TransNet* expenditures less debt service in the amount of $315,000. We selected $254,942 (80.93%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as the City did not incur payroll expenditures for *TransNet* projects in FY24.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP during FY24.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments presented on Schedule A in FY24.

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, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects which had no activity over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects which had no activity over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as the City had no non-TransNet activity included within Schedule A in FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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 presented on Schedule A in FY24.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

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8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

   Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$559,795
Less: debt service payment	(159,398)
Net estimated apportionment	400,397
30% base	30%
Fiscal year 2024 30% threshold	120,119
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	1,702
Maintenance fund balance	-
Total Local Streets and Roads and Local Street Improvement fund balance	1,702
Fund balance under apportionment	$118,417

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$1,702	$(500,504)	$(498,802)
Maintenance	-	1,861,372	1,861,372
Totals	$1,702	$1,360,868	$1,362,570

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

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Results: The City has expended 2.96% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$11,392,003	$(689,057)	$10,702,946
Maintenance	389,587	1,784,206	2,173,793
Interest	4,279	265,719	269,998
Total local street and road revenue	$11,785,869	$1,360,868	$13,146,737
30% of total local street and road revenue			$3,944,021
Less maintenance expenditures incurred to date			(389,587)
Available maintenance funds			$3,554,434
Cumulative percentage expended for maintenance			2.96%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

	Balance July 1, 2023	Additions	Principal Payments	Balance June 30, 2024	Total Debt Service*
2010 Series A Bonds	$5,500,000	$ -	$ -	$5,500,000	$(159,398)
Total	$5,500,000	$ -	$ -	$5,500,000	$(159,398)

* - Total Debt Service is comprised of principal payments, interest, debt service expenses, and withholdings.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

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b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$35,741,477	$23,041,752	1.55

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.55.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$337,419
Growth Rate	1.55
Adjusted MOE base as of June 30, 2024	$522,999

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

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ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$3,299,658
Less MOE base year requirement	(337,419)
Excess MOE for the year ended June 30, 2024	$2,962,239

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

Results: This procedure is not applicable as the City did not collect any exactions for the fiscal year ending June 30, 2024.

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.

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iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The City recorded total RTCIP expenditures in the amount of $3,599. We selected $3,538 (98.31%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as there were no payroll expenditures incurred for RTCIP projects for the fiscal year ending June 30, 2024.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension

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Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on September 23, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected the RTIP and identified any administrative projects included in the RTIP. If administrative projects were included in the RTIP, we ensured that administrative costs included in Local Street Improvements were no more than 1% of the annual apportionment.

Results: The City did not include any administrative projects in the RTIP.

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16. We documented the status of any prior year findings and recommendations.

    Results: The City had one finding as of June 30, 2023, relating to the City not expending or committing RTCIP funding collected during fiscal year 2016 within seven years of collection. The City passed council resolution 2023-122 on November 8, 2023 to amend the 2023 RTIP listing of projects and commit to spending RTCIP funds in fiscal year 2024 and 2025 totaling $61,000. As such, this finding has been remediated in the current year.

17. 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, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF SOLANA BEACH, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief:							
SB16	9362.23	Annual Pavement Management - Resurfacing	$ -	$ 125,000	$ -	$ (125,000)	$ -	$ -	
SB21	9525.00	Santa Helena Roadside Park	-	-	-	-	-	-	
SB21	9538.21	Sidewalks and Associated Street Improvements At Various Locations - Incl. Safe Routes to School Local Match	(2,155)	90,000	-	(90,000)	-	(2,155)	(a)
		Total SB21 Projects	(2,155)	90,000	-	(90,000)	-	(2,155)	
		2010 Series A Bonds	-	159,398	-	(159,398)	-	-	
		Interest Income	3,857	-	-	-	-	3,857	
		Total Congestion Relief	1,702	374,398	-	(374,398)	-	1,702	
		Maintenance:							
SB18		Pavement Maintenance	-	100,000	-	(100,000)	-	-	
		Total Maintenance	-	100,000	-	(100,000)	-	-	
		Total Local Street Improvements	1,702	474,398	-	(474,398)	-	1,702	
		Total *TransNet* Extension	$ 1,702	$ 474,398	$ -	$ (474,398)	$ -	$ 1,702	

Notes:
(a) To clear the deficit balance, the City will request a drawdown in FY 24-25.

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CITY OF SOLANA BEACH, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief:				
SB16	9362.23	Annual Pavement Management - Resurfacing	$ 125,000	$ -	$ (125,000)	$ -
SB21	9525	Santa Helena Roadside Park	46,650	-	(46,650)	-
SB21	9538.21	Sidewalks and Associated Street Improvements At Various Locations - Incl. Safe Routes to School Local Match	141,276	-	(143,431)	(2,155)
		Total SB21 Projects	187,926	-	(190,081)	(2,155)
		2010 Series A Bonds	2,954,591	-	(2,954,591)	-
		Interest Income	-	3,857	-	3,857
		Total Congestion Relief	3,267,517	3,857	(3,269,672)	1,702
		Maintenance:				
SB18		Pavement Maintenance	225,350	-	(225,350)	-
		Total Maintenance	225,350	-	(225,350)	-
		Total Local Street Improvements	3,492,867	3,857	(3,495,022)	1,702
		Completed Projects				
		LSI - Congestion Relief	$ 8,124,486	$ 422	$ (8,124,908)	$ -
		LSI - Maintenance	164,237	-	(164,237)	-
		Bikes and Pedestrian	135,986	-	(135,986)	-
		Pavement Maintenance	125,350	-	(125,350)	-
		Total Completed Projects	8,550,059	422	(8,550,481)	-
		Total Cumulative *TransNet* Extension	$ 12,042,926	$ 4,279	$ (12,045,503)	$ 1,702

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CITY OF SOLANA BEACH, CALIFORNIA

TransNet Extension Activities

RTCIP Fund

Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
Year ended June 30, 2016	June 30, 2023	SB16/SB23	$ 19,566	$ -	$ (19,566)	$ -	$ -	$ -	$ 754	
Year ended June 30, 2017	June 30, 2024	SB23	29,714	-	(2,845)	-	(26,869)	26,869	29,714	(a)
Year ended June 30, 2018	June 30, 2025	SB23	36,233	-	-	-	(30,532)	36,233	36,233	(a)
Year ended June 30, 2019	June 30, 2026		46,381	-	-	-	-	46,381	46,381	
Year ended June 30, 2020	June 30, 2027		7,246	-	-	-	-	7,246	7,246	
Year ended June 30, 2021	June 30, 2028		10,869	-	-	-	-	10,869	10,869	
Year ended June 30, 2022	June 30, 2029		88,418	-	-	-	-	88,418	88,418	
Year ended June 30, 2023	June 30, 2030		86,970	-	-	-	-	86,970	86,970	
Year ended June 30, 2024	June 30, 2031		-	-	-	-	-	-	-	
Interest Income			-	17,297	-	(156)	-	17,141	10,417	(b)
Subtotal RTCIP Funds			325,397	17,297	(22,411)	(156)	(57,401)	320,127	317,002	
GASB 31 Market Value Adjustment			-	5,091	-	-	-	5,091	(4,403)	
Total RTCIP Funds			$ 325,397	$ 22,388	$ (22,411)	$ (156)	$ (57,401)	$ 325,218	$ 312,599	

Notes:

(a) - The City committed funding to SB23 in FY25 to expend collected funding on Traffic Signal Upgrades.

(b) - A reduction in interest income was made for FY23 to account for banking service fees related to interest earned for the RTCIP fund.

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CITY OF VISTA, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the City of Vista, California's (City or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The City's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the City with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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 $3,714,889. We selected $3,214,772 (86.54%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet*

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expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects on Schedule A in FY24.

g. We inspected any amounts reflected in the "Adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments included within Schedule A in FY24.

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no projects completed within Schedule A in FY24.

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, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the

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recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years during FY24.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects with no activity over the past two years during FY24.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects in FY24.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there was no non-*TransNet* activity to report on Schedule A in FY24.

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 inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments noted within Schedule A in FY24.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B by category.

Results: No exceptions were noted as a result of our procedures.

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8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

   Results: The City is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$3,294,166
Less: debt service payment	-
Net estimated apportionment	3,294,166
30% base	30%
Fiscal year 2024 30% threshold	988,250
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	235,553
Maintenance fund balance	594
Total Local Streets and Roads and Local Street Improvement fund balance	236,147
Fund balance under apportionment	$752,103

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

   Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by City	Funds Held by SANDAG	Total
Congestion Relief	$235,553	$1,463,345	$1,698,898
Maintenance	594	4,163,298	4,163,892
Totals	$236,147	$5,626,643	$5,862,790

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

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Results: The City has expended 18.11% of cumulative local street and road revenue for maintenance as indicated below:

	City	SANDAG	Total
Congestion relief	$28,882,311	$814,097	$29,696,408
Maintenance	7,626,475	3,866,659	11,493,134
Interest	(14,618)	945,887	931,269
Total local street and road revenue	$36,494,168	$5,626,643	$42,120,811
30% of total local street and road revenue			$12,636,243
Less maintenance expenditures incurred to date			(7,626,053)
Available maintenance funds			$5,010,190
Cumulative percentage expended for maintenance			18.11%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

    Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

            Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
Index as of June 30, 2024 divided by Index as of June 30, 2021	161.65	91.96	1.76

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient

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agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

Results: The growth rate is calculated as follows:

	2024	2021	Growth Rate
General Fund revenues as of June 30, 2024, divided by General Fund revenues as of June 30, 2021	$127,894,678	$100,224,452	1.28

c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

Results: The lowest growth rate is 1.28.

d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

Results: The adjusted MOE is calculated as follows:

Previously approved MOE base	$1,703,119
Growth Rate	1.28
Adjusted MOE base as of June 30, 2024	$2,179,992

13. With respect to the MOE requirement:

a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

a. If an error to the Annual Street Report is reported by the recipient agency subsequent to the submission of the Report to the State Controller's Office, we performed additional steps as follows:

i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

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c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: The City was in compliance with the MOE requirement. The City did not have an outstanding unmet MOE requirement for the prior year. MOE activity for the year ended June 30, 2024, is summarized as follows:

Current year local discretionary expenditures	$4,198,546
Less MOE base year requirement	(1,703,119)
Excess MOE for the year ended June 30, 2024	$2,495,427

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

Results: No exceptions were noted as a result of our procedures.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed

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in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected 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 $564,862. We selected $93,669 (16.58%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: This procedure is not applicable as the City did not incur expenditures for fund administration.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to

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ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the City did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The City provided RTCIP documentation on September 17, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected 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.

16. We 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.

17. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

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Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the City's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"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.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	City Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
VISTA 56	N/A	Regional Arterial Management Systems	$ -	$ 8,800	$ -	$ (8,800)	$ -	$ -	
		Total Congestion Relief - Pass-Through	-	8,800	-	(8,800)	-	-	
		Congestion Relief:							
VISTA 46	8225	Street Construction/Overlay-Annual	(7,039)	3,875,661	-	(3,527,657)	-	340,965	
VISTA 55	8290	Pedestrian Mobility Sidewalks	(3,251)	22,890	-	(135,568)	-	(115,929)	(a)
		Interest Income	4,527	-	5,990	-	-	10,517	
		Total Congestion Relief	(5,763)	3,898,551	5,990	(3,663,225)	-	235,553	
		Maintenance:							
VISTA 53	8262	Annual Street Maintenance & Resurfacing	(21,481)	64,837	-	(42,864)	-	492	
		Interest Income	102	-	-	-	-	102	
		Total Maintenance	(21,379)	64,837	-	(42,864)	-	594	
		Total Local Street Improvements	(27,142)	3,972,188	5,990	(3,714,889)	-	236,147	
		Total *TransNet* Extension	$ (27,142)	$ 3,972,188	$ 5,990	$ (3,714,889)	$ -	$ 236,147	

Notes:
(a) City will request reimbursement of programmed funds to eliminate negative balance in VISTA 55.

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CITY OF VISTA, CALIFORNIA

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
VISTA 56	N/A	Regional Arterial Management Systems	$ 96,800	$ -	$ (96,800)	$ -
		Total Congestion Relief - Pass-Through	96,800	-	(96,800)	-
		Congestion Relief:				
VISTA 46	8225	Street Construction/Overlay-Annual	16,163,545	-	(15,822,580)	340,965
VISTA 55	8290	Pedestrian Mobility Sidewalks	941,136	3	(1,057,068)	(115,929)
		Interest Income	-	10,517	-	10,517
		Total Congestion Relief	17,104,681	10,520	(16,879,648)	235,553
		Maintenance:				
VISTA 53	8262	Annual Street Maintenance & Resurfacing	4,210,000	-	(4,209,508)	492
		Interest Income	-	102	-	102
		Total Maintenance	4,210,000	102	(4,209,508)	594
		Total Local Street Improvements	21,411,481	10,622	(21,185,956)	236,147
		Completed Projects:				
		LSI - Congestion Relief	11,680,830	(25,310)	(11,655,520)	-
		LSI - Maintenance	3,416,475	70	(3,416,545)	-
		Senior Mini Grants	554,261	-	(554,261)	-
		Smart Growth Grants	4,399,203	-	(4,399,203)	-
		Bikes and Pedestrian	4,072,534	-	(4,072,534)	-
		Total Completed Projects	24,123,303	(25,240)	(24,098,063)	-
		Total Cumulative *TransNet* Extension	$ 45,534,784	$ (14,618)	$ (45,284,019)	$ 236,147

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CITY OF VISTA, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Spend funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative City Adjustments	Funds Committed June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
For Fiscal Year ended June 30, 2017	June 30, 2024	VISTA15/46	$ 172,061	$ -	$ (172,061)	$ -	$ -	$ -	$ -	
For Fiscal Year ended June 30, 2018	June 30, 2025	VISTA15/46	317,346	-	(317,346)	-	-	-	-	
For Fiscal Year ended June 30, 2019	June 30, 2026	VISTA15/46	2,148,210	-	(959,430)	(23,877)	-	1,164,903	1,753,642	(a)
For Fiscal Year ended June 30, 2020	June 30, 2027		488,898	-	-	-	-	488,898	488,898	
For Fiscal Year ended June 30, 2021	June 30, 2028		250,631	-	-	-	-	250,631	250,631	
For Fiscal Year ended June 30, 2022	June 30, 2029		166,037	-	-	-	-	166,037	166,037	
For Fiscal Year ended June 30, 2023	June 30, 2030		451,619	-	-	-	-	451,619	451,619	
For Fiscal Year ended June 30, 2024	June 30, 2031		520,974					520,974	-	
Interest Income			-	353,523	-	12,585	-	366,108	263,139	(b)
Total RTCIP Funds			4,515,776	353,523	(1,448,837)	(11,292)	-	3,409,170	3,373,966	
GASB 31 Market Value Adjustment			-	54,478	-	(190)	-	54,288	2,682	(c)
Total RTCIP Funds			$ 4,515,776	$ 408,001	$ (1,448,837)	$ (11,482)	$ -	$ 3,463,458	$ 3,376,648	

Notes:
(a) Adjustment made to reflect previously unreported expenditures from FY23.
(b) Adjustment made to reflect a change in interest income for FY22 and FY23.
(c) Adjustment made to reflect a change in GASB 31 market value for FY22 and FY23.

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COUNTY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the County of San Diego, California's (County or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. The County's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by the County with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed in alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected 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 ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. We notified the recipient agency of any variations and obtained approval from SANDAG.

      Results: No exceptions were noted as a result of our procedures.

   e. We identified the interest income reported for the fiscal year.

      i. We inspected interest income reported on Schedule A and agreed to the recipient agency's general ledger.

         Results: No exceptions were noted as a result of our procedures.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: No exceptions were noted as a result of our procedures.

   f. We identified the total *TransNet* expenditures for the fiscal year.

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i. We inspected 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 $9,371,607. We selected $5,087,725 (54.29%) 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 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. Based on the project description and expenditure support inspected, we determined whether the MPO ID is properly classified as either Maintenance or Congestion Relief based on the definition in Board Policy 031.

Results: No exceptions were noted as a result of our procedures.

vi. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: The County recorded total *TransNet* payroll expenditures in the amount of $4,342,117, which represented 46.33% of total expenditures. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.

vii. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect

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cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect cost plan had been approved by a Federal or State agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: The County allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. The County allocates indirect costs to the projects included in the RTIP using an overhead ratio of total overhead costs to direct labor costs. Multiple rates were used due to different cost codes. A total of $1,622,290 of indirect costs were charged to the *TransNet* program, which resulted in an average indirect cost rate of 17.31% compared to total *TransNet* expenditures. The County stated that the indirect cost exceeded 10% due to the increase in labor costs and a decrease in non-labor costs charged to the *TransNet* projects. The County's indirect cost plan has not been reviewed by a cognizant agency or audited by an independent CPA. The indirect cost rates were updated and reviewed during FY24 by the County's Auditor & Controller Department. The County's methodology for allocating indirect costs appears reasonable. No exceptions were noted as a result of our procedures.

g. We inspected 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.

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i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that includes the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: No exceptions were noted as a result of our procedures.

i. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: No exceptions were noted as a result of our procedures.

j. We confirmed whether inactive projects which have had no activity over the past two years, other than interest earnings, were closed out or that the recipient agency had provided a footnote as to the status of the project that includes when the project will be completed.

Results: This procedure is not applicable as there were no inactive projects over the past two years.

k. We obtained approval from SANDAG staff for the reason of inactivity.

Results: This procedure is not applicable as there were no inactive projects over the past two years.

l. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

m. We determined whether the recipient agency reported all non-*TransNet* activity separate from *TransNet* activity in Schedule A.

Results: This procedure is not applicable as there were no non-*TransNet* activity reported in Schedule A.

7. We obtained from the recipient agency Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance listed alpha-numeric by MPO ID.

a. We inspected 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 inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

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Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: 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: CNTY82 was completed during FY23. Remaining funds will be transferred to CNTY14A Santa Fe Ave in FY25. As such, this project was not included in the completed section of Schedule B in FY24.

8. We inspected the ending project status per Schedule A for those projects that were derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance (over)/under the threshold.

Results: The County is in compliance with the 30% requirement as follows:

Fiscal year 2024 apportionment	$23,273,259
Less: debt service payment	(1,215,552)
Net estimated apportionment	22,057,707
30% base	30%
Fiscal year 2024 30% threshold	6,617,312
Less:	
Local Streets and Roads fund balance	-
Local Street Improvement:	
Congestion Relief fund balance	440,914
Maintenance fund balance	(72,312)
Total Local Streets and Roads and Local Street Improvement fund balance	368,602
Fund balance under apportionment	$ 6,248,710

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 2024 *TransNet* Local Streets Improvements Allocation Schedule.

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Results: The ending balances for Congestion Relief and Maintenance as of June 30, 2024 are as follows:

	Funds Held by County	Funds Held by SANDAG	Total
Congestion Relief	$440,914	$ 23,844,414	$ 24,285,328
Maintenance	(72,312)	76,485,378	76,413,066
Totals	$368,602	$100,329,792	$100,698,394

10. We documented the percentage of local street and road revenue cumulatively expended for maintenance. If the percentage was greater than 30%, we documented the recipient agency's plan to cure the excess.

Results: The County has expended 4.19% of cumulative local street and road revenue for maintenance as follows:

	County	SANDAG	Total
Congestion relief	$160,726,822	$ 16,696,877	$177,423,699
Maintenance	10,588,090	73,686,864	84,274,954
Interest	1,954,652	9,946,051	11,900,703
Total local street and road revenue	$173,269,564	$100,329,792	$273,599,356

30% of total local street and road revenue	$ 82,079,807
Less maintenance expenditures incurred to date	(11,463,804)
Available maintenance funds	$ 70,616,003
Cumulative percentage expended for maintenance	4.19%

11. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: The County does not include the debt service on the bonds in Schedule A. SANDAG provided the schedule of long-term debt for the County as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Total Debt Service *
2008 Bonds	$14,271,912	$ 180,800	$(14,452,712)	$ -	$ (2,255)
2023 Bonds	-	14,452,713	(464,228)	13,988,485	(1,213,297)
Total	$14,271,912	$14,633,513	$(14,916,940)	$13,988,485	$(1,215,552)

*Total Debt Service is comprised of principal payments, bond refunding, interest, debt service expenses, and withholdings.

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12. In accordance with Section 8 of the Ordinance, re-index the Maintenance of Effort (MOE) base year amount to be used for fiscal years 2027, 2028, and 2029.

    a. We obtained the Construction Cost Index for June 30, 2024 from SANDAG.

        i. We calculated the growth rate of the Construction Cost Index (Index) by taking the Index as of June 30, 2024 and dividing it by the previously approved MOE base period of June 30, 2021.

        Results: This procedure is not applicable as the County does not have an MOE requirement.

    b. We obtained from the recipient agency a copy of their audited financial report for the fiscal year ended June 30, 2024.

        i. We calculated the growth rate in the recipient agency's General Fund revenues by taking the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2024 and divided it by the General Fund revenues as reported in the recipient agency's annual financial report as of June 30, 2021, the previously approved MOE base period.

        Results: This procedure is not applicable as the County does not have an MOE requirement.

    c. We compared the growth rate in the Construction Cost Index as calculated in (a) above with the growth rate in General Fund revenues calculated in (b) above and selected the lowest rate.

    Results: This procedure is not applicable as the County does not have an MOE requirement.

    d. We applied the growth rate selected in (c) above to the previously approved MOE base and determined the re-indexed MOE base as of June 30, 2024, to become effective for the fiscal years ending June 30, 2027, 2028, and 2029.

    Results: This procedure is not applicable as the County does not have an MOE requirement.

13. With respect to the MOE requirement:

    a. We obtained the current MOE requirements for each recipient agency from SANDAG staff.

    b. We obtained Schedule 3 of the Annual Street Report from the recipient agency.

        a. If an error to the Annual Street Report is reported by the recipient agency subsequent to submission of the Report to the State Controller's Office, we performed additional steps as follows:

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i. We obtained an updated Annual Street Report, as submitted to the State Controller's Office; or

ii. We obtained notice from the State Controller's Office that the changes will be included in the subsequent year's Annual Street Report;

iii. We included adjusted amount to AUP 13.c. and provided a brief explanation of adjustments in Results.

c. We reported the excess (deficit) of discretionary expenditures over the MOE base, which is equal to the amount of discretionary funds expended for the Local Street Improvement Program less the MOE base amount.

d. We reported any outstanding unmet requirement from a prior year, the amount of time the recipient agency has remaining to meet its required MOE and reported a roll forward schedule.

Results: This procedure is not applicable as the County does not have an MOE requirement.

14. We obtained from SANDAG staff the approved RTCIP Funding Program for the current fiscal year.

a. For the RTCIP fund, we obtained a detailed general ledger from the recipient agency.

Results: No exceptions were noted as a result of our procedures.

b. We obtained from the recipient agency the RTCIP approved schedule for collecting and/or contributing private sector exactions to its Funding Program.

Results: No exceptions were noted as a result of our procedures.

c. We obtained the RTCIP schedule, including cumulative exactions collected, cumulative interest earned, cumulative expenditures (including commitments), and cumulative ending balance.

i. We inspected exactions collected to ensure that the recipient agency was using the most current approved fee amount.

Results: The County did not collect the correct exaction fee for 84 unit permits issued. See the Findings and Recommendation section of the report.

ii. We inquired of management as to whether procedures were in place to track each exaction fee paid by development.

Results: No exceptions were noted as a result of our procedures.

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iii. We determined whether all exaction fees have been expended or committed within seven years of collection.

Results: No exceptions were noted as a result of our procedures.

iv. If exaction fees are committed, but not expended within seven years, we obtained evidence the unexpended RTCIP revenue was programmed in the RTIP before the expiration of the seven-year timeframe. We also ensured that a footnote was provided on the status of the project.

Results: No exceptions were noted as a result of our procedures.

v. We obtained from SANDAG the list of RTCIP-approved regional arterial system projects and selected at least 10% of the expenditures to ensure that the expenditures were for projects in the approved regional arterial system project list.

Results: The County recorded total RTCIP expenditures in the amount of $198,726. We selected $25,413 (12.79%) for testing. No exceptions were noted as a result of our procedures.

vi. If unallowable expenditures were identified in procedure 14.c.v, we expanded the sample to include an additional 10% of the expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 14.c.v.

vii. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: The County recorded total RTCIP payroll expenditures in the amount of $163,333, which represented 82.19% of total expenditures. We selected one pay period and 4 employees for testing. No exceptions were noted as a result of our procedures.

viii. We documented the percentage of program revenue spent for fund administration or indirect costs. We determined whether the percentage was less than 3% per Section D.2 of the RTCIP attachment to the *TransNet* Ordinance. If expenditures exceeded 3%, we documented the excess and the recipient agency's plan to cure the excess.

Results: No exceptions were noted as a result of our procedures.

ix. We determined whether the recipient agency provided its full monetary contribution required by Section 9.A of the *TransNet* Extension

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Ordinance. We inquired of management as to whether procedures existed to ensure all qualified properties were included in the program.

Results: No exceptions were noted as a result of our procedures.

x. We identified interest income for the fiscal year and documented that the interest income amount per the RTCIP schedule agreed to the RTCIP general ledger. We inspected the interest allocation methodology to ensure that it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

Results: No exceptions were noted as a result of our procedures.

xi. For any RTCIP funds that have been transferred, loaned or exchanged, we determined whether the requirements of Section 7 of the *TransNet* Ordinance had been met. If so, we documented details of the transfer, loan and/or exchange.

Results: This procedure is not applicable as the County did not transfer, loan, or exchange any RTCIP funds.

xii. We inquired of management as to whether any developers have been allowed credits in lieu of paying the exaction fee. If so, we documented the credits granted and whether Section F of the RTCIP attachment to the Ordinance had been followed.

Results: Per inquiry with management, no developers have been allowed credits in lieu of paying the exaction fee.

xiii. We documented the date the recipient agency provided RTCIP documentation to us for inspection.

Results: The County provided RTCIP documentation on October 8, 2024.

xiv. We summarized the recipient agency's compliance with the requirements of Section G.2 of the RTCIP attachment to the *TransNet* Extension Ordinance.

Results: No exceptions were noted as a result of our procedures.

15. We inspected 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.

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16. We documented the status of any prior year findings and recommendations.

    Results: The County had one prior year finding from FY23 relating to not collecting the correct required exaction fee amount due to a transposition error. As of June 30, 2024, the County was able to collect $70.56 from a General Fund transfer. However, the cause of the finding is not resolved as the same issue was noted as a finding in FY24.

17. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

    Results: See the Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

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Irvine, California
_____, 2025

COUNTY OF SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2024

(1) Need to Use Approved Exaction Fee

The County did not consistently collect the required exaction fee amount of $2,688.21 during the fiscal year ended June 30, 2024 for permits applicable to FY23. For 84 out of 915 units, the exaction fees were input incorrectly into the system as $2,688.12. This resulted in an under-collection of the exaction fee in the total amount of $7.56.

Number of units	Amount Required	Amount Charged	Variance
84	$225,809.64	$225,802.08	$7.56

SANDAG Board recommendations as of February 9, 2022 and subsequent approval states, in part:

> "…the Board of Directors is asked to approve a 2 percent adjustment to the Regional Transportation Congestion Improvement Program (RTCIP) raising the minimum fee from $2,635.50 to $2,688.21 beginning July 1, 2022."

Additionally, Board Policy 031, Rule #23 B.5 states in part:

> "…if, however, the audit establishes a local agency did not provide its full monetary contribution under the RTCIP and the local agency does not cure defects of which it was notified by the time the audit is finalize and adopted by the ITOC, then the local agency will have forfeited its Section 4(D)(1) contribution. Any amount paid to the local agency in the fiscal year that was the subject of the audit will be retroactively owed to the Commission…"

Recommendation

We recommend that the County recover the under-collection of exaction fees in the amount of $7.56. Additionally, we recommend that the County ensure the correct exaction fee for the applicable fiscal year be inputted into the system.

Management Response

The County will recover the under-collected exaction fees totaling $7.56 for 84 units from the General Fund before fiscal year end June 30, 2025. Exaction fees are updated each year in our ERP system and billing system before the commencement of each fiscal year. County Program and Financial Services staff will review, compare, and validate the approved rates upon notification of the new rate and effective date from SANDAG. County staff have been reminded and re-trained on updating permit fees annually and will monitor for any inconsistencies to help reduce or eliminate under collection in the future.

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GLOSSARY OF TERMS

"Annual Street Report" means the State of California Annual Street Report.

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"ITOC" means the Independent Taxpayer Oversight Committee.

"MOE" means Maintenance of Effort as explained in Section 8 of the *TransNet* Extension Ordinance and Expenditure Plan.

"MPO ID" means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

"Recipient Agency" means an agency, including the County of San Diego and the Cities of Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National County, Oceanside, Poway, San Diego, Santee, San Marcos, Solana Beach, and Vista, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

"RTCIP" means the Regional Transportation Congestion Improvement Program, the new development exactions required per Section 9 of the *TransNet* Extension Ordinance.

"RTIP" means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

"SANDAG" means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

"SANDAG Board Policy No. 031" means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

"Schedule A" means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

"Schedule B" means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

"Schedule C" means the Cumulative Schedule of Status of Funds; a cumulative listing of the collections and expenditures of the recipient agency's RTCIP Fund.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**							
		Local Street Improvements:							
		Congestion Relief - Pass-Through:							
CNTY81		Regional Arterial Management Systems	$ -	$ 12,500	$ -	$ (12,500)	$ -	$ -	(a)
		Total Congestion Relief - Pass-Through	-	12,500	-	(12,500)	-	-	
		Congestion Relief:							
CNTY14A	1010123	South Santa Fe - South	5,284	95,000	859	(14,857)	-	86,286	
CNTY21	1003030	Bradley Avenue	764,901	160,000	5,431	(920,856)	-	9,476	
CNTY24	1003046	Cole Grade - High School	646,567	730,000	-	(1,841,607)	-	(465,040)	(b)
CNTY34	1009589	Dye Road Extension	13,494	-	449	(6,119)	-	7,824	
CNTY35	1009591	Ramona Street Extension	9,858	-	331	(5,382)	-	4,807	
CNTY82	1010313	Alpine Blvd	48,608	-	1,934	-	-	50,542	(c)
CNTY86	1025051	ADA Ramps 21/22	3,371,827	-	134,131	-	(3,505,958)	-	(d)
CNTY86	1025064	AC Overlay 22/23 North	(1,217,341)	3,362,000	-	(4,482,656)	3,505,958	1,167,961	(d)
CNTY86	1025054	AC Overlay 23/24 North	-	-	-	(377,664)	-	(377,664)	(b)
CNTY88	1018734	Ashwood St Corridor	446,496	52,000	3,525	(591,585)	-	(89,564)	(b)
CNTY99	1026130	Etcheverry St Paving	2,283	210,000	-	(165,997)	-	46,286	
		Total Congestion Relief	4,091,977	4,609,000	146,660	(8,406,723)	-	440,914	
		Maintenance:							
CNTY90	1020776	Camino Del Rey Drainage	150,070	230,000	11	(452,393)	-	(72,312)	
		Total Maintenance	150,070	230,000	11	(452,393)	-	(72,312)	
		Total Local Street Improvements	4,242,047	4,851,500	146,671	(8,871,616)	-	368,602	

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	County Adjustments	Project Status June 30, 2024	Notes
		Smart Growth Incentive Program:							
CNTY101	S1022285	Community Based Transportation Program	$ -	$ 37,622	$ -	$ (37,622)	$ -	$ -	
		Total Smart Growth Incentive Program	-	37,622	-	(37,622)	-	-	
		Competitive Land Management Grant:							
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	(110,127)	178,476	-	(185,095)	-	(116,746)	(b)
V08	S1109972	Rancho Lilac Resource Management Plan	-	83,035	-	(230,909)	-	(147,874)	(b)
V07	S1125469	Otay Ranch Preserve Enhancement Project	-	41,778	-	(46,365)	-	(4,587)	(b)
		Total Competitive Land Management Grant	(110,127)	303,289	-	(462,369)	-	(269,207)	
		Total *TransNet* Extension	$ 4,131,920	$ 5,192,411	$ 146,671	$ (9,371,607)	$ -	$ 99,395	

Notes:
(a) This is the County's cost-share of the installation of the regional traffic signal management software and linking of the local agencies to a common system. The County did not receive this cash and did not incur any expenditures. This was a pass-through managed by SANDAG.
(b) Negative project status balance is due to qualifying expenditures incurred during the fiscal year. The remaining reimbursement will be received in FY24-25.
(c) CNTY82 Alpine Blvd project complete. Remaining funds will be transferred to CNTY14A Santa Fe Ave – South in FY24/25. The County passed a resolution to amend the RTIP on April 10, 2024, Minute Order 4 to approve the transfer.
(d) CNTY 86 Project 1025051 ADA Ramps 21/22 is complete. Remaining fund transferred to CNTY 86 Project 1025064 AC Overlay 22/23 North.

