

## **Independent Accountant's Report**

Board of Directors  
San Diego Association of Governments  
San Diego, California

We have performed the procedures enumerated below on the Federal Funding Allocation Statistics Form (Form FFA-10) for the San Diego Association of Governments (SANDAG) for the fiscal year ended June 30, 2025, solely to assist the management of SANDAG in the evaluation of whether SANDAG complied with the standards described below, and that the information included in the Form FFA-10 of SANDAG's National Transit Database (NTD) Report is presented in conformity with the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2025 Policy Manual (Policy Manual). SANDAG's management is responsible for the data presented in Form FFA-10.

SANDAG's management has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of evaluating whether SANDAG complied with the standards described below, and that the information included in the Form FFA-10 of SANDAG's National Transit Database (NTD) Report is presented in conformity with the requirements of the Uniform System of Accounts and Records and Reporting System, Final Rule, as specified in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the 2025 Policy Manual. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures performed, and the results of those procedures were as follows:

1. Obtained and read a copy of written procedures related to the system for reporting and maintaining data in accordance with NTD requirements and definitions set forth in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the Policy Manual. If procedures are not written, discussed the procedures with the personnel assigned responsibility for supervising the NTD data preparation and maintenance.

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

2. Discussed the procedures (written or informal) with personnel assigned responsibility for supervising the preparation and maintenance of NTD data to determine:
  - The extent to which SANDAG followed the procedures on a continuous basis; and
  - Whether they believe such procedures result in accumulation and reporting of data consistent with the NTD definitions and requirements set forth in 49 CFR Part 630, Federal Register, January 15, 1993, and as presented in the Policy Manual.

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

3. Inquired with personnel concerning the retention policy that is followed by SANDAG with respect to source documents supporting the NTD data, Total Modal Operating Expenses data (F-30, line 15, column e), Actual Vehicle Revenue Mile and Passenger Miles Traveled (S-10, lines 12 and 20, column d).

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

4. Based on the description of SANDAG's procedures obtained in items "a" and "b" above, identified all the source documents that must be retained by SANDAG for a minimum of three years. For each type of source document, select three months of the fiscal year and determine whether the documents exist for each of these periods.

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

5. Discussed the system of internal controls with the person responsible for supervising and maintaining the NTD data. Inquired whether individuals, independent of the individuals preparing source documents and posting data summaries, review the source documents and data summaries for completeness, accuracy and reasonableness and how often such reviews are performed.

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

6. Selected a random sample of the source documents and determine whether supervisors' signatures are present as required by the system of internal controls. If supervisors' signatures are not required, inquired how the supervisors' reviews are documented.

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

7. Obtained the worksheets utilized by SANDAG to prepare the final data that is transcribed onto the Federal Funding Allocation Statistics form. Compared the periodic data included on the worksheets to the periodic summaries prepared by SANDAG. Tested the mathematical accuracy of the summarizations.

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

8. Discussed with SANDAG staff the procedure for accumulating and recording passenger miles traveled (PMT) data in accordance with NTD requirements. Inquired whether the procedure used is: (1) a 100% count of actual PMT; or (2) an estimate of PMT based on statistical sampling meeting FTA's 95% confidence and + 10% precision requirements. If SANDAG conducts a statistical sample for estimating PMT, inquired whether the sampling procedure is: (1) one of the two procedures suggested by the FTA and described in FTA Circulars 2710.1A or 2710.2A; or (2) an alternative sampling procedure. If SANDAG uses an alternative sampling procedure inquired whether the procedure has been approved by the FTA or whether a qualified statistician has determined that the procedure meets the FTA's statistical requirements.

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

9. Discussed with SANDAG staff SANDAG's ability to conduct statistical sampling for PMT data every third year. Determined whether SANDAG meets one of the three criteria that allow transit agencies to conduct statistical samples for accumulating PMT data every third year rather than annually. The criteria are as follows:

- According to the 2020 Census, the public transit agency serves an urbanized area (UZA) of less than 500,000 population;
- The public transit agency directly operates fewer than 100 revenue Vehicles Operated in Annual Maximum Service (VOMS) (in any size UZA).
- The service is purchased from a seller operating fewer than 100 revenue vehicles in VOMS and is included in the transit agency's NTD report.

