

**METROPOLITAN TRANSPORTATION COMMISSION**

Independent Accountant's Report  
on Applying Agreed-Upon Procedures  
Regional Measure 3 Funds

Year Ended June 30, 2024

## **Independent Accountant’s Report on Applying Agreed-Upon Procedures**

Mr. Derek Hansel, Chief Financial Officer  
Metropolitan Transportation Commission  
San Francisco, California

We have performed the procedures enumerated below, which were agreed to by the Metropolitan Transportation Commission (MTC), on whether the Regional Measure 3 (RM3) funds recipient agencies’ expenditures of RM3 funds were substantiated with supporting documentation for the year ended June 30, 2024. Management of the RM3 funds recipient agencies are responsible for substantiating expenditures of RM3 funds. MTC’s management is responsible for the list of RM3 expenditure details for the year ended June 30, 2024.

MTC has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of whether the RM3 funds recipient agencies’ expenditures of RM3 funds were substantiated with supporting documentation for the 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.

### **PROGRAM DESCRIPTION**

On June 5, 2018, voters passed RM3 raising the toll for all vehicles travelling on the State-owned bridges in the San Francisco Bay Area by \$3.00 phased in over time. RM3 revenues were designated to fund various transportation projects within the region that have been determined to reduce congestion or make improvements to travel in the toll bridge corridors.

### **PROCEDURES**

The procedures and associated findings are as follows:

#### **General Procedures:**

1. Obtain from MTC a listing of RM3 recipients of operating programs and capital programs. MTC selected eight recipients whose total project expenses accounted for 91% of total RM3 expenses (excluding MTC) for the year ended June 30, 2024.
2. For each selected recipient, haphazardly select a minimum of 4 invoices to cover at least 50% of the recipient’s project expenses, and apply the applicable procedures below to the selected invoices. For recipients with 4 or fewer invoices, select all invoices for review. Transactions less than \$5,000 are not to be selected. MTC will review and approve the selection of invoices.
3. Request supporting documentation electronically from RM3 recipients for transactions selected for review, and apply the applicable procedures below to the selected transactions.

## **PROCEDURES (Continued)**

### **Capital Programs:**

1. Obtain and determine the Allocation Application includes the following material:
  - a) Sponsor / Implementing Agency Resolution of Project Compliance\*;
  - b) Opinion of Legal Counsel / MTC Indemnification\*;
  - c) Board or Official Governing Body Approved Initial Project Report (IPR);
  - d) Environmental documentation; and
  - e) Evidence of Allocation and Commitment of Complementary Funds.

\* The recipient may consolidate items 1a and 1b.
2. Determine whether invoices were submitted to the MTC on a reimbursement basis.
3. Determine whether the expenses included in the invoices were considered eligible expenses, as defined in the Capital Program Guidance section in the Regional Measure 3 Policies and Procedures dated October 2023.
4. Determine whether the expenses included in the invoices were within the scope of the recipient's Initial Project Report.
5. Verify expenses as reported in the invoices to the recipient's supporting documentation.

### **Operating Programs:**

1. Obtain and determine the Allocation Application includes the following material:
  - a) Cover letter detailing the allocation request;
  - b) Implementing Agency Resolution\*;
  - c) Operating Agreement;
  - d) Opinion of Legal Counsel\*;
  - e) Environmental documentation;
  - f) Certifications and assurances; and
  - g) Fiscal audit.

\* The recipient may consolidate items 1b and 1d.
2. Determine whether the recipient's invoices were exclusive of depreciation/amortization expenses.
3. Reconcile expenses and fare box revenues as reported in the invoices to the recipient's supporting documentation. (This procedure excludes other operating subsidies.)
4. Determine whether the expenses included in the invoices were within the scope of the recipient's Operating Agreement.

## **FINDINGS**

### **Capital Programs:**

No exceptions were found as a result of applying the procedures for capital programs listed in the accompanying Schedule of Expenditures of Regional Measure 3 Funds (Appendix A).

### **Operating Programs:**

No exceptions were found as a result of applying the procedures for operating programs listed in the accompanying Schedule of Expenditures of Regional Measure 3 Funds (Appendix A).