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Local Street Improvements:				
		Congestion Relief - Pass-Through:				
SAN54/ CNTY81		Regional Arterial Management Systems	$ 150,000	$ -	$ (150,000)	$ -
		Total Congestion Relief - Pass-Through	150,000	-	(150,000)	-
		Congestion Relief:				
CNTY14A	1010123	South Santa Fe - South	1,292,312	4,473	(1,210,499)	86,286
CNTY21	1003030	Bradley Avenue	11,405,617	101,801	(11,497,942)	9,476
CNTY24	1003046	Cole Grade - High School	8,098,000	59,959	(8,622,999)	(465,040)
CNTY34	1009589	Dye Road Extension	979,405	2,496	(974,077)	7,824
CNTY35	1009591	Ramona Street Extension	835,330	20,411	(850,934)	4,807
CNTY82	1010313	Alpine Blvd	5,794,000	14,789	(5,758,247)	50,542
CNTY86	1025051	ADA Ramps 21/22	5,546,903	161,949	(5,708,852)	-
CNTY86	1025064	AC Overlay 22/23 North	6,867,958	-	(5,699,997)	1,167,961
CNTY86	1025054	AC Overlay 23/24 North	-	-	(377,664)	(377,664)
CNTY88	1018734	Ashwood St Corridor	3,212,000	24,949	(3,326,513)	(89,564)
CNTY99	1026130	Etcheverry St Paving	230,000	16	(183,730)	46,286
		Total Congestion Relief	44,261,525	390,843	(44,211,454)	440,914
		Maintenance:				
CNTY90	1020776	Camino Del Rey Drainage	1,681,949	27,214	(1,781,475)	(72,312)
		Total Maintenance	1,681,949	27,214	(1,781,475)	(72,312)
		Total Local Street Improvements	46,093,474	418,057	(46,142,929)	368,602

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(Continued)

COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Smart Growth Incentive Program:				
CNTY95	5005475	Alpine Community Plan Implementation Financing Tools and Mechanisms Plan	$ 45,321	$ -	$ (45,321)	$ -
CNTY96	5005476	Casa De Oro - Campo Road Specific Plan	499,999	-	(499,999)	-
CNTY97	5005477	Valley Center Community Plan Update	286,257	-	(286,257)	-
CNTY101	S1022285	Community Based Transportation Program	37,622	-	(37,622)	-
		Total Smart Growth Incentive Program	869,199	-	(869,199)	-
		Competitive Land Management Grant:				
V08	5004552	Strategic Removal Implementation of Invasive Weed Species	1,626,530	-	(1,743,276)	(116,746)
V08	S1109972	Rancho Lilac Resource Management Plan	166,150	-	(314,024)	(147,874)
V07	S1125469	Otay Ranch Preserve Enhancement Project	41,778	-	(46,365)	(4,587)
		Total Competitive Land Management Grant	1,834,458	-	(2,103,665)	(269,207)
		Subtotal Cumulative *TransNet* Extension	48,797,131	418,057	(49,115,793)	99,395
		Completed Projects:				
		LSI - Congestion Relief Pass Through	36,000	-	(36,000)	-
		LSI - Congestion Relief	116,279,297	760,407	(117,039,704)	-
		LSI - Maintenance	8,906,141	776,188	(9,682,329)	-
		Bikes and Pedestrians	625,000	-	(625,000)	-
		Competitive Land Management Grant	915,288	-	(915,288)	-
		Total Completed Projects	126,761,726	1,536,595	(128,298,321)	-
		Total Cumulative *TransNet* Extension	$ 175,558,857	$ 1,954,652	$ (177,414,114)	$ 99,395

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COUNTY OF SAN DIEGO, CALIFORNIA
TransNet Extension Activities
RTCIP Fund
Year Ended June 30, 2024

Project Year	Last Date to Commit funds	MPO ID	Cumulative Funds Received	Cumulative Interest Income	Cumulative Project Expenditures	Cumulative County Adjustments	Funds committed at June 30, 2024	Cumulative Status June 30, 2024	Cumulative Status June 30, 2023	Notes
For Fiscal Year ended June 30, 2017	June 30, 2024	CNTY89	$ 1,455,074	$ 109,753	$ (1,093,355)	$ -	$ (471,472)	$ 471,472	$ 642,608	
For Fiscal Year ended June 30, 2018	June 30, 2025		2,646,555	332,530	-	-	-	2,979,085	2,876,821	
For Fiscal Year ended June 30, 2019	June 30, 2026		2,245,234	258,081	-	-	-	2,503,315	2,417,383	
For Fiscal Year ended June 30, 2020	June 30, 2027		2,508,395	238,235	-	-	-	2,746,630	2,652,346	
For Fiscal Year ended June 30, 2021	June 30, 2028		2,308,647	177,174	-	-	-	2,485,821	2,400,498	
For Fiscal Year ended June 30, 2022	June 30, 2029		4,012,222	271,059	-	-	-	4,283,281	4,136,226	
For Fiscal Year ended June 30, 2023	June 30, 2030		2,454,952	151,026	-	71	-	2,606,049	2,516,000	(a)
For Fiscal Year ended June 30, 2024	June 30, 2031		2,686,708	98,473	-	(71)	-	2,785,110	-	(a)(b)
Total RTCIP Funds			$ 20,317,787	$ 1,636,331	$ (1,093,355)	$ -	$ (471,472)	$ 20,860,763	$ 17,641,882	

(a) Adjustment is for County absorbing undercollected exactions from FY23. County has transferred funds from the general fund to cover the costs.

(b) Interest income and project expenditures for FYs 17 through 24 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. Also see footnote (a) adjustment.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the Independent Taxpayer Oversight Committee's (ITOC or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. ITOC's management is responsible for compliance with the Ordinances and Board Policy.

The ITOC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by ITOC with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff, Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance.

   a. We substantiated all footnotes required in Schedule A.

      Results: This procedure is not applicable as there were no footnotes required in Schedule A.

   b. We agreed the beginning balance from the prior year or ensured SANDAG staff provided a footnote for any restatements. We determined whether the reasons for differences were valid.

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Results: No exceptions were noted as a result of our procedures.

c. We obtained a listing of *TransNet* payments made for the ITOC from SANDAG staff. We compared the *TransNet* revenue recorded for the ITOC to the listing of payments received from SANDAG staff. We notified SANDAG staff of any variations and obtained approval from SANDAG.

Results: No exceptions were noted as a result of our procedures.

d. We identified the interest income reported for the year ended June 30, 2024.

i. We inspected the interest income reported on Schedule A and agreed it to SANDAG's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We inspected 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.

e. We identified the total *TransNet* expenditures for the fiscal year.

i. We inspected the total project expenditures per Schedule A and agreed to SANDAG's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected at least 25% of ITOC expenditures as reported by SANDAG to determine if they were necessary and reasonable in carrying out ITOC responsibilities under the *TransNet* Extension Ordinance in the ITOC Responsibilities Section of the attachment to Commission Ordinance CO-04-01 entitled "Statement of Understanding Regarding the Implementation of the Independent Taxpayer Oversight Committee for the *TransNet* Program."

Results: ITOC recorded total *TransNet* expenditures in the amount of $533,308. We selected $168,137 (31.53%) for testing. No exceptions were noted as a result of our procedures.

iii. If unallowable expenditures were identified in procedure 3.e.ii, we expanded the sample to include an additional 25% of ITOC expenditures and documented SANDAG's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures are required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 3.e.ii.

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iv. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total amount of expenditures for the year ended June 30, 2024.

v. We reviewed to ensure that SANDAG's administrative expenditures complied with Commission Ordinance CO-2021-01 that the total administrative expenditures did not exceed $250,000, as adjusted for inflation.

Results: ITOC recorded total administrative expenditures of $89,735, which did not exceed $250,000 as adjusted for inflation. No exceptions were noted as a result of our procedures.

4. We obtained from SANDAG staff, Schedule B which includes cumulative information for all *TransNet* Extension projects including *TransNet* funds received, expenditures, interest income (either listed by project or Program), and an ending balance.

a. We inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustment column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no amounts listed in the Adjustment column of Schedule A.

5. We 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.

6. We proposed current year findings as a result of performing the above agreed-upon procedures. We included SANDAG staff's response to address the ITOC finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not

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conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on ITOC's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of ITOC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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GLOSSARY OF TERMS

Definitions

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"ITOC" means the Independent Taxpayer Oversight Committee, with the administrative functions performed by SANDAG.

"SANDAG" means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

"SANDAG Board Policy No. 031" means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

"Schedule A" means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

"Schedule B" means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

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INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

TransNet Extension Activities
Schedule of Status of Funds
Year Ended June 30, 2024

Project Name	Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	Committee Adjustments	Status June 30, 2024
TransNet* Extension*:						
Independent Taxpayer Oversight Committee	$ 362,405	$ 499,605	$ 19,390	$ (533,308)	$ -	$ 348,092
Total *TransNet* Extension	$ 362,405	$ 499,605	$ 19,390	$ (533,308)	$ -	$ 348,092

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the San Diego Metropolitan Transit System's (MTS or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. MTS' management is responsible for compliance with the Ordinances and the Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by MTS with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained 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.

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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 inspected Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension).

      Results: No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. 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 inspected 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 inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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Results: This procedure is not applicable as interest income was not reported on Schedule A.

f. We identified the total *TransNet* expenditures for the fiscal year.

i. We inspected 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 $81,989,000. We selected $23,695,656 (28.90%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as payroll expenditures did not exceed 20% of the total dollar amount of expenditures.

vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology.

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We documented whether the recipient agency's indirect cost plan had been approved by a federal or state agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: MTS allocated indirect costs to MPO ID MTS33A and SAN 80 included in the RTIP for the year ended June 30, 2024 at an overhead rate of 30.61% and a fringe rate of 60.57%. The total dollar amount of indirect costs charged was $164,302, which represented 0.20% of total *TransNet* expenditures. MTS engaged an independent CPA firm to perform agreed-upon procedures applied to its indirect cost rates. The firm used 2 CFR Part 200 as its criteria in reviewing the rates, and conducted that MTS' rates were consistent with the provision of 2 CFR Part 200. The rates were also approved by FTA for FY24. No exceptions were noted as a result of our procedure.

g. We inspected any amounts reflected in the "Adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments for the year ended June 30, 2024.

h. We obtained a list of completed projects from the recipient agency that are reported by the *TransNet* program and MPO ID. We determined whether any remaining *TransNet* funds for completed projects were transferred to another *TransNet*-eligible project within the same Program or related Program. We determined that completed projects from the previous year were no longer shown in the current year Schedule A.

Results: No exceptions were noted as a result of our procedures.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2024.

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: This procedure is not applicable as there was not a negative ending balance.

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j. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

k. We confirmed 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.

l. 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.

m. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

n. 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 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 inspected Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension). We inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included in Schedule A.

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c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

Results: No exceptions were noted as a result of our procedures.

8. We inspected the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: MTS is in compliance with the 30% requirement as follows:

	Senior and Disabled	Transit
Fiscal year 2024 apportionment	$1,197,650	$45,151,389
Less: debt service payment	-	-
Net estimated apportionment	1,197,650	45,151,389
30% base	30%	30%
Fiscal year 2024 30% threshold	359,295	13,545,417
Less:		
Fund balance	-	-
Fund balance under apportionment	$ 359,295	$13,545,417

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9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

10. We inspected transit operator eligibility for receipt of funds.

a. We calculated and reported the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services for the current year and prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.

b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.

c. We inspected 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 2023 to 2024 was 2.97%. The change in total operating cost per revenue vehicle hour for bus services was 0.25% and thus MTS was in compliance with this portion of the requirement. However, the change in total operating cost per revenue vehicle mile for rail services was 10.99%, and thus MTS was not in compliance with this portion of the requirement. See Finding 1 in the Findings and Recommendations section of this report.

Operating Cost per Revenue Vehicle Hour for Bus Services

	2024	2023	Growth Rate
Operating cost for buses	$233,388,143	$215,732,636	
Revenue vehicle hours	2,029,103	1,880,383	
Total operating cost per revenue vehicle hour	$115.02	$114.73	0.25%
Consumer Price Index	295.089	286.586	2.97%

Operating Cost per Revenue Vehicle Mile for Rail Services

	2024	2023	Growth Rate
Operating cost for rail	$136,226,744	$128,237,421	
Revenue vehicle miles	12,156,157	12,700,555	
Total operating cost per revenue vehicle mile	$11.21	$10.10	10.99%
Consumer Price Index	295.089	286.586	2.97%

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11. We 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.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: See the Findings and Recommendations section of this report.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on MTS' compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of MTS and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2024

(1) Increase in Operating Cost per Revenue Vehicle Miles Exceeded Increase in CPI

MTS' increase in its operating cost per revenue vehicle miles from June 30, 2023 to June 30, 2024 for rail services exceeded the increase in the Consumer Price Index (CPI) for San Diego County. The CPI increased by 2.97% while the operating cost per revenue vehicle mile for rail services increased by 10.99%.

Section 4C of the *TransNet* Ordinance states, in part:

"…To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must list the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period…"

Additionally, Section 4C.5 of the *TransNet* Extension Ordinance and Expenditure Plan states, in part:

"…If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were limited to, increases in the cost for fuel, insurance premiums, or new states or federal mandates.

Recommendation

We recommend that MTS investigate options such as requesting approval from SANDAG's Board of Directors to exclude costs increases from the prior year, use a three-year average or combination of the two options.

Management Response

MTS has submitted to SANDAG a request to calculate the eligibility requirement for Rail Services using the three-year average calculation as provided in Section 4(C)(5) of the *TransNet* Extension and Ordinance, due to unusual circumstances in the current fiscal year. With the unprecedented rain and flooding in January 2024, there was significant damage to our Orange Line. While the line was being restored, services switched to bus bridges causing a decrease in revenue vehicle miles and impacting the eligibility calculation. MTS's continued focus on fiscal responsibility continues, though, and is reflected in MTS's 3-year average percentages below the CPI 3-year average. The request will be presented at the Independent Taxpayer Oversight Committee meeting on March 12, 2025, and at the Transportation Committee meeting on April 18, 2025 and SANDAG Board of Directors meeting on April 25, 2025.

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GLOSSARY OF TERMS

"CPI" means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1st Half 2024 of the Semiannual average indexes Table).

"Current Fiscal Year" means the fiscal period of July 1, 2023, through June 30, 2024.

"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 Metropolitan Transit System and North County Transportation Commission, which receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

"RTIP" means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

"SANDAG" means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

"SANDAG Board Policy No. 031" means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

"Schedule A" means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

"Schedule B" means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year ended June 30, 2024

MPO ID	CIP Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	MTS Adjustments	Project Status June 30, 2024
		***TransNet* Extension:**						
		Operating:						
		Senior and Disabled Transportation:						
MTS 33A	47130	MTS Access	$ -	$ 1,230,126	$ -	$ (1,230,126)	$ -	$ -
		Total Senior and Disabled Transportation	-	1,230,126	-	(1,230,126)	-	-
		Transit and Trolley:						
MTS 32A	47110	MTS Preventive Maintenance	-	46,374,778	-	(46,374,778)	-	-
		Major Transit Corridor Operations:						
SAN 80	47140	SuperLoop	-	3,110,447	-	(3,110,447)	-	-
SAN 80	47150	Bus Rapid Transit	-	9,498,708	-	(9,498,708)	-	-
SAN 80	47170	Mid City Bus Rapid Transit	-	2,820,283	-	(2,820,283)	-	-
SAN 80	47180	South Bay Bus Rapid Transit	-	5,617,805	-	(5,617,805)	-	-
SAN 80	47190	MidCoast	-	13,336,853	-	(13,336,853)	-	-
		Total Major Transit Corridor Operations	-	34,384,096	-	(34,384,096)	-	-
		Total Transit and Trolley	-	80,758,874	-	(80,758,874)	-	-
		Total Operating	-	81,989,000	-	(81,989,000)	-	-
		Total *TransNet* Extension	$ -	$ 81,989,000	$ -	$ (81,989,000)	$ -	$ -

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension**				
		Operating:				
		Senior and Disabled Transportation:				
MTS 33A	47130	MTS Access	$ 13,407,667	$ -	$ (13,407,667)	$ -
		Total Senior and Disabled Transportation	13,407,667	-	(13,407,667)	-
		Transit and Trolley:				
MTS 32A	47110	MTS Preventative Maintenance	313,158,871	-	(313,158,871)	-
		Major Transit Corridor Operations:				
SAN 80	47140	SuperLoop	25,288,992	-	(25,288,992)	-
SAN 80	47150	Bus Rapid Transit	78,119,303	-	(78,119,303)	-
SAN 80	47170	Mid City Bus Rapid Transit	19,724,310	-	(19,724,310)	-
SAN 80	47180	South Bay Bus Rapid Transit	31,296,201	-	(31,296,201)	-
SAN 80	47190	MidCoast	28,299,969	-	(28,299,969)	-
		Total Major Transit Corridor Operations	182,728,775	-	(182,728,775)	-
		Total Transit and Trolley	495,887,646	-	(495,887,646)	-
		Total Operating	509,295,313	-	(509,295,313)	-
		Subtotal Cumulative *TransNet* Extension	509,295,313	-	(509,295,313)	-

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SAN DIEGO METROPOLITAN TRANSIT SYSTEM
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	CIP Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		Completed Projects:				
		Capital:				
		Major Corridor:				
MTS28	47120	Bus & Rail Rolling Stock	$ 2,247,000	$ -	$ (2,247,000)	$ -
SAN 67	47120	Blue Line Rehab	45,442,895	-	(45,442,895)	-
		Operating:				
		Transit and Trolley:				
MTS 23A	47110	MTS Operating Support	181,530,668	-	(181,530,668)	-
		Total Completed Projects	229,220,563	-	(229,220,563)	-
		Total Cumulative *TransNet* Extension	$ 738,515,876	$ -	$ (738,515,876)	$ -

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NORTH COUNTY TRANSIT DISTRICT

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

DRAFT 1

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the North County Transit District's (NCTD's or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. NCTD' management is responsible for compliance with the Ordinances and the Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by NCTD with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG staff the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG staff the *TransNet* Grant Program spreadsheet.

   Results: This procedure is not applicable as NCTD does not participate in the Grant Program.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: Per discussion with management, the *TransNet* revenues and expenditures are not recorded in a separate fund, but NCTD maintains separate accountability for

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all *TransNet* activity. This alternative approach to maintaining separate accountability is allowed per SANDAG Board Policy No. 031, Rule #6, if approved by SANDAG. SANDAG has accepted NCTD's alternative approach.

5. We obtained a detailed general ledger for *TransNet* revenues and expenditures from the recipient agency for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension).

      Results: No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. 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 inspected 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 inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

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Results: This procedure is not applicable as interest income was not reported on Schedule A.

f. We identified the total *TransNet* expenditures for the fiscal year.

i. We inspected 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 $33,792,772. We selected $9,607,296 (28.43%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: This procedure is not applicable as the payroll expenditures did not exceed the 20% of the total dollar amount of expenditures.

vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the methodology. We documented whether the recipient agency's indirect

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cost plan had been approved by a federal or state agency or audited by an independent certified public accounting firm (CPA). We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: This procedure is not applicable as there were no indirect costs allocated to projects included in the RTIP.

g. We inspected any amounts reflected in the "Adjustments" column are explained in the form of a footnote and that the adjustments are consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no adjustments for the fiscal year ended June 30, 2024.

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 for the fiscal year ended June 30, 2024.

i. If the balance of a completed project had not been transferred to another *TransNet*-eligible project, we ensured that a footnote was presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type of authorization and date of authorization.

Results: This procedure is not applicable as there were no completed projects for the fiscal year ended June 30, 2024.

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.

j. We substantiated that additional funding is available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2024.

Results: No exceptions were noted as a result of our procedures.

k. We confirmed 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.

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Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

l. We obtained 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.

m. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined whether transfers requiring an amendment to the RTIP followed the amendment process outlined in Rule #7 of SANDAG Board Policy No. 031.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

n. 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 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 inspected Schedule B and determined that projects were properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension). We inspected the ending balances at June 30, 2024 and ensured the balances agreed for those projects reported in both Schedule A and Schedule B.

Results: No exceptions were noted as a result of our procedures.

b. We reclassified all amounts listed in the Adjustments column of Schedule A to funds received, expenditures, or interest income.

Results: This procedure is not applicable as there were no adjustments included in Schedule A.

c. We identified any completed projects reported in the prior year's Schedule A and ensured that all completed projects were reported in the current year's Schedule B completed section by category.

Results: This procedure is not applicable as there were no completed projects reported in the prior year's Schedule A.

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8. We inspected the ending fund balance per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

   Results: NCTD is in compliance with the 30% requirement as follows:

	Senior and Disabled	Transit
Fiscal year 2024 apportionment	$489,994	$18,472,764
Less: debt service payment	-	(1,417,666)
Net estimated apportionment	489,994	17,055,098
30% base	30%	30%
Fiscal year 2024 30% threshold	146,998	5,116,529
Less:		
Fund balance	-	-
Fund balance under apportionment	$ 146,998	$5,116,529

9. If applicable, we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

   Results: The results are summarized below:

	Balance July 1, 2023	Additions	Principal Payments	Balance June 30, 2024	Total Debt Service *
Commercial Paper	$19,100,000	$ -	$(1,350,000)	$17,750,000	$(1,417,666)

*Total Debt Service is comprised of principal repayments and allocation of commercial paper expenses.

10. We inspected transit operator eligibility for receipt of funds.

    a. We calculated and reported the total operating cost per revenue vehicle hour for bus services and total operating cost per revenue vehicle mile for rail services for the current year and prior year. We documented how the transit operators compile their information used in their calculation. We ensured the calculation did not include any non-cash transactions.

    b. We obtained from SANDAG staff the increase in CPI over the same period of the prior year.

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c. We inspected 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 2023 to 2024 was 2.97%. The change in total operating cost per revenue vehicle hour for bus services was 0.42% and thus NCTD was in compliance with this portion of the requirement. However, the change in total operating cost per revenue vehicle mile for rail services was 6.94%, and thus NCTD was not in compliance with this portion of the requirement. See Finding 1 in the Findings and Recommendations section of this report.

Operating Cost per Revenue Vehicle Hour for Bus Services

	2024	2023	Growth Rate
Operating cost for buses	$77,089,646	$70,906,316	
Revenue vehicle hours	482,919	446,040	
Total operating cost per revenue vehicle hour	$159.63	$158.97	0.42%
Consumer Price Index	295.089	286.586	2.97%

Operating Cost per Revenue Vehicle Mile for Rail Services

	2024	2023	Growth Rate
Operating cost for rail	$71,253,669	$66,964,770	
Revenue vehicle miles	912,513	917,029	
Total operating cost per revenue vehicle mile	$78.09	$73.02	6.94%
Consumer Price Index	295.089	286.586	2.97%

11. We 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.

12. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: See Findings and Recommendations section of this report.

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We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on NCTD's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of NCTD and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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NORTH COUNTY TRANSIT DISTRICT
OCEANSIDE, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Findings and Recommendations

Year Ended June 30, 2024

(1) Increase in Operating Cost Per Revenue Vehicle Miles Exceeded Increase in CPI

North County Transit District's (NCTD's) increase in its operating cost per revenue vehicle miles from June 30, 2023 to June 30, 2024 for rail services exceeded the increase in the Consumer Price Index (CPI) for San Diego County. The CPI increased by 2.97% while the operating cost per revenue vehicle mile for rail services increased by 6.94%.

Section 4C of the *TransNet* Ordinance states, in part:

"…To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must list the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period…"

Additionally, Section 4C.5 of the *TransNet* Extension Ordinance and Expenditure Plan states, in part:

"…If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were limited to, increases in the cost for fuel, insurance premiums, or new state or federal mandates.

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Recommendation

We recommend that NCTD investigate options such as requesting approval from SANDAG's Board of Directors to exclude cost increases from the prior year, use a three-year average or a combination of the two options

Management Response

Under Section 4(C)(5) of the *TransNet* Extension and Ordinance (Ordinance), to maintain eligibility for the receipt of *TransNet* funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period. If there were unusual circumstances in a given fiscal year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three fiscal years. The operator may also request the approval of the Commission to exclude from

(1) Increase in Operating Cost Per Revenue Vehicle Miles Exceeded Increase in CPI (Continued)

the calculation certain cost increases that were due to external events entirely beyond the operator's control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates.

Following the reopening of the economy in 2021, supply chain disruptions and greater consumer demand for goods caused higher inflation. The Transportation CPI utilized by the Ordinance measures the change in prices for transportation costs, which includes new and used motor vehicles, motor fuel, vehicle maintenance and insurance, and airfares. The Transportation CPI has experienced significant volatility in the last three years, with a high of 17.78% in FY2022, negative of 1.83% in FY2023, and ending at 2.97% in FY2024. Furthermore, the Transportation CPI does not reflect the majority of NCTD's operating costs, which is largely driven by labor costs and include wages and benefits, professional services, and purchased transportation (together, these costs accounted for 84% of NCTD's operating costs in FY2024). These costs are subject to wage increases (particularly in a tight labor market), collective bargaining agreements, and contractual adjustments and the increases are not aligned with the Transportation CPI.

Request for Three-Year Average for Rail Services

As permitted by the Ordinance, NCTD is requesting the approval of the Commission to utilize a three-year average for the purpose of calculating the increase in operating cost per revenue vehicle mile for rail services, which will allow NCTD to be in compliance with the Ordinance as illustrated in the calculation below:

	FY 2024	FY 2023	FY 2022	FY 2021	3-Year Average
Transportation CPI	295.089	286.586	291.916	247.856	
Change in CPI	2.97%	-1.83%	17.78%		6.31%
Rail Services					
Operating costs	$72,022,138	$66,569,053	$60,070,772	$46,404,889	
Revenue vehicle miles	912,513	917,029	877,589	662,745	
Ratio	$ 78.93	$ 72.59	$ 68.45	$ 70.02	
Change in ratio	8.73%	6.05%	-2.24%		4.18%

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GLOSSARY OF TERMS

"CPI" means Consumer Price Index for San Diego County. For the transit operators, CPI is taken from the Bureau of Labor Statistics West Information Office for San Diego, CA (1st Half 2024 of the Semiannual average indexes Table).

"Current Fiscal Year" means the fiscal period of July 1, 2023, through June 30, 2024.

"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 Metropolitan Transit System and North County Transportation Commission, which receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

"RTIP" means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

"SANDAG" means the San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

"SANDAG Board Policy No. 031" means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

"Schedule A" means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

"Schedule B" means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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NORTH COUNTY TRANSIT DISTRICT
TransNet and *TransNet* Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024	Notes
		***TransNet* Extension:**						
		Operating:						
		Senior and Disabled Transportation:						
NCTD03	N/A	Elderly and Disabled	$ -	$ 514,000	$ -	$ (514,000)	$ -	
		Total Senior and Disabled Transportation	-	514,000	-	(514,000)	-	
		Transit:						
NCTD16B	N/A	Oceanside to Escondido Rail - SPRINTER Debt Service	-	1,850,000	-	(1,850,000)	-	
NCTD34	N/A	Transit Service Operating Support	-	17,760,439	-	(17,760,439)	-	
		Total Transit	-	19,610,439	-	(19,610,439)	-	
		Total Operating	-	20,124,439	-	(20,124,439)	-	
		Capital:						
		Major Corridor:						
SAN80	N/A	COASTER Expanded Service	(2,491,199)	7,999,658	-	(7,444,809)	(1,936,350)	(a)
SAN260	420009	COASTER Train Sets	(2,692,741)	8,057,001	-	(6,223,524)	(859,264)	(a)
		Total Major Corridor	(5,183,940)	16,056,659	-	(13,668,333)	(2,795,614)	
		Total Capital	(5,183,940)	16,056,659	-	(13,668,333)	(2,795,614)	
		Total *TransNet* Extension	$ (5,183,940)	$ 36,181,098	$ -	$ (33,792,772)	$ (2,795,614)	

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Note:
(a) Due as of June 30, 2024; to be reimbursed by SANDAG from TransNet Major Corridor funds.

NORTH COUNTY TRANSIT DISTRICT
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Interest Income	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**				
		Operating:				
		Senior and Disabled Transportation:				
NCTD03	N/A	Elderly and Disabled	$ 5,444,325	$ -	$ (5,444,325)	$ -
		Total Senior and Disabled Transportation	5,444,325	-	(5,444,325)	-
		Transit:				
NCTD16B	N/A	Oceanside to Escondido Rail Operations	26,705,112	-	(26,705,112)	-
NCTD34	N/A	Transit Service Operating Support	177,187,628	-	(177,187,628)	-
		Total Transit	203,892,740	-	(203,892,740)	-
		Total Operating	209,337,065	-	(209,337,065)	-
		Capital:				
		Major Corridor:				
SAN80	N/A	COASTER Expanded Service	18,333,623	-	(20,269,973)	(1,936,350)
SAN260	420009	COASTER Train Sets	20,977,001	-	(21,836,265)	(859,264)
		Total Major Corridor	39,310,624	-	(42,106,238)	(2,795,614)
		Total Capital	39,310,624	-	(42,106,238)	(2,795,614)
		Subtotal Cumulative *TransNet* Extension	248,647,689	-	(251,443,303)	(2,795,614)
		Completed Projects:				
		Operating:				
		TransNet Senior Mini Grant	217,941	-	(217,941)	-
		Capital:				
		Major Corridor	69,636,783	429,576	(70,066,359)	-
		Bike, Pedestrian and Neighborhood Safety (BPNS) Inland Rail Trail	3,870,000	25,257	(3,895,257)	-
		Transit:				
		Preventive Maintenance	1,715,876	-	(1,715,876)	-
		Total Completed Projects	75,440,600	454,833	(75,895,433)	-
		Total Cumulative *TransNet* Extension	$ 324,088,289	$ 454,833	$ (327,338,736)	$ (2,795,614)

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
SAN DIEGO, CALIFORNIA

Report on Agreed-Upon Procedures
Applied to the *TransNet* Fund

Year Ended June 30, 2024

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DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

Davis Farr LLP
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Main: 949.474.2020 | Fax: 949.263.5520

INDEPENDENT ACCOUNTANT'S REPORT

Independent Taxpayer Oversight Committee
San Diego Association of Governments
San Diego, California

We have performed the procedures enumerated below in reviewing the San Diego Association of Governments' (SANDAG or recipient agency) compliance with the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and the San Diego Association of Governments (SANDAG) Board Policy No. 031 with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. SANDAG's management is responsible for compliance with the Ordinances and Board Policy.

The Independent Taxpayer Oversight Committee (ITOC) has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating compliance by SANDAG with respect to the *TransNet* Program Schedules A, B, and C, as applicable, for the fiscal year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows. A Glossary of Terms is included as Attachment A.

1. We obtained the *TransNet* Ordinance and Expenditure Plan, *TransNet* Extension Ordinance, and SANDAG Board Policy No. 031.

   Results: No exceptions were noted as a result of our procedures.

2. We obtained from SANDAG the applicable approved RTIP.

   Results: No exceptions were noted as a result of our procedures.

3. We obtained from SANDAG the *TransNet* Grant Program spreadsheet.

   Results: No exceptions were noted as a result of our procedures.

4. We inquired of the recipient agency's management and determined whether the recipient agency maintains a separate fund for *TransNet* revenues or has an alternative approach to maintaining separate accountability for reasonableness.

   Results: No exceptions were noted as a result of our procedures.

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5. We obtained a detailed general ledger for *TransNet* revenues and expenditures for SANDAG and SDCRTC for the current fiscal year.

   Results: No exceptions were noted as a result of our procedures.

6. We obtained from the recipient agency Schedule A that includes a beginning balance, *TransNet* funds received, expenditures, interest income, adjustments, and an ending balance listed alpha-numeric by MPO ID and identifying recipient agency project number.

   a. We substantiated all footnotes required in Schedule A.

      Results: No exceptions were noted as a result of our procedures.

   b. We inspected Schedule A and determined that the projects are properly classified and reported by *TransNet* program (i.e., original *TransNet* vs. *TransNet* Extension; local streets and roads; local street improvements, including congestion relief vs. maintenance; highway; major corridor; environmental mitigation program; etc). We determined that the projects are properly classified by SANDAG and SDCRTC.

      Results: No exceptions were noted as a result of our procedures.

   c. We agreed the beginning balance from the prior year or ensured the recipient agency provided a footnote for any restatements. We determined whether the reasons for differences were valid.

      Results: No exceptions were noted as a result of our procedures.

   d. We obtained a listing of *TransNet* payments made to the recipient agency from SANDAG staff. We compared the *TransNet* revenue recorded by the recipient agency to the listing of payments received from SANDAG staff. 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 inspected 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 reported on Schedule A.

      ii. We inspected the interest allocation methodology to ensure it was in accordance with the provisions of the Ordinance and Board Policy No. 031.

         Results: This procedure is not applicable as there was no interest reported on Schedule A.

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f. We identified the total *TransNet* expenditures for the year ended June 30, 2024.

i. We inspected the total project expenditures per Schedule A and agreed to the respective recipient agency's general ledger.

Results: No exceptions were noted as a result of our procedures.

ii. We selected individual expenditures of at least 25% of the total dollar amount of expenditures from the general ledger and obtained supporting documentation (i.e., invoice and copy of check or EFT wire).

Results: SANDAG recorded total *TransNet* expenditures in the amount of $85,351,130. We selected $23,924,637 (28.03%) for testing. No exceptions were noted as a result of our procedures.

iii. For the expenditures selected, we identified the MPO ID that the expenditures are charged against and determined if the MPO ID is included in the RTIP (see procedure 2 above) and the expenditures are an eligible cost per the *TransNet* and *TransNet* Extension Ordinance and Expenditure Plan requirements.

Results: No exceptions were noted as a result of our procedures.

iv. If unallowable expenditures were identified in procedure 6.f.iii, we expanded the sample to include an additional 25% of the total dollar amount of expenditures and documented the recipient agency's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted the ITOC Audit Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures identified in procedure 6.f.iii.

v. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transaction and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge was consistent with the project selected.

Results: SANDAG recorded total *TransNet* payroll expenditures in the amount of $21,449,817, which represented 25.23% of total expenditures. We selected one pay period and three employees for testing. No exceptions were noted as a result of our procedures.

vi. We inquired of management whether indirect costs were allocated to the projects included in the RTIP. If so, we documented the indirect cost rate, the dollar amount of the indirect costs charged to the *TransNet* program, the percentage of indirect costs compared to total *TransNet* expenditures, and the date the indirect cost plan was last updated. We documented the basis of allocation and the reasonableness of the

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methodology. We documented whether the recipient agency's indirect cost plan had been approved by a federal or state agency or audited by an independent certified public accounting firm. We documented an explanation if indirect costs exceeded 10% of total *TransNet* expenditures.

Results: SANDAG allocated indirect costs to projects included in the RTIP for the year ended June 30, 2024. SANDAG allocates indirect costs at a rate of 112.65% of direct labor costs associated with each project. SANDAG allocated a total of $7,357,632 of indirect costs to projects, resulting in 8.62% of indirect costs compared to total *TransNet* expenditures. SANDAG's indirect cost plan was reviewed and approved by the State of California Department of Transportation on November 9, 2023, and is updated by SANDAG on an annual basis. The indirect cost rate allocation methodology appears reasonable. No exceptions were noted as a result of our procedures.

g. We inspected any amounts reported in the "adjustments" column were explained in the form of a footnote and that the adjustments were consistent with SANDAG Board Policy No. 031, Rule #17, Section III, including the type or expected type of authorization and date of authorization. Adjustments within the same MPO ID do not require a footnote.

Results: This procedure is not applicable as there were no amounts reported in the adjustments column 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 presented that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III, including the expected type or authorization and date of authorization.

Results: This procedure is not applicable as there were no transfers of *TransNet* funds between projects.

i. If a project ending balance is negative, we ensured that an explanation in the form of a footnote to Schedule A was provided that included the subsequent year's intended action in accordance with SANDAG Board Policy No. 031, Rule #17, Section III.

Results: This procedure is not applicable as there were no projects with a negative ending balance.

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j. We substantiated that additional funding was available in the RTIP or that an RTIP Amendment will be in process prior to June 30, 2025.

Results: No exceptions were noted as a result of our procedures.

k. We confirmed 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.

l. We obtained approval from SANDAG staff for reasons of inactivity.

Results: This procedure is not applicable as there were no inactive projects which have had no activity over the past two years.

m. We obtained a signed staff report or resolution from the recipient agency's governing body consenting to the transfer of *TransNet* funds from one project to another. We determined 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 was no transfer of funds between projects.

n. 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 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 inspected 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 inspected the ending balances at June 30, 2024 and ensured 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.

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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: This procedure is not applicable as SANDAG does not track completed projects within Schedule A.

8. We inspected the ending project status per Schedule A for those projects that are derived from the recipient agency's annual *TransNet* apportionment was not more than 30% of the recipient agency's current fiscal year annual apportionment, net of debt service payments. We determined whether the recipient agency included a schedule showing the annual apportionment, debt service deduction (if applicable), net annual apportionment, 30% balance threshold, applicable project status balance, and balance over/under the threshold.

Results: This procedure is not applicable as the 30% balance threshold applies to *TransNet* recipients that receive an annual apportionment per the Ordinance. SANDAG is not a recipient of an annual apportionment.

9. If applicable (including SDCRTC), we compared long-term debt information reported on Schedule A to the schedule of long-term debt for each recipient agency provided by SANDAG staff.

Results: This procedure is not applicable as there is no long-term debt outstanding as of June 30, 2024.

10. For recipient SANDAG, acting as the SDCRTC, only, we obtained a schedule of bond financing costs related to highway and transit capital projects indicating beginning balance, additions and ending paid to date balance. We ensured the financing costs were properly supported and have not exceeded $500,000,000 (2002 dollars). We agreed the current fiscal year financing costs to SANDAG records.

