

Discussion Memo

The Independent Taxpayer Oversight Committee (ITOC) requests certain information on a quarterly basis and is also provided information based on recommendations from the first and second TransNet Triennial Performance Audits.

The first TransNet Triennial Performance Audit recommended the following:

- Recommendation No. 17: SANDAG should...report to the ITOC on the status of the debt-to-revenue ratio on a regular basis. (See cover page)
- Recommendation No. 18: Other data that would be valuable for the ITOC to receive is the quarterly data related to sales tax revenue collected in the particular quarter, collected to date, and distributed amongst the various Extension Ordinance projects, programs, and entities. (Attachment 2)

The Following are additional items requested by ITOC to be provided on a quarterly basis:

- TransNet Extension estimated annual sales tax revenue as compared to actual receipts (Attachment 3).
- The ITOC operating budget analysis (Attachment 4) includes the Board of Directors-approved FY 2025 Program Budget, along with the actual (unaudited) expenses to date for the twelve months ending June 2025, and the projected budgets for FY 2026 through FY 2027.
- Local Agency Street and Road Maintenance amounts paid to the local agencies (Attachment 5)
- Committed and actual spent activity of TransNet grant programs (Attachment 6).

Recommendation No. 7 of the second TransNet Triennial Performance Audit includes the following:

- Replacing the 30 percent fund balance limitation with a more effective measure to monitor performance... where SANDAG and ITOC could observe progress and performance through administrative processes rather than through an audit compliance mechanism.

In response to Recommendation No. 7, in November 2013, the ITOC requested minor adjustments to the Local Agency Street and Road balances attachment to assist in monitoring balances and expected use of local agency TransNet funds. The Local Agency Street and Road balances schedule (Attachment 7) includes unaudited balances held at SANDAG and the local jurisdictions through June 30, 2025, balance of programmed funds remaining in the Regional Transportation Improvement Program available for payment in FY 2025, estimated balance of funds that have not been programmed, and the cumulative percentage of funds anticipated to be spent through the end of FY 2025 if all funds other than those not programmed are expended. At the request of ITOC, the heading for column J has been modified to better articulate data provided.