

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

# Annual Comprehensive FINANCIAL REPORT | 2024



YEAR ENDED  
JUNE 30, 2024



## Vision

Southern California's Catalyst  
for a Brighter Future.

## Mission

To foster innovative regional solutions that improve the lives of Southern Californians through inclusive collaboration, visionary planning, regional advocacy, information sharing, and promoting best practices.

Funding: The preparation of this report was financed in part through grants from the United States Department of Transportation – Federal Highway Administration and the Federal Transit Administration. Additional financial assistance was provided by the California State Department of Transportation

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**Business Representative** Lucy Dunn

**Imperial County Transportation Commission** Maria Nava-Froelich

**Orange County Transportation Authority** Ashleigh Aitken

**Public Transit Representative** Paul Krekorian

**Riverside County Transportation Commission** Jan C. Harnik

**San Bernardino County Transportation Authority** Alan D. Wapner

**Transportation Corridor Agencies** Trish Kelley

**Tribal Government Regional Planning Board Representative** Andrew Masiel, Sr., Pechanga Band of Indians

**Ventura County Transportation Commission** Mike T. Judge

\* Regional Council Officer

**Southern California  
Association of Governments**  
Annual Comprehensive Financial Report  
Year Ended June 30, 2024

Prepared by Finance Division  
Cindy Giraldo, CPA, Chief Financial Officer

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# Southern California Association of Governments

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# Introductory Section



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**November 18, 2024**

Honorable Curt Hagman, President  
Members of the Regional Council  
Southern California Association of Governments  
900 Wilshire Blvd., 17th Floor  
Los Angeles, CA 90017

Subject: SCAG's Annual Comprehensive Financial Report for Fiscal Year (FY)  
2023-2024

Dear President Hagman and Members of the Regional Council:

As Executive Director and Chief Financial Officer for the Southern California Association of Governments (SCAG), we hereby submit SCAG's Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2024.

This Letter of Transmittal is the first item in the introductory section of the ACFR. Its purpose is to first provide information about financial statements in the ACFR and give comments assessing SCAG's financial condition. The second purpose is to profile SCAG, including its governance, organization, planning mandates, and requirements. It highlights significant planning programs mandated by federal and state requirements and demonstrates their successful management in FY 2023-2024.

We also prepared a Management's Discussion and Analysis (MD&A) of our financial performance for the fiscal year. The MD&A provides a narrative introduction, overview, and analysis of the financial statements including specific revenue and expenditure information about transportation, goods movement, aviation, environmental, and housing grants and related planning work. It incorporates information about the grants, project budgets, and projects completed during the year. We encourage readers to examine the MD&A together with this transmittal letter.

The introductory section of the ACFR includes the following information in addition to the Letter of Transmittal:

- Listing of officers and members of the Regional Council
- SCAG's Management Organizational Chart
- SCAG's Finance Division Organizational Chart
- The Certificate of Achievement for Excellence in Financial Reporting awarded to SCAG by the Government Finance Officers Association in recognition of our FY 2022-2023 ACFR.

**REGIONAL COUNCIL OFFICERS**

President  
**Curt Hagman**  
County of San Bernardino

First Vice President  
**Cindy Allen, Long Beach**

Second Vice President  
**Ray Marquez, Chino Hills**

Immediate Past President  
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**COMMITTEE CHAIRS**

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County of San Bernardino

Community, Economic &  
Human Development  
**David J. Shapiro, Calabasas**

Energy & Environment  
**Luis Plancarte**  
County of Imperial  
Transportation  
**Tim Sandoval, Pomona**



### **Certificate of Achievement for Excellence in Financial Reporting**

We are pleased to report that the Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to SCAG for its ACFR for the fiscal year that ended June 30, 2023. This was the twenty-first consecutive year that SCAG has received this prestigious award. The award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment.

The preparation and publication of the ACFR was done by the professional staff in our Accounting Department, which is in the Finance Division. We express our appreciation to them and to other staff members of SCAG who contributed in any way to the preparation of the ACFR.