Results: The schedule of bond financing costs related to highway and transit capital projects is summarized below. The total cost of $58,733,645 did not exceed $500,000,000 in 2002 dollars. No exceptions were noted as a result of our procedures.

Debt Issuance	Balance at July 1, 2023	Additions	Deletions	Balance as of June 30, 2024
Commercial Paper	$6,062,762	$380,111	$ -	$6,442,873
2008 Bonds	36,780,776	49,623	-	36,830,399
2010 Bonds	2,936,010	5,208	-	2,941,218
2012 Bonds	2,338,585	-	-	2,338,585
2014 Bonds	1,312,490	4,850	-	1,317,340
2016 Bonds	1,221,040	4,133	-	1,225,173
2017 TIFIA Loan	1,296,673	90	-	1,296,763

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Debt Issuance	Balance at July 1, 2023	Additions	Deletions	Balance as of June 30, 2024
2018 Short Term	1,568,812	-	-	1,568,812
2019 Bonds	1,444,642	1,548	-	1,446,190
2020 Bonds	423,402	2,973	-	426,375
2021 Bonds	1,341,099	3,920	-	1,345,019
2021 Note	966,605	-	-	966,605
2022 Note	384,366	198,861	-	583,227
2021 TIFIA Loan	2,500	2,533	-	5,033
2023 Bonds	-	33	-	33
Total	$58,079,762	$653,883	$ -	$58,733,645

11. We inspected to ensure that SANDAG's administrative expenditures complied with Section 12 of the *TransNet* Extension Ordinance:

    a. We inspected and ensured that the total administrative expenditures did not exceed 2% of the annual *TransNet* apportioned revenues, plus any funds not utilized in prior years.

       Results: No exceptions were noted as a result of our procedures.

    b. We inspected the administrative expenditure project numbers and ensured only projects approved in the 2024 Budget were included in administrative expenditures.

       Results: SANDAG recorded total administrative expenditures in the amount of $8,685,284. We reviewed the detail of administrative expenditures and noted the following cost centers included within:

Cost Center	Amount Expended
Payroll Expenses	$7,558,223
Operational Expenses	1,022,079
Board of Directors	98,034
Legal Fees	6,948
Total	$8,685,284

    c. We selected at least 25% of the administrative expenditures and ensured they were expended by SANDAG for costs necessary to administer *TransNet.*

       Results: SANDAG recorded total administrative expenditures in the amount of $8,685,284. We selected $2,284,229 (26.30%) for testing. No exceptions were noted as a result of our procedures.

    d. If unallowable expenditures were identified in step 11.b, we expanded the sample to include an additional 25% of administrative expenditures, and documented SANDAG's plan to cure the unallowable expenditures. If additional unallowable expenditures were identified, we contacted ITOC Audit

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Subcommittee Chair to determine whether additional procedures were required.

Results: This procedure is not applicable as there were no unallowable expenditures noted in step 11.b.

e. If payroll expenditures exceeded 20% of the total dollar amount of expenditures, we selected a sample of payroll transactions and obtained supporting documentation (i.e. payroll register, timesheet, and personnel action form). We documented whether the direct payroll charge appeared reasonable for the project.

Results: SANDAG recorded payroll expenditures in the amount of $7,558,223. We selected one pay period and five employees for testing. No exceptions were noted as a result of our procedures.

12. For SANDAG, acting as the SDCRTC, only, we performed the following procedures:

a. We inquired and obtained source data used to calculate the Local Street Improvement Allocation Schedule in the TTrak program and recalculated the total funds contributed per jurisdiction.

Results: No exceptions were noted as a result of our procedures.

b. We inspected the FY 2024 *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 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.

14. We proposed current year findings as a result of performing the above agreed-upon procedures. We included the recipient agency's response to address the finding.

Results: This procedure is not applicable as there were no findings and recommendations required to be prepared for the year ended June 30, 2024.

We were engaged by ITOC to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on SANDAG's compliance with the *TransNet* Ordinance and *TransNet* Extension Ordinance as of June 30, 2024. Accordingly, we

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do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SANDAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement. This report is intended solely for the information and use of ITOC and SANDAG and is not intended to be and should not be used by anyone other than these specified parties.

Irvine, California
_____, 2025

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GLOSSARY OF TERMS

Definitions

"Current Fiscal Year" means the fiscal period of July 1, 2023 through June 30, 2024.

"ITOC" means the Independent Taxpayer Oversight Committee.

"MPO ID" means Metropolitan Planning Organization Identification Number; the number assigned to approved RTIP projects.

"Recipient Agency" means an agency, including SANDAG and SDCRTC, that receives *TransNet* funding on an annual basis for one or more of the *TransNet* Programs.

"RTIP" means the Regional Transportation Improvement Program, a multi-year program of projects for major transportation projects in the San Diego County region.

"SANDAG" means San Diego Association of Governments, the responsible agent for the administration of the *TransNet* Ordinances.

"SANDAG Board Policy No. 031" means the SANDAG Board Policy No. 031: *TransNet* Ordinance and Expenditure Plan Rules.

"Schedule A" means the Annual Schedule of Status of Funds by Project; a roll-forward listing of all recipient agency active *TransNet* projects.

"Schedule B" means the Cumulative Schedule of Status of Funds by Project; a cumulative roll-forward listing of all recipient agency *TransNet* Extension Ordinance projects.

"SDCRTC" means the San Diego County Regional Transportation Commission, a blended component unit of SANDAG.

"*TransNet* Extension Ordinance" means the 2004 Proposition A.

"*TransNet* Ordinance and Expenditure Plan" means the 1987 Proposition A San Diego Transportation Improvement Plan.

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		***TransNet* Extension:**						
		Administration:						
		SANDAG 2% Administration	$ 175,432	$ 8,599,852	$ (8,685,284)	$ -	$ 90,000	
		Total Administration	175,432	8,599,852	(8,685,284)	-	90,000	
		Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass Through:						
CB45	1223071	Carlsbad Blvd & Tamarack Ave Ped Improvement Project	-	201,420	(201,420)	-	-	
		Total BPNS - Pass Through	-	201,420	(201,420)	-	-	
		BPNS:						
SAN40	3300100	*TransNet* Smart Growth Incentive Program	-	87,307	(87,307)	-	-	
SAN153	1223023	Inland Rail Trail	-	47,806	(47,806)	-	-	
SAN153	1223094	Inland Rail Trail Ph 3	-	230,915	(230,915)	-	-	
SAN153	1223095	Inland Rail Trail Ph 4	-	3,091	(3,091)	-	-	
		Total SAN153	-	281,812	(281,812)	-	-	
SAN155	1223016	Coastal Rail Trail - Rose Creek	-	31,441	(31,441)	-	-	
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	-	2,350	(2,350)	-	-	
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	-	(285,651)	285,651	-	-	(a)
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	-	189,685	(189,685)	-	-	
SAN195	1223055	Bayshore Bikeway - Barrio Logan	-	1,986,614	(1,986,614)	-	-	
SAN195	1223096	Bayshore Bikeway: Barrio Logan Phase 2	-	292,736	(292,736)	-	-	
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	-	5,677	(5,677)	-	-	
SAN203	1223056	San Ysidro to IB Parkway	-	226,057	(226,057)	-	-	
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	-	288,286	(288,286)	-	-	
		Subtotal BPNS	-	3,106,314	(3,106,314)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		BPNS balance carried forward	$ -	$ 3,106,314	$ (3,106,314)	$ -	$ -	
SAN205	1223057	NP to Downtown/Balboa Bikeway	-	5,356,552	(5,356,552)	-	-	
SAN206	1223058	Southeast to Downtown Bikeway	-	192,628	(192,628)	-	-	
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	-	87,693	(87,693)	-	-	
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	-	624,608	(624,608)	-	-	
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	-	250,284	(250,284)	-	-	
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	-	(85,365)	85,365	-	-	(b)
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	-	1,131,767	(1,131,767)	-	-	
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	-	47,047	(47,047)	-	-	
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	-	208,162	(208,162)	-	-	
SAN284	1223087	North Park/Mid-City Orange Bikeway	-	87,513	(87,513)	-	-	
SAN310	1223097	Bayshore to Imperial Bikeway	-	9,700	(9,700)	-	-	
		Total BPNS	-	11,016,903	(11,016,903)	-	-	
		Senior Services Pass Through:						
SAN70	1271000	Jewish Family Services - Rides and Smiles	-	53,481	(53,481)	-	-	
SAN70	1271800	On the Go (Eastern San Diego)	-	127,684	(127,684)	-	-	
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and	-	155,542	(155,542)	-	-	
SAN70	1272800	On the Go (SMG)	-	347,306	(347,306)	-	-	
		Total SAN70	-	684,013	(684,013)	-	-	
SAN87	1272700	Elderhelp - Volunteer Driver Program	-	137,758	(137,758)	-	-	
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	-	29,752	(29,752)	-	-	
SAN92	1271300	Travelers Aid Society - SeniorRide	-	258,788	(258,788)	-	-	
SAN168	1271900	FACT Mobility Management	-	333,288	(333,288)	-	-	
		Total Senior Services Pass Through	-	1,443,599	(1,443,599)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Senior Services:						
SAN40	3320201	Specialized Transportation	$ -	$ 142,368	$ (142,368)	$ -	$ -	
		Total Senior Services	-	142,368	(142,368)	-	-	
		Smart Growth Pass Through:						
CNTY101	1224074	Community Based Transportation Program	-	101,426	(101,426)	-	-	
EL40	1224067	El Cajon Transit Center Community Connection Improvements	-	1,286,136	(1,286,136)	-	-	
EL41	1224068	Main Street - Green Street Gateway	-	1,524,996	(1,524,996)	-	-	
LG26	1224069	Connect Main Street, Ph 1&2	-	767,415	(767,415)	-	-	
NC37	1224062	Sweetwater Road Protected Bikeway	-	690,987	(690,987)	-	-	
NC43	1224071	Together We Plan National City	-	104,037	(104,037)	-	-	
SAN306	1224072	Mid-City Comm SG Study Areas	-	218,057	(218,057)	-	-	
SAN307	1224073	Santee Specific Plan	-	247,818	(247,818)	-	-	
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	-	20,618	(20,618)	-	-	
SD262	1224065	East Village Green Park Phase I	-	96,766	(96,766)	-	-	
		Total Smart Growth Pass Through	-	5,058,256	(5,058,256)	-	-	
		Smart Growth:						
SAN40	3300100	*TransNet* Smart Growth Incentive Program	-	87,307	(87,307)	-	-	
		Total Smart Growth	-	87,307	(87,307)	-	-	
		Local Street Improvements:						
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	-	11,700	(11,700)	-	-	
CHV39	3311002	Traffic Signal System Optimization	-	15,500	(15,500)	-	-	
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	-	12,500	(12,500)	-	-	
EL06	3311002	Traffic Signals Project	-	9,700	(9,700)	-	-	
		Subtotal Local Street Improvements	-	49,400	(49,400)	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Local Street Improvements balance carried forward	$ -	$ 49,400	$ (49,400)	$ -	$ -	
ENC28	3311002	Traffic Signal Modifications	-	7,400	(7,400)	-	-	
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	-	7,400	(7,400)	-	-	
NC04	3311002	Traffic Signal Install/Upgrade	-	8,000	(8,000)	-	-	
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	-	11,200	(11,200)	-	-	
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	-	7,300	(7,300)	-	-	
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	-	67,600	(67,600)	-	-	
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	-	10,800	(10,800)	-	-	
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	-	7,400	(7,400)	-	-	
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	-	8,800	(8,800)	-	-	
		Total Local Street Improvements	-	185,300	(185,300)	-	-	
		Regional Environmental Mitigation Program (EMP) - Pass-Through:						
V07	12002xx	Caltrans EMP	-	(2,009,908)	2,009,908	-	-	(c)
V08	1201334	Silverwood-Anstine	-	(17)	17	-	-	(d)
V08	1201337	San Pasqual Cactus Wren	-	39,781	(39,781)	-	-	
V08	1201338	Lower Otay Reservoir	-	22,583	(22,583)	-	-	
V08	1201341	Stinknet Removal	-	22,717	(22,717)	-	-	
V08	1201342	West Otay Mesa Stinknet Removal	-	62,883	(62,883)	-	-	
V08	1201343	Otay Mesa Vernal Pool Restoration	-	64,884	(64,884)	-	-	
V08	1201344	Otay Ranch Preserve Enhancement	-	71,514	(71,514)	-	-	
V08	1201345	El Monte Preserve Bat Hotel	-	77,306	(77,306)	-	-	
V08	1201346	Famosa Slough Stormwater Treatment	-	12,619	(12,619)	-	-	
V08	1201347	Annie's Canyon Trail (ACT)	-	71,584	(71,584)	-	-	
V08	1201348	San Miguel HMA Perimeter	-	43,691	(43,691)	-	-	
V08	1201349	Anstine-Audubon Nature Preserve	-	48,277	(48,277)	-	-	
V08	1201350	Quarry Creek Preserve Fencing	-	77,320	(77,320)	-	-	
V08	1201351	San Diego Thornmint Enhancement	-	49,705	(49,705)	-	-	
V08	1201352	Endangered Avian Nesting Site	-	19,962	(19,962)	-	-	
V08	1201353	Dennery Canyon Restoration	-	56,623	(56,623)	-	-	
V08	1201356	Mission Trails Thornmint Restoration	-	36,332	(36,332)	-	-	
V08	1201357	Rare Dune Plant Restoration	-	39,103	(39,103)	-	-	
V08	1201358	SPBDR Stinknet Removal II	-	59,167	(59,167)	-	-	
V08	1201359	West Bernardo Mountain HMA	-	12,989	(12,989)	-	-	
V08	1201360	Ocean Beach Estuary Enhancement	-	60,230	(60,230)	-	-	
		Total V08	-	949,253	(949,253)	-	-	
		Total Regional EMP - Pass Through	-	(1,060,655)	1,060,655	-	-	

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Environmental Mitigation Program (EMP):						
V07	12002xx	Biological Mitigation	$ -	$ 4,331,893	$ (4,331,893)	$ -	$ -	
V08	12003xx/12013xx	Regional Habitat Conservation Fund	-	4,694,645	(4,694,645)	-	-	
		Total EMP	-	9,026,538	(9,026,538)	-	-	
		Bus Rapid Transit (BRT)/Rail Operations:						
SAN80	1130100	Financial ERP System	-	3,442,727	(3,442,727)	-	-	
SAN80	1147400	Content Management	-	3,333,142	(3,333,142)	-	-	
SAN80	3100400	Regional Plan Implementation	-	430,889	(430,889)	-	-	
SAN80	3103000	Regional Plan Dev (2025)	-	1,435,816	(1,435,816)	-	-	
SAN80	3310703	TDM - Program & Svs Delivery	-	5,400	(5,400)	-	-	
SAN80	3310714	Mobility & Innovations Program	-	624,990	(624,990)	-	-	
SAN80	3322600	Digital Equity Action Plan Implementation	-	79,771	(79,771)	-	-	
			-	11,344	(11,344)	-	-	
		Total BRT/Rail Operations	-	9,364,079	(9,364,079)	-	-	
		Major Corridor - Pass-Through:						
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	1,200,000	(1,200,000)	-	-	
CAL09	1200509	I-5 San Elijo Bridge Replace	-	406,194	(406,194)	-	-	
CAL09	1200510	I-5 HOV Carlsbad	-	393,400	(393,400)	-	-	
		Total CAL09	-	1,999,594	(1,999,594)	-	-	
CAL09D	1200515	I-5/I-805 HOV Conv. To Express	-	127,508	(127,508)	-	-	
CAL29	1207602	SR 76 Middle	-	(1,051,125)	1,051,125	-	-	(d)
CAL29B	1207606	SR 76 East	-	(2,802,000)	2,802,000	-	-	(e)
CAL67	1280518	SR94 TP Lanes I-805 to I-5	-	61,257	(61,257)	-	-	
CAL68	1212501	SR94/SR125 S to E Connector	-	2,000	(2,000)	-	-	
		Subtotal Major Corridor - Pass-Through	-	(1,662,766)	1,662,766	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Local Street Improvements balance carried forward	$ -	$ (1,662,766)	$ 1,662,766	$ -	$ -	
CAL75	1200506	I-5 Genesee Interchange and Widening	-	1,266,239	(1,266,239)	-	-	
CAL78C	1280510	I-805 South: 2 HOV and DAR	-	5,034	(5,034)	-	-	
CAL78D	1280515	I-805 South Soundwalls - Unit 1	-	1,520,625	(1,520,625)	-	-	
CAL114	1200513	SR56 Auxiliary Lane	-	34,403	(34,403)	-	-	
CAL277A	1207803	SR78/I-5 HOV Connector	-	1,247,000	(1,247,000)	-	-	
CAL538	1206701	SR67 Improvements	-	12,000	(12,000)	-	-	
CAL550	1605201	CMCP-Coast Canyon Trails SR52	-	747	(747)	-	-	
CAL571	1280519	I-805 Transit Priority Lanes (SR94 to SR52)	-	500,000	(500,000)	-	-	
SAN183	1239816	Batiquitos Lagoon Double Track	-	49,635	(49,635)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	(942)	942	-	-	(f)
SAN260	1239820	COASTER Train Sets	-	10,791,391	(10,791,391)	-	-	
V11	1201101	State Route 11	-	(315)	315	-	-	(f)
		Total Major Corridor - Pass-Through	-	13,763,051	(13,763,051)	-	-	
		Major Corridor:						
CAL09	1200501	I-5 North Coast	-	4	(4)	-	-	
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	-	559,930	(559,930)	-	-	
CAL09	1200509	I-5 San Elijo Bridge Replace	-	185,976	(185,976)	-	-	
CAL09	1200510	I-5 HOV Carlsbad	-	1,057,142	(1,057,142)	-	-	
		Total CAL09	-	1,803,052	(1,803,052)	-	-	
CAL18B	1201520	I-15 Exp Lanes Forester Creek	-	226	(226)	-	-	
CAL26	1205203	State Route 52 Freeway (E&F)	-	1,373	(1,373)	-	-	
CAL29B	1207606	SR 76 East	(444,870)	4,332,338	(3,887,468)	-	-	(e)
CAL67	1280518	SR94 TP Lanes I-805 to I-5	-	585,975	(585,975)	-	-	
CAL68	1212501	SR94/SR125 S to E Connector	-	84,331	(84,331)	-	-	
CAL75	1200506	I-5 Genesee Interchange and Widening	-	30,266	(30,266)	-	-	
		Subtotal Major Corridor	(444,870)	6,837,561	(6,392,691)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Major Corridor balance carried forward	$ (444,870)	$ 6,837,561	$ (6,392,691)	$ -	$ -	
CAL78B	1280511	I-805 HOV/Managed Lanes - North	-	2,654	(2,654)	-	-	
CAL78C	1280510	I-805 South: 2 HOV & DAR	-	3,198	(3,198)	-	-	
CAL78D	1280515	I-805 S Soundwalls	-	21,441	(21,441)	-	-	
CAL114	1200513	SR56 Auxiliary Lane	-	2,476	(2,476)	-	-	
CAL277	1207802	I-15/SR78 HOV Connectors	-	66,456	(66,456)	-	-	
CAL277A	1207803	SR78/I-5 HOV Connector	-	20,372	(20,372)	-	-	
CA278	1207804	SR78 HOV Lanes: I-5 to I-15	-	6,382	(6,382)	-	-	
CAL536	1205204	SR-52 Operational Improvements	-	74,211	(74,211)	-	-	
CAL538	1206701	SR67 Improvements	-	94,980	(94,980)	-	-	
CAL550	1605201	CMCP-Coast Canyon Trails SR52	-	5,332	(5,332)	-	-	
CAL551	1609401	CMCP-High Speed Transit/SR-94	-	2,639	(2,639)	-	-	
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	-	216	(216)	-	-	
CAL571	1280519	I-805 Transit Priority Lanes (SR94-SR52)	-	23,144	(23,144)	-	-	
CAL614	1280516	I-805 North Construct Operational Improvements	-	82,412	(82,412)	-	-	
SAN23	1257001	Mid-Coast LRT Corridor Project	-	9,814,350	(9,814,350)	-	-	
SAN26B	1201509	Downtown BRT Stations	-	13,185	(13,185)	-	-	
SAN29	1239812	Sorrento to Miramar Phase 2	-	473,511	(473,511)	-	-	
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	-	617,149	(617,149)	-	-	
SAN36	1129200	OCS Insulator/Catch Cable Replacement	-	34,061	(34,061)	-	-	
SAN46	1041502	Super Loop	-	2,751	(2,751)	-	-	
SAN47	1280504	South Bay BRT	-	860,668	(860,668)	-	-	
SAN54	1147700	Next Operating System (Next OS)	-	59,995	(59,995)	-	-	
SAN54	3310500	511 ATIS	-	109,343	(109,343)	-	-	
SAN54	3311000	ITS Operations	-	1,190,149	(1,190,149)	-	-	
SAN54	3330700	TSM-Integrated Corridor Management Program	-	597,833	(597,833)	-	-	
		Total SAN54	-	1,957,320	(1,957,320)	-	-	
		Subtotal Major Corridor	(444,870)	21,016,469	(20,571,599)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Major Corridor balance carried forward	$ (444,870)	$ 21,016,469	$ (20,571,599)	$ -	$ -	
SAN64	1239809	Eastbrook to Shell Double Track	-	119,808	(119,808)	-	-	
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	-	162,000	(162,000)	-	-	
SAN78	1240001	Mid-City Rapid Bus	-	26,618	(26,618)	-	-	
SAN117	1239805	Poinsettia Station Improvements	-	200,980	(200,980)	-	-	
SAN119	1239807	Sorrento Valley Double Track	-	10,089	(10,089)	-	-	
SAN129	1201514	Downtown Multiuse and Bus Stopover Facility	-	188,356	(188,356)	-	-	
SAN130	1239810	Carlsbad Village Double Track	-	126	(126)	-	-	
SAN132	1239811	Elvira to Morena Double Track	-	217,158	(217,158)	-	-	
SAN149	1239814	Coaster PE	-	97,287	(97,287)	-	-	
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	-	(611,571)	611,571	-	-	(a)
SAN182	1239815	San Diego River Bridge	-	114,497	(114,497)	-	-	
SAN183	1239816	Batiquitos Lagoon Double Track	-	866,459	(866,459)	-	-	
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	-	944,764	(944,764)	-	-	
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	-	784,184	(784,184)	-	-	
SAN253	1600501	CMCP - Central Mobility Hub	-	180	(180)	-	-	
SAN253	1600504	CMCP-CMH & Connections	-	177,594	(177,594)	-	-	
		Total SAN253	-	177,774	(177,774)	-	-	
SAN254	1600801	CMCP-High Speed Transit/I-8	-	42,089	(42,089)	-	-	
SAN256	1612501	CMCP-High Speed Transit/SR125	-	30,334	(30,334)	-	-	
SAN259	1239821	LOSSAN Corridor Improvements	-	519,531	(519,531)	-	-	
SAN260	1239820	COASTER Train Sets	-	745,681	(745,681)	-	-	
SAN261	1210091	Palomar Street Rail Grade Separation	-	1,661	(1,661)	-	-	
SAN262	1210090	Low-Floor Light Rail Transit Vehicles	-	935	(935)	-	-	
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	-	165,464	(165,464)	-	-	
SAN269	1600101	CMCP - Region Wide Plan	-	41,452	(41,452)	-	-	
SAN281	1210021	Blue Line Railway Signal Improvements	-	115,248	(115,248)	-	-	
		Subtotal Major Corridor	(444,870)	25,977,393	(25,532,523)	-	-	

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Project Status July 1, 2023	Funds Received	Project Expenditures	Agency Adjustments	Project Status June 30, 2024	Notes
		Major Corridor balance carried forward	$ (444,870)	$ 25,977,393	$ (25,532,523)	$ -	$ -	
SAN289	1239823	San Dieguito to Sorrento Valley Double-Track	-	330,319	(330,319)	-	-	
V11	1201101	State Route 11	-	907,245	(907,245)	-	-	
V11	1201105	SR11/OME POE Traffic Rev Study	-	30,250	(30,250)	-	-	
V15	1200508	I-5/Gilman Drive Bridge.	-	8,156	(8,156)	-	-	
V18	1200507	I-5/Voigt Drive Improvements	-	629,187	(629,187)	-	-	
		Total Major Corridor	(444,870)	27,882,550	(27,437,680)	-	-	
		Total *TransNet* Extension	$ (269,438)	$ 85,710,568	$ (85,351,130)	$ -	$ 90,000	

Notes:

(a) *TransNet* funds were returned in FY24 due to other funding received for prior year expenditures.
(b) *TransNet* BPNS funds were swapped with TransNet MC funds
(c) *TransNet* funds were returned in FY24 due to Caltrans EMP swap for CMAQ. See Caltrans audit for more detail.
(d) Negative expenditures in FY24 due to prior year corrections.
(e) Caltrans PIO processed to swap *TransNet* funds with other project funding. SANDAG received more *TransNet* funds than the expenditures due to the swap of current *TransNet* for PY expenditures funded with Private Developer funds.
(f) *TransNet* funds were returned in FY24 due to Caltrans EAP refund of excess deposit on hand. See Caltrans audit for more detail.

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		***TransNet* Extension:**			
		Administration:			
		SANDAG 2% Administration	$ 59,713,001	$ (59,623,001)	$ 90,000
		Total Administration	59,713,001	(59,623,001)	90,000
		Bike, Pedestrian & Neighborhood Safety (BPNS) - Pass-Through:			
CB45	1223071	Carlsbad Blvd & Tamarack Ave Ped Improvement Project	589,359	(589,359)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	4,786,000	(4,786,000)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	28,937	(28,937)	-
		Total BPNS - Pass Through	5,404,296	(5,404,296)	-
		BPNS:			
SAN40	3300100/ 3300200/ 3300300	Metropolitan Planning	971,836	(971,836)	-
SAN153	1223023	The Inland Rail Trail	20,802,443	(20,802,443)	-
SAN153	1223094	Inland Rail Trail Ph 3	1,807,715	(1,807,715)	-
SAN153	1223095	Inland Rail Trail Ph 4	42,731	(42,731)	-
		Total SAN153	22,652,889	(22,652,889)	-
SAN154	1129900	Bayshore Bikeway Segment 8B	779,915	(779,915)	-
SAN155	1223016	Coastal Rail Trail - Rose Creek	23,020,501	(23,020,501)	-
SAN156	1223017	Coastal Rail Trail Encinitas: E St to Chesterfield Dr	3,205,448	(3,205,448)	-
SAN158	1223020	Bicycle Facilities - La Mesa to North Park	1,152,981	(1,152,981)	-
SAN160	1223022	Bicycle Facilities - Old Town to San Diego	21,453,704	(21,453,704)	-
SAN195	1223055	Bayshore Bikeway - Barrio Logan	10,554,314	(10,554,314)	-
SAN195	1223096	Bayshore Bikeway: Barrio Logan Phase 2	292,736	(292,736)	-
		Total SAN195	10,847,050	(10,847,050)	-
SAN198	1223053	San Diego River Trail - Carlton Oaks Segment	920,311	(920,311)	-
		Subtotal BPNS	85,004,635	(85,004,635)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - BPNS	$ 85,004,635	$ (85,004,635)	$ -
SAN203	1223056	San Ysidro to IB Parkway	3,690,228	(3,690,228)	-
SAN204	1223054	I-15 Bike Path: Adams Ave to Landis St	1,617,094	(1,617,094)	-
SAN205	1223057	NP to Downtown/Balboa Bikeway	18,130,968	(18,130,968)	-
SAN206	1223058	Southeast to Downtown Bikeway	3,979,518	(3,979,518)	-
SAN230	1223079	North Park/Mid-City Bikeways: Howard Bikeway	1,474,493	(1,474,493)	-
SAN232	1223081	North Park/Mid City Bikeways: University Bikeway	3,815,047	(3,815,047)	-
SAN233	1223082	North Park/Mid-City Bikeways: Georgia Meade Bikeway	26,321,094	(26,321,094)	-
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	3,149,010	(3,149,010)	-
SAN235	1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	3,849,055	(3,849,055)	-
SAN236	1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	210,894	(210,894)	-
SAN272	1223093	GObyBIKE San Diego: Construction Outreach Program	574,407	(574,407)	-
SAN284	1223087	North Park/Mid-City Orange Bikeway	1,336,170	(1,336,170)	-
SAN310	1223097	Bayshore to Imperial Bikeway	9,700	(9,700)	-
		Total BPNS	153,162,313	(153,162,313)	-
		Senior Services - Pass-Through:			
SAN70	1271000	Jewish Family Services - Rides and Smiles	1,384,780	(1,384,780)	-
SAN70	1271800	On the Go (Eastern San Diego)	1,314,010	(1,314,010)	-
SAN70	1272000	Jewish Family Services - Volunteer Driver Transportation/Rides and Smiles	1,639,789	(1,639,789)	-
SAN70	1272800	On the Go (SMG)	347,306	(347,306)	-
		Total SAN70	4,685,885	(4,685,885)	-
SAN87	1272700	Elderhelp - Volunteer Driver Program	387,315	(387,315)	-
SAN90	1271100	Peninsula Shepherd Senior Center - Volunteer Driver	639,532	(639,532)	-
		Subtotal Senior Services - Pass-Through	5,712,732	(5,712,732)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - Senior Services - Pass-Through	$ 5,712,732	$ (5,712,732)	$ -
SAN92	1271300	Travelers Aid Society - SeniorRide	2,417,874	(2,417,874)	-
SAN141	1271000	Jewish Family Services	928,710	(928,710)	-
SAN168	1271900	FACT Mobility Management	2,412,680	(2,412,680)	-
SAN243	1272600	FACT - RIDEFinder	98,701	(98,701)	-
SAN279	1272600	FACT - RIDEFinder	86,775	(86,775)	-
		Total Senior Services - Pass-Through	11,657,472	(11,657,472)	-
		Senior Services:			
SAN40	3320100/3320201	Short Range Transit Svc Activities/Specialized Transportation	1,031,408	(1,031,408)	-
		Total Senior Services	1,031,408	(1,031,408)	-
		Smart Growth - Pass-Through:			
CNTY101	1224074	Community Based Transportation Program	101,426	(101,426)	-
EL40	1224067	El Cajon Transit Center Community Connection Improvements	2,499,681	(2,499,681)	-
EL41	1224068	Main Street - Green Street Gateway	1,922,350	(1,922,350)	-
ESC48	1224060	Grand Avenue Complete Streets Improvement Project, Phase 1 - (Congestion Relief)	1,287,222	(1,287,222)	-
LG26	1224069	Connect Main Street, Ph 1&2	1,128,742	(1,128,742)	-
NC37	1224062	Sweetwater Road Protected Bikeway	2,499,998	(2,499,998)	-
NC43	1224071	Together We Plan National City	294,476	(294,476)	-
SAN306	1224072	Mid-City Comm SG Study Areas	248,033	(248,033)	-
SAN307	1224073	Santee Specific Plan	269,425	(269,425)	-
SD261	1224064	Downtown San Diego Wayfinding Signage - Cycle Network	219,997	(219,997)	-
SD262	1224065	East Village Green Park Phase I	264,975	(264,975)	-
		Total Smart Growth - Pass-Through	10,736,325	(10,736,325)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Smart Growth:			
SAN40	3300100	TransNet Smart Growth Incentive Program	$ 1,004,835	$ (1,004,835)	$ -
SAN160	1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	648,000	(648,000)	-
		Total Smart Growth	1,652,835	(1,652,835)	-
		Local Street Improvements:			
CB44	3311002	Traffic Signal - RAMS - (Congestion Relief)	128,700	(128,700)	-
CHV39	3311002	Traffic Signal System Optimization	186,000	(186,000)	-
CNTY81	3311002	Regional Traffic Signal Management - (Congestion Relief)	137,500	(137,500)	-
EL06	3311002	Traffic Signals Project	116,400	(116,400)	-
ENC28	3311002	Traffic Signal Modifications	88,800	(88,800)	-
LAM46	3311002	Regional Arterial Management System (RAMS) - (CR)	74,000	(74,000)	-
NC04	3311002	Traffic Signal Install/Upgrade	96,000	(96,000)	-
O35	3311002	Regional Arterial Management System (RAMS) - (Congestion Relief)	123,200	(123,200)	-
POW29	3311002	Citywide Traffic Signal Improvements - (Congestion Relief)	80,300	(80,300)	-
SD16A	3311002	Traffic Signals Citywide - (Congestion Relief)	743,600	(743,600)	-
SM54	3311002	Citywide Traffic Signals - (Congestion Relief)	118,800	(118,800)	-
SNT20	3311002	Traffic Signals Citywide - (Congestion Relief)	81,400	(81,400)	-
VISTA56	3311002	Traffic Congestion Management Program - CIP 8294	61,600	(61,600)	-
		Total Local Street Improvements	2,036,300	(2,036,300)	-
		Regional Environmental Mitigation Program (EMP) - Pass-Through:			
CAL29	1207602	Caltrans SR 76 Middle EMP	6,146,000	(6,146,000)	-
CAL29B	1207606	Caltrans SR 76 East EMP	8,133,000	(8,133,000)	-
V07	12002xx	Caltrans EMP	189,897,406	(189,897,406)	-
		Subtotal Regional EMP - Pass-Through	204,176,406	(204,176,406)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2023

