



January 8, 2018

To the Citizens Oversight Committee
Transportation Agency for Monterey County,

We have performed certain procedures which were agreed to by the Transportation Agency for Monterey County (TAMC), solely to assist it in evaluating management's assertion that the Transportation Agency for Monterey County complied with Ordinance 2016-1 - Monterey County Transportation Safety and Investment Plan of the Transportation Agency for Monterey County. We have also performed certain procedures solely to assist it in evaluating management's assertion that the cities of Carmel, Del Rey Oaks, Gonzales, Greenfield, King City, Marina, Monterey, Pacific Grove, Salinas, Sand City, Seaside, and Soledad, and the County of Monterey complied with the Maintenance of Effort requirement, and the Alternative Transportation Investment Plan requirement, for the fiscal year ended June 30, 2017. Management of each of the entities listed above is responsible for compliance with Ordinance 2016-1 of the Transportation Agency for Monterey County including, for the cities and the county, the Maintenance of Effort requirement and the Transportation Safety and Investment Plan requirements. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants.

Difficulties Encountered in Performing the Engagement

We encountered no significant difficulties in dealing with management in performing and completing our engagement.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the engagement, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of engagement procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting or reporting matter, whether or not resolved to our satisfaction, that could be significant to the financial statements. We are pleased to report that no such disagreements arose during the course of our engagement.

Other Findings or Issues

In planning and performing our engagement we performed certain procedures agreed upon by TAMC. Documented below are the results and findings of our agreed upon procedures:

- Confirmed that the expenditures of revenues, for all receiving entities, is in accordance with the Transportation Safety and Investment Plan.

Result: During our testing of expenditures we did not find any material expenditures that did not comply with the Ordinance 2016-1.

- Verification that Measure X funds and interest earned are deposited in a separate account (fund) for all receiving entities.

Result: During our examination of the accounting records of the recipients of Measure X funding, it was noted that the Measure X funds were deposited in a separate Transportation Safety & Investment Plan Account and that the interest was properly allocated and retained in that fund.

- Validation that no more than one percent of Measure X revenues is used for TAMC administrative staff salaries and benefits.

Result: During our compliance testing of Measure X allocations, it was noted that no more than one percent of revenues were used for administrative staff salaries and benefits.

- Verification that Measure X revenues were split with 60% dedicated to local road maintenance, pothole repairs and safety projects, and 40% dedicated to regional safety and mobility projects.

Result: During our compliance testing of Measure X revenue allocations, it was noted that the proper split of revenues was maintained.

- The entities' compliance with Maintenance of Effort.

Result: Compliance procedures cannot be completed because as of June 30, 2017, no funding had yet been distributed to any of the entities listed on the prior page.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to the financial statements of the Transportation Agency for Monterey County for the fiscal year ended June 30, 2017. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. The financial statements are publicly available at the offices of the Transportation Agency for Monterey County at 55-B Plaza Circle, Salinas, California 93901-2902 and posted online at <http://www.tamcmonterey.org>.

This information is intended solely for the use of the Citizens Oversight Committee 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 & Hargheim LLP

Santa Maria, California

January 8, 2018

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 June 30, 2017

	Private Purpose Trust Funds				
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	Totals
ASSETS					
Cash and investments	\$ 1,630,001	\$ 91	\$ 11,216,180	\$ 771,169	\$ 13,617,441
Accounts receivable	2,495,000	484,859		3,455,900	6,435,759
Total assets	4,125,001	484,950	11,216,180	4,227,069	20,053,200
LIABILITIES					
Liabilities:					
Due to other agencies	1,047,454	484,859	291,626	2,619,008	4,442,947
Total liabilities	1,047,454		291,626	2,619,008	4,442,947
NET POSITION					
Unrestricted	3,077,547	91	10,924,554	1,608,061	15,610,253
Total net position	\$ 3,077,547	\$ 91	\$ 10,924,554	\$ 1,608,061	\$ 15,610,253

The notes to basic financial statements are an integral part of this statement.

TRANSPORTATION AGENCY FOR MONTEREY COUNTY
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Fiscal Year Ended June 30, 2017

	Private Purpose Trust Funds				
	Local Transportation Fund	State Transit Assistance Fund	State Highway Account Fund	Transportation Safety and Investment Plan Account Fund	Totals
Additions:					
Sales tax	\$ 16,587,316	\$ 2,193,707	\$ -	\$ 4,932,375	\$ 23,713,398
State Highway Account funds			4,520,460		4,520,460
Interest, loss recovery and other fees	26,236	500	110,512	9,967	147,215
Total additions	16,613,552	2,194,207	4,630,972	4,942,342	28,381,073
Deductions:					
Claims paid to:					
Carmel				29,507	29,507
Del Rey Oaks				10,753	10,753
Greenfield	512,338		427,258	64,265	1,003,861
King City				58,514	58,514
Marina			55,200	101,025	156,225
Monterey			1,783,763	154,788	1,938,551
Pacific Grove			105,000	84,020	189,020
Salinas			1,024,362	639,656	1,664,018
Sand City				4,251	4,251
Seaside	128,727		168,584	151,787	449,098
Soledad				85,771	85,771
County of Monterey	73,103			1,086,264	1,159,367
TAMC					
Administration	908,484			95,853	1,004,337
Materials, services and project costs	25,212		147,279	42,755	215,246
Monterey - Salinas Transit	15,471,817	2,194,285			17,666,102
County of Monterey election costs				715,272	715,272
Other				9,800	9,800
Total deductions	17,119,681	2,194,285	3,711,446	3,334,281	26,359,693
Change in net position	(506,129)	(78)	919,526	1,608,061	2,021,380
Net position - beginning of fiscal year	3,583,676	169	10,005,028		13,588,873
Net position - end of fiscal year	\$ 3,077,547	\$ 91	\$ 10,924,554	\$ 1,608,061	\$ 15,610,253

The notes to basic financial statements are an integral part of this statement.