We were engaged by MTC 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, the objective of which would be the expression of an opinion or conclusion, respectively, on whether the RM3 funds recipient agencies' expenditures of RM3 funds were substantiated with supporting documentation for the year ended 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 MTC and the RM3 funds recipient agencies 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 MTC and Regional Measure 3 (RM3) Independent Oversight Committee and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*

Walnut Creek, California

November 22, 2024

## Appendix A

### Metropolitan Transportation Commission Schedule of Expenditures of Regional Measure 3 Funds Year Ended June 30, 2024

#### Capital Programs:

Index	Recipient Agency	Project No.	Title	Total Expenses	Amount Reviewed
1.	Alameda County Transportation Commission	4203	I-80 S EL Alameda County	\$ 25,888,659	\$ 22,270,083
2.	Alameda County Transportation Commission	6900	I680/I880/R262 Freeway Connect	2,027,719	1,737,484
3.	Alameda County Transportation Commission	7000	I680/SR84 Interchng Reconstuct	49,135,314	49,135,314
4.	Central Contra Costa Transportation Authority	6603	Solano Projects TBD	5,000,000	-
5.	Contra Costa Transportation Authority	5901	I680/SR4 Interchng Imprv Ph1&2A	3,300,695	-
6.	Contra Costa Transportation Authority	7401	Mokelumne Trail Bike/Ped SR84	5,158,480	-
7.	County of San Mateo	5802	101/92 Direct Connector Projec	69,847	-
8.	Napa Valley Transportation Authority	6700	State Route 29	189,364	-
9.	San Francisco Municipal Transportation Agency	5003	40'/60' hybrid buses	16,229	-
10.	San Francisco Municipal Transportation Agency	5004	Kirkland Electrification	425,158	-
11.	Santa Clara Valley Transportation Authority	5601	SJ Diridon-Planning&Early Row	23,818,526	23,818,526
12.	Solano Transportation Authority	4201	I-80 EL in Solano County	29,534,771	29,534,771
13.	Solano Transportation Authority	6100	Sol80/I680/SR 12 Interchange	2,364,697	28,888
14.	Solano Transportation Authority	6200	I80 Westbound Truck Scales	9,894,327	9,231,799
15.	Sonoma County Transportation Authority	6302	Interim Segment B - PAED & PS&	96,935	-
16.	Transportation Authority of Marin	6001	Marin Segment	38,998,561	35,344,748
17.	Transportation Authority of Marin	6501	US-101/I-580 Direct Connector	2,863,053	2,731,780
18.	Water Emergency Transportation Authority	4501	Mission Bay Ferry L&ing	50,598	50,598
19.	Water Emergency Transportation Authority	4502	Shoreside Electrical Program	42,237	42,237
<b>Total capital programs expended during the fiscal year ended June 30, 2024*</b>				<b>\$ 198,875,170</b>	<b>\$ 173,926,229</b>

\*Total may not add due to rounding.

#### Operating Programs:

Index	Recipient Agency	Project No.	Title	Total Expenses	Amount Reviewed
1.	AC Transit	1800	Regional Bus Service	\$ 6,168,059	\$ 6,168,059
2.	Central Contra Costa Transportation Authority	1800	Regional Bus Service	22,630	-
3.	Eastern Contra Costa Transportation Authority	1800	Regional Bus Service	526,491	-
4.	Golden Gate Bridge	1800	Regional Bus Service	2,181,768	-
5.	Livermore Amador	1800	Regional Bus Service	915,829	-
6.	Napa Valley Transportation Authority	1800	Regional Bus Service	678,760	-
7.	Solano County Transit (SoITrans)	1800	Regional Bus Service	655,951	655,951
8.	Transbay Joint Powers Authority	1700	Transbay Transit Center	2,732,100	2,732,100
9.	Water Emergency Transportation Authority	1900	Ferries	1,965,576	1,965,576
10.	Western Contra Costa Transportation Authority	1800	Regional Bus Service	350,512	-
<b>Total operating programs expended during the fiscal year ended June 30, 2024 *</b>				<b>\$ 16,197,676</b>	<b>\$ 11,521,686</b>

\*Total may not add due to rounding.