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - Subtotal Regional EMP - Pass-Through	$ 204,176,406	$ (204,176,406)	$ -
V08	1200300	Regional Habitat Conservation Fund	49,142	(49,142)	-
V08	1200312	Program Developer/Administrator	154,088	(154,088)	-
V08	1200313	Invasive Plant Species Management	189,093	(189,093)	-
V08	1200316	Management Coordinator	77,993	(77,993)	-
V08	1200329	GIS Support	131,322	(131,322)	-
V08	1200331	Wildlife Corridor and Linkages Monitoring	522,097	(522,097)	-
V08	1200332	Rare and Endemic Plant Monitoring and Recovery	231,524	(231,524)	-
V08	1200350	Administrative and Science Support	200,275	(200,275)	-
V08	1200355	Invasive Animal Species Management	571,024	(571,024)	-
V08	1200357	Database Support	105,771	(105,771)	-
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	1201334	Silverwood-Anstine	34,292	(34,292)	-
V08	1201337	San Pasqual Cactus Wren	181,114	(181,114)	-
V08	1201338	Lower Otay Reservoir	117,093	(117,093)	-
V08	1201341	Stinknet Removal	132,024	(132,024)	-
V08	1201342	West Otay Mesa Stinknet Removal	62,883	(62,883)	-
V08	1201343	Otay Mesa Vernal Pool Restoration	64,884	(64,884)	-
V08	1201344	Otay Ranch Preserve Enhancement	71,514	(71,514)	-
V08	1201345	El Monte Preserve Bat Hotel	77,839	(77,839)	-
V08	1201346	Famosa Slough Stormwater Treatment	12,619	(12,619)	-
V08	1201347	Annie's Canyon Trail (ACT)	80,000	(80,000)	-
V08	1201348	San Miguel HMA Perimeter	48,837	(48,837)	-
V08	1201349	Anstine-Audubon Nature Preserve	48,277	(48,277)	-
V08	1201350	Quarry Creek Preserve Fencing	77,923	(77,923)	-
V08	1201351	San Diego Thornmint Enhancement	54,698	(54,698)	-
V08	1201352	Endangered Avian Nesting Site	80,000	(80,000)	-
V08	1201353	Dennery Canyon Restoration	56,623	(56,623)	-
V08	1201356	Mission Trails Thornmint Restoration	36,332	(36,332)	-
V08	1201357	Rare Dune Plant Restoration	54,613	(54,613)	-
V08	1201358	SPBDR Stinknet Removal II	59,167	(59,167)	-
V08	1201359	West Bernardo Mountain HMA	12,989	(12,989)	-
V08	1201360	Ocean Beach Estuary Enhancement	63,388	(63,388)	-
		Total V08	4,987,241	(4,987,241)	-
		Total Regional EMP - Pass-Through	209,163,648	(209,163,648)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Environmental Mitigation Program (EMP):			
V07	12002xx	Biological Mitigation	$ 187,700,297	$ (187,700,297)	$ -
V08	12003xx/12001xx	Regional Habitat Conservation Fund	44,105,747	(44,105,747)	-
		Total EMP	231,806,044	(231,806,044)	-
		BRT/Rail Operations			
SAN80	1130100	Financial ERP System	5,802,871	(5,802,871)	-
SAN80	2300000	Transportation Analysis Model	4,923,204	(4,923,204)	-
SAN80	3100400	Regional Plan Implementation	465,138	(465,138)	-
SAN80	3103000	Regional Plan Dev (2025)	1,515,425	(1,515,425)	-
SAN80	3310703	TDM - Program & Svs Delivery	63,954	(63,954)	-
SAN80	3310714	Mobility & Innovations Program	2,041,652	(2,041,652)	-
SAN80	3322600	Digital Equity Action Plan Implementation	323,305	(323,305)	-
SAN80	3322901	Central Mobility H&C	11,344	(11,344)	-
SAN80	8000103	Office of the Independent Performance Auditor	807,101	(807,101)	-
SAN80	8000180	Information Services	715,841	(715,841)	-
		Total BRT/Rail Operations	16,669,835	(16,669,835)	-
		Major Corridor - Pass-Through:			
CAL09	1200501	I-5 North Coast	14,807,503	(14,807,503)	-
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	46,819,408	(46,819,408)	-
CAL09	1200509	I-5 San Elijo Bridge Replace	42,336,722	(42,336,722)	-
CAL09	1200510	I-5 HOV Carlsbad	2,742,000	(2,742,000)	-
		Total CAL09	106,705,633	(106,705,633)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	27,347,389	(27,347,389)	-
CAL09D	1200515	I-5/I-805 HOV Conv. To Express	278,508	(278,508)	-
CAL26	1205203	State Route 52 Freeway (E&F)	58,950,735	(58,950,735)	-
CAL29	1207602	SR 76 Middle	39,939,976	(39,939,976)	-
		Subtotal Major Corridor - Pass-Through	233,222,241	(233,222,241)	-

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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - Major Corridor - Pass-Through	$ 233,222,241	$ (233,222,241)	$ -
CAL29B	1207606	SR 76 East	47,866,619	(47,866,619)	-
CAL38	1390501	SR-905 New Freeway	612,440	(612,440)	-
CAL67	1280518	SR94 TP Lanes I-805 to I-5	62,257	(62,257)	-
CAL68	1212501	SR 94/125 Southbound to Eastbound Connector	425,078	(425,078)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	14,433,557	(14,433,557)	-
CAL78B	1280511	I-805 North: 2HOV	4,432,913	(4,432,913)	-
CAL78C	1280510	I-805 South: 2 HOV and DAR	104,000,065	(104,000,065)	-
CAL78D	1280515	I-805 South Soundwalls - Unit 1	7,979,999	(7,979,999)	-
CAL114	1200513	SR56 Auxiliary Lane	1,316,999	(1,316,999)	-
CAL277A	1207803	SR78/I-5 HOV Connector	3,875,524	(3,875,524)	-
CAL538	1206701	SR67 Improvements	12,000	(12,000)	-
CAL550	1605201	CMCP-Coast Canyon Trails SR52	231,374	(231,374)	-
CAL553	1607801	CMCP-SPRINTER/Palomar Airport Rd/S	301,846	(301,846)	-
CAL571	1280519	I-805 Transit Priority Lanes (SR94 to SR52)	500,000	(500,000)	-
SAN23	1257001	Mid-Coast LRT Corridor Project	469,000	(469,000)	-
SAN26C	1201507	I-15 BRT Mid-City In-Line Bus Rapid Transit Stations	11,674,073	(11,674,073)	-
SAN47	1280504	South Bay BRT	2,929,727	(2,929,727)	-
SAN73	1239806	San Elijo Lagoon Double Track	7,786,582	(7,786,582)	-
SAN183	1239816	Batiquitos Lagoon Double Track	705,000	(705,000)	-
SAN224	1280513	I-805/SR-94 Bus on Shoulder Demonstration Project	128,058	(128,058)	-
SAN253	1600504	CMH Military Inst. Resilience	38,099	(38,099)	-
SAN260	1239820	COASTER Train Sets	23,711,390	(23,711,390)	-
V11	1201101	State Route 11	1,931,235	(1,931,235)	-
V15	1200508	I-5 Gilman Drive Bridge	130,921	(130,921)	-
V18/CAL369	1200507	I-5/Voigt Drive Direct Access Ramp	686,952	(686,952)	-
	1200100	TransNet Project Office	364,156	(364,156)	-
		Total Major Corridor - Pass-Through	469,828,105	(469,828,105)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Major Corridor:			
CAL09	1200501	I-5 North Coast	$ 15,069,887	$ (15,069,887)	$ -
CAL09	1200504	I-5 North Coast: 2 HOV Lanes	19,843,745	(19,843,745)	-
CAL09	1200509	I-5 San Elijo Bridge Replace	14,124,556	(14,124,556)	-
CAL09	1200510	I-5 HOV Carlsbad	1,975,229	(1,975,229)	-
		I-5 Genesee Interchange and Widening	51,013,417	(51,013,417)	-
CAL09C	1280505	I-805 Direct Access Ramp and HOV at Carroll Canyon	4,915,666	(4,915,666)	-
CAL09D	1200515	I-5/I-805 HOV Conv. To Express	616,308	(616,308)	-
CAL18B	1201520	I-15 Exp Lanes Forester Creek	401	(401)	-
CAL26	1205203	State Route 52 Freeway (E&F)	16,929,898	(16,929,898)	-
CAL29	1207602	SR 76 Middle	7,000,739	(7,000,739)	-
CAL29B	1207606	SR 76 East	3,697,288	(3,697,288)	-
CAL38	1390501	SR-905 New Freeway	725,883	(725,883)	-
CAL67	1280518	SR94 TP Lanes I-805 to I-5	585,993	(585,993)	-
CAL68	1212501	SR-94-125 Widening	1,726,401	(1,726,401)	-
CAL75	1200506	I-5 Genessee Interchange and Widening	5,569,729	(5,569,729)	-
CAL78B	1280511	I-805 North: 2 HOV	2,608,774	(2,608,774)	-
CAL78C	1280510	I-805 South: 2 HOV & DAR	9,150,407	(9,150,407)	-
CAL78D	1280515	I-805 S Soundwalls	903,888	(903,888)	-
CAL114	1200513	SR56 Auxiliary Lane	48,852	(48,852)	-
CAL277	1207802	I-15/SR78 HOV Connectors	311,670	(311,670)	-
CAL277A	1207803	SR78/I-5 HOV Connector	20,797	(20,797)	-
CAL278	1207804	SR78 HOV Lanes: I-5 to I-15	12,773	(12,773)	-
CAL398A	1200512	I-5/Genesee Auxiliary Lane	103,000	(103,000)	-
CAL369/V18	1200507	I-5/Voigt Drive Direct Access Ramp	4,531,346	(4,531,346)	-
CAL399	1200508	I-5/Gilman Drive Bridge	155,804	(155,804)	-
CAL536	1205204	SR-52 Operational Improvements	74,211	(74,211)	-
CAL538	1206701	SR67 Improvements	150,833	(150,833)	-
		Subtotal Major Corridor	110,854,078	(110,854,078)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS

TransNet Extension Activities

Cumulative Schedule of Status of Funds by Project (Continued)

Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - Major Corridor	$ 110,854,078	$ (110,854,078)	$ -
CAL550	1605201	CMCP - Sea to Santee (SR52)	101,822	(101,822)	-
CAL551	1609401	CMCP-High Speed Transit/SR-94	2,639	(2,639)	-
CAL553	1607801	CMCP - SPRINTER/Palomar Airport Rd/SR78/SR76	88,828	(88,828)	-
CAL571	1280519	I-805 Transit Priority Lanes (SR94-SR52)	23,144	(23,144)	-
CAL614	1280516	I-805 North Construct Operational Improvement	115,164	(115,164)	-
SAN23	1257001	Mid-Coast Corridor Transit Project	914,123,898	(914,123,898)	-
SAN26B	1201509	Downtown BRT Stations	20,751,602	(20,751,602)	-
SAN26C	1201507	I-15 BRT Transit Stations - South	26,466,130	(26,466,130)	-
SAN29	1239812	Sorrento to Miramar Phase 2	8,116,751	(8,116,751)	-
SAN30	1239813	San Dieguito Lagoon Double Track and Platform	8,127,485	(8,127,485)	-
SAN36	1129200	*OCS Insulator/Catch Cable Replacement*	584,094	(584,094)	-
SAN46	1041502	*SuperLoop*	33,108,903	(33,108,903)	-
SAN47	1280504	Otay BRT	101,690,096	(101,690,096)	-
SAN54	1144800	Regional Arterial Detection P1	198,096	(198,096)	-
SAN54	1147700	Next Operating System (Next OS)	167,907	(167,907)	-
SAN54	3310500	511 Advanced Traveler Information System (511 ATIS)	1,516,495	(1,516,495)	-
SAN54	3311000	ITS Operations	15,171,193	(15,171,193)	-
SAN54	3330700	TSM-Integrated Corridor Management Program	2,194,401	(2,194,401)	-
		Total SAN54	19,248,092	(19,248,092)	-
SAN64	1239809	Eastbrook to Shell Double Track	4,479,990	(4,479,990)	-
SAN73	1239806	San Elijo Lagoon (Cardiff to Craven) Double Track	15,565,257	(15,565,257)	-
SAN78	1240001	Mid-City Rapid Bus	21,328,660	(21,328,660)	-
SAN117	1239805	Poinsettia Run Through Track	17,125,353	(17,125,353)	-
SAN119	1239807	Sorrento Valley Double Track	3,664,559	(3,664,559)	-
SAN129	1201514	Downtown Layover Facility	21,680,156	(21,680,156)	-
		Subtotal Major Corridor	1,327,246,701	(1,327,246,701)	-

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(Continued)

SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance carried forward - Major Corridor	$ 1,327,246,701	$ (1,327,246,701)	$ -
SAN130	1239810	Carlsbad Village Double Track	126	(126)	-
SAN132	1239811	Elvira to Morena Double Track	37,825,521	(37,825,521)	-
SAN149	1239814	Coaster PE	1,691,422	(1,691,422)	-
SAN163	1145000	Los Penasquitos Lagoon Bridge Replacement	4,754,779	(4,754,779)	-
SAN182	1239815	San Diego River Bridge	12,643,003	(12,643,003)	-
SAN183	1239816	Batiquitos Lagoon Double Track	6,322,703	(6,322,703)	-
SAN208	1201515	Clairemont Mesa Blvd BRT Stations	1,655,107	(1,655,107)	-
SAN224	1280513	I-805/SR 94 Bus on Shoulder Demonstration Project	14,651,886	(14,651,886)	-
SAN234	1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	784,184	(784,184)	-
SAN253	1600501	CMCP - Central Mobility Hub	492,228	(492,228)	-
SAN253	1600504	CMCP - CMH & Connections	668,048	(668,048)	-
		Total SAN253	1,160,276	(1,160,276)	-
SAN254	1600801	CMCP-High Speed Transit/I-8	186,429	(186,429)	-
SAN256	1612501	CMCP-High Speed Transit/SR125	32,514	(32,514)	-
SAN258	1149000	Central Mobility Station	10,034,845	(10,034,845)	-
SAN259	1239821	LOSSAN Corridor Improvements	955,348	(955,348)	-
SAN260	1239820	COASTER Train Sets	767,363	(767,363)	-
SAN261	1210091	Palomar Street Rail Grade Separation	70,000	(70,000)	-
SAN262	1210090	Low-Floor Light Rail Transit Vehicles	2,592	(2,592)	-
SAN264	3502000	Regional Electric Vehicle Charging Incentive Program	4,641,237	(4,641,237)	-
SAN269	1600101	CMCP - Region Wide Plan	811,411	(811,411)	-
SAN281	1210021	Blue Line Railway Signal Improvements	282,091	(282,091)	-
SAN289	1239823	San Dieguito to Sorrento Valley Double-Track	330,319	(330,319)	-
V11	1201101	State Route 11	9,684,073	(9,684,073)	-
V11	1201105	SR11/OME POE Traffic Rev Study	105,759	(105,759)	-
V15	1200508	I-5/Gilman Drive Bridge	14,623,273	(14,623,273)	-
V18	1200507	I-5/Voigt Drive Improvements	17,586,966	(17,586,966)	-
		Total Major Corridor	1,468,849,928	(1,468,849,928)	-
		Subtotal Cumulative *TransNet* Extension	2,641,711,509	(2,641,621,509)	90,000

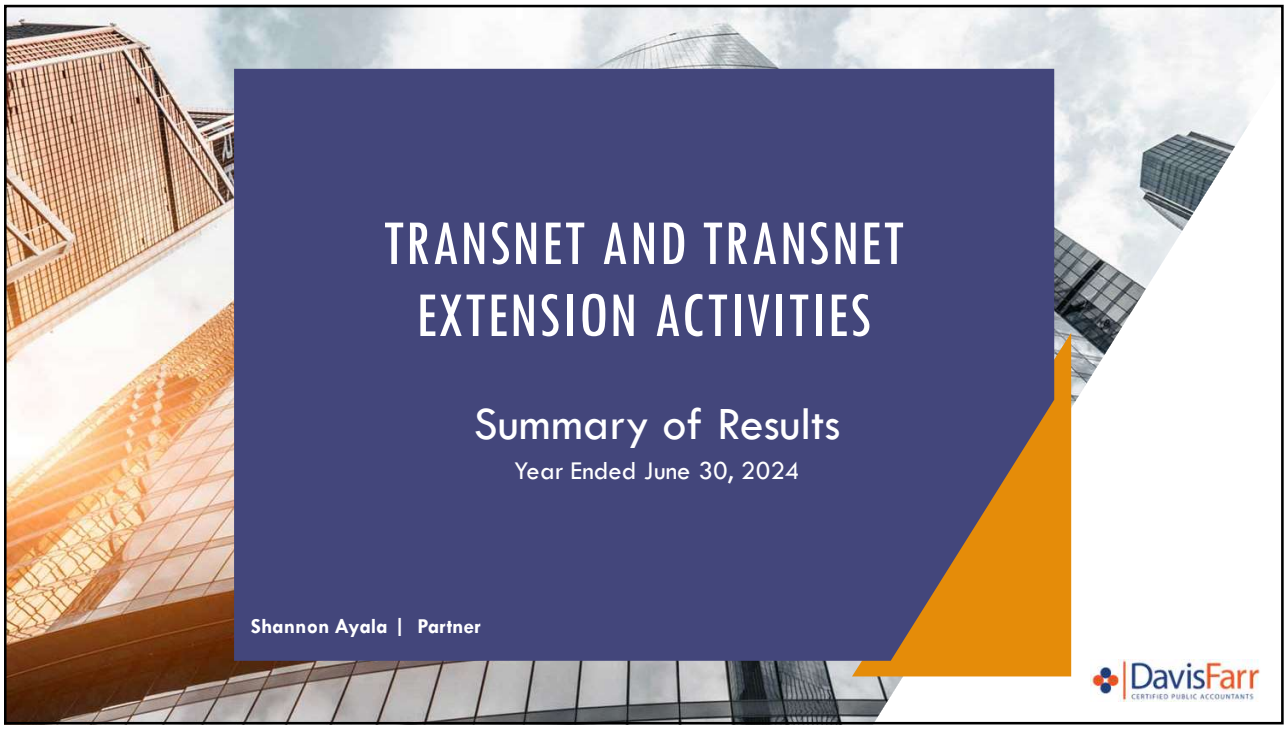
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SAN DIEGO ASSOCIATION OF GOVERNMENTS
TransNet Extension Activities
Cumulative Schedule of Status of Funds by Project (Continued)
Year Ended June 30, 2024

MPO ID	Project Number	Project Name	Funds Received	Project Expenditures	Project Status June 30, 2024
		Balance Carried Forward - Subtotal *TransNet* Extension	$ 2,641,711,509	$ (2,641,621,509)	$ 90,000
		Completed Projects			
		Bike, Pedestrians & Neighborhood Safety (BPNS):	30,143,292	(30,143,292)	-
		Senior Services	10,161,375	(10,161,375)	-
		Smart Growth	42,772,102	(42,772,102)	-
		Transit Systems Improvement	11,000,000	(11,000,000)	-
		Local Street Improvements	3,271,619	(3,271,619)	-
		Regional Environmental Mitigation Program	15,256,335	(15,256,335)	-
		BRT/Rail Operations	14,044,651	(14,044,651)	-
		Major Corridor	722,413,890	(722,413,890)	-
		Total Completed Projects	849,063,264	(849,063,264)	-
		Total Cumulative *TransNet* Extension	$ 3,490,774,773	$ (3,490,684,773)	$ 90,000

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TRANSNET AND TRANSNET EXTENSION ACTIVITIES

Summary of Results

Year Ended June 30, 2024

Shannon Ayala | Partner

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

SCOPE OF ENGAGEMENT

- Agreed-Upon Procedures
  - *Determine if recipients of TransNet funds were in compliance with the Ordinance for the year ended June 30, 2024*
  - *Procedures approved by ITOC in July 2024*
- Reviewed 24 recipient agencies
- Procedures performed September 2024 – January 2025
- Eight major compliance components

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#1 – TRANSNET EXPENDITURES

Selected at least 25% of total expenditures incurred

Tested payroll charges if they exceed 20% of total TransNet expenditures

All recipients were in compliance with the revenue and expenditure requirements

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#2 – MAINTENANCE OF EFFORT (MOE)

All recipients are in compliance with the MOE requirements except for:

City of Poway

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#2 – MAINTENANCE OF EFFORT (MOE) REINDEXING

Reindex the MOE by calculating the growth rate in the Construction Price Index and each Cities general fund revenues from 2021 to 2024.

Applied the lowest growth rate to the previously calculated MOE base year for the new base rate to be used for Fiscal Years 2027-2029

The procedure has not been completed for the Cities of Del Mar, La Mesa, Lemon Grove, National City and Santee

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#3 – LOCAL AGENCY BALANCE LIMITATION (30% RULE)

All recipients are in compliance with the 30% rule

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#4 & #5 – LOCAL STREET IMPROVEMENTS – CONGESTION RELIEF VS. MAINTENANCE

All recipients are in compliance with the requirements that at least 70% of the revenues were used for congestion relief

All recipient agencies are in compliance with the requirement to not spend more than 30% of the funds for maintenance.

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#6 – INDIRECT COSTS

Recipient Agency	2024 Total *TransNet* Expenditures	2024 Indirect Costs Charged to *TransNet*	2024 Indirect Costs as a % of Total *TransNet* Expenditures	Last Allocation Plan Approval	2023 Indirect Costs as a % of Total *TransNet* Expenditures
Carlsbad	$3,722,418	$93,791	2.52%	2021[1,3]	14.21%
Chula Vista	3,410,530	246,133	7.22%	2021[3]	8.49%
Coronado	210,047	0	0.00%	n/a	0.00%
Del Mar	228,757	0	0.00%	n/a	0.00%
El Cajon	6,942,547	15,379	0.22%	2021[3]	0.87%
Encinitas	2,066,580	0	0.00%	n/a	0.00%
Escondido	6,852,355	298,257	4.35%	2022[1,3]	19.12%
Imperial Beach	1,244,696	0	0.00%	n/a	0.00%
La Mesa	1,092,376	0	0.00%	n/a	0.00%
Lemon Grove	1,066,817	102,039	9.56%	2019[1]	14.41%
National City	1,896,283	0	0.00%	n/a	0.00%

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#6 – INDIRECT COSTS

Recipient Agency	2024 Total *TransNet* Expenditures	2024 Indirect Costs Charged to *TransNet*	2024 Indirect Costs as a % of Total *TransNet* Expenditures	Last Allocation Plan Approval	2023 Indirect Costs as a % of Total *TransNet* Expenditures
Oceanside	4,987,002	146,249	2.93%	2010[3]	5.45%
Poway	359,069	0	0.00%	n/a	0.00%
San Diego, City	51,367,341	5,628,384	10.96%	2023[3]	13.59%
San Marcos	3,892,482[4]	0	0.00%	2023[2]	0.00%
Santee	2,310,678[4]	17,924	0.78%	2023[3]	1.48%
Solana Beach	474,398	0	0.00%	n/a	0.00%
Vista	3,714,889	0	0.00%	n/a	0.00%
Caltrans	17,665,961	994,037	5.63%	2024[2]	8.02%
San Diego, County	9,371,607	1,622,290	17.31%	2023[3]	9.44%
SANDAG	85,351,130	7,357,632	8.62%	2023[2]	5.38%
MTS	81,989,000	164,302	0.20%	2024[2]	0.17%
NCTD	33,792,772	0	0.00%	n/a	0.00%

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#7 – REGIONAL TRANSPORTATION CONGESTION IMPROVEMENT PROGRAM (RTCIP)

All agencies in compliance with the exaction fees collected except:

- City of Coronado
- County of San Diego

All agencies expended or committed funds within seven years except:

- City of Coronado.

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

#8 TRANSIT OPERATOR ELIGIBILITY

Increase in operating costs per revenue vehicle hour for bus services cannot exceed increase in CPI

- MTS did meet this requirement
- NCTD did meet this requirement

Increase in operating costs per revenue vehicle hour for rail services cannot exceed increase in CPI

- MTS did not meet this requirement
- NCTD did not meet this requirement

DavisFarr CERTIFIED PUBLIC ACCOUNTANTS

QUESTIONS?

March 12, 2025

TransNet Funding Eligibility Requests

Overview

The TransNet Extension Ordinance (Ordinance) includes annual eligibility requirements for the transit operators and local jurisdictions to continue receiving their annually apportioned TransNet revenues. If a requirement is not met, the Ordinance provides guidance on additional steps.

For FY 2024, the cities of Coronado and Poway, Metropolitan Transit System (MTS) and North County Transit District (NCTD) had requirements that were not met and are requesting to cure the eligibility requirements.

Action: **Recommend**
The TransNet Independent Taxpayer Oversight Committee is asked to:

1. Consider the TransNet funding eligibility requests of the City of Poway, City of Coronado, along with the North County Transit District and San Diego Metropolitan Transit System; and
2. Recommend the Board of Directors, acting as the San Diego County Regional Transportation Commission, approve the requests.

Fiscal Impact:
Approval of the requests will allow the requesting agencies to receive their full FY 2025 TransNet revenue apportionments.

Schedule/Scope Impact:
Upon approval of the requests by the Board of Directors, the findings will be removed from the FY 2024 TransNet fiscal and compliance audits for final adoption by the ITOC as its July 9, 2025, meeting.

Key Considerations

Responsibility for making the final decision on these eligibility requests rests with the Board of Directors.

- Approval of these requests enables compliance and requesting agencies would be eligible to receive all apportioned FY 2025 TransNet revenues consistent with TransNet Ordinance provisions.
- Without Board Approval of the city of Coronado's request, the city would remain noncompliant with the Ordinance and would have to transfer those uncommitted or unexpended portions of the RTCIP funds to SANDAG to be spent on qualified projects within the same subregion.
- Without Board Approval of the city of Poway's request, the city would remain noncompliant and receive FY25 revenues less the shortfall of the Maintenance of Effort (MOE) requirement.
- Without Board approval of MTS' request letter, the operator would remain noncompliant with the Ordinance and may not receive any additional funding under Section 4(C) in FY 2025 above the amount received in FY 2024, adjusted for Consumer Price Index.
- Without Board approval of NCTD's request letter, the operator would remain noncompliant with the Ordinance and may not receive any additional funding under Section 4(C) in FY 2025 above the amount received in FY 2024, adjusted for Consumer Price Index.

Next Steps

The eligibility requests are scheduled for consideration at the April 18, 2025, Transportation Committee meeting, with action on the requests scheduled for consideration at the April 25, 2025, Board meeting. Any comments received from the ITOC will be conveyed to the Transportation Committee and the Board.

Kimberly Trammel, Director of Accounting and Finance

Attachments:
1. Discussion Memo
2. Letter of Request from the City of Coronado
3. Letter of Request from the City of Poway
4. Letter of Request from Metropolitan Transit System (MTS)
5. Letter of Request from North County Transit District (NCTD)

Discussion Memo

TransNet Extension Ordinance Eligibility Requirements

Section G(4) states that cities must have RTCIP funds committed or expended on Regional Arterial Systems projects within 7 years before requiring an eligibility request by ITOC and within 10 years before returning the funds to the developer.

Section 8 states that to maintain fund eligibility, each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance, with the level adjusted every three years. This is referred to as the Maintenance of Effort (MOE).

Section 8 of the Ordinance also includes the following language:

> "Any local agency which does not meet its maintenance of effort requirement in any given year shall have its funding under Section 4(D)(1) reduced in the following year by the amount by which the agency did not meet its required maintenance of effort level.
>
> "In the event that special circumstances prevent a local agency from meeting its maintenance of effort requirement, the local agency may request up to three additional fiscal years to fulfill its requirement."

Section 4(C)(5) states that a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period.

City of Coronado

The draft FY 2024 TransNet fiscal and compliance audit report for the City of Coronado includes the following finding:

The City did not expend or commit $19,519 of RTCIP funding within the seven year requirement:

Project Year	Last Date to Commit Funds (7-year)	Last Date to Commit Funds (10-year)	Funds Received	Funds Expended	Funds Committed	Funds not Committed or Expended
FY 2017	June 30, 2024	June 30, 2027	21,213			19,519

The ordinance allows City's to request until the 10th anniversary date to commit or expend the unexpended or uncommitted funds. The City will work with staff to commit fund in FY 2025.

Next Steps

Should the ITOC not allow the City's request, the unexpended or uncommitted portion of the Funding Program revenues shall be transferred to the Regional Transportation Commission (SANDAG) to be expended within three years on qualified projects within the same subregion.

City of Poway

The draft FY 2024 TransNet fiscal and compliance audit report for the City of Poway includes the following finding:

The City did not meet its Maintenance of Effort (MOE) requirement for Streets and Roads as follows:

Current year local discretionary expenditures	$743,442
Less MOE base year requirement	836,358
Deficit MOE for the year ended June 30, 2024	$(92,916)

City Request

Section 8 of the Ordinance states, in part:

> "Each local agency receiving revenues pursuant to Section 4(D) shall annually maintain as a minimum the same level of local discretionary funds expended for street and road purposes on average over the last three fiscal years completed prior to the operative date of this Ordinance…"

In accordance with Section 8 of the Ordinance, the City of Poway is requesting until June 30, 2027, to make up the deficits due to special circumstances.

Next Steps

Approval of this request by the Board of Directors would enable compliance with Section 8 of the Ordinance, and the City of Poway would be eligible to receive all apportioned FY 2025 TransNet revenues.

Should the Board of Directors choose to not approve the request, then the City of Poway would remain in noncompliance for FY 2024 and would be eligible to receive FY 2025 TransNet revenues less the shortfall of $92,916.

Metropolitan Transit System (MTS)

The draft FY 2024 TransNet fiscal and compliance audit report for the Metropolitan Transit System (MTS) includes the following finding:

The transit operator was not in compliance with the rail operator eligibility requirements such that the increase in operating cost per revenue vehicle mile exceeded the increase in Consumer Price Index (CPI).

Operating Cost per Revenue Vehicle Mile for Rail Services

	2024	2023	Growth Rate
Operating cost for rail	$136,226,744	$128,237,421	
Revenue vehicle miles	12,156,157	12,700,555	
Total operating cost per revenue vehicle mile	$11.21	$10.10	10.99%
Consumer Price Index	295.089	286.586	2.97%

Transit Operator Request

Section 4(C) of the TransNet Ordinance states, in part:

> "…To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period…"

Additionally, Section 4(C)(5) of the TransNet Extension Ordinance and Expenditure Plan states, in part:

> "…If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years…"

In accordance with Section 4(C)(5), MTS is requesting to utilize the three-year average calculations for the eligibility requirements as follows:

Rail Services		FY24	FY23	FY22	FY21	3 Year Avg
CPI		295.089	286.586	291.916	247.860	
Operating Costs		136,226,744	128,237,421	104,704,575	98,061,336	
Revenue Vehicle Miles		12,156,157	12,700,555	11,626,878	10,077,479	
Operating Costs per Revenue Vehicle Hour		11.21	10.10	9.01	9.73	
Increase (Decrease) in CPI		2.97%	-1.83%	17.77%		6.31%
Increase (Decrease) in Ratio		10.99%	12.12%	-7.45%		5.22%

Next Steps

Approval of this request by the Board of Directors would enable compliance with Section 4(C) of the Ordinance by allowing MTS to calculate the eligibility requirement using the three-year average calculations while excluding applicable cost increases as provided in Section 4(C)(5) of the TransNet Extension and Ordinance, which will then bring them into compliance.

Should the Board of Directors choose to not approve the request, then MTS would remain in non-compliance for FY 2024 and the operator may not receive any additional funding under Section 4(C) in the following year above the amount received in FY 2024 adjusted for any increase in the CPI for San Diego County.

North County Transit District (NCTD)

The draft FY 2024 TransNet fiscal and compliance audit report for the North County Transit District (NCTD) includes the following finding:

The transit operator was not in compliance with the rail operator eligibility requirements such that the increase in operating cost per revenue vehicle mile exceeded the increase in Consumer Price Index (CPI).

Operating Cost per Revenue Vehicle Mile for Rail Services

	2024	2023	Growth Rate
Operating cost for rail	$71,253,669	$66,964,770	
Revenue vehicle miles	912,513	917,029	
Total operating cost per revenue vehicle mile	$78.09	$73.02	6.94%
Consumer Price Index	295.089	286.586	2.97%

Transit Operator Request

Section 4(C) of the TransNet Ordinance states, in part:

> "…To maintain eligibility for the receipt of funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period…"

Additionally, Section 4(C)(5) of the TransNet Extension Ordinance and Expenditure Plan states, in part:

> "…If there were unusual circumstances in a given year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three years…"

In accordance with Section 4(C)(5), NCTD is requesting to utilize the three-year average calculations for the eligibility requirements as follows:

	FY 2024	FY 2023	FY 2022	FY 2021	3-Year Average
Transportation CPI	295.089	286.586	291.916	247.856	
Change in CPI	2.97%	-1.83%	17.78%		6.31%
Rail Services					
Operating costs	$72,022,138	$66,569,053	$60,070,772	$46,404,889	
Revenue vehicle miles	912,513	917,029	877,589	662,745	
Ratio	$ 78.93	$ 72.59	$ 68.45	$ 70.02	
Change in ratio	8.73%	6.05%	-2.24%		4.18%

Next Steps

Approval of this request by the Board of Directors would enable compliance with Section 4(C) of the Ordinance by allowing NCTD to calculate the eligibility requirement using the three-year average calculations as provided in Section 4(C)(5) of the TransNet Extension and Ordinance, which will then bring them into compliance.

Should the Board of Directors choose to not approve the request, then NCTD would remain in non-compliance for FY 2024 and the operator may not receive any additional funding under Section 4(C) in the following year above the amount received in FY 2024 adjusted for any increase in the CPI for San Diego County.

CITY OF CORONADO

February 28, 2025

Susan Huntington

TransNet Program Director

San Diego Association of Governments

401 B Street, Suite 800

San Diego, CA 92101

Dear Ms. Susan Huntington,

The draft TransNet Audit Report (agreed-upon procedures) for fiscal year ending June 30, 2024, indicates that the City did not expend or commit its RTCIP funding within the seven-year requirement.

The City has committed RTCIP funds to a project in Fiscal Year 2025 and it was discovered that the commitment was not reported in ProjectTrak. During Fiscal Year 2025, Finance will work with City staff to ensure that commitments are entered into ProjectTrak to properly record the commitments with SANDAG. Additionally, there is a purchase order in progress that will expend the City's remaining RTCIP funds.

In accordance with Section G (4) of the TransNet extension Ordinance, the City of Coronado requests that the commission review and approve our request to allow the City until June 30, 2025, to expend the necessary amount to make up the shortfall.

Project Year	Last Date to Commit Funds (7-year)	Last Date to Commit Funds (10-year)	Funds Received	Funds Expended	Funds Committed	Funds not Committed or Expended
FY 2017	June 30, 2024	June 30, 2027	21,213			19,519

If you have any questions regarding this matter, please feel free to call me directly at (619) 522-7306.

Sincerely,

Madeline Smith

Madeline Smith

Finance Manager

CITY OF POWAY

STEVE VAUS, Mayor
PETER DE HOFF, Deputy Mayor
TONY BLAIN, Councilmember
JENNY MAEDA, Councilmember
CHRISTOPHER J. PIKUS, Councilmember

March 3, 2025

Susan Huntington
TransNet Program Director
San Diego Association of Governments
401 B Street, Suite 800
San Diego, CA 92101

Dear Ms. Susan Huntington,

The TransNet Audit Report (agreed-upon procedures) for fiscal year ended June 30, 2024, indicates that the City did not meet the Maintenance of Effort (MOE) requirement, as required by Section 8 of the TransNet Extension Ordinance.

The deficit occurred due to issues with our cost allocation model, which did not fully align with MOE criteria, as well as turnover of key staff during the budget process. The cost allocation model has been adjusted for FY2024-25 to accurately capture the correct amount required to meet the MOE. We will also provide additional training and oversight to ensure compliance in future budgets.

In accordance with Section 8 of the TransNet extension Ordinance, the City of Poway requests that the commission review and approve our request to allow the City an additional three years, until June 30, 2027, to expend aforementioned amount over and above our regular MOE threshold to make up the shortfall, due to special circumstances. The additional time requested to fulfill the FY2023-24 MOE shortfall provides the City with the opportunity to use its finite amount discretionary funds to meet the requirements of the TransNet extension ordinance.

Fiscal Year Ending	Street and Road MOE Requirement	Specialized Transportation on Services	Total Street & Road MOE	FY24 Street & Road Deficit
				$ 92,916
6/30/2025	$ 836,358	-	$ 836,358	(30,972)
6/30/2026	836,358	-	836,358	(30,972)
6/30/2027	1,120,720	-	1,120,720	(30,972)

If you have any questions regarding this matter, please feel free to call me directly at 858-668-4411.

Sincerely,

Craig Schmollinger

Director of Finance

Metropolitan Transit System

December 10, 2024

Ms. Susan Huntington
Director, Financial Planning and Budgets
San Diego Association of Governments
401 B. Street, Suite 800
San Diego, CA 92101-4231

Dear Ms. Huntington,

On January 22, 2024, the San Diego region sustained unprecedented rainfall, causing major flooding within the region. As a result, there was significant damage along our Orange Line, and subsequently there were major service disruptions over the following several months as our construction teams restored our Rail infrastructure. The number of Revenue Vehicle Miles within our Rail Services decreased as MTS Bus Services provided bus bridging services around the effected Orange Line rail. These relative reductions in Revenue Vehicle Miles affected the fiscal year 2024 operating cost per revenue vehicle hour ratio.