Results: SANDAG did not meet the criteria established by the FTA to conduct statistical sampling for passenger mile data every third year. Therefore, this procedure was not applicable.

10. For agencies that meet one of the above criteria, reviewed the NTD documentation for the most recent mandatory sampling year and determine that statistical sampling was conducted and meets the 95% confidence and  $\pm 10\%$  precision requirements. Determined how SANDAG estimated annual PMT for the current report year.

Results: SANDAG did not meet the criteria established by the FTA to conduct statistical sampling for passenger mile data every third year. Therefore, this procedure was not applicable.

11. Obtained a description of the sampling procedure for estimation of PMT data used by SANDAG. Obtained a copy of SANDAG's working papers or methodology used to select the actual sample of runs for recording PMT data. If the average trip length was used, determined that the universe of runs was used as the sampling frame. Determined that the methodology to select specific runs from the universe resulted in a random selection of runs. If a selected sample run was missed, determined that a replacement sample run was randomly selected. Determined that SANDAG followed the stated sampling procedure.

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

12. Selected a random sample of source documents for accumulating PMT data and determine that they are complete (all required data is recorded) and that the computations are accurate. Selected a random sample of the accumulation periods and recompute the accumulations for each of the selected periods. Listed the accumulation periods that were tested. Tested the mathematical accuracy of the summarization.

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

13. Discussed with SANDAG staff the procedures for systematic exclusion of charter, school bus and other ineligible vehicle miles from the calculation of actual VRM and determine that stated procedures are followed. Selected a random sample of the source documents used to record charter and school bus mileage and test the mathematical accuracy of the computations.

Results: SANDAG does not provide charter or school bus services. Therefore, this procedure was not applicable.

14. For actual VRM data, documented the collection and recording methodology and determine that deadhead miles are systematically excluded from the computation.

- If actual VRM is calculated from schedules, documented the procedures used to subtract missed trips. Selected a random sample of the days that service is operated and recompute the daily total of missed trips and missed VRM. Tested the mathematical accuracy of the summarization.
- If actual VRM is calculated from hubodometers, documented the procedures used to calculate and subtract deadhead mileage. Selected a random sample of the hubodometer readings and determine that the stated procedures for hubodometer deadhead mileage adjustments are applied as prescribed. Tested the mathematical accuracy of the summarization of intermediate accumulations.
- If actual VRM is calculated from vehicle logs, selected random samples of the vehicle logs and determine that the deadhead mileage has been correctly computed in accordance with FTA's definitions.

Results: Per inquiry, with Michelle Porter, Administrative Analyst, there were no deadhead miles as of June 30, 2025. Therefore, this procedure was not applicable.

15. For rail modes, reviewed the recording and accumulation sheets for actual VRM and determined that locomotive miles are not included in the computation.

Results: SANDAG does not provide rail service. Therefore, this procedure was not applicable.

16. If fixed guideway (FG) or High Intensity Bus directional route miles (FG or HIB DRM) are reported, interviewed the person responsible for maintaining and reporting the NTD data and determined whether the operations meet FTA's definition of FG or HIB in that the service is:

- Rail, trolleybus (TB), ferryboat (FB) or aerial tramway (TR); or
- Bus (MB, CB or RB) service operating over exclusive or controlled access rights-of-way (ROW) and:
  1. access is restricted;
  2. legitimate need for restricted access is demonstrated by peak period level of Service D or worse on parallel adjacent highway;
  3. restricted access is enforced for freeways;
  4. priority lanes used by other high occupancy vehicles (HOV) (i.e., vanpools (VP), carpools) must demonstrate safe operation; and
  5. High Occupancy/Toll (HO/T) lanes meet FHWA requirements for traffic flow and use of toll revenues, and that the transit agency has provided to NTD a copy of the State's certification to the U.S. Secretary of Transportation that it has established a program for monitoring, assessing and reporting on the operation of the HOV facility with HO/T lanes.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

