

**TRANSPORTATION AGENCY
FOR MONTEREY COUNTY**

**Compilation Report on Compliance with
Ordinance No. 2016-01 and the Measure X
Master Programs Funding Agreement**

June 30, 2020

TRANSPORATION AGENCY FOR MONTEREY COUNTY
Compilation Report on Compliance with Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement
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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED UPON PROCEDURES**

Transportation Agency for Monterey County

We have performed the procedures enumerated below, which were agreed to by the Transportation Agency for Monterey County, solely to assist it in evaluating management's assertion that the cities of Carmel-by-the-Sea, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, Soledad, and the County of Monterey complied with their Measure X Funding Agreements and with the Measure X Investment Plan of the Transportation Agency for Monterey County including Maintenance of Effort requirement, during the fiscal year ended June 30, 2020. Management of each of the entities listed above is responsible for compliance with their Measure X Funding Agreements and with the Measure X Investment Plan of the Transportation Agency for Monterey County including the Maintenance of Effort requirement. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We did not audit the financial statements of the Traffic Safety and Investment Plan Account Funds of the entities. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Schedule of Measure X Allocations, Expenditures, Fund Balance, and Compliance, is based solely on the report of the other auditors.

Procedures Applied

1. Obtained the audited financial statements and/or Traffic Safety and Investment Plan Account Fund audited financial statements of each of the entities for the fiscal year 2019-2020.
2. Read the audited financial statements to determine total revenues, expenditures, and fund balances of the Measure X Fund for the fiscal year 2019-2020 for each jurisdiction.
3. Obtained an opinion from the entity's independent auditor on the entity's compliance in accordance with the compliance requirements described in the Transportation Agency for Monterey County's (TAMC) Ordinance No. 2016-01 and in the Measure X Master Programs Funding Agreement (the Agreement) between TAMC and each entity.
4. Made a determination if the entities met their Maintenance of Effort requirement based upon our review of the General Fund expenditures made on street projects or maintenance during the fiscal year ended June 30, 2020.
5. Summarized our findings in the accompanying Schedule of Measure X Allocations, Expenditures, Fund Balance, and Compliance for the fiscal year ended June 30, 2020.
6. Determined that each entity segregated monies received pursuant to Measure X in a separate Traffic Safety and Investment Plan Account Fund and has a reasonable method of allocating interest to unspent funds.

We were not engaged to, and did not, perform an audit, the objective of which would be the expression of an opinion on management's assertion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information of the Board of Directors and management of the Transportation Agency for Monterey County, and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Remy & Haugheim LLP

Santa Maria, California
April 16, 2021

Transportation Agency for Monterey County
 Schedule of Measure X Allocations, Expenditures, Fund Balance, and Compliance
 For the Fiscal Year Ended June 30, 2020

	Carmel	Del Rey Oaks	Gonzales	Greenfield	King City	Marina	Monterey	Pacific Grove	Salinas	Sand City	Seaside	Soledad	County of Monterey	Total
Revenues in Local Measure X Funds:														
Measure X allocation received	\$ 202,543	\$ 70,913	\$ 219,852	\$ 506,991	\$ 461,252	\$ 680,105	\$ 1,316,143	\$ 564,803	\$ 4,307,505	\$ 28,616	\$ 768,071	\$ 585,071	\$ 7,284,754	\$ 16,998,619
Measure X loan proceeds		184,280		6,813		77,023	30,536	18,400	120,465		31,876	8,502	274,679	184,280
Interest earned	350													568,644
Total Measure X revenue available	202,893	255,193	219,852	513,804	461,252	757,128	1,346,679	583,203	4,427,970	28,616	799,947	593,573	7,559,433	17,751,543
Expenditures in Local Measure X Funds:														
Expenditures	196,514	158,222	219,852	17,236	465,501	822,790	445,546	768,833	2,651,436		948,113	13,956	3,696,089	10,404,088
Total Measure X funding spent	196,514	158,222	219,852	17,236	465,501	822,790	445,546	768,833	2,651,436		948,113	13,956	3,696,089	10,404,088
Net Transfers in Local Measure X Funds:														
Transfers						2,120,000	156,783							2,276,783
Total Measure X transfers						2,120,000	156,783							2,276,783
Net change in fund balance	6,379	96,971		496,568	(2,249)	2,054,338	901,133	(28,847)	1,776,534	28,616	(148,166)	579,617	3,863,344	9,624,238
Fund balance, beginning of fiscal year	30,073					1,821,620	1,145,270	916,468	6,838,603	63,310	1,929,458	1,170,578	10,066,839	24,105,735
Ending fund balance	\$ 36,452	\$ 96,971	\$ -	\$ 496,568	\$ 121,267	\$ 3,875,958	\$ 2,046,403	\$ 887,621	\$ 8,615,137	\$ 91,926	\$ 1,781,292	\$ 1,750,195	\$ 13,930,183	\$ 33,729,973