Although the fiscal year 2024 findings reflect that MTS is not compliant with the annual Consumer Price Index (CPI) requirement (that the increase in operating cost per revenue hour or revenue mile not exceed the increase in CPI) for Rail Services, MTS is compliant with the three-year average calculation. MTS requests that that ITOC Board (Board) approve our request to calculate the eligibility requirement based on a three-year average.

The Transportation Index in the San Diego County CPI Table increased by an average of 6.31% over the last three years. Rail Service operating cost per revenue mile increased by an average of 5.22% over the same three-year period. The table below provides the three-year averaging calculation for Rail Services:

Rail Services		FY24	FY23	FY22	FY21	3 Year Avg
CPI		295.089	286.586	291.916	247.860	
Operating Costs		136,226,744	128,237,421	104,704,575	98,061,336	
Revenue Vehicle Miles		12,156,157	12,700,555	11,626,878	10,077,479	
Operating Cost per Revenue Vehicle Hour		11.21	10.10	9.01	9.73	
Increase (Decrease) in CPI		2.97%	-1.83%	17.77%		6.31%
Increase (Decrease) in Ratio		10.99%	12.12%	-7.45%		5.22%

By using the three-year average calculation MTS Rail Services complies with eligibility requirements of the TransNet Ordinance. We appreciate the Board's recognition of our continued and concerted efforts to increase the efficiency of our operations and responsibly manage our costs and we request the Board's consideration to employ the three-year average calculation.

Sincerely,

Larry Marinesi
Chief Financial Officer

NORTH COUNTY TRANSIT DISTRICT

810 Mission Avenue
Oceanside, CA 92054
(760) 966-6500
(760) 967-2001 (fax)
GoNCTD.com

February 12, 2025

Susan Huntington
Director, Financial Planning and Budgets
San Diego Association of Governments
401 B. Street, Suite 800
San Diego, CA 92101-4231
Sent Via Electronic Mail: susan.huntington@sandag.org

Re: Fiscal Year 2024 (FY2023) *TransNet* Operator Eligibility Ratios

Dear Susan Huntington:

The North County Transit District (NCTD), by way of this letter, respectfully requests that the Independent Taxpayer Oversight Committee (ITOC) and San Diego Association of Governments (SANDAG) provide statutory and administrative regulatory relief to NCTD as it relates to the *TransNet* requirements for the reasons stated herein.

Under Section 4(C)(5) of the *TransNet* Extension and Ordinance (Ordinance), to maintain eligibility for the receipt of *TransNet* funds under Section 4(C), a transit operator must limit the increase in its total operating cost per revenue vehicle hour for bus services or the increase in its total operating cost per revenue vehicle mile for rail services from one fiscal year to the next to no more than the increase in the Consumer Price Index for San Diego County over the same period. If there were unusual circumstances in a given fiscal year, the operator may request the approval of the Commission to calculate the requirement as an average over the previous three fiscal years. The operator may also request the approval of the Commission to exclude from the calculation certain cost increases that were due to external events entirely beyond the operator's control, including, but not limited to, increases in the costs for fuel, insurance premiums, or new state or federal mandates.

Following the reopening of the economy in 2021, supply chain disruptions and greater consumer demand for goods caused higher inflation. The Transportation CPI utilized by the Ordinance measures the change in prices for transportation costs, which includes new and used motor vehicles, motor fuel, vehicle maintenance and insurance, and airfares. The Transportation CPI has experienced significant volatility in the last three years, with a high of 17.78% in FY2022, negative of 1.83% in FY2023, and ending at 2.97% in FY2024. Furthermore, the Transportation CPI does not reflect the majority of NCTD's

operating costs, which is largely driven by labor costs and include wages and benefits, professional services, and purchased transportation (together, these costs accounted for 84% of NCTD's operating costs in FY2024). These costs are subject to wage increases (particularly in a tight labor market), collective bargaining agreements, and contractual adjustments and the increases are not aligned with the Transportation CPI.

Request for Three-Year Average for Rail Services

As permitted by the Ordinance, NCTD is requesting the approval of the Commission to utilize a three-year average for the purpose of calculating the increase in operating cost per revenue vehicle mile for rail services, which will allow NCTD to be in compliance with the Ordinance as illustrated in the calculation below:

	FY 2024	FY 2023	FY 2022	FY 2021	3-Year Average
Transportation CPI	295.089	286.586	291.916	247.856	
Change in CPI	2.97%	-1.83%	17.78%		6.31%
Rail Services					
Operating costs	$72,022,138	$66,569,053	$60,070,772	$46,404,889	
Revenue vehicle miles	912,513	917,029	877,589	662,745	
Ratio	$ 78.93	$ 72.59	$ 68.45	$ 70.02	
Change in ratio	8.73%	6.05%	-2.24%		4.18%

If you have any questions, please feel free to contact me at eparklynch@nctd.org or at (760) 967-2858.

Sincerely,

Eun Park-Lynch
Chief Financial Officer

cc: Shawn M. Donaghy, Chief Executive Officer, NCTD
Lori A. Winfree, Deputy Chief Executive Officer/Chief General Counsel, NCTD
Mary Dover, Chief of Staff, NCTD
Lilia Montoya, Chief Operations Officer – Bus Operations, NCTD
Thomas Tulley, Chief Operations Officer – Rail Operations, NCTD

March 12, 2025

Draft FY 2026 TransNet Capital Program Budget Update

Action: **Discussion**
Staff will present the proposed SANDAG Draft FY 2026 Program Budget scheduled to be presented to the Board of Directors on March 28, 2025. The ITOC is asked to discuss the Draft FY 2026 TransNet Capital Program Budgets.

Fiscal Impact:
The Draft FY 2026 TransNet Capital Program multi-year budget has a proposed increase of $244.9 million which consists of an increase of Federal ($159.9 million), State ($64.9 million), Local ($13.4 million), and TransNet ($6.7 million) funds.

Schedule/Scope Impact:
The Draft FY 2026 TransNet Capital Program budget proposes to accomplish 30 milestones with 8 projects to begin construction and 5 projects to be opened to the public by the end of FY 2026.

Overview

The annual budget update for the TransNet Capital Program is underway. The budget includes the expenditure and funding plans for all TransNet Program of Projects on the region's major transportation corridors. This report highlights the adjustments made to the currently approved budgets for the TransNet Capital Program which includes Major Corridors Program of Projects, Goods Movement, Regional Bikeway Program and Comprehensive Multimodal Corridor Plans. The TransNet Capital Program is a multi-year program and estimates expenditures and reasonable funding out to FY 2034.

Key Considerations

Attachment 1 shows the proposed changes to the Draft FY 2026 Program Budget related to the TransNet Capital Program. The Capital Improvement Program (CIP) project number and project name are shown for each project. Increases and/or decreases to the overall project budget account for new phases of work being added, refinements in the engineer's estimate as projects progress, construction bids coming in above or below the engineer's estimate, and savings being captured as projects close out. The attachment also includes the phase each project is currently funded through, which includes project study report, environmental mitigation, preliminary engineering, environmental clearance, design, right-of-way, construction, and implementation.

The proposed budget adjustments will increase the overall TransNet Capital Program budget from $8.53 billion to $8.77 billion, for a total increase of $244.9 million, as shown in Attachment 1. The attachment provides a summary of the funding changes by fund source, including a $159.9 million increase in federal funds, a $64.9 million increase in state funds, and a $13.4 million increase in local funds. Additionally, TransNet funding will increase by $6.7 million.

The $244.9 million increase is primarily comprised of the following, but is not limited to:

(1) $119 million of state and federal funds for the early work package of the Otay Mesa East Port of Entry project;

(2) $80 million of federal funding to partially support future construction of I-805 South: HOV Conversion to Express Lane;

(3) $27 million of State Transit and Intercity Rail Capital Program (TIRCP) grant funding for the future construction phase of the Eastbrook to Shell Double Track project;

(4) $13 million of State TIRCP grant funding to support construction costs for the continuation of Del Mar Bluffs V Stabilization;

(5) $9 million in additional funding to address inflation-related cost increases for projects entering the construction phase within the Bike Program; and

(6) $7 million of federal earmark funding to complete the environmental phase of SR 52 Improvements/Transit Priority project.

These adjustments are intended to support the ongoing development and advancement of transportation and infrastructure projects throughout the region.

Attachment 2 shows the proposed Draft FY 2026 milestones scheduled to be accomplished in FY 2026. These milestones include the completion of the environmental phase, advertisement of the construction contract, beginning of construction, opening to the public, and completion of construction. For the Major Corridors and Goods Movement program, there are currently 14 milestones scheduled; for the Bikeway program there are 16 milestones scheduled to be accomplished in FY 2026. Currently, there are 3 Major Corridors and Goods Movement program projects that are scheduled to begin construction and one project scheduled to open to the public in FY 2026. For the Regional Bikeway program, there are an additional 5 projects scheduled to begin construction and 4 projects scheduled to open to the public in FY 2026. Staff will continue to review schedules and update the ITOC on any changes throughout the fiscal year.

Next Steps

The Draft FY 2026 Program Budget is scheduled to be presented for consideration by the Board of Directors on March 28, 2025. The Final FY 2026 Program Budget is scheduled for Board approval in May and will go into effect on July 1, 2025.

Susan Huntington, Director of Financial Planning, Budgets, and Grants

Attachments: 1. Draft FY 2026 TransNet Capital Program Budget Changes
2. Draft FY 2026 Planned Milestones

Draft FY 2026 TransNet Capital Program Budget Changes
(in thousands of dollars)

CIP	Project Title	FY25 Amended Budget[1]	Proposed FY26 Budget (Draft)	Budget Change	Federal	State	Local	TransNet	Change Reason	Funded Through
Environmental Mitigation Program										
1200200	Project Biological Mitigation Fund	$462,000	$462,000	$0						EM
1200300	Regional Habitat Conservation Fund	$77,960	$77,960	$0						EM
	Total EMP	**$539,960**	**$539,960**	**$0**	**$0**	**$0**	**$0**	**$0**		
Mid-Coast LRT										
1257001	Mid-Coast Light Rail Transit (LRT)	$2,171,201	$2,171,201	$0						CON
	Total Mid-Coast	**$2,171,201**	**$2,171,201**	**$0**	**$0**	**$0**	**$0**	**$0**		
I-5 Corridor										
1200504	I-5 HOV: Manchester Avenue to Palomar Airport Road	$400,627	$397,664	($2,963)	$1	$1	$200	($3,165)	Reduction of TransNet to transfer to CIPs 1200509 and 1200510. Minor adjustments of CMAQ, RSTP, and Caltrans Local funds based on actual funds spent.	CON
1200509	I-5 HOV: San Elijo Bridge Replacement	$335,691	$326,882	($8,809)	($10,594)			$1,785	Reduction of CMAQ and DEMO funds to transfer to CIP 1200510. TransNet funds shifted from CIP 1200504 to cover closeout activities.	CON
1200510	I-5 HOV: Carlsbad	$190,162	$201,054	$10,892	$9,375			$1,517	CMAQ, DEMO and TransNet funds shifted from other CIPs in the corridor to support Construction and Administration increase.	CON
1200513	SR 56 Auxiliary Lanes	$27,944	$27,944	$0						CON
1200514	I-5 HOV Conversion to Express Lanes	$87,000	$87,000	$0						CON
1200515	I-5/I-805 HOV Conversion to Express Lanes	$20,303	$20,669	$366				$366	TransNet increase for additional Administration needs.	DES
1200516	I-5 HOV Lanes: Oceanside	$11,266	$11,366	$100				$100	TransNet increase for additional Administration needs.	DES
	Total I-5	**$1,072,993**	**$1,072,579**	**($414)**	**($1,218)**	**$1**	**$200**	**$603**		
I-15 Corridor										
1201514	Downtown Multiuse and Bus Stopover Facility	$57,980	$66,980	$9,000	$8,679			$321	Added $8.68M of RSTP and $321k TransNet for design and construction of interim improvements, such as restroom trailers for bus drivers.	ROW
1200519	I-15 Transit Priority Lanes and Direct Access Ramp at Clairemont Mesa Blvd.	$28,000	$28,000	$0						DES
1201520	I-15 Express Lanes – Forrester Creek Improvements	1,122	1,122	$0						EM
	Total I-15	**$87,102**	**$96,102**	**$9,000**	**$8,679**	**$0**	**$0**	**$321**		
SR 78 Corridor										
1207802	I-15/SR 78 HOV Connectors	$39,937	$39,937	$0						DES
1207803	SR 78/I-5 Express Lanes Connector	$66,118	$66,118	$0						DES
1207804	SR 78 HOV Lanes: I-5 to I-15	$39,000	$39,000	$0						ENV
	Total SR 78	**$145,055**	**$145,055**	**$0**	**$0**	**$0**	**$0**	**$0**		

Draft FY 2026 TransNet Capital Program Budget Changes
(in thousands of dollars)

CIP	Project Title	FY25 Amended Budget[1]	Proposed FY26 Budget (Draft)	Budget Change	Federal	State	Local	TransNet	Change Reason	Funded Through
Other Corridors										
1205204	SR 52 Improvements/Transit Priority	$17,500	$24,500	$7,000	$7,000				Caltrans received a $7 million federal earmark for completion of environmental clearance.	DES
1206701	SR 67 Improvements	$52,000	$52,000	$0						DES
1212501	SR 94/SR 125 South to East Connector	$135,240	$132,196	($3,044)		($3,044)			Lapsed LPP funds removed.	CON
	Total Other Corridors	**$204,740**	**$208,696**	**$3,956**	**$7,000**	**($3,044)**	**$0**	**$0**		
Blue & Orange Line Improvements										
1210021	Blue Line Railway Signal Improvements	$4,550	$4,550	$0						CON
1210090	Low-Floor Light Rail Transit Vehicles	$72,260	$72,260	$0						CON
1210091	Palomar Street Rail Grade Separation	$34,135	$34,135	$0						ENV
	Total Blue & Orange Line Improvements	**$110,945**	**$110,945**	**$0**	**$0**	**$0**	**$0**	**$0**		
LOSSAN										
1239805	Poinsettia Station Improvements	$36,881	$36,881	$0						CON
1239807	Sorrento Valley Double-Track	$32,813	$32,963	$150				$150	TransNet increase to complete sidewalk repairs.	CON
1239809	Eastbrook to Shell Double Track	$37,092	$64,248	$27,156		$26,836		$320	Awarded new state TIRCP grant to partially fund construction phase. Additional TransNet funds for Administration phase.	DES
1239810	Carlsbad Village Double Track	$2,733	$2,733	$0						ENV
1239811	Elvira to Morena Double-Track	$185,229	$185,229	$0						CON
1239812	Sorrento to Miramar Phase 2	$30,340	$21,500	($8,840)		($8,843)		$3	Funding decreased due to deallocation of state TCEP funds for Right-of-Way phase.	ROW
1239813	San Dieguito Lagoon Double Track and Platform	$29,697	$35,272	$5,575				$5,575	TransNet funds added to cover additional Administration, Right-of-Way, and Design costs. Construction will be completed on 1239822.	DES
1239814	COASTER Preliminary Engineering	$1,924	$1,924	$0						PE
1239816	Batiquitos Lagoon Double Track	$165,627	$165,627	$0						CON
1239820	COASTER Train Sets	$58,800	$58,800	$0						CON
1239822	San Dieguito Lagoon Double Track Construction	$62,328	$318,335	$256,007	($13,000)	$156,675	$103,490	$8,842	Combined Phases 1 and 2 into one CIP. Transferred all funds from 1239824 to 1239822, which included STIP, TIRCP, local NCTD, and TransNet funds.	CON
1239823	San Dieguito to Sorrento Valley Double-Track	$302,718	$302,718	$0						ROW
1239824	San Dieguito Lagoon Double Track Phase 2 Construction	$255,809	$0	($255,809)		($156,675)	($90,290)	($8,844)	Combined Phases 1 and 2 into one CIP. Transferred all funds from 1239824 to 1239822, which included STIP, TIRCP, local NCTD, and TransNet funds.	
	Total LOSSAN Corridor	**$1,201,991**	**$1,226,230**	**$24,239**	**($13,000)**	**$17,993**	**$13,200**	**$6,046**		

Draft FY 2026 TransNet Capital Program Budget Changes
(in thousands of dollars)

CIP	Project Title	FY25 Amended Budget[1]	Proposed FY26 Budget (Draft)	Budget Change	Federal	State	Local	TransNet	Change Reason	Funded Through
I-805 Corridor										
1280513	I-805 /SR 94 Bus on Shoulder Demonstration Project	$30,900	$30,900	$0						CON
1280515	I-805 South Soundwalls	$114,092	$114,092	$0						CON
1280516	I-805 North Auxiliary Lane	$31,517	$31,785	$268				$268	TransNet funds added to cover additional Administration needs.	CON
1280517	I-805 HOV Conversion to Express Lanes	$86,300	$86,300							CON
1280518	SR 94 Transit Priority Lanes (I-805 to I-5)	$800	$800	$0						PE
1280519	I-805 Transit Priority Lanes (SR 15 to SR 52)	$30,000	$30,000	$0						ENV
1280520	I-805/SR 94/SR 15 Transit Connection	$16,000	$16,130	$130				$130	TransNet savings moved from CIP 1280511 to support Right-of-Way phase.	ROW
1280521	I-805 South: HOV Conversion to Express Lanes (Palomar to SR 94)	$11,000	$91,474	$80,474	$80,400			$74	Construction estimate was added to budget. Federal CRP funds added to partially fund the construction phase. TransNet savings moved from CIP 1280511.	CON*
	Total I-805	**$320,609**	**$401,481**	**$80,872**	**$80,400**	**$0**	**$0**	**$472**		
	Total TransNet Program of Projects	**$5,854,596**	**$5,972,249**	**$117,653**	**$81,861**	**$14,950**	**$13,400**	**$7,442**		
Goods Movement										
1201101	SR 11 and Otay Mesa East Port of Entry	$614,602	$734,018	$119,417	$68,735	$50,658	$2	$22	Caltrans early work package construction needs were added to budget. Funding increase includes federal RSTP funds, state SB1 TCEP, and local TransNet and SR 125 Toll Revenues.	CON*
1201105	SR 11 and Otay Mesa East Port of Entry: Traffic and Revenue Study	$4,300	$4,300	$0						CON
	Total Goods Movement	**$618,902**	**$738,318**	**$119,417**	**$68,735**	**$50,658**	**$2**	**$22**		
Regional Bikeway										
1223017	Coastal Rail Trail Encinitas: E Street to Chesterfield Drive	$18,820	$18,820	$0						CON
1223020	North Park/Mid-City Bikeways: Robinson Bikeway	$9,873	$9,873	$0						ROW
1223053	San Diego River Trail: Carlton Oaks Segment	$1,360	$1,360	$0						DES
1223054	Central Avenue Bikeway	$5,347	$6,117	$770	$1,282			($512)	Construction Capital phase increased based on newer engineer's estimate. Federal CRP funds added to federalize the project.	CON
1223055	Bayshore Bikeway: Barrio Logan	$46,074	$46,074	$0						CON
1223056	Border to Bayshore Bikeway	$29,204	$30,575	$1,371	$1,071			$300	Federal RSTP and TransNet funds added for increased Construction Support and Administration needs.	CON
1223057	Pershing Drive Bikeway	$27,488	$27,488	$0						CON
1223058	Downtown to Imperial Avenue Bikeway	$25,337	$25,637	$300	$300				Additional federal CRP funds added for increased Construction Support and Administration needs.	CON
1223079	North Park/Mid-City Bikeways: Howard Bikeway	$10,200	$10,200	$0						CON*
1223081	North Park/Mid-City Bikeways: University Bikeway	$34,152	$38,079	$3,927	$3,927				Federal RSTP funds added to Construction phase based on revised engineer's estimate.	CON
1223083	Uptown Bikeways: Eastern Hillcrest Bikeways	$44,369	$44,369	$0						CON
1223084	Uptown Bikeways: Washington Street and Mission Valley Bikeways	$29,490	$29,490	$0						CON
1223085	Uptown Bikeways: Mission Hills and Old Town Bikeways	$1,539	$1,539	$0						DES

Draft FY 2026 TransNet Capital Program Budget Changes
(in thousands of dollars)

CIP	Project Title	FY25 Amended Budget[1]	Proposed FY26 Budget (Draft)	Budget Change	Federal	State	Local	TransNet	Change Reason	Funded Through
Regional Bikeway continued										
1223087	North Park/Mid-City Bikeways: Orange Bikeway	$12,226	$13,236	$1,010	$948			$62	Federal CRP and TransNet funds added for increased Construction Support and Administration needs.	CON
1223094	Inland Rail Trail Phase 3	$26,124	$27,924	$1,800	$2,550	($750)			Federal CRP and RSTP funds added for increased Construction Support and Administration needs. LPP was decreased based on availability.	CON
1223095	Inland Rail Trail Phase 4	$15,585	$15,585	$0						DES
1223096	Bayshore Bikeway: Barrio Logan Phase 2	$9,745	$9,745	$0						CON
1223097	Bayshore to Imperial Bikeway	$5,154	$5,154	$0						ENV
1223098	Bayshore Bikeway: Barrio Logan Phase 3	$1,800	$1,800	$0						ROW
	Total Regional Bikeway	**$353,887**	**$363,065**	**$9,178**	**$10,078**	**($750)**	**$0**	**($150)**		
Comprehensive Multimodal Corridor Plan										
1600101	CMCP - Regional CMCP Development	$1,000	$1,000	$0						N/A
1600504	CMCP – Central Mobility Connections	$4,833	$4,863	$30				$30	Additional funding for Administration phase.	N/A
1601501	CMCP - High Speed Transit/I-15	$1,500	$1,500	$0						N/A
1609401	CMCP - High Speed Transit/SR 94	$2,226	$2,226	$0						N/A
1612501	CMCP - High Speed Transit/SR 125	$3,492	$3,492	$0						N/A
1612502	CMCP - SR 125 Toll Removal Analysis	$400	$400	$0						N/A
	Total Comprehensive Multimodal Corridor Plan	**$13,451**	**$13,481**	**$30**	**$0**	**$0**	**$0**	**$30**		
Pending Closeout in FY25										
1200503	I-5/SR 56 Interchange	$12,513	$12,513	$0						CON
1200506	I-5/Genesee Interchange and Widening	$121,278	$121,278	$0						CON
1200507	I-5/Voigt Drive Improvements	$41,015	$40,505	($510)				($510)	TransNet decrease represents project savings.	CON
1201103	SR 11 and Otay Mesa East Port of Entry: Segment 2A and SR 905/125/11 Southbound Connectors Construction	$127,769	$127,769	$0						CON
1201509	Downtown BRT Stations	$20,844	$20,844	$0						CON
1205203	SR 52 Extension	$460,509	$460,509	$0						CON
1207606	SR 76 East	$202,691	$201,943	($748)	($748)				RSTP decrease represents project savings.	CON
1223016	Coastal Rail Trail San Diego: Rose Creek	$27,569	$27,569	$0						CON
1223022	Uptown Bikeways: Fourth and Fifth Avenue Bikeways	$24,179	$24,179	$0						CON
1223023	Inland Rail Trail - Phases 1 & 2	$54,142	$54,142	$0						CON
1223082	North Park/Mid-City Bikeways: Georgia-Meade Bikeway	$26,414	$26,414	$0						CON
1239806	San Elijo Lagoon Double Track	$77,787	$77,620	($167)				($167)	TransNet decrease represents project savings.	CON
1239817	Chesterfield Drive Crossing Improvements	$7,114	$7,114	$0						CON
1240001	Mid-City Rapid Bus	$44,526	$44,526	$0						CON
1280504	South Bay BRT	$127,391	$127,391	$0						CON
1280505	I-805 HOV/Carroll Canyon Direct Access Ramp	$95,775	$95,775	$0						CON

Draft FY 2026 TransNet Capital Program Budget Changes
(in thousands of dollars)

CIP	Project Title	FY25 Amended Budget[1]	Proposed FY26 Budget (Draft)	Budget Change	Federal	State	Local	TransNet	Change Reason	Funded Through
Pending Closeout in FY25 continued										
1280510	I-805 South: 2HOV and Direct Access Ramp	$182,546	$182,546	$0						CON
1390506	SR 125/905 Southbound to Westbound Connector	$28,992	$28,992	$0						CON
1605201	CMCP - Coast, Canyons, and Trails (SR 52)	$2,106	$2,106	$0						N/A
	Total Pending Closeout	**$1,685,160**	**$1,683,735**	**($1,425)**	**($748)**	**$0**	**$0**	**($677)**		
	Total Active and Pending Closeout	**$8,525,996**	**$8,770,848**	**$244,853**	**$159,926**	**$64,858**	**$13,402**	**$6,667**		
Future Regional Prioirty Projects										
1239819	Carlsbad Village Double-Track Trench	$21,181	$21,181	$0						PE
1605601	CMCP - High Speed Transit/SR 56	$1,100	$1,100	$0						N/A
	Total Future Regional Priority Projects	**$22,281**	**$22,281**	**$0**	**$0**	**$0**	**$0**	**$0**		
Projects Completed Through a Major Milestone										
1129900	Bayshore Bikeway: 8B Main Street to Palomar	$1,196	$1,196	$0						ROW
1201515	Clairemont Mesa Blvd BRT Stations	$1,665	$1,665	$0						DES
1280512	I-805 Imperial BRT Station	$1,673	$1,673	$0						PSR
	Total Projects Completed Through a Major Milestone	**$3,338**	**$3,338**	**$0**	**$0**	**$0**	**$0**	**$0**		
Closed Projects in FY25										
1200501	I-5 North Coast: 4 Express Lanes	$74,127	$74,127	$0						FED
1200508	I-5/Gilman Drive Bridge	$24,757	$24,757	$0						CON
1200512	I-5/Genesee Auxiliary Lane	$7,243	$7,243	$0						CON
1201106	Otay Mesa East Port of Entry: Utility Improvements	$9,142	$9,142	$0						CON
1201507	SR 15 BRT: Mid-City Centerline Stations	$61,672	$61,672	$0						CON
1207602	SR 76 Middle	$165,075	$165,075	$0						CON
1223093	GObyBIKE San Diego: Construction Outreach Program	$1,967	$1,967	$0						N/A
1280511	I-805 North: 2HOV Lanes	$111,490	$111,490	$0				($202)	Savings shifted to CIPs 1280520 and 1280521	CON
1390501	SR 905: I-805 to Britannia Boulevard	$85,310	$85,310	$0						CON
1600501	CMCP - Central Mobility Hub - Notice of Preparation/P3 Procurement	$5,714	$5,714	$0						N/A
1600801	CMCP - High Speed Transit/I-8	$3,000	$3,000	$0						N/A
1607801	CMCP - SPRINTER/Palomar Airport Road/SR 78/SR 76	$2,913	$2,913	$0						N/A
	Total Closed Projects	**$5,913**	**$5,913**	**$0**	**$0**	**$0**	**$0**	**$0**		
	Total Active, Pending Closeout, Future, Projects Completed Through a Major Milestone and Closed Projects	**$8,557,528**	**$8,802,380**	**$244,853**	**$159,926**	**$64,858**	**$13,402**	**$6,667**		

[1] FY25 Amended budget includes pending FY25 mid-year change requests and represents the total funded budget

Project Study Report (PSR), Environmental Mitigation (EM), Preliminary Engineering (PE), Environmental (ENV), Design (DES), Right-of-Way (ROW), Construction (CON), Implementation (IMP)

*Partially funded through construction

FY-26 DRAFT Planned Milestones

(Major Corridors, TCIF/Goods Movement)

No.	CIP	Project Name	Milestone	Baseline FY-25 Finish
1	1205204	SR 52 Improvements/Transit Priority	DED	Dec-25
2	1210091	Palomar Street Rail Grade Separation	FED	Dec-25
3	1212501	SR 94/SR 125 South to East Connector	Advertise	Jan-26
4	1201101	SR 11 and Otay Mesa East Port of Entry	Begin Construction	Sep-25
5	1239822	San Dieguito Lagoon Double Track Construction	Begin Construction	Dec-25
6	1212501	SR 94/SR 125 South to East Connector	Begin Construction	Mar-26
7	1210021	Blue Line Railway Signal Improvements	Open to Public	May-25
8	1280510	I-805 South: 2HOV and Direct Access Ramp	Construction Complete	Jul-25
9	1210090	Low-Floor Light Rail Transit Vehicles	Construction Complete	Sep-25
10	1200507	I-5/Voigt Drive Improvements	Construction Complete	Dec-25
11	1239820	COASTER Train Sets	Construction Complete	Dec-25
12	1239807	Sorrento Valley Double-Track	Construction Complete	Apr-26
13	1239811	Elvira to Morena Double-Track	Construction Complete	Apr-26
14	1200509	I-5 HOV: San Elijo Bridge Replacement	Construction Complete	May-26

Milestone	Baseline Milestones (Per FY-26 Draft Budget)
DED	1
FED	1
ADVERTISE	1
BEGIN CON	3
OPEN TO PUBLIC	1
CON COMPLETE	7
TOTAL	**14**

FY-26 DRAFT Planned Milestones

(Bikeway)

No.	CIP	Project Name	Milestone	Baseline FY-25 Finish
1	1223097	Bayshore to Imperial Bikeway	DED	Apr-26
2	1223020	North Park/Mid-City Bikeways: Robinson Bikeway	FED	Aug-25
3	1223054	Central Avenue Bikeway	Advertise	Jul-25
4	1223096	Bayshore Bikeway: Barrio Logan Phase 2	Advertise	Jul-25
5	1223095	Inland Rail Trail Phase 4	Advertise	Jan-26
6	1223081	North Park/Mid-City Bikeways: University Bikeway	Begin Construction	Jul-25
7	1223098	Bayshore Bikeway: Barrio Logan Phase 3	Begin Construction	Jul-25
8	1223087	North Park/Mid-City Bikeways: Orange Bikeway	Begin Construction	Sep-25
9	1223054	Central Avenue Bikeway	Begin Construction	Jan-26
10	1223096	Bayshore Bikeway: Barrio Logan Phase 2	Begin Construction	Jan-26
11	1223056	Border to Bayshore Bikeway	Open to Public	Sep-25
12	1223058	Downtown to Imperial Avenue Bikeway	Open to Public	Jan-26
13	1223055	Bayshore Bikeway: Barrio Logan	Open to Public	Apr-26
14	1223097	Bayshore to Imperial Bikeway	Open to Public	Apr-26
15	1223016	Coastal Rail Trail San Diego: Rose Creek	Construction Complete	Jul-25
16	1223058	Downtown to Imperial Avenue Bikeway	Construction Complete	Jul-25

Milestone	Baseline Milestones (Per FY-26 Draft Budget)
DED	1
FED	1
Advertise	3
Begin Construction	5
Open to Public	4
Construction Complete	2
TOTAL	**16**

Milestone Definitions

DED	Represents the release of the Draft Environmental Document to the public for comment, or when the document is sent to the lead federal agency for review.
FED	Represents the signing of the Final Environmental Document by approving agency.
Advertise	Represents the completion of the project design and advertisement of the construction contract. Before advertisement, all environmental permits have been acquired, right of way has been certified, and the plans, specifications, and engineer's estimate has been completed.
Begin Construction	Represents the beginning of construction initiated by the Notice to Proceed.
Open to Public	Represents the opening of the constructed facility for its intended use or the go live date of software.
Construction Complete	Represents the completion of all construction and most of project closeout items for the project. This includes, but is not limited to: construction contract acceptance, complete plant establishment/landscaping, final inspection, closure of task orders, and all claims settled.

March 12, 2025

2025 Regional Plan Update

Action: **Information**
Staff will present an update on the Draft 2025 Regional Plan.

Fiscal Impact:
Development of the 2025 Regional Plan is funded through Overall Work Program Element Nos. 3103000 and 3100407.

Schedule/Scope Impact:
The 2025 Regional Plan is expected to be brought to the Board of Director's for consideration in late 2025.

Overview

SANDAG is currently in the process of developing the 2025 Regional Plan, a long-range blueprint that shows how the San Diego region will grow and how the transportation system will develop through 2050. As the Metropolitan Planning Organization for the San Diego region, a fundamental responsibility of SANDAG is to develop a Regional Plan that meets state and federal requirements. The Regional Plan must be updated and approved by state and federal regulatory agencies every four years and is the basis for both federal and state funding.

Through a series of meetings over the last two years, staff worked closely with the SANDAG Board of Directors, member agencies, and regional stakeholders to develop a proposed draft transportation network, a Sustainable Communities Strategy (SCS) land use pattern, and supporting programs and policies. Staff have completed the required modeling and analysis, consulted with regulatory agencies, initiated the required Environmental Impact Report (EIR), and developed the cost and revenue assumptions. Staff will provide an overview of these efforts, provide a comparison between TransNet Major Corridor projects and the proposed corridor improvements in the draft transportation network (Attachment 2) and share the next steps in the development of the draft 2025 Regional Plan.

Key Considerations

The Activity Based Model 3 (ABM 3) is the current regional transportation model based on post pandemic travel data. It is the primary tool used to evaluate how the proposed projects, programs, policies, and land use in the Regional Plan will meet federal and state requirements and achieve regional goals. Over the last several months, staff have completed the required model runs and confirmed that the Proposed Draft Transportation Network for the 2025 Regional Plan (Attachment 1) will achieve state requirements for reducing vehicle miles traveled (VMT) and greenhouse gas (GHG) emissions as well as Federal Air Quality Conformity requirements.

The ABM 3 is also used to conduct the social equity analysis and model performance measures to determine how the proposed investments achieve the goals of the plan which are convenient, equitable, healthy, and safe. Performance Measures cover a wide range of metrics related to transportation, the environment, public health, and quality of life. Staff will present a sample of performance measures, listed in Attachment 3, that demonstrate how the proposed investments in the plan achieve these goals by improving travel times across all modes, increasing access to resources and opportunities, reducing GHG emissions, and providing safer infrastructure that results in an increase in physical activity. The complete list of performance measures and social equity analysis will be released with the Draft 2025 Regional Plan this spring.

Federal law requires that the Regional Plan include a financial strategy that is "fiscally constrained" which means the amount, timing, and eligible uses between the funding sources align with the projects and

programs included in the Regional Plan. The Financial Plan is not a funding commitment. It is a scenario that reflects reasonably expected revenues from existing and anticipated federal, state, and local fund sources. The Regional Plan's financial strategy must cover both the proposed projects and programs, as well as operations and maintenance costs for existing and planned investments. The estimated cost of implementation of the Draft 2025 Regional Plan is $125 to $133 billion over the life of the plan. Attachment 4 provides the summary of revenue sources assumed in the Regional Plan's financial strategy.

Next Steps

The Draft 2025 Regional Plan will be released for public comments in spring 2025 and its EIR in summer 2025. With the release of the Draft 2025 Regional Plan, SANDAG will conduct public outreach in partnership with Community Based Organizations and partner agencies to share information on the Draft 2025 Regional Plan. Over the fall, staff will respond to public comments and make final refinements to the 2025 Regional Plan, which will be brought to the Board for consideration by the end of 2025.