17. Discussed the measurement of FG and HIB DRM with the person reporting the NTD data and determined that the mileage is computed in accordance with FTA's definitions of FG/HIB and DRM. Inquired whether there were service changes during the fiscal year that resulted in an increase or decrease in DRMs. If a service change resulted in a change in overall DRM, recomputed the average monthly DRMs, and reconciled the total to the FG/HIB DRM reported on Form FFA-10.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

18. Inquired if any temporary interruptions in transit service occurred during the report year. If these interruptions were due to maintenance or rehabilitation improvements to a FG segment(s), the following apply:

- Report DRMs for the segment(s) for the entire report year if the interruption is less than 12 months in duration. Report the months of operation on the FG/HIB segments form as 12.
- If the improvements cause a service interruption on the FG/HIB DRMs lasting more than 12 months, SANDAG should contact its NTD validation analyst to discuss. The FTA will make a determination on how to report the DRMs.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

19. Measured FG/HIB DRM from maps or by retracing route.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

20. Discussed with the person reporting the NTD data whether other public transit agencies operate service over the same FG as SANDAG. If yes, determined that SANDAG coordinated with the other transit agency (or agencies) such that the DRM for the segment of the FG/HIB are reported only once to the NTD on Form FFA-10. Each transit agency should report the actual VRM, PM and operating expense for the service operated over the same FG.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

21. Reviewed the FG/HIB Segments Form (S-20). Discussed with the persons reporting NTD data the Agency Revenue Service Start Date for any segments added in the 2017 report year. This is the commencement date of revenue service for each FG/HIB segment. Determined that the date is reported as when the agency began revenue service. This may be later than the Original Date of Revenue Service if SANDAG is not the original operator. If a segment was added for the 2017 report year, the Agency Revenue Service Date must occur within SANDAG's 2017 fiscal year. Segments are grouped by like characteristics. This pertains to segments reported for the first time in the current report year. Even if a transit agency can document a revenue service start date prior to the current NTD report year, FTA will only consider segments continuously reported to NTD.

Results: SANDAG did not report FG/HIB DRM on its NTD report for the fiscal year ended June 30, 2025. Therefore, this procedure was not applicable.

22. Compared operating expenses with audited financial data, after reconciling items are removed.

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

23. If SANDAG purchases transportation services, interviewed personnel reporting the NTD data regarding the amount of purchased transportation (PT) generated fare revenue. The PT fare revenues should equal the amount reported on the Contractual Relationship Form (B-30).

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

24. If SANDAG's report contains data for PT services and assurances of the data for those services are not included, obtained a copy of the Independent Auditor Statement for Federal Funding Allocation data of the PT service.

Results: PT services are included as part of SANDAG's NTD report. Therefore, this procedure was not applicable.

25. If SANDAG's purchases transportation services, obtained a copy of the PT contract and determine that the contract: (1) specifies the specific public transportation services to be provided; (2) specifies the monetary consideration obligated by SANDAG; (3) specifies the period covered by the contract and that this period is the same as, or a portion of, the period covered by SANDAG's NTD report; and (4) is signed by representatives of both parties to the contract. Interviewed the person responsible for maintaining the NTD data regarding the retention of the executed contract and determine that copies of the contracts are retained for three years.

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

26. If SANDAG provides services in more than one UZA, or between an UZA and a non-UZA, inquired of the person responsible for maintaining the NTD data regarding the procedures for allocation of statistics between UZAs and non-UZAs. Obtained and reviewed the FG segment worksheets, route maps, and UZA boundaries used for allocating the statistics, and determine that the stated procedure is followed and that the computations are correct.

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

27. Compared the data reported on Total Modal Operating Expenses data (F-30, line 15, column e), Actual Vehicle Revenue Mile and Passenger Miles Traveled (S-10, lines 12 and 20, column d) to comparable data for the prior report year and calculated the percentage change from the prior year to the current year. For actual VRM, PMT or operating expense data that have increased or decreased by more than 10%, or FG DRM data that have increased or decreased, interviewed SANDAG management regarding the specifics of operations that led to the increases or decreases in the data relative to the prior reporting period.

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

We were engaged by SANDAG to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. 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 procedures noted above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SANDAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

*Davis Fan LLP*

Irvine, California  
March 25, 2026