Compliance with Maintenance of Effort:

Required Maintenance of Effort	\$ 175,508	\$ 61,043	\$ -	\$ -	\$ 51,309	\$ 434,257	\$ 2,919,095	\$ 912,274	\$ 4,429,476	\$ 497,886	\$ 653,790	\$ -	\$ -	\$ 5,063,872
General Fund Street Expenditures 2019-20	\$ 831,233	\$ 276,778	\$ -	\$ -	\$ 113,217	\$ 1,454,919	\$ 2,998,311	\$ 2,722,880	\$ 5,339,448	\$ 231,465	\$ 662,730	\$ -	\$ -	\$ 5,246,812

In Compliance?

	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
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See Finding 2020-1

Statement from Independent Auditor

stating compliance with the Measure X funding agreement and Investment Plan?

	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes
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TRANSPORTATION AGENCY FOR MONTEREY COUNTY
Compilation Report on Compliance with Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement
Current Fiscal Year Findings
For the Fiscal Year Ended June 30, 2020

Finding 2020-1

The Measure X Master Programs Funding Agreement between the Cities and the Transportation Agency for Monterey County required that the City must expend each fiscal year from its general fund for street and highway purposes an amount not less than the required maintenance of effort. For the fiscal year ended June 30, 2020, the City of Sand City spent \$231,465 of its General Fund money on street expenditures which was less than the required spending of \$497,886.

Result: The City was \$266,421 short of meeting its required maintenance of effort.

Agency Response: The Transportation Agency Board has previously approved a process for jurisdictions that fail to meet their Maintenance of Effort requirement to become compliant with Ordinance 2018-01 by repaying the funding shortfall to their Measure X accounts from non-Measure X sources as remediation, and the city will still be required to meet its current fiscal year Maintenance of Effort in addition to the transfer for the shortfall. Until the city completes that action, the Transportation Agency will withhold the disbursement of the city's share of Measure X funds. If the shortfall is not remediated within two years, the city's share of withheld Measure X funds will be redistributed to the other compliant jurisdictions.

TRANSPORATION AGENCY FOR MONTEREY COUNTY
Compilation Report on Compliance with Ordinance No. 2016-01 and the Measure X Master Programs Funding Agreement
Prior Fiscal Year Findings
For the Fiscal Year Ended June 30, 2020

Finding 2019-1

The Measure X Master Programs Funding Agreement between the Cities and the Transportation Agency for Monterey County required that the City must expend each fiscal year from its general fund for street and highway purposes an amount not less than the required maintenance of effort. For the fiscal year ended June 30, 2019, the City of Pacific Grove spent \$756,094 of its General Fund money on street expenditures which was less than the required spending of \$912,274.

Result: The City was \$156,180 short of meeting its required maintenance of effort.

Agency Response:

Due to unanticipated project delays, the City of Pacific Grove did not make enough project expenditures to count towards their Maintenance of Effort requirement. On February 26, 2020, the Transportation Agency Board approved a process for the city to become compliant with Ordinance 2016-01 by repaying the funding shortfall to their Measure X accounts from non-Measure X sources as remediation. On March 4, 2020, the Pacific Grove City Council approved a transfer of \$156,783 of general fund revenues to their Measure X fund, bringing the city into compliance. This transfer will count towards the city's 2018/19 maintenance of effort requirement, and the city will still be required to meet its fiscal year 2019/20 maintenance of effort in addition to the transfer for the shortfall.

Current Status:

The City of Pacific Grove transferred funds to meet their 2018/19 compliance requirement and also met their 2019/20 requirement.