Antoinette Meier, Senior Director of Regional Planning

Attachments:
1. Draft Proposed 2025 Regional Plan Transportation Network (Revised Jan 2025)
2. TransNet Ordinance Project List - Draft 2025 Regional Plan Network Comparison Summary (Revised Jan 2025)
3. Draft 2025 Regional Plan: Performance Measure Highlights
4. Summary of Proposed Revenue for Draft 2025 Regional Plan (Revised Jan 2025)

SANDAG

Draft Proposed
2025 Regional Plan Transportation Network



JANUARY 2025

Free Language Assistance | Ayuda gratuita con el idioma | Libreng Tulong sa Wika | Hỗ trợ ngôn ngữ miễn phí
免費語言協助 | 免费语言协助 | مساعدة ترجمة مجانية | 무료 언어 지원 | کمک زبان رایگان | 無料の言語支援 | Бесплатная языковая помощь
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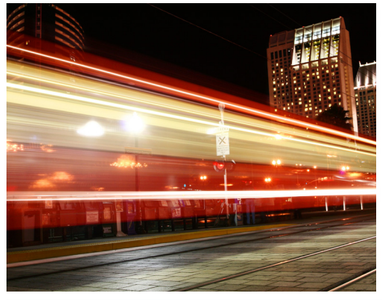
Regional Plan

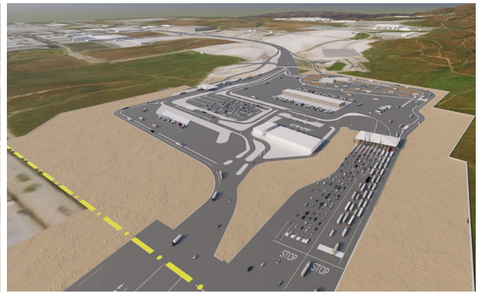
The Regional Plan outlines how we will improve transportation, equity, and the environment for people in the greater San Diego area over the next several decades. It takes into account how our region is expected to grow and change and provides a blueprint for our transportation network, coordinated land use, housing, and more. The state and federal governments require us to update this plan every four years. This plan is informed by feedback from the Board of Directors, Policy Advisory Committees, partner agencies, stakeholders, and the public; and the plan is developed by a team of experts using data and research. The projects, programs, and initiatives in the Regional Plan impact every resident of the San Diego region. Visit **SANDAG.org/regionalplan** to learn more.

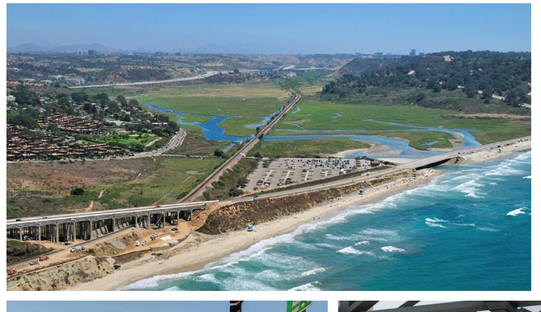


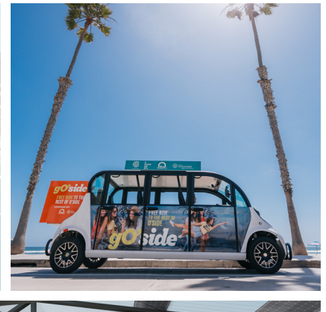
















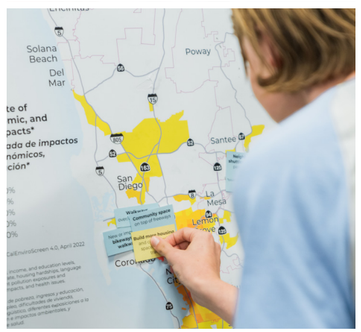












Summary of Public Outreach

We have been collecting feedback all over the San Diego region about the transportation improvements people would like to see in the next Regional Plan. This included input from the general public, community organizations, local government planning staff, our Board of Directors, and more. To help collect this feedback, we:

- Hosted a community workshop in all six subregions of the San Diego area to understand each area's transportation priorities; and a workshop with government and community representatives in Tijuana to collect feedback about transportation needs along our border region.
- Partnered with community-based organizations (CBOs) to host a total of 45 pop-up feedback collection events with approximately 2,400 participants.
- Promoted an online interactive map tool where residents could submit feedback that received approximately 8,300 visits from unique users and more than 2,000 comments.
- Collected feedback from our Board of Directors (elected officials that represent every area of the region) on potential transportation projects, policies, and programs, equity issues, health, and funding sources we can use to pay for our transportation network.
- Hosted workshops to collect feedback from our policy advisory committees and working groups that represent communities and government agencies across our region: this included our Transportation, Borders, Regional Planning, and Public Safety Committees; Military, Mobility, Shoreline Preservation, Social Equity, and Sustainable Communities Working Groups; our Social Services Transportation Advisory Council; and the Interagency Technical Working Group on Tribal Transportation Issues.
- Met regularly with state and federal government agencies, including the California Air Resources Board (CARB), to gather feedback about the strategies in the plan. The plan will strive to meet the state and federal requirements, so our region keeps receiving important funding: these requirements are related to improving air quality, reducing greenhouse gas emissions and the amount of miles people in our region are driving.

Along with your feedback, we have analyzed data about how our region is changing and growing, while also making sure we satisfy the state and federal requirements mentioned above. This report will give you a summary of all this feedback and the transportation projects, programs, and policies we are proposing, while continuing to analyze all these factors.

Note: this document is a draft that has not been finalized. Our data and modeling team is conducting an analysis to ensure that this transportation network would satisfy state and federal requirements for pollution and traffic reductions. Meeting these requirements will ensure our region can continue receiving funding for future transportation projects. We expect the detailed Draft Plan will be ready for public feedback in spring 2025, and the Final Plan will need to be approved by our Board of Directors.

Additionally, many of these projects and policies will require support from individual cities, the County, or other agencies to make them a reality. Any feedback we've collected that is not within SANDAG's authority has been passed on to the appropriate city, County, or other relevant local government agencies.

2025 Regional Plan Project Type Glossary



Arterial Improvement
Helps a high-traffic neighborhood street connect to a freeway more efficiently.



Bus Layover
Designated area where buses can wait between trips so drivers can take breaks, and where vehicles can be fueled, charged, or cleaned.



Circulator Route
A bus that comes frequently and stops at major local destinations in a specific area.



Connector
A ramp that connects one highway to another.



Direct Access Ramp (DAR)
A special highway entrance where buses, carpoolers, or people who pay a toll can directly enter managed lanes without having to merge from the right side.



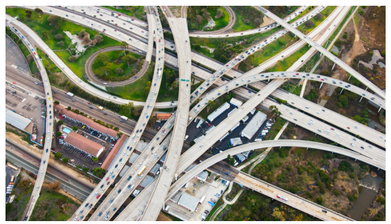
Express Route
Bus routes that connect suburban areas to major urban centers that have very few stops at major destinations.



Highway Intersection Improvements
Improves safety, and traffic flow in places where a highway crosses a major road.



Highway Straightening
Removes curves from highways.



Interchange
Where a freeway and a major road or other freeway cross each other.



LOSSAN Improvements
Making the railway that connects San Diego to Los Angeles and San Luis Obispo safer, faster and more efficient.



Local Route
A bus route that travels around neighborhoods that are near one another.



Managed Lanes (ML)
Separated highway lanes set aside for multi-passenger transportation like buses or carpools, or for people who pay a toll.



Managed Lane Connector
Ramps that connect managed lanes on different freeways.



Microtransit
On-demand public shuttle service for short trips within a neighborhood.



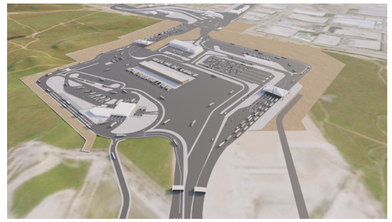
Mobility Hub
An area where many types of transportation connect (ex. public transit routes, bike lanes, or shuttles).



Multimodal Corridor Improvements
Projects that make all transportation on the same route more efficient, including walking, biking, transit, trains, and/or vehicles.



Neighborhood Electric Vehicle (NEV) Service
Small, on-demand electric shuttle available for short trips in a small area (ex. FRED San Diego).



Otay Mesa East Port of Entry (OME POE)
A new U.S./Mexico border crossing.



Purple Line
Future transit route connecting the border region to Mission Valley via City Heights.



Rapid Bus
A bus route that gets priority in high-traffic areas to speed up trips.



Reversible Managed Lanes
A managed lane that can change traffic direction depending on the time of day or traffic conditions.

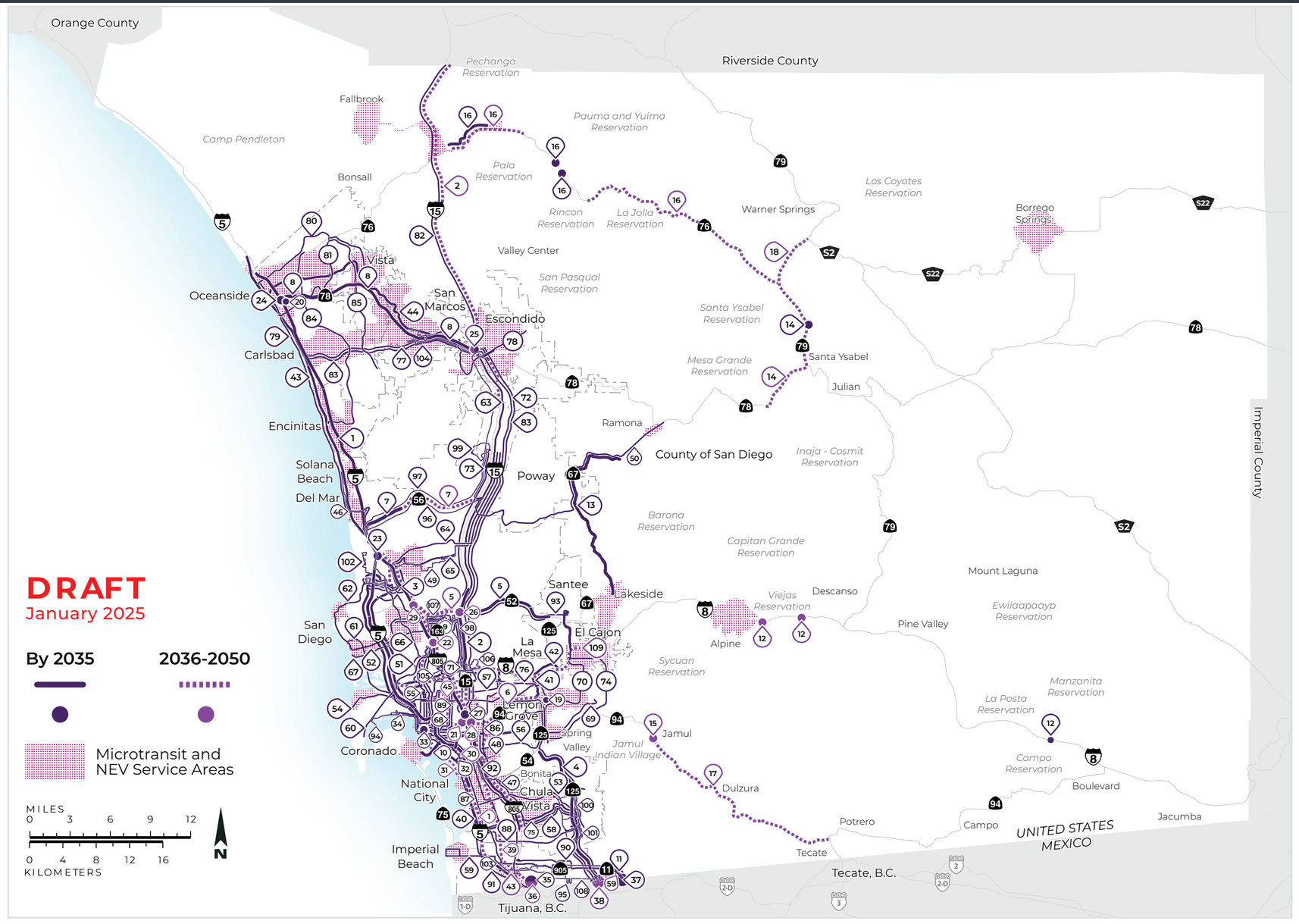


Shoulder Widening
Project that widens pavement on the side of a freeway for safety in case of emergencies.



Train and Trolley Improvements
(ex. on the Blue, Green, or Orange Line, SPRINTER, or COASTER) Projects that make rail trips more efficient: for example, separating rail tracks from car traffic with a bridge.

Draft Proposed 2025 Regional Plan Transportation Network: San Diego Region



1 I-5 Managed Lanes

2 I-15 Managed Lanes

3 I-805 Managed Lanes

4 SR 125 toll removal

5 SR 52 Managed Lanes*

6 SR 94 Managed Lanes

7 SR 56 Managed Lanes

8 SR 78 Managed Lanes

9 SR 163 Managed Lanes

10 SR 75 Coronado Bridge Reversible Managed Lane

11 SR 11 Roadway Connection to Otay Mesa East POE

12 I-8 Interchange Improvements

13 SR 67 Improvements

14 SR 79 Intersection Improvements

15 SR 94 Intersection Improvements

16 SR 76 Safety & Operational Improvements

17 SR 94 Shoulder Widening/ Straightening

18 SR 79 Shoulder Widening

19 SR 125/SR 94 Interchange/ Arterial Improvements

20 I-5/SR 78 Interchange/ Arterial Improvements

21 I-15/SR 94 ML Connector

22 I-805/SR 163 ML Connector

23 I-5/I-805 ML Connector

24 I-5/SR 78 ML Connector

25 I-15/SR 78 ML Connector

26 I-15/SR 52 ML Connectors

27 I-15/I-805 ML Connector

28 SR 94/I-805 ML Connector

29 I-805/SR 52 ML Connector

30 I-5 Working Waterfront Access

31 Harbor Dr Multimodal Corridor Improvements

32 Vesta Bridge: Phase 1

33 Downtown Bus Layover

34 Airport Transit Connection

35 San Ysidro Mobility Hub

36 U.S.-Mexico Border Transit Connection

37 Otay Mesa East POE

38 Otay Mesa POE Truck Bridge to Commercial Vehicle Enforcement Facility

39 Purple Line

40 Blue Line Improvements

41 Orange Line Improvements

42 Green Line Improvements

43 LOSSAN Improvements

44 SPRINTER Improvements

45 Balboa Park Perimeter Streetcar

46 Local Route 89: Solana Beach to UTC

47 Local Route 195: 8th St Trolley to Plaza Bonita

48 Local Route 196: 8th St Trolley to Plaza Blvd

49 Local Route 984: Mira Mesa to Sorrento Valley

50 Rapid 277: Ramona to Sabre Springs Transit Station

51 Rapid 120: Kearny Mesa to Downtown

52 Rapid 207: Balboa Ave Trolley to Kearny Mesa via Balboa Avenue

53 Rapid 209: H St Trolley Station to Millennia

54 Rapid 210: La Mesa to Ocean Beach

55 Rapid 211: SDSU to Downtown via Adams Ave

56 Rapid 212: Spring Valley to Downtown

57 Rapid 215: SDSU to Downtown

58 Rapid 225: South Bay Rapid

59 Rapid 227: Otay Mesa East POE to Imperial Beach

60 Rapid 228: Point Loma to Kearny Mesa

61 Rapid 229: Downtown to Pacific Beach

62 Rapid 230: Balboa Station to UTC

63 Rapid 235: Escondido to Downtown

64 Rapid 237: UC San Diego to Rancho Bernardo

65 Rapid 238: UC San Diego to Rancho Bernardo

66 Rapid 241: UCSD Hillcrest Medical Center to UTC/UC San Diego

67 Rapid 243: Pacific Beach to Kearny Mesa

68 Rapid 255: Downtown to Logan Heights to Golden Hill to South Park to North Park to University Heights to Hillcrest

69 Rapid 256: SDSU to Rancho San Diego/ Cuyamaca College

70 Rapid 259: El Cajon Transit Center to Lemon Grove Depot

71 Rapid 265: Otay Mesa POE to SDSU West via SR125, I-805, I-15

72 Rapid 280: Downtown San Diego to Escondido

73 Rapid 290: Downtown San Diego to Rancho Bernardo Transit Station

74 Rapid 292: El Cajon to Otay Mesa

75 Rapid 293: Palm Avenue Trolley to Otay Ranch via Palomar St

76 Rapid 295: South Bay to Clairemont

77 Rapid 440: Carlsbad to Escondido Transit Center

78 Rapid 491: Downtown Escondido to East Escondido

79 Rapid 493: Oceanside to Solana Beach to UTC/UC San Diego

80 Rapid 494: Oceanside to Vista

81 Rapid 497: Carlsbad Village to SR 76

82 Rapid 483: Riverside (Temecula) to San Marcos

83 Rapid 484: Carlsbad to Kearny Mesa

84 Rapid 485: Oceanside to Encinitas

85 Rapid 486: Oceanside to Carlsbad/ San Marcos

86 Rapid 625: SDSU to Palomar Station

87 Rapid 630: Iris Trolley/Palomar to Kearny Mesa

88 Rapid 635: Eastlake to Palomar Trolley

89 Rapid 637: North Park to 32nd St Trolley Station

90 Rapid 638: Iris Trolley to Otay Mesa

91 Rapid 640: San Ysidro to Santa Fe Depot

92 Rapid 688: San Ysidro to UTC

93 Rapid 880: El Cajon to UC San Diego

94 Express Route 993: Shelter Island to Convention Center

95 Express Route 121: Cross-Border Xpress to Iris Transit Center

96 Express Route 246: Rancho Bernardo to UC San Diego

97 Express Route 247: Escondido to UC San Diego

98 Circulator Route 668: Kearny Mesa Loop

99 Circulator Route 675: Rancho Bernardo Business Park Loop

100 Circulator Route 715: Otay Ranch Loop

101 Circulator Route 716: Lower Otay Ranch Loop

102 Circulator Route 985: UC San Diego Shuttle

103 Circulator Route 193: Iris Transit Center to San Ysidro High School

104 Circulator Route 449: Palomar College area

105 Circulator Route 647: Mission Valley Loop

106 Circulator Route 648: Mission Valley Loop

107 Circulator Route 649: Kearny Mesa Loop

108 Circulator Route 661: Otay Mesa Loop

109 I-8 Freeway Improvements

See reverse for Additional Map Information | * Includes addition of truck climbing lane

Additional Map Information

Unmapped Projects

Bike Network

Transit Frequency Enhancements

Transit Amenities

Existing Network

Unmapped Policies

Climate

Digital Infrastructure

Fix it First

Habitat

Health

Housing & Land Use

Pricing Strategies

Transportation Demand Management

Transportation Technology & Operational Improvements

Vision Zero

Acronyms

ML = Managed Lane

NEV = Neighborhood Electric Vehicle

POE = Port of Entry

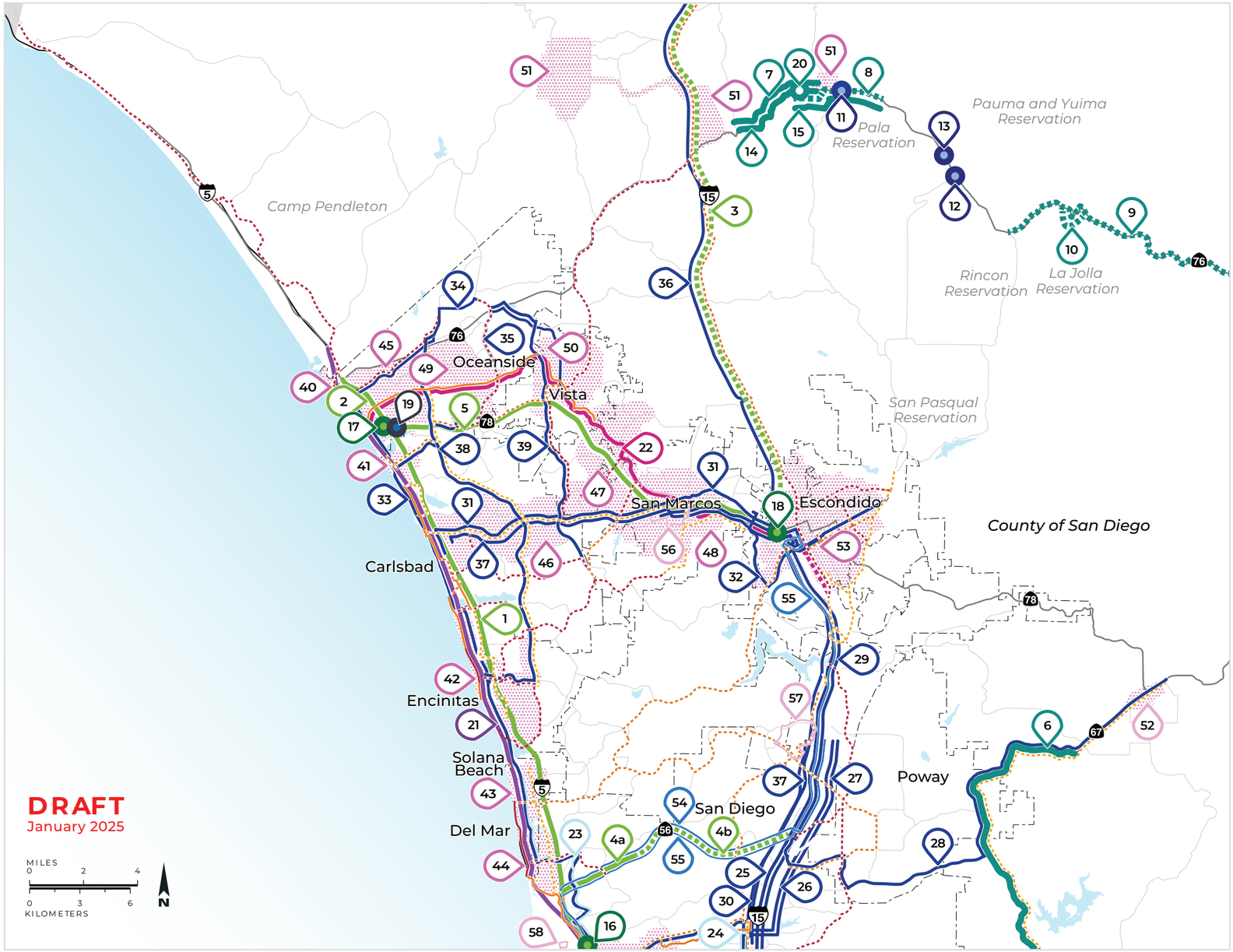
OME = Otay Mesa East

San Diego Region residents told us they needed ***safer roads, better connections between types of transportation, shuttles for short trips, safe bikeway and pedestrian paths, more EV infrastructure, completed highway connectors, improved interchanges, and solutions for emergency evacuation.***

Recurring Feedback and Impact

Across the region, people said they needed:	What we're considering (and much more, as seen on the map):
Local public transportation improvements to speed up short neighborhood trips as well as regional improvements to speed up commutes and other longer trips in the short-term.	Prioritizing transit projects that can be made a reality in the next decade; adding more Rapid regional bus routes and neighborhood circulator routes, along with increased service on local bus routes and projects to speed up trolley trips.
Improved public transit that's faster, more efficient, safe, and reliable.	Funding for better transit amenities such as bathrooms, lighting, shelter, WiFi, and security; as well as funding to increase how often transit comes and adding some expanded weekend and night service.
Highway improvements: adding lanes and finishing highway connectors or improving existing interchanges.	Setting aside key lanes and shoulders to move more people at once in multi-passenger vehicles; this will reduce traffic while supporting Rapid bus routes and carpooling on these highways.
A safe network of bikeways throughout the region.	Continuing to deliver key regional bikeway projects and expanding the bikeways across the region.
Pedestrian and cyclist paths that are protected when crossing highways and major streets to safely access key neighborhood destinations.	An active transportation network that includes connections crossing over highways and major streets that are safe for all ages and abilities.
Microtransit and shuttles for short trips and to connect people to public transit stops, especially for older adults and those that are transit dependent.	Adding more neighborhood shuttles and microtransit (flexible fleets) that can connect people to common destinations and transit stops.
Electric vehicle discounts and infrastructure.	Continuing to support electric vehicle infrastructure and programs to incentivize people buying electric vehicles.
Projects that improve air quality and reduce greenhouse gas emissions.	Prioritizing improvements to our transportation network that reduce pollution and emissions.
No regional road usage charge.	No regional road usage charge; other flexible funding sources are proposed.
Make transportation more accessible and affordable for people with disabilities, children and seniors, and for low-income households.	▸ Funding for transit amenities which can improve access for those with disabilities ▸ Continued funding for free youth transit and studying expanded transit discounts
Better connections between different types of transportation.	Planning ways to create seamless connections between transportation modes such as safer biking and walking paths, shuttles and microtransit, secure parking, and e-charging stations.
Safer roads and more transit options in rural, unincorporated communities, and especially providing emergency evacuation solutions.	▸ Exploring shoulder widening, reducing road curves, and technology solutions to improve travel and enhance safety in emergencies ▸ Planning further improvements to rural transit routes; new opportunities for community-based microtransit services

Draft Proposed 2025 Regional Plan Transportation Network: North County



1 I-5 Managed Lanes: I-805 to SR 78
2 I-5 Managed Lanes: SR 78 to SR 76
3 I-15 Managed Lanes: SR 78 to County Line
4a-b SR 56 Managed Lanes: I-5 to I-15
5 SR 78 Managed Lanes: I-5 to I-15
6 SR 67 Improvements: Mapleview St to Dye Rd
7 SR 76 Straightening: Rice Canyon Rd to Pala Reservation
8 SR 76 Shoulder Widening for Adding Bike Lanes: West Reservation Boundary to East Reservation Boundary
9 SR 76 Improvements: SR 79 to Valley Center Rd
10 SR 76 Straightening: Harolds Rd to Pauma Rancho
11 SR 76 Intersection Improvements: SR 76 to Pala Mission Rd
12 SR 76 Intersection Improvements: SR 76 to Cole Grade Rd
13 SR 76 Intersection Improvement: SR 76 to Pauma Reservation Rd
14 SR 76 Improvements: Pala Casino to Rice Canyon Rd
15 SR 76 Safety: Shoulder Widening
16 I-5/I-805 ML Connector
17 I-5/SR 78 ML Connector
18 I-15/SR 78 ML Connector
19 I-5/SR 78 Interchange/ Arterial Improvements
20 SR 76 Safety: Dynamic Messaging Sign
21 LOSSAN Improvements
22 SPRINTER Improvements
23 Local Route 89: Solana Beach to UTC
24 Local Route 984: Mira Mesa to Sorrento Valley
25 Rapid 235: Escondido to Downtown
26 Rapid 237: UC San Diego to Rancho Bernardo
27 Rapid 238: UC San Diego to Rancho Bernardo
28 Rapid 277: Ramona to Sabre Springs Transit Station
29 Rapid 280: Downtown San Diego to Escondido
30 Rapid 290: Downtown San Diego to Rancho Bernardo Transit Station
31 Rapid 440: Carlsbad to Escondido Transit Center
32 Rapid 491: Downtown Escondido to East Escondido
33 Rapid 493: Oceanside to Solana Beach to UTC/UC San Diego
34 Rapid 494: Oceanside to Vista
35 Rapid 497: Carlsbad Village to SR 76
36 Rapid 483: Riverside (Temecula) to San Marcos
37 Rapid 484: Carlsbad to Kearny Mesa
38 Rapid 485: Oceanside to Encinitas
39 Rapid 486: Oceanside to Carlsbad/ San Marcos
40 NEV Service Area: Oceanside
41 NEV Service Area: Carlsbad Village
42 NEV Service Area: Encinitas
43 NEV Service Area: Solana Beach
44 NEV Service Area: Del Mar
45 Microtransit: Oceanside Eastern Core
46 Microtransit: Carlsbad Poinsettia
47 Microtransit: Buena Creek
48 Microtransit: San Marcos
49 Microtransit: Oceanside El Corazon
50 Microtransit: Vista
51 Microtransit: Fallbrook-Pala
52 Microtransit: Ramona
53 Microtransit: Escondido
54 Express Route 246: Rancho Bernardo to UC San Diego
55 Express Route 247: Escondido to UC San Diego
56 Circulator Route 449: Palomar College area
57 Circulator Route 675: Rancho Bernardo Business Park Loop
58 Circulator Route 985: UC San Diego Shuttle

Projects Outside Map Extent

Borrego Springs Microtransit

By 2035	2036-2050
Regional Rail	
Light Rail	
Next Gen Rapid	
Express Bus	
Local Bus	
Circulator	
4 Managed Lanes	
2 Managed Lanes	

By 2035	2036-2050
Managed Lanes Connector	
Interchange/Arterial Operational Improvements	
Intersection Improvements	
Rural Corridor Improvements	
Flexible Fleets (Neighborhood Electric Vehicle (NEV)) or Microtransit)	

By 2035	2036-2050
On-Street Bikeway	
Off-Street Bikeway	
On-Street & Off-Street Bikeway	

See reverse for detailed Managed Lanes Key and Additional Map Information

Additional Map Information

Managed Lanes Key		Conversion of Existing Lane(s)	Additional Managed Lane(s)
1	I-5 Managed Lanes: I-805 to SR 78	X	
2	I-5 Managed Lanes: SR 78 to SR 76		X
3	I-15 Managed Lanes: SR 78 to County Line	X	
4a	SR 56 Managed Lanes: I-5 to Carmel Valley Rd	X	
4b	SR 56 Managed Lanes: Carmel Valley Rd to I-15		X
5	SR 78 Managed Lanes: I-5 to I-15		X

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Unlisted Projects

Bike Network

Unmapped Projects

Transit Frequency Enhancements

Transit Amenities

Existing Network

Unmapped Policies

Climate

Digital Infrastructure

Fix it First

Habitat

Health

Housing & Land Use

Pricing Strategies

Transportation Demand Management

Transportation Technology & Operational Improvements

Vision Zero

Acronyms

ML = Managed Lane

NEV = Neighborhood Electric Vehicle

POE = Port of Entry

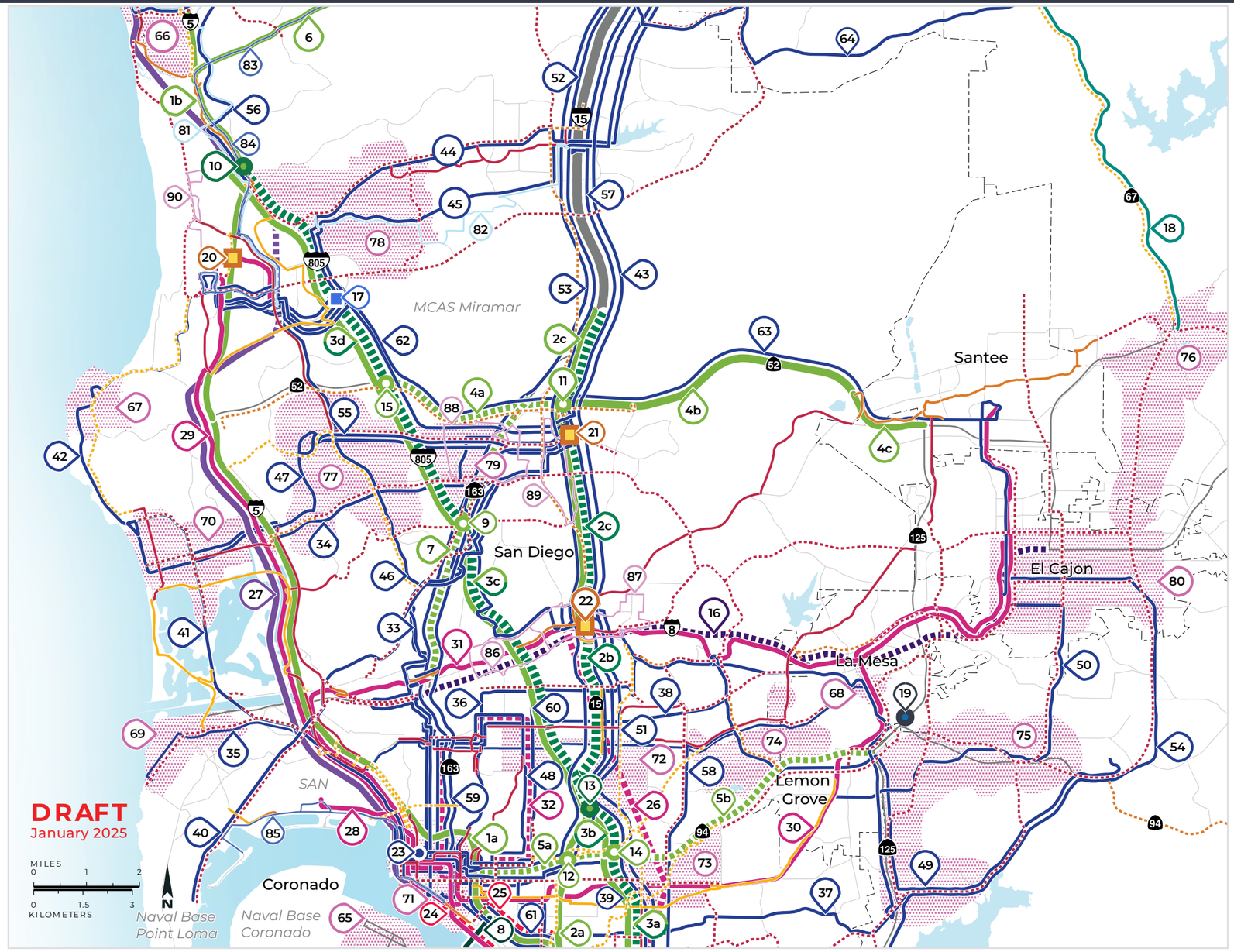
OME = Otay Mesa East

North County residents told us they needed *better traffic flow on SR 78, SR 76, and I-15, more frequent COASTER and SPRINTER service with expanded night and weekend hours, safer walking and biking routes, shuttle and microtransit services to connect to transit stations, and connections to Palomar Airport and Riverside County.*

Recurring Feedback and Impact

In North County, people said they needed:	What we're considering (and much more):
▸ Better traffic flow on highways: especially the SR 78, SR 76 and I-15 ▸ Safer/easier connector between I-5 and SR 78	▸ Managed lanes on the SR 78 and managed lane connectors between the SR 78 and I-5 and I-15 ▸ Straightening out SR 76 from Rice Canyon to the Pala Reservation, Harolds Rd to Pauma Rancho, adding intersection improvements in three places, and widening the shoulder for emergencies ▸ Connector between I-5 and SR 78
Better public transit service: ▸ COASTER, SPRINTER, and buses that come more often and that can make faster trips ▸ More service at night and on weekends ▸ Expanded transit or microtransit access for communities where routes don't currently go such as San Elijo Hills, Rancho Santa Fe, Fallbrook ▸ Connection to Riverside County ▸ Access to Palomar Airport	▸ Improving the SPRINTER and COASTER routes by increasing frequency, making rail improvements to speed up trip times, and adding more evening and weekend service ▸ More Rapid routes, including one from Carlsbad to Kearny Mesa stopping at the Escondido Transit Center, and another connecting San Marcos (CSUSM and Palomar College) to Riverside County
Better transit, shuttle and microtransit options to make it easier to access COASTER and SPRINTER stations and community destinations.	Fourteen shuttle or microtransit service areas (flexible fleets) which will increase access to common local destinations, including transit stops; includes service area providing access to Palomar Airport.
▸ Safer walking and biking routes, either improving existing routes or expanding the network ▸ Protected bike lanes on major roads to connect to the coast	▸ Upgrading existing bike routes or adding new ones across the region with separated bikeways on high-speed roads ▸ Bike trails with coastal access, along with other east to west bikeway connections

