



Presentation of Results →


TRANSNET AND TRANSNET EXTENSION ACTIVITIES

Fiscal Year Ended June 30, 2025

DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS

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SCOPE OF ENGAGEMENT

- Agreed-Upon Procedures
 - Determine if recipients of TransNet funds were in compliance with the Ordinance for the year ended June 30, 2025
 - Procedures approved by ITOC in July 2025
- Reviewed 24 recipient agencies
- Procedures performed Sept. 2025 - Feb. 2026
- Eight major compliance components

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#1 - TRANSNET EXPENDITURES

Selected at least 25% of total expenditures incurred

Tested payroll charges if they exceeded 20% of total TransNet expenditures

All recipients were in compliance with the revenue and expenditure requirements



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#2 - Maintenance of Effort (MOE)

All recipients are in compliance with the MOE requirements

MOE Reindexing - La Mesa and National City completed this year

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#3 - LOCAL AGENCY BALANCE



LIMITATION (30% RULE)

All recipients are in compliance with the 30% rule except:

- City of Lemon Grove

- Reviewed 24 recipient agencies
- Procedures performed September 2025 – February 2026
- Eight major compliance components

#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 not to spend more than 30% of the funds for maintenance.





#6 – INDIRECT COSTS

Recipient Agency	2025 Total <i>TransNet</i> Expenditures	2025 Indirect Costs Charged to <i>TransNet</i>	2025 Indirect Costs as a % of Total <i>TransNet</i> Expenditures	Last Allocation Plan Approval	2024 Indirect Costs as a % of Total <i>TransNet</i> Expenditures
Carlsbad	\$8,304,727	\$57,854	0.70%	2021 ^{1,3}	2.52%
Chula Vista	8,216,640	492,633	6.00%	2021 ³	7.22%
Coronado	1,118,237	0	0.00%	n/a	0.00%
Del Mar	60,000 ⁴	0	0.00%	n/a	0.00%
El Cajon	4,658,797	15,038	0.32%	n/a	0.22%
Encinitas	1,969,767	0	0.00%	n/a	0.00%
Escondido	4,852,370	243,776	5.02%	2024 ^{1,3}	4.35%
Imperial Beach	3,693,884	0	0.00%	n/a	0.00%
La Mesa	2,379,861	0	0.00%	n/a	0.00%
Lemon Grove	2,318,638	90,467	3.90%	2019 ¹	9.56%
National City	2,236,198	0	0.00%	n/a	0.00%

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#6 – INDIRECT COSTS

Recipient Agency	2025 Total <i>TransNet</i> Expenditures	2025 Indirect Costs Charged to <i>TransNet</i>	2025 Indirect Costs as a % of Total <i>TransNet</i> Expenditures	Last Allocation Plan Approval	2024 Indirect Costs as a % of Total <i>TransNet</i> Expenditures
Oceanside	3,927,992	91,122	2.32%	2025 ¹	2.93%
Poway	2,543,535	0	0.00%	n/a	0.00%
San Diego, City	53,887,732	6,902,313	12.81%	2024 ¹	10.96%
San Marcos	9,325,393	0	0.00%	2023 ²	0.00%
Santee	1,483,306 ⁴	13,092	0.88%	2025 ¹	0.78%
Solana Beach	210,000 ⁴	0	0.00%	n/a	0.00%
Vista	2,530,145	0	0.00%	n/a	0.00%
Caltrans	19,279,054	1,944,820	10.09%	2024 ²	5.63%
San Diego, County	5,673,526	1,094,798	19.30%	2025 ¹	17.31%
SANDAG	77,748,117	5,786,526	7.44%	2024 ²	8.62%
MTS	95,789,390	136,658	0.14%	2025 ²	0.20%
NCTD	29,524,369	0	0.00%	n/a	0.00%

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#7 - REGIONAL TRANSPORTATION CONGESTION



IMPROVEMENT PROGRAM (RTCIP)

- All agencies in compliance with the exaction fees collected except:

- City of Encinitas
- City National City

- All agencies expended or committed funds within seven years.



#8 - TRANSIT OPERATOR ELIGIBILITY

Increase in operating costs per revenue vehicle hour for bus services cannot exceed increase CPI

- MTS did not meet this requirement
- NCTD did not 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





Presentation of Audit Results —>

THANK YOU FOR YOUR TIME

Fiscal Year Ended June 30,2025

 **DavisFarr**
CERTIFIED PUBLIC ACCOUNTANTS

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