Draft Proposed 2025 Regional Plan Transportation Network: Central & East County



By 2035	2036-2050
Regional Rail	
Light Rail	
Next Gen Rapid	
Express Bus	
Local Bus	
Circulator	
4 Managed Lanes	
2 Managed Lanes	
1 Reversible Managed Lane	

By 2035	2036-2050
Managed Lanes Connector	
Direct Access Ramp (DAR)	
Interchange/Arterial Operational Improvements	
Rural Corridor Improvements	
Other Freeway Improvements	
Downtown Bus Layover	
Transit Operational Improvement	

By 2035	2036-2050
On-Street Bikeway	
Off-Street Bikeway	
On-Street & Off-Street Bikeway	
Goods Movement	
Flexible Fleets (Neighborhood Electric Vehicle (NEV)) or Microtransit)	

See reverse for detailed Managed Lanes Key and Additional Map Information | * Includes addition of truck climbing lane

1a-b I-5 Managed Lanes
2a-c I-15 Managed Lanes
3a-d I-805 Managed Lanes
4a-c SR 52 Managed Lanes*
5a-b SR 94 Managed Lanes
6 SR 56 Managed Lanes
7 SR 163 Managed Lanes
8 SR 75 Coronado Bridge Reversible Managed Lane
9 I-805/SR 163 ML Connector
10 I-5/I-805 ML Connector
11 I-15/SR 52 ML Connectors
12 I-15/SR 94 ML Connector
13 I-15/I-805 ML Connector
14 SR 94/I-805 ML Connector
15 I-805/SR 52 ML Connector
16 I-8 Operational Improvements
17 I-805 @ Nobel Dr Transit Operational Improvement
18 SR 67 Improvements: Mapleview St to Dye Rd
19 SR 125/SR 94 Interchange/ Arterial Improvements
20 I-5 @ Voigt DAR
21 I-15 @ Clairemont Mesa Blvd DAR
22 I-15 @ SDSU West DAR
23 Downtown Bus Layover
24 Harbor Dr Multimodal Corridor Improvements
25 I-5 Working Waterfront Access
26 Purple Line
27 LOSSAN Improvements
28 Airport Transit Connection
29 Blue Line Improvements
30 Orange Line Improvements
31 Green Line Improvements
32 Balboa Park Perimeter Streetcar
33 Rapid 120: Kearny Mesa to Downtown
34 Rapid 207: Balboa Ave Trolley to Kearny Mesa via Balboa Ave
35 Rapid 210: La Mesa to Ocean Beach
36 Rapid 211: SDSU to Downtown
37 Rapid 212: Spring Valley to Downtown
38 Rapid 215: SDSU to Downtown
39 Rapid 225: South Bay Rapid
40 Rapid 228: Point Loma to Kearny Mesa
41 Rapid 229: Downtown to Pacific Beach
42 Rapid 230: Balboa Ave Trolley to UTC
43 Rapid 235: Escondido to Downtown
44 Rapid 237: UC San Diego to Rancho Bernardo
45 Rapid 238: UC San Diego to Rancho Bernardo
46 Rapid 241: UCSD Hillcrest Medical Center to UTC/UC San Diego
47 Rapid 243: Pacific Beach to Kearny Mesa
48 Rapid 255: Downtown to Logan Heights to Golden Hill to South Park to North Park to University Heights to Hillcrest
49 Rapid 256: SDSU to Rancho SD/Cuyamaca College
50 Rapid 259: El Cajon Transit Center to Lemon Grove Depot
51 Rapid 265: Otay Mesa POE to SDSU West via SR 125, I-805, I-15
52 Rapid 280: Downtown San Diego to Escondido
53 Rapid 290: Downtown San Diego to Rancho Bernardo Transit Station
54 Rapid 292: El Cajon to Otay Mesa
55 Rapid 295: South Bay to Clairemont
56 Rapid 473: Oceanside to Solana Beach to UTC/UC San Diego
57 Rapid 484: Carlsbad to Kearny Mesa
58 Rapid 625: SDSU to Palomar Station
59 Rapid 630: Iris Trolley/Palomar to Kearny Mesa
60 Rapid 637: North Park to 32nd St Trolley Station
61 Rapid 640: San Ysidro to Santa Fe Depot
62 Rapid 688: San Ysidro to UTC
63 Rapid 880: El Cajon to UC San Diego
64 Rapid 277: Ramona to Sabre Springs Transit Station
65 NEV Service Area: Coronado
66 NEV Service Area: Del Mar
67 NEV Service Area: La Jolla
68 NEV Service Area: La Mesa
69 NEV Service Area: Ocean Beach
70 NEV Service Area: Pacific Beach
71 NEV Service Area: Downtown/Little Italy
72 NEV Service Area: City Heights/North Park
73 Microtransit: Southeastern San Diego
74 Microtransit: Eastern San Diego
75 Microtransit: Casa De Oro/Spring Valley
76 Microtransit: Lakeside
77 Microtransit: Clairemont Mesa
78 Microtransit: Sorrento Valley
79 Microtransit: Kearny Mesa Convoy
80 Microtransit: El Cajon
81 Local Route 89: Solana Beach to UTC
82 Local Route 984: Mira Mesa to Sorrento Valley
83 Express Route 246: Rancho Bernardo to UC San Diego
84 Express Route 247: Escondido to UC San Diego
85 Express Route 993: Shelter Island to Convention Center
86 Circulator Route 647: Mission Valley Loop
87 Circulator Route 648: Mission Valley Loop
88 Circulator Route 649: Kearny Mesa Loop
89 Circulator Route 668: Kearny Mesa Loop
90 Circulator Route 985: UC San Diego Shuttle

Projects Outside Map Extent

Microtransit: Alpine

Additional Map Information

Managed Lanes Key		Conversion of Existing Lane(s)	Additional Managed Lane(s)
1a	I-5 Managed Lanes: SR 15 to I-805	X	
1b	I-5 Managed Lanes: I-805 to SR 78	X	
2a	SR 15 Managed Lanes: I-5 to I-805		X
2b	SR 15 Managed Lanes: I-805 to I-8	X	
2c	I-15 Managed Lanes: I-8 to SR 163	X	X
3a	I-805 Managed Lanes: Palomar St to SR 94	X	
3b	I-805 Managed Lanes: SR 94 to I-8	X	X
3c	I-805 Managed Lanes: I-8 to SR 52	X	X
3d	I-805 Managed Lanes: SR 52 to I-5	X	
4a	SR 52 Managed Lanes: I-805 to I-15	X	
4b	SR 52 Managed Lanes: I-15 to Mast Blvd	X	X
4c	SR 52 Managed Lanes: Mast Blvd to SR 125		X
5a	SR 94 Managed Lanes: I-5 to I-15	X	
5b	SR 94 Managed Lanes: I-15 to SR-125	X	
6	SR 56 Managed Lanes: I-5 to Carmel Valley Rd		X
7	SR 163 Managed Lanes: I-8 to SR-52	X	
8	SR 75 Coronado Bridge Reversible Managed Lane	X	

Unlisted Projects

Bike Network

Unmapped Projects

Transit Frequency Enhancements

Transit Amenities

Existing Network

Unmapped Policies

Climate

Digital Infrastructure

Fix it First

Habitat

Health

Housing & Land Use

Pricing Strategies

Transportation Demand Management

Transportation Technology & Operational Improvements

Vision Zero

Acronyms

DAR = Direct Access Ramp

ML = Managed Lane

NEV = Neighborhood Electric Vehicle

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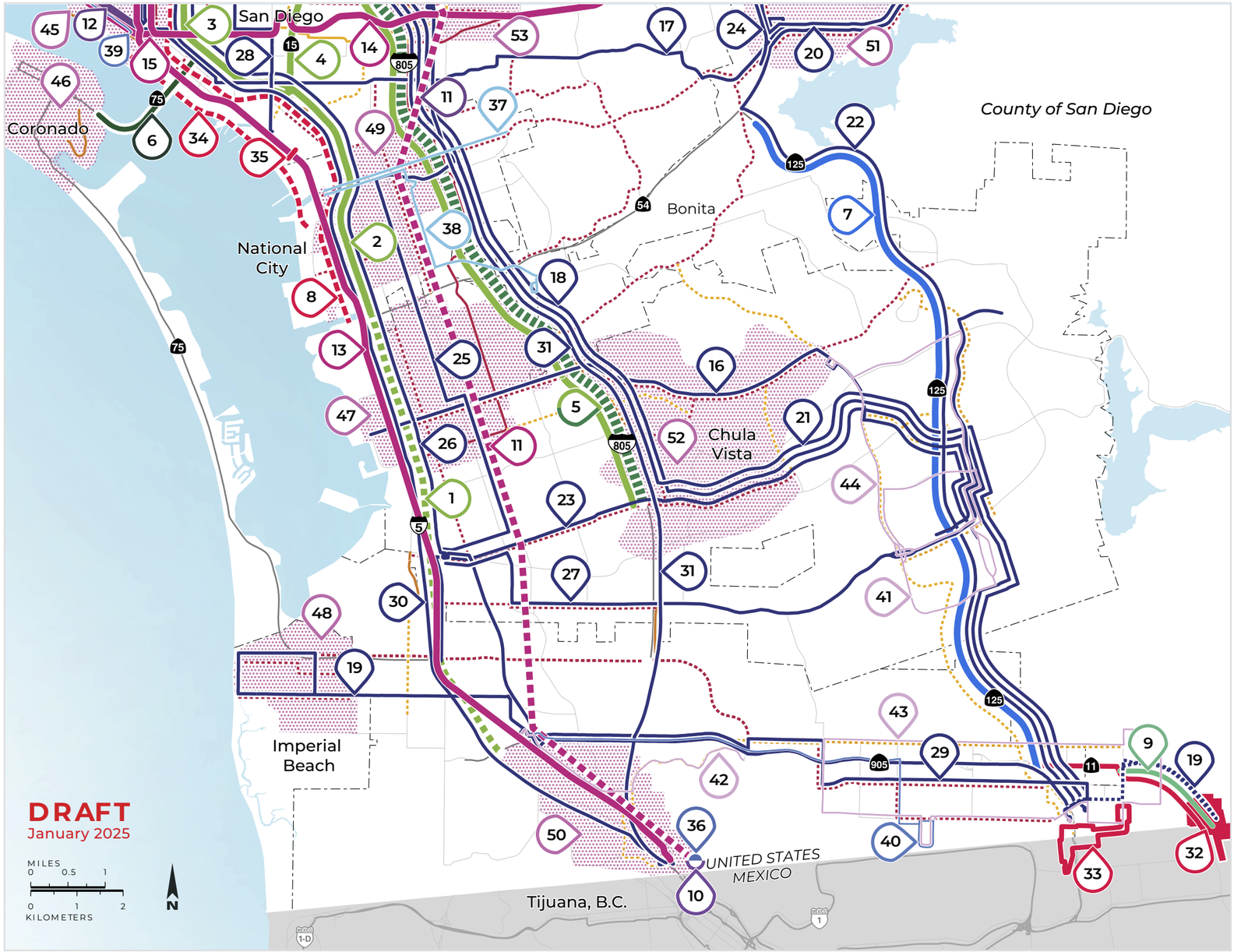
Central & East County residents told us they needed *improved traffic flow on SR 52, I-8, and SR 67, the completed SR 94/SR 125 connector, faster connections to job centers, beaches, the airport, more frequent transit connections with expanded night and weekend hours, and safer walking and biking routes.*

Recurring Feedback and Impact

In San Diego, people said they needed:	What we're considering (and much more):
Better public transit including: ▸ Expanded routes and more frequent service, including later evening and more weekend hours ▸ Faster connections east to west including beach access, and east of the I-15 ▸ More connections to job centers, beaches, and major landmarks ▸ Faster transit to the airport ▸ Faster trips through high-traffic areas ▸ More bus lanes on major streets ▸ Transit station amenities like shade and lighting	▸ More Rapid buses and trolley improvements ▸ More frequent service and expanded night and weekend hours ▸ Routes maximize access to jobs and high-traffic destinations
Microtransit or shuttles connecting people to transit stops too far to walk to – particularly in areas with limited parking	Fourteen microtransit and/or shuttle service areas (flexible fleets); parking district funds will partially fund shuttle service in those areas
Better traffic flow on and between highways including: ▸ Smoother connections to the SR 52 ▸ I-5 and I-8	▸ Managed lanes and truck climbing lane on SR 52, and connecting the I-15 and SR 52 managed lanes ▸ Operational improvements on I-8 ▸ Finishing managed lanes on I-805 and I-5, converting an existing lane to a managed lane on State Routes 94, 52, and 163
More protected biking/walking routes on high-speed roads and crossing busy intersections: improving existing routes, finishing projects, and connecting more neighborhoods, including: ▸ Between Point Loma and the Marina along the coast ▸ Around SDSU ▸ Routes that go over a freeway such as I-5 ▸ Nimitz Blvd, Rosecrans St, Pacific Coast Highway, Old Town ▸ Better connections from the I-15 bikeway over I-8	Our Regional Bike Network includes existing bikeway improvements, additions, or finishing routes addressing all of these location-specific concerns. For more information, visit **the interactive map** on our website.
More amenities for bicyclists at transit stops and other common locations (ex. bike racks and lockers).	Investing in bike amenities as part of bikeway projects, transit projects, and transportation demand management programs.

In East County, people said they needed:	What we're considering (and much more):
To improve highways by: ▸ Finishing the SR 94 and SR 125 connector project ▸ Helping traffic flow on State Routes 52 and 67	▸ Improving the SR 94/125 connector ▸ Managed lanes and a truck climbing lane on SR 52 and connecting managed lanes between I-15 and SR 52 ▸ Widening the shoulder for emergency purposes on SR 67
Public transportation improvements: ▸ More Rapid transit and transit options for Cuyamaca College and La Presa ▸ Transit that comes more often and for extended hours in the evening	▸ More Rapid buses including routes 256: SDSU to Rancho SD/Cuyamaca College; and 292, El Cajon to Otay Mesa via La Presa ▸ Next Gen Rapid bus routes may include infrastructure and technology to speed up trips ▸ Green and Orange Line trolley improvements ▸ More transit frequency and evening hours
Microtransit and shuttles: ▸ Connecting suburban East County to transit stops ▸ Service from unincorporated communities to San Diego	Shuttles and microtransit (flexible fleets) in El Cajon, La Mesa, and in several unincorporated communities in the County.
▸ Safer bike routes, not mixing bike routes with vehicle traffic on high-speed roads ▸ More bike routes east to west	Regional bike network includes separated bikeways on high-speed roads and various east-to-west routes.

Draft Proposed 2025 Regional Plan Transportation Network: South County



1 I-5 Managed Lanes: SR 905 to SR 54
2 I-5 Managed Lanes: SR 54 to SR 15
3 I-5 Managed Lanes: SR 15 to I-805
4 SR 15 Managed Lanes: I-5 to I-805
5 I-805 Managed Lanes: Palomar St to SR 94
6 SR 75 Coronado Bridge Reversible Managed Lane
7 SR 125 toll removal
8 I-5 Working Waterfront Access
9 SR 11 Roadway Connection to Otay Mesa East POE
10 U.S.-Mexico Border Transit Connection
11 Purple Line
12 LOSSAN Improvements
13 Blue Line Improvements
14 Orange Line Improvements
15 Green Line Improvements
16 Rapid 209: H St Trolley Station to Millennia
17 Rapid 212: Spring Valley to Downtown
18 Rapid 225: South Bay Rapid
19 Rapid 227: Otay Mesa East POE to Imperial Beach via 905
20 Rapid 256: SDSU to Rancho San Diego/ Cuyamaca College
21 Rapid 265: Otay Mesa POE to SDSU West via SR125, I-805, I-15
22 Rapid 292: El Cajon to Otay Mesa
23 Rapid 293: Palm Avenue Trolley to Otay Ranch via Palomar St
24 Rapid 295: South Bay to Clairemont
25 Rapid 625: SDSU to Palomar Station
26 Rapid 630: Iris Trolley/Palomar to Kearny Mesa
27 Rapid 635: Eastlake to Palomar Trolley
28 Rapid 637: North Park to 32nd St Trolley Station
29 Rapid 638: Iris Trolley to Otay Mesa
30 Rapid 640: San Ysidro to Santa Fe Depot
31 Rapid 688: San Ysidro to UTC via 805
32 Otay Mesa East POE
33 Otay Mesa POE Truck Bridge to Commercial Vehicle Enforcement Facility
34 Harbor Dr Multimodal Corridor Improvements
35 Vesta Bridge: Phase 1
36 San Ysidro Mobility Hub
37 Local Route 196: 8th St Trolley to Plaza Blvd
38 Local Route 195: 8th St Trolley to Plaza Bonita
39 Express Route 993: Shelter Island to Convention Center
40 Express Route 121: Cross-Border Xpress to Iris Transit Center
41 Circulator Route 716: Lower Otay Ranch Loop
42 Circulator Route 193: Iris Transit Center to San Ysidro High School
43 Circulator Route 661: Otay Mesa Loop
44 Circulator Route 715: Otay Ranch Loop
45 NEV Service Area: Downtown/Little Italy
46 NEV Service Area: Coronado
47 NEV Service Area: Downtown Chula Vista
48 NEV Service Area: Imperial Beach
49 NEV Service Area: National City
50 NEV Service Area: San Ysidro/ U.S.-Mexico Border
51 Microtransit: Casa de Oro/Spring Valley
52 Microtransit: Central Chula Vista
53 Microtransit: Southeastern San Diego

By 2035	2036-2050
Regional Rail	
Light Rail	
Next Gen Rapid	
Express Bus	
Local Bus	
Circulator	
4 Managed Lanes	
2 Managed Lanes	

By 2035	2036-2050
1 Reversible Managed Lane	
Freeway Connection to OME POE	
Toll Removal	
Goods Movement	
U.S.-Mexico Border Transit Connection	
Mobility Hub	

By 2035	2036-2050
On-Street Bikeway	
Off-Street Bikeway	
On-Street & Off-Street Bikeway	
Flexible Fleets (Neighborhood Electric Vehicle (NEV)) or Microtransit)	

See reverse for detailed Managed Lanes Key and Additional Map Information

Additional Map Information

Managed Lanes Key		Conversion of Existing Lane(s)	Additional Managed Lane(s)
1	I-5 Managed Lanes: SR 905 to SR 54	X	
2	I-5 Managed Lanes: SR 54 to SR 15	X	X
3	I-5 Managed Lanes: SR 15 to I-805	X	
4	SR 15 Managed Lanes: I-5 to I-805		X
5	I-805 Managed Lanes: Palomar St to SR 94	X	
6	SR 75 Coronado Bridge Reversible Managed Lane	X	

Unlisted Projects

Bike Network

Unmapped Projects

Transit Frequency Enhancements

Transit Amenities

Existing Network

Unmapped Policies

Climate

Digital Infrastructure

Fix it First

Habitat

Health

Housing & Land Use

Pricing Strategies

Transportation Demand Management

Transportation Technology & Operational Improvements

Vision Zero

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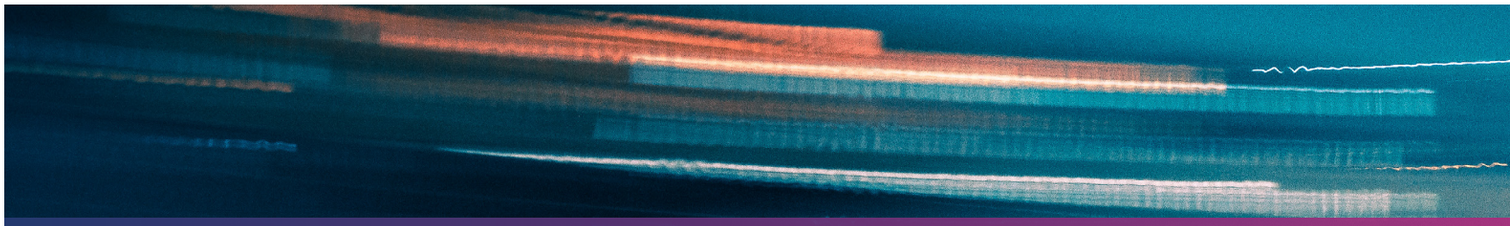
South County residents told us they needed

faster, more direct transit access to and from the border and CBX, more transit routes to major destinations and housing, faster access to the airport, more protected bike and pedestrian routes, and to remove the toll on SR 125.

Recurring Feedback and Impact

In South County, people said they needed:	What we're considering (and much more):
▸ Better and faster transit options coming from the border, including a rail connection directly at the border ▸ Expanded network of transit with service to major destinations such as job centers, shopping areas, event venues, and schools	▸ Adding more Rapid routes and eventually a COASTER connection to the border and improvements to the Blue Line; San Ysidro Transit Center improvements and surrounding connections; exploring options for additional border transit ▸ Managed lanes with bus priority on various south-to-north highways ▸ Purple Line transit route from the border to Mission Valley via City Heights
More transit routes to reach housing developments in areas isolated from transit and microtransit service for shorter trips.	Six new microtransit or shuttle service areas (flexible fleets) in Southeastern San Diego, National City, Downtown Chula Vista, Central Chula Vista, Imperial Beach, and San Ysidro.
More transit access to the Cross Border Express (CBX).	Express bus from Iris Ave trolley station to CBX and a bus route between Otay Mesa and CBX.
Faster transit access to San Diego International Airport from South County.	Adding an airport transit connection based on potential concepts currently being studied.
More protected bike lanes, pedestrian walkways, and signals overall, and specifically: ▸ Connections to parks, transit stations, malls, and other commercial areas ▸ Connections from communities near Sweetwater reservoir to central Chula Vista	▸ Improving and expanding separated bikeways on high-speed roads across the region, including intersection improvements such as bike signals ▸ On street, protected bikeways to connect communities near Sweetwater Reservoir to Bonita, National City, and Chula Vista
To remove the toll on SR 125.	By 2030, changing the SR 125 toll road to a free facility.

SANDAG



Next Steps

SPRING 2025

- Release of the draft of the 2025 Regional Plan and opportunity for the public to comment (55 days)

SUMMER & WINTER 2025

- Release of the draft Environmental Impact Report (EIR) and opportunity for the public to comment (45 days)
- Staff responds to public comments on the draft Plan and EIR
- Finalize the Plan and Board of Directors votes to approve it and its EIR

TransNet Ordinance Project List
Proposed Draft 2025 Regional Plan Network Comparison Summary

Attachment 2

February 2025

Ordinance Number	Corridor	Project	Status	Proposed Draft 2025 Regional Plan Fiscally Constrained Network	Proposed Draft 2025 Regional Plan Network
1	I-15	**I-15: SR 163 to SR 56 - 8F to 8F+4ML**	**Completed**		
2	I-15	**I-15: Centre City Pkwy to SR 78 - 8F to 8F+4ML**	**Completed**		
3	I-15	**I-15: SR 94 to SR 163 - 6F/8F to 8F+2HOV**	**In Progress**	**Proposed Changes**	SR 94 to I-805 - 6F to 6F+2ML by 2035 I-805 to I-8 - 8F+2 Transit Lanes to 6F+2 Transit Lanes +2ML by 2050 I-8 to SR 163 - 8F to 8F+2ML by 2035, 8F and to 6F+4ML by 2050
4	I-15	**HOV Connector: I-15 / SR 78**	**In Progress**	**Proposed Changes**	Managed Lane connector by 2035
5	I-15	**HOV Connector: I-15 / SR 94**	**In Progress**	**Proposed Changes**	Managed Lane connector by 2050
6	I-15	**SR 94: I-5 to I-15 - 8F to 8F+2HOV**	**In Progress**	**Proposed Changes**	8F to 6F+2ML by 2050
7	I-15	**BRT Route 610: Escondido Transit Center to Downtown San Diego via I-15 / SR 94 (Now Route 235)**	**In Progress**	**Same as Ordinance**	In service, additional improvements by 2035
8	I-15	**BRT Route 470: Escondido Transit Center to Sorrento Mesa via I-15 / Mira Mesa Blvd (Now Route 237)**	**Completed**		
9	I-805	**I-805: SR 905 to SR 54 - 8F to 8F+2HOV, reversible**	**In Progress**	**Proposed Changes**	SR 905 to Palomar St - keep as 8F Palomar St to SR 54 - 8F+2HOV to 8F+2ML by 2035, and to 6F+4ML by 2050
10	I-805	**I-805: SR 54 to I-8 - 8F to 8F+4ML**	**In Progress**	**Proposed Changes**	SR 54 to SR 94 - 8F+2HOV to 8F+2ML by 2035, and to 6F+4ML by 2050 SR 94 to I-8 - 8F to 8F+2ML by 2035, and to 6F+4ML by 2050
11	I-805	**I-805: Mission Valley Viaduct - 8F to 8F+4ML**	**Future Project**	**Proposed Changes**	8F to 8F+2ML by 2035, and to 6F+4ML by 2050
12	I-805	**I-805: I-8 to I-5 - 8F to 8F+4ML**	**In Progress**	**Proposed Changes**	I-8 to SR 52 - 8F to 8F+2ML by 2035, and to 6F+4ML by 2050 SR 52 to I-5 - 8F+2HOV to 8F+2ML by 2035, and to 6F+4ML by 2050
13	I-805	**I-805 / SR 54 Interchange Improvements and I-805/SR 94/ SR 15 Transit Connection**	**In Progress**	**Proposed Changes**	I-805 (H St to SR 94) - 8F+2HOV to 8F+2ML by 2035, and to 6F+4ML by 2050 I-805 (SR 94 to SR 15) - 8F to 8F+2ML by 2035, and to 6F+4ML by 2050 I-15 / I-805 Managed Lane Connector by 2035 SR 94 / I-805 Managed Lane Connector by 2050
14	I-805	**BRT Route 628: Otay Mesa to Downtown San Diego via I-805 / I-15 / SR 94 (Now known as South Bay Rapid)**	**Completed**		
15	I-805	**SR 94: I-805 to I-15 - 8F to 8F+2HOV**	**In Progress**	**Proposed Changes**	8F to 6F+2ML+operational improvements by 2050

F = General Purpose Freeway Lane | **HOV** = High-Occupancy Vehicle Lane | **ML** = Managed Lane

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TransNet Ordinance Project List
Proposed Draft 2025 Regional Plan Network Comparison Summary

February 2025

Ordinance Number	Corridor	Project	Status	Proposed Draft 2025 Regional Plan Fiscally Constrained Network	Proposed Draft 2025 Regional Plan Network
16	I-805	**BRT Route 680: San Ysidro to Sorrento Mesa via I-805 / I-15 / SR 52**	**Future Project**	**Same as Ordinance**	Rapid 688: San Ysidro to UTC by 2035 Rapid 237: UTC to Sorrento Valley (and further) by 2035
17	I-805	**SR 52: I-15 to I-805 - 6F to 6F+2HOV**	**Future Project**	**Proposed Changes**	6F to 4F+2ML by 2050
18	I-805	**HOV Connector: I-805 / SR 52 Interchange**	**Future Project**	**Proposed Changes**	Managed Lane connector by 2050
19	I-5 South	**I-5: SR 905 to SR 54 - 8F to 8F+2HOV**	**Future Project**	**Proposed Changes**	8F to 6F+2ML by 2050
20	I-5 South	**I-5: SR 54 to I-8 - 8F to 8F+2HOV**	**In Progress**	**Proposed Changes**	SR 54 to SR 15 - 8F/10F to 8F+2ML by 2035 SR 15 to I-8 - 8F to 6F+2ML by 2035
21	I-5 South	**I-5: I-8 to I-805 - 8F to 8F+2HOV**	**In Progress**	**Proposed Changes**	8F to 6F+2ML by 2035
22	I-5 South	**Route 500 (Blue Line Trolley) Improvements**	**In Progress**	**Same as Ordinance**	Ongoing improvements by 2035 and by 2050
23	I-5 South	**Route 570 (Mid Coast)**	**Completed**		
24	I-5 South	**Route 634 (SuperLoop) (Now known as Routes 201, 202, and 204)**	**Completed**		
25	I-5 North	**I-5 / I-805 Merge - 16F to 16F+4ML**	**In Progress**	**Proposed Changes**	Merge 6F+2ML on I-5 with 8F+2ML on I-805, resulting in 14F+2ML between the I-5/I-805 merge and SR 56 by 2035
26	I-5 North	**I-5: SR 56 to Leucadia Blvd - 8F to 8F+4ML**	**In Progress**	**Proposed Changes**	8F+2HOV to 8F+2ML by 2035
27	I-5 North	**I-5: Leucadia Blvd to Vandegrift Blvd - 8F to 8F+4ML**	**In Progress**	**Proposed Changes**	Leucadia Blvd to SR 78 - 8F+2HOV to 8F+2ML by 2035 SR 78 to SR 76 - 8F to 8F+2ML by 2035 SR 76 to Vandegrift Blvd - keep as 8F
28	I-5 North	**HOV Connector: I-5 / I-805 Interchange**	**Future Project**	**Proposed Changes**	Managed Lane connector by 2035
29	I-5 North	**FWY Connector: I-5 / SR 56 Interchange**	**Future Project**	**Same as Ordinance**	Fiscally Unconstrained
30	I-5 North	**FWY Connector: I-5 / SR 78 Interchange**	**In Progress**	**Same as Ordinance**	Build by 2035
31	I-5 North	**Route 398 (COASTER) / BRT Route 472 Improvements**	**In Progress**	**Same as Ordinance**	Ongoing improvements by 2035 and by 2050
32	SR 52	**SR 52: I-15 to SR 125 - 4F to 6F+2ML (reversible)**	**In Progress**	**Proposed Changes**	I-15 to Mast Blvd - 6F to 4F+2ML+1 reversible transit lane + operational improvements (including a truck climbing lane) by 2035 Mast Blvd to SR 125 - 4F to 4F+2ML by 2035
33	SR 52	**SR 52: SR 125 to SR 67 - construct four general purpose freeway lanes**	**Completed**		

F = General Purpose Freeway Lane | **HOV** = High-Occupancy Vehicle Lane | **ML** = Managed Lane

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TransNet Ordinance Project List
Proposed Draft 2025 Regional Plan Network Comparison Summary

February 2025

Ordinance Number	Corridor	Project	Status	Proposed Draft 2025 Regional Plan Fiscally Constrained Network	Proposed Draft 2025 Regional Plan Network
34	SR 94/ SR 125	**FWY Connector: SR 94 / SR 125 Interchange**	**In Progress**	**Same as Ordinance**	Build by 2035
35	SR 94/ SR 125	**SR 94: SR 125 to Steele Canyon Rd - Widen: SR 125 to Avocado Blvd (4F to 6F) Avocado Blvd to Steele Canyon (4-lane conventional highway)**	**Future Project**	**Proposed Changes**	Fiscally Unconstrained SR 125 to Avocado Blvd - 4F to 4F+operational improvements Avocado Blvd to Steele Canyon - keep as 4-lane conventional highway
36	SR 94/ SR 125	**SR 94/SR 125: I-805 to I-8 - 8F to 8F+2HOV**	**Future Project**	**Proposed Changes**	SR 94: I-805 to SR 125 - 8F to 6F+2ML by 2050 Fiscally Unconstrained: SR 125 from SR 94 to I-8 - 6F to 6F+2ML
37	SR 94/ SR 125	**Route 520 (Orange Line Trolley) Improvements**	**In Progress**	**Same as Ordinance**	Ongoing improvements by 2035 and by 2050
38	SR 54/ SR 125	**SR 54 / SR 125: I-805 to SR 94 - 4F/6F to 6F+2HOV**	**Future Project**	**Proposed Changes**	Fiscally Unconstrained SR 54: I-805 to SR 125 - 6F to 4F+2ML SR 125: SR 54 to SR 94 - 6F to 6F+2ML
39	SR 67	**SR 67: Mapleview St to Dye Rd - Widen to four-lane conventional highway**	**In Progress**	**Proposed Changes**	Multimodal operational improvements with shoulder widening for enhanced emergency access by 2035
40	I-8	**I-8: Second St to Los Coches Rd - 4F to 6F**	**Future Project**	**Proposed Changes**	Fiscally Unconstrained 4F to 4F+2ML
41	SR 78	**SR 78: I-5 to I-15 - 6F to 6F+2HOV**	**In Progress**	**Proposed Changes**	6F to 6F+2ML by 2035
42	SR 78	**Route 399 (SPRINTER) / BRT Route 471 Improvements**	**In Progress**	**Same as Ordinance**	Ongoing improvements by 2035 and by 2050
43	SR 76	**SR 76: Melrose Dr to I-15 - Widen to four-lane conventional highway**	**Completed**		
44	SR 56	**SR 56: I-5 to I-15 - 4F to 6F**	**In Progress**	**Proposed Changes**	I-5 to Carmel Valley Rd - 4F/6F+2HOV to 4F/6F+2ML by 2050 Carmel Valley Rd to I-15 - 4F to 4F+2ML by 2050
45	Mid-City	**BRT Showcase Route 611: SDSU to Downtown San Diego via El Cajon Blvd & Park Blvd (Now known as Mid-City Rapid Route 215)**	**Completed**		
46	Coronado Tunnel	**SR 75 / SR 282 (Coronado Tunnel): Glorietta Blvd to Alameda Blvd**	**Future Project**	**Not Included***	
47	Border Access	**Border Access Improvements**	**In Progress**	**Same as Ordinance**	Ongoing improvements by 2035 and by 2050
48	SR 125	**SR 125: SR 905 to SR 54 - toll road purchase**	**Completed**		
49	Bikeway	**Bikeway**	**In Progress**	**Same as Ordinance**	

* The City of Coronado has decided not to move forward with this project

F = General Purpose Freeway Lane | **HOV** = High-Occupancy Vehicle Lane | **ML** = Managed Lane

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Draft 2025 Regional Plan: Performance Measures Highlights

2025 Regional Plan Goals and Performance Measures Highlights

Goal Area	Performance Measure
Convenient and reliable movement of people and goods	Access to Basic Needs (Retail, Parks, Medical Facilities) Access to Opportunities (Employment Centers, Higher Education) Access to Transit
Equitable access to essential needs and opportunities	Access to Basic Needs (Retail, Parks, Medical Facilities) Access to Opportunities (Employment Centers, Higher Education)
Healthy communities and environment for everyone	Access to Basic Needs (Retail, Parks, Medical Facilities) GHG Emission Measures Transportation Related Physical Activity
Safe transportation network for all users	Access to Bike Facilities

Access to Basic Needs (Retail, Parks, Medical Facilities) by Transit

Performance Measure	2022 Base Year	2035 Build	2050 Build
Access to Basic Needs (Retail)			
Total region - 15 minutes	71.0%	73.3%	74.1%
Low-income - 15 minutes	81.7%	82.1%	82.2%
Minority - 15 minutes	75.4%	76.7%	77.1%
Senior - 15 minutes	68.8%	71.2%	73.2%
Access to Basic Needs (Parks)			
Total region - 15 minutes	62.4%	65.8%	66.8%
Low-income - 15 minutes	73.7%	75.8%	75.8%

Performance Measure	2022 Base Year	2035 Build	2050 Build
Minority - 15 minutes	67.9%	70.1%	70.6%
Senior - 15 minutes	59.9%	63.4%	65.9%
Access to Basic Needs (Medical Facilities)			
Total region - 30 minutes	78.3%	82.1%	82.7%
Low-income - 30 minutes	86.8%	87.8%	87.9%
Minority - 30 minutes	82.3%	84.9%	85.2%
Senior - 30 minutes	76.1%	80.6%	82.2%

Access to Opportunities (Employment Centers, Higher Education) by Transit

Performance Measure	2022 Base Year	2035 Build	2050 Build
Access to Opportunities (All Employment Centers)			
Total region			
30 minutes	79.4%	83.1%	83.7%
45 minutes	79.5%	83.3%	84.0%
Low-income			
30 minutes	86.8%	88.1%	88.5%
45 minutes	86.9%	88.2%	88.6%
Minority			
30 minutes	83.3%	85.9%	86.3%
45 minutes	83.4%	86.0%	86.5%
Senior			
30 minutes	77.3%	81.6%	83.2%
45 minutes	77.6%	82.0%	83.5%

Performance Measure	2022 Base Year	2035 Build	2050 Build
Access to Opportunities (Higher Education)			
Total region			
30 minutes	68.2%	75.2%	76.1%
45 minutes	75.2%	80.4%	81.2%
Low-income			
30 minutes	78.6%	81.9%	82.6%
45 minutes	83.4%	85.6%	86.2%
Minority			
30 minutes	73.9%	79.4%	80.0%
45 minutes	80.2%	83.9%	84.5%
Senior			
30 minutes	65.6%	73.3%	75.3%
45 minutes	72.5%	78.8%	80.6%

GHG Emission Measures

Performance Measure	2022 Base Year	2035 Build	2050 Build
Change in on-road CO_2 emissions from 2005 level (tons/day)	-5,135	-4,609	-4,592
Change in on-road CO_2 emissions from 2005 level (pounds/day)	-4.6	-5.0	-5.0

Access to Transit: Within 0.5 Miles of Rail or Next Gen Rapid Transit Stops

Performance Measure	2022 Base Year	2035 Build	2050 Build
Total region	11.4%	33.8%	35.0%
Low-income	17.0%	42.7%	43.3%
Minority	12.7%	35.5%	36.5%
Senior	9.0%	31.2%	33.3%

Access to Bike Facilities: Within 0.25 Miles of Class I and II, Cycletrack or Bike Boulevard

Performance Measure	2022 Base Year	2035 Build	2050 Build
Total region	71.3%	76.7%	86.5%
Low-income	70.4%	77.8%	87.2%
Minority	72.3%	78.6%	88.0%
Senior	70.2%	75.5%	86.8%

Transportation Related Physical Activity

Transportation Related Physical Activity	2022 Base Year	2035 Build	2050 Build
Total Region			
Total time engaged in transportation related physical activity per capita	12.21	13.61	15.56
% of population engaged in 20 minutes or more of transportation related physical activity	16.5%	18.3%	20.0%

Summary of Proposed Revenue for Draft 2025 Regional Plan

Local Funding	
Revenue Source	**Description and Major Assumptions**
TransNet	A half-cent sales tax that provides funding for transportation purposes in the San Diego region. It was approved by voters in 2004 and the 2025 Regional Plan calculations assume it will be renewed by voters beyond 2048 to cover 2049-2050.
Transportation Development Act (TDA)	A statewide one-quarter-percent sales tax for transportation purposes. This funding is based on the growth of sales taxes.
Developer Impact Fees	A fee collected from the private sector for each new housing unit constructed in their city or in unincorporated parts of the County. This is required by the Regional Transportation Congestion Improvement Program (RTCIP) and part of the TransNet Ordinance.
City/County Local Gas Taxes	Funding from the state gas tax used for transportation-related purposes. Funds are forecasted to come from: (1) The Highway Users Tax which is for local streets and road purposes in cities and the County; and (2) the Road Maintenance and Repair Act Local Streets and Roads Program.
General Fund/ Miscellaneous Local Road Funds	Funding dedicated for local streets and road maintenance and improvements. These include fines and forfeitures, interest earnings, and other miscellaneous revenue sources. These are predicted to stay consistent based on information provided in the State Controller's annual reports.
Value Capture/Joint Use Agreement	Funding estimated to be gathered through joint building development opportunities on publicly owned land at transit stations. This development is feasible at many existing and future transit stations. Estimated revenues are calculated based on SANDAG's Regional Value Capture Study.
FasTrak® Revenues	Estimated future funding from tolling based on the planned expansion of the Managed Lanes network through 2050. Forecasted funds are based on the Managed Lanes Feasibility Tool, a modeling tool used to forecast Managed Lane performance and revenues; this has been used by agencies around the country to inform Managed Lane projects.
Passenger Fares	Funding from the fares that riders of local public transit pay. These are based on data provided by our two transit operators: North County Transit District (NCTD) and Metropolitan Transit System (MTS). From 2023 forward, passenger fare revenues are based on how many people are projected to ride each route and how much the average ticket costs for each type of rider.
Motorist Aid Services – Call Box Program	Funding SANDAG receives as the regional agency responsible for assisting travelers experiencing vehicle problems while on the highway. This provides funding for various services such as responding to inquiries from the call boxes located at various intervals along freeways and rural highways.

Future Local Revenues	A future one-half cent local sales tax pending voter approval in the 2032 election, and another one-half cent measure pending voter approval in the 2036 election.
Future MTS Local Revenues	State law authorizes MTS and NCTD to propose a sales tax within their respective service areas. Funding generated from this would be for public transit purposes. MTS is currently exploring placing a proposed tax on an upcoming election ballot. The 2025 Regional Plan assumes a one-half cent tax starting in 2030.
Last Mile Delivery Fee	Revenues from a fee placed on deliveries modeled after those in other states including Colorado and Minnesota. The fee is assumed to be in place by 2028 and will aim to encourage vendors and customers to bundle orders and reduce delivery trips.
Parking Fees	Funding from parking meters that would be available to fund projects, such as micro-transit and shuttle service near parking district areas.
Toll Revenue Bonds	Public loans to fund the construction of projects in the Managed Lanes Network.
Advertising/Naming Rights/Sponsorship	Potential revenue from selling the right to name transportation assets to the private sector. These can be used to supplement operating and maintenance expenses or transportation projects. For example, MTS negotiated a naming rights deal with UC San Diego for the Mid Coast Light Rail Extension.
Air Pollution Control District Fees	Funding from vehicle registration fees to fund regional projects and studies that reduce air pollution in San Diego County.
Rideshare Company Service Fees	Revenues from service fees charged to ridesharing companies per trip. Studies find that companies such as Uber and Lyft contribute to traffic, pollution, and vehicle miles traveled. Other regions have worked to address this by applying rideshare service fees to mitigate their impacts, encourage carpooling, and generate revenue for transportation.
Local Funding Subtotal (58%)	**Estimated $75 - $79 Billion**
State Funding	
Revenue Source	**Description and Major Assumptions**
State Transportation Improvement Program	Funds distributed to each state for developing a statewide program of transportation projects. These are set aside for planning related to state highway improvements, intercity rail, and regional highway and transit improvements. Our county can expect to receive at least minimum portions of these, including both Regional and Interregional shares of revenue.
State Transit Assistance Program	Funds from diesel sales taxes that can be used for transit agencies' operating costs and capital projects distributed by the State Controller.

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State Highway Account for Operations/Maintenance	Revenues for state highway operations and maintenance, including projects to reduce collisions and programs to rehabilitate highways. These expenditures are required by state law to be given priority over new construction and are funded before new construction projects.
Cap and Trade	Funding from the state's portion of the Cap-and-Trade Auction Revenues (fees that the industry pays to offset their pollution impact when they pollute over the legal limit) for work that reduces greenhouse gas emissions. Some of these funds are guaranteed, others are competitive.
State INFRA	Grants for freight and highway projects of national or regional significance that aim to move goods and people more safely, efficiently, and reliably in and across rural and urban areas. (This grant program has replaced FASTLANE and other federal discretionary programs)
State Managed Federal Programs	Revenues from the Highway Bridge Program, Hazard Elimination Program, and Highway Safety Improvement Program. Additional discretionary funds will also be leveraged through the Highway Infrastructure Program.
Motorist Aid Services – Freeway Service Patrol (FSP) Program	Funding to provide assistance freeway-users whose vehicles break down or in case of other accidents; these aim to reduce traffic and secondary accidents and address safety issues by removing potentially dangerous debris on state highways.
Road Maintenance and Rehabilitation Account (RMRA)	Funded by new diesel and gas taxes, a transportation improvement fee, and an electric vehicle fee; distributed to cities and counties for basic road maintenance, rehabilitation, and critical safety projects on local streets and roads. *RMRA also provides SHOPP and Local Streets and Roads funding: those funds are included in their specific revenue estimates above, respectively.
Anticipated/Undetermined State Revenues	One-time transportation funding that could be available in cases of economic turmoil or challenging financial times. Since 2006, there have been several funding opportunities of this kind. Assumed revenues from this are based on the average annual regional income from these sources and assumes that these will continue to occur after 2028.
Department of Motor Vehicles Registration Sticker Elimination	Future funding, which can be anticipated if the state of California follows the example of other states who are reducing administrative costs by shifting registration tracking to digital only without distributing registration stickers. Our County would likely receive additional funding for transportation projects because of this.
State Housing Revenue for Transportation Infrastructure	Funding for redeveloping, developing, acquiring, rehabilitating, and preserving workforce and affordable housing, transit-oriented development, and projects promoting strong neighborhoods.
State Funding Subtotal (20%)	**Estimated $25 - $27 Billion**

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Federal Funding	
Revenue Source	**Description and Major Assumptions**
Federal Transit Administration Discretionary	Revenues awarded for the Mid-Coast Trolley Extension project and for future major transit projects identified in the 2021 Regional Plan. Based on historical success securing funding for past projects such as the Mission Valley East Trolley, SPRINTER, and Mid-City Rapid; we anticipate receiving at least one large grant and three smaller grants every decade (beginning in 2030).
Federal Transit Administration Formula Programs	Annual funding allotted to our region based on population, population density, and transit revenue miles of service, among other factors. Projected increases of this funding were calculated using the annual program increases established by the IIJA, which are consistent with historical experience.
Low - No Emission Bus and Bus Facilities Programs	Grant funding we assume will continue to be made available for buying or leasing zero and low-emission transit buses as well as acquiring, constructing, and leasing of facilities and equipment to support these vehicles.
Congestion Mitigation and Air Quality/ Regional Surface Transportation Block Grant Program	Flexible funds which can be used for a wide range of projects and programs that help reduce traffic and air pollution. Total funds anticipated are based on estimates provided by Caltrans.
US Department of Transportation Discretionary Funding	Funding for highway and bridge projects of regional and national significance. Estimates are based on the historical track record for the region. We have successfully secured these funds for previous projects such as highways SR 905 and SR 11.
Federal Rail Administration Funds	Funds for intercity and/or intercity passenger rail. This includes funding for constructing rail projects on the national passenger rail network (which includes the LOSSAN corridor); grants for projects that improve safety, efficiency and reliability of existing intercity passenger and freight rail; and grants for eliminating dangerous railroad crossings.
Capital Investment Grants	Funding for rail and bus transit routes. Our region has partially funded numerous recent projects in this way, including MTS's Mission Valley and Mid-Coast Trolley extensions, the Rapid 215 bus route, and NCTD's SPRINTER Line.
Corridors and Borders Infrastructure/State Set-aside of STBG	Funding set aside for border projects. As a major border region, we anticipate continuing to be highly competitive for these funds and are assuming an 80 percent share.
Federal Funding Subtotal (22%)	**Estimated $27 - $29 Billion**
Total of all Funding	**Estimated $127 - $135 Billion**

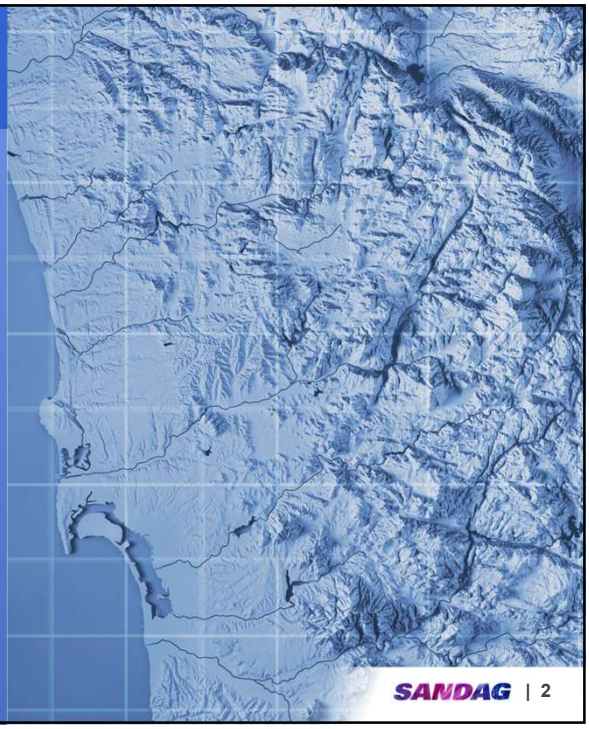
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2025 Regional Plan Update

Transportation, Borders, and Regional Planning Committees Joint Session | Item 3
Antoinette Meier, Senior Director of Regional Planning
February 21, 2025

What is a Regional Plan?

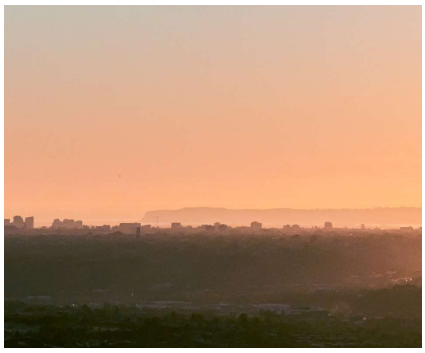
- Blueprint for how the region will grow and transportation system will develop over the next 20+ years
- Developed **every 4 years**
- Has to meet federal and state **requirements**
- Uses the **latest data** and planning **assumptions**
- Includes **projects, policies, programs** and a **financial plan**



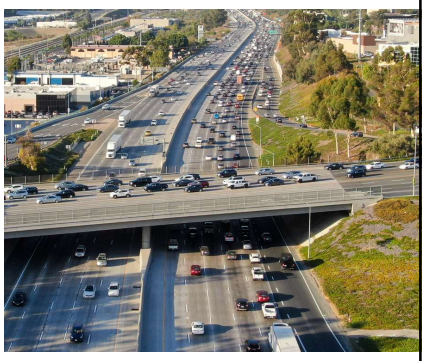
Major Requirements



Equity



Air Quality



Greenhouse Gas Emissions/Vehicle Miles Traveled

The Region's Initial Concept of the 2025 Plan









- 7 Board of Directors Workshops
- 8 Community Workshops
- 5 Joint Workshops with PACs/WGs
- 45 pop-up events by CBO partners in social equity-focus communities
- More than 2,000 comments online
- More than 8,000 unique visits to website
- Online engagement regionwide

Feedback



Improve our Highways



Transit isn't convenient needs to be faster and more frequent



School connections



Improve rural transportation services



Microtransit needed to reach neighborhood destinations



Expand transit more places

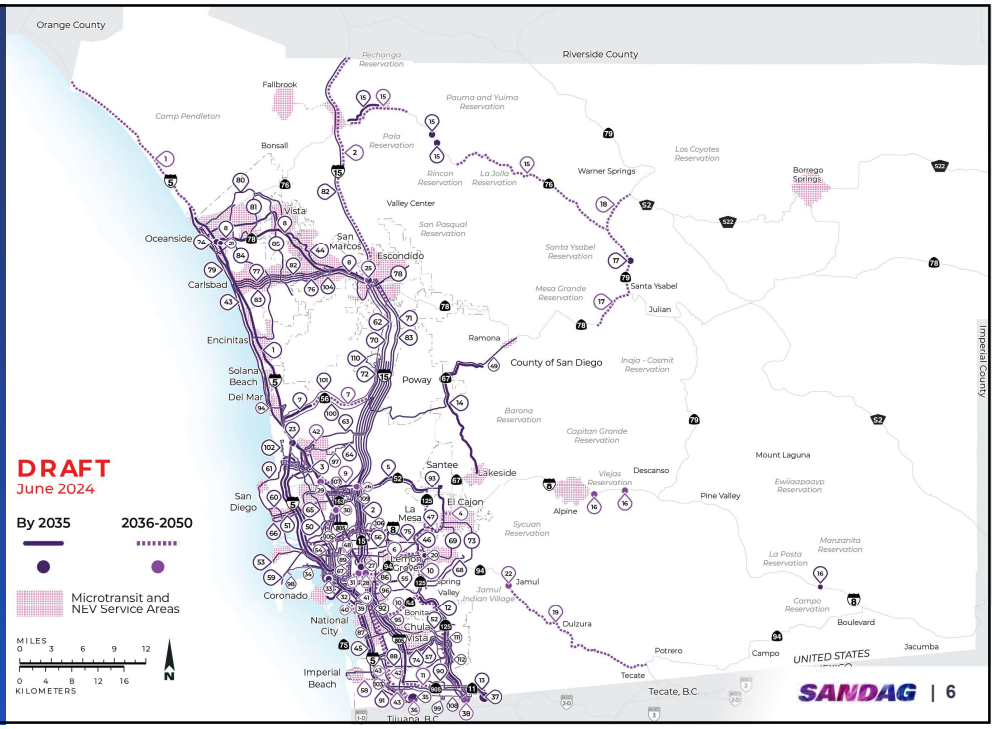


Problems connecting between different types of transportation

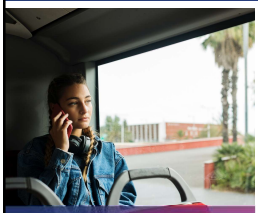


Biking and walking safety issues

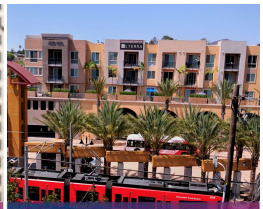
Initial Concept: Transportation Network

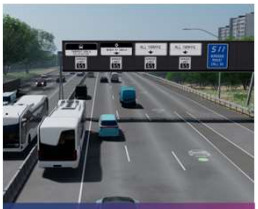


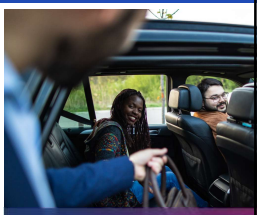
Proposed Policies and Programs

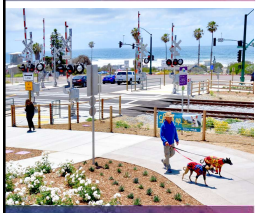

Pricing Strategies


Climate

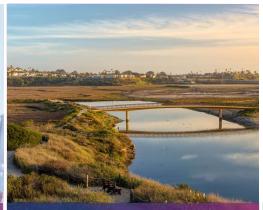

Housing & Land Use


Transportation Technology

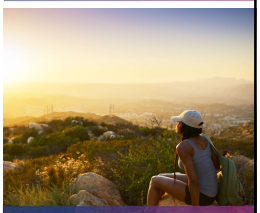

Transportation Demand Management (TDM)


Vision Zero


Digital Equity


Habitat Conservation


Fix it First


Health

Calculating If Our Concept Will Meet the Requirements

Proposed Network

Sustainable Communities Strategy (SCS) Land Use Scenario

Policies and Programs

inputs

SANDAG Activity-Based Model (ABM)

outputs

Emission Factors (EMFAC CARB tool)

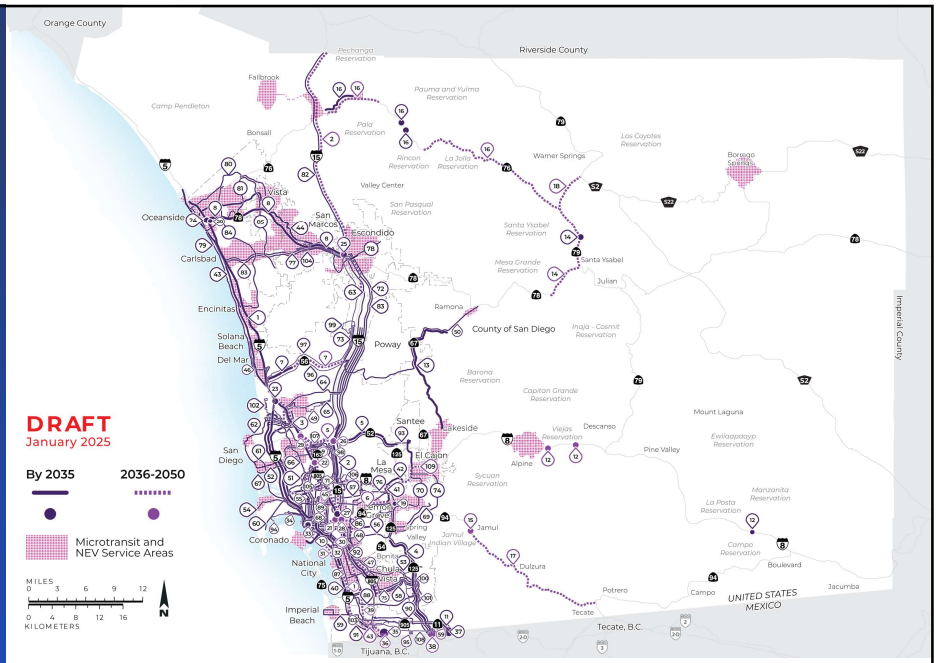
State Requirement SB 375
19% Reduction Reached

Federal Requirement
Air Quality Conformity

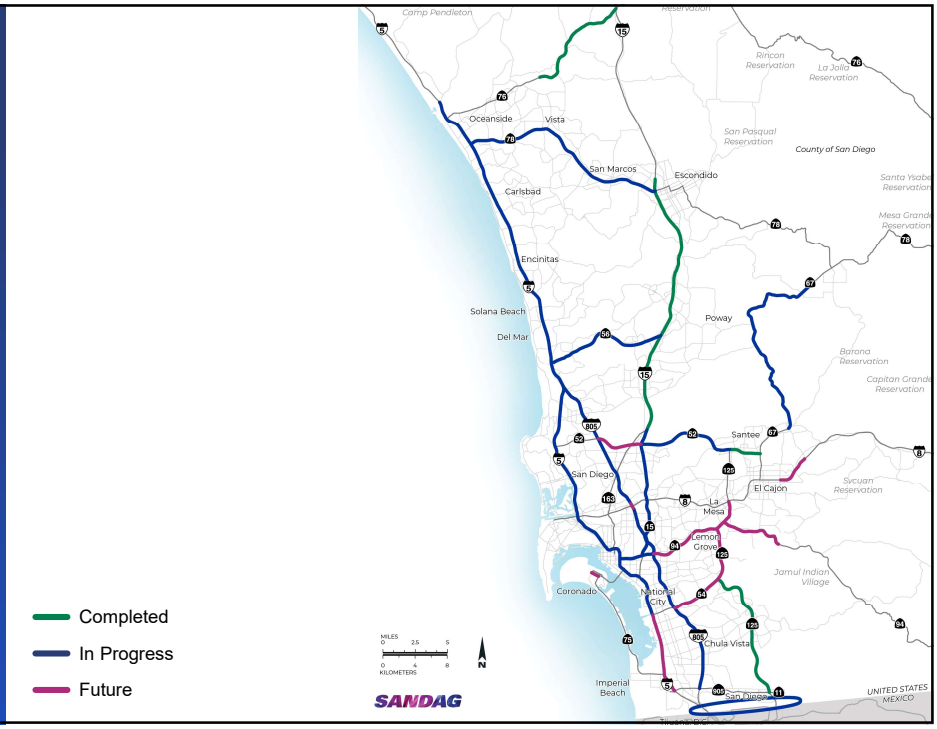
CARB SB 375 Tech Memo Coordination

Proposed Draft 2025 Regional Plan Transportation Network

- Expanded Microtransit and NEV service areas
- Managed lane refinements
- Transit route and service refinements

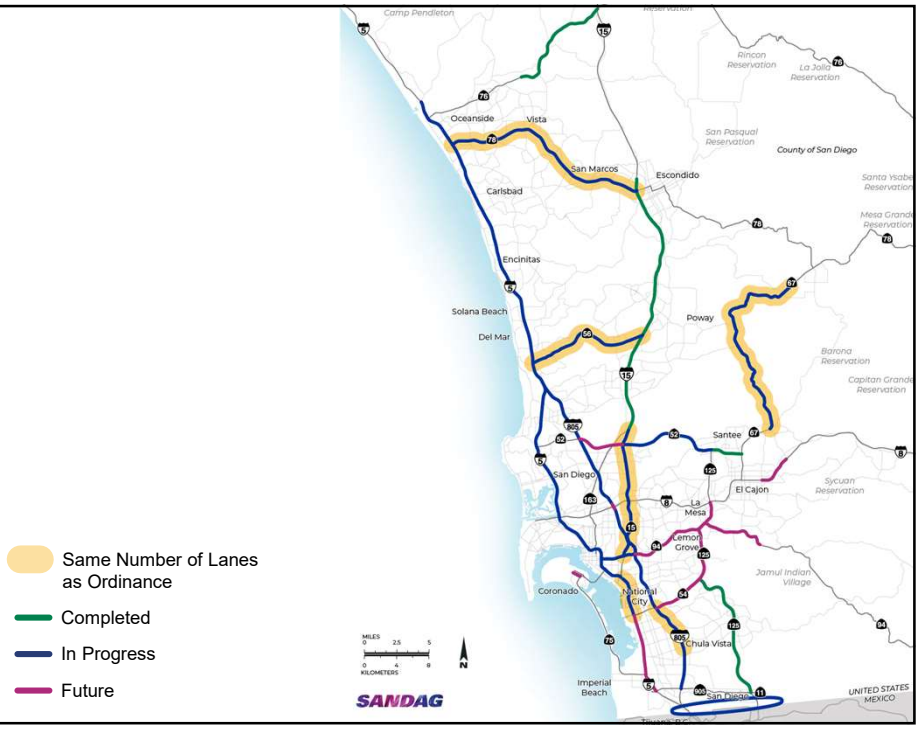


TransNet Major Corridors



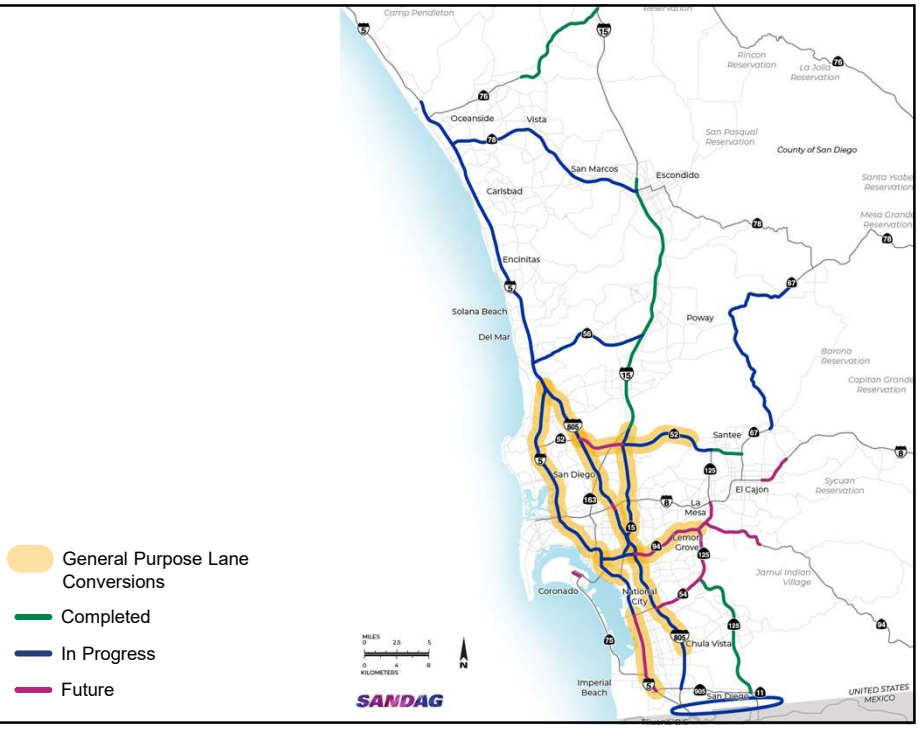
TransNet Projects Compared to Draft 2025 Regional Plan

Same Number of Lanes as Ordinance



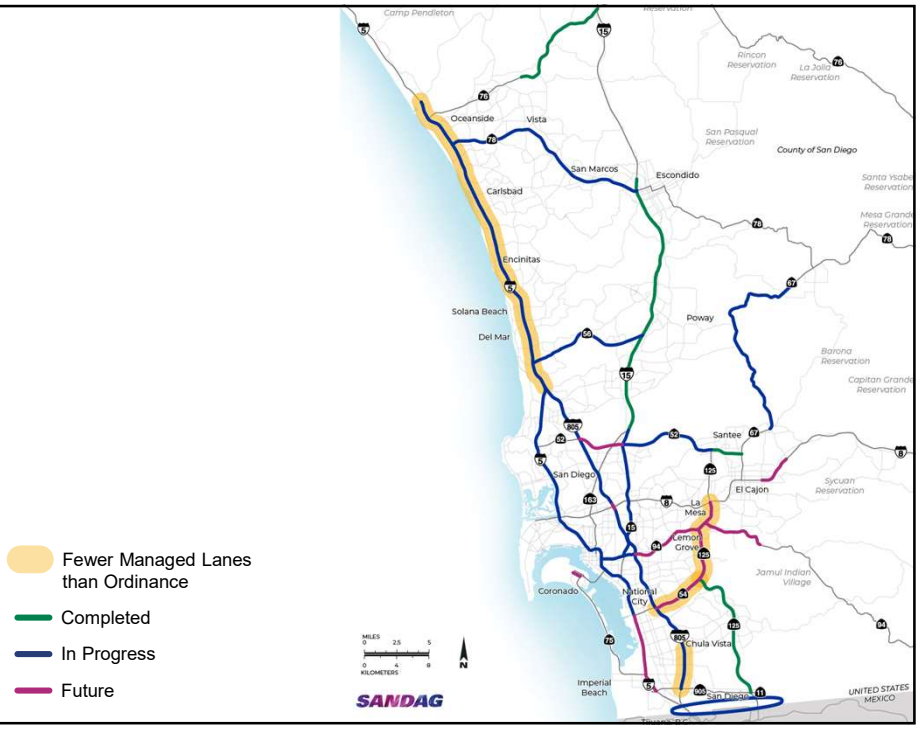
TransNet Projects Compared to Draft 2025 Regional Plan

General Purpose Lane Conversions



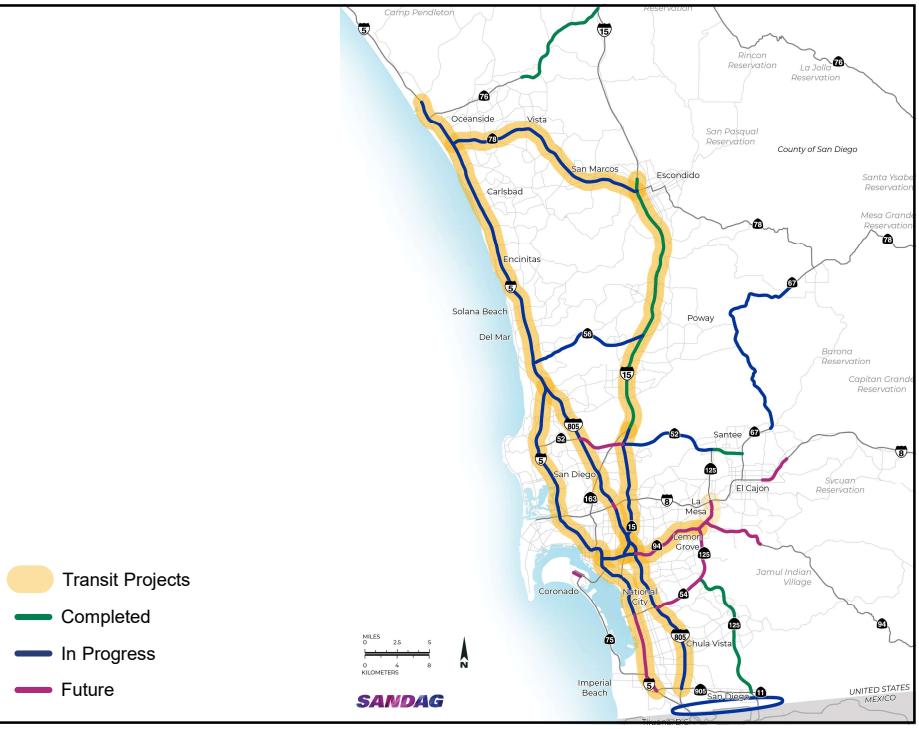
TransNet Projects Compared to Draft 2025 Regional Plan

Fewer Number of Managed Lanes than Ordinance



TransNet Projects Compared to Draft 2025 Regional Plan

Transit Projects



TransNet Projects Compared to Draft 2025 Regional Plan

Connectors

- Freeway Connector
- Managed Lane Connector
- Unconstrained Freeway Connector
- Connectors
- Completed
- In Progress
- Future



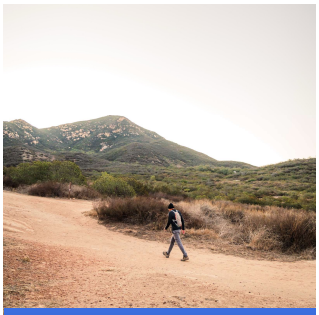
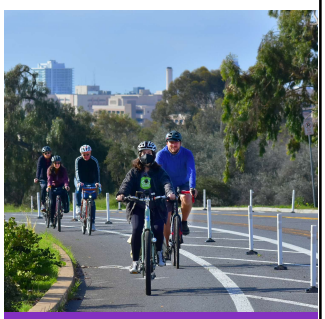
TransNet Projects Compared to Draft 2025 Regional Plan

Border Access

- Border Access
- Completed
- In Progress
- Future



Performance Measures

Convenient	Equitable	Healthy	Safe
			
Decreased travel time for all modes including commercial vehicles	Increased access to basic needs and opportunities	Increase in transportation related physical activity	More safe active transportation infrastructure

Estimated Cost of Implementation

$125-133 Billion (2024$)

- **Highway Capital**
  - Interchanges, Ramps, and Operational Improvements
  - Goods Movement
  - Managed Lanes and Connectors
  - Technology
- **Highway Operations and Maintenance**
- **Transit Capital**
  - Transit amenities
  - Transit vehicles
- **Transit and Flexible Fleet Operations**
  - Transit operations
  - Microtransit and shuttle services
  - Transit Fare Subsidies (including youth opportunity pass)
- **Active Transportation**
- **Local Streets and Roads**
- **Debt Service**
- **Policies and Programs**
  - Transportation Demand Management
  - Environmental Mitigation and Habitat
  - Zero Emission Vehicles
  - Vision Zero
  - Grant Programs (Smart Growth, Housing, and Active Transportation)

Next Steps



Thank you! Please stay connected with us

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- Follow us on social media
  @SANDAGregion @SANDAG
- Send us an email
  pio@sandag.org

SANDAG