### **The Annual Comprehensive Financial Report**

This ACFR consists of required financial statements and other supplementary financial information prescribed by the Governmental Accounting Standards Board (GASB). The ACFR is a representation by management concerning SCAG's finances. Accordingly, SCAG management asserts that to the best of our knowledge and belief, the ACFR is complete, accurate, and reliable in all material respects and assumes responsibility for the completeness and reliability of all the financial information presented in this report.

Management has established a comprehensive internal control framework to provide a reasonable basis for making these representations. This framework includes accounting, procurement, contracts administration, budgets, grants administration, and project management policies and procedures that are designed both to protect SCAG's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

### **Independent Audit**

SCAG's basic financial statements have been externally audited by Eide Bailly, LLP, a certified public accounting firm licensed and qualified to perform audits in the State of California. The goal of the independent audit is to provide reasonable assurance that the financial statements of SCAG for the fiscal year that ended June 30, 2024, are free of material misstatement. The Report of the Independent Auditors is also included in the ACFR.

### **The Single Audit Report**

The independent audit of the financial statements in this ACFR is part of a broader, federally mandated Single Audit Report designed to meet the special needs of federal grantor agencies. The standards applied in the Single Audit Report require consideration of internal controls and compliance with legal and federal requirements in the administration of federal awards. Eide Bailly, LLP, reported no findings. The Single Audit Report for the year ended June 30, 2024, is issued separately from the ACFR and is available upon written request to the Chief Financial Officer.

### **Management Discussion and Analysis (MD&A)**

The provisions of GASB 34, as amended by GASB 37 and GASB 38, require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. The MD&A is an opportunity for management to reach beyond the familiar to a new and different analytical overview of financial activities. The transactions and events in FY 2023-2024 are discussed fully in the MD&A.

The basic financial statements are comprised of the government-wide, governmental fund financial statements, and the notes to the financial statements. These financial reports combine to form a single, integrated set of financial statements. This Letter of Transmittal is designed to complement the MD&A, which is located following the Report of Independent Auditors in the Financial Section of the ACFR.

### **SCAG Management & Financial Goals for FY 2024-2025**

#### ***Connect SoCal 2024***

The formal adoption of Connect SoCal 2024, Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), by SCAG's Regional Council in April 2024 marks a significant milestone, putting forward a long-term vision for the future that balances mobility and housing needs with economic and environmental goals over the next 25 years.

If fully implemented, Connect SoCal 2024 would reduce traffic congestion, improve air quality, and improve the region's long-term economic viability through more than \$751 billion in transportation investments and a more sustainable regional development pattern. Of the investments identified in the plan, \$303 billion is specific to transit projects and operations, \$75 billion to state highway operations and maintenance, \$62 billion to goods movement, and \$38 billion to active transportation.

#### ***Regional Early Action Planning Program (REAP 1.0)***

SCAG was awarded \$47 million in Regional Early Action Planning (REAP 1.0) state funding from Assembly Bill (AB) 101 to support local governments and stakeholders with planning activities that accelerate housing production and meet the region's goals for producing 1.3 million new units of housing by 2029, as determined by the 6th Cycle Regional Housing Needs Assessment (RHNA). The REAP 1.0 funding is a one-time planning program that authorizes subregional partnerships and encourages inter-governmental collaboration on projects with a broader regional impact on housing production. SCAG is administering the REAP funds through a combination of direct technical assistance (including housing element data components and policy assessments), subregional partnerships with councils of government, community-based partnership grants in collaboration with philanthropic organizations, and planning support offered through the Sustainable Communities Program to local jurisdictions or entities serving single or multiple jurisdictions. More than 100 projects are funded under this program, focusing on planning to help jurisdictions meet 6th Cycle RHNA allocation. SCAG is preparing the final invoice and close-out report to be submitted to the California Department of Housing and Community Development (HCD) in November 2024.

### ***Regional Early Action Planning Program (REAP 2.0)***

The Regional Early Action Planning Grant Program for 2021 (REAP 2.0) was established as part of the 2021 California Comeback Plan under AB 140 and builds on the success of REAP 1.0 but expands the program focus by integrating housing and climate goals, and allowing for broader planning and implementation investments, including infrastructure investments that support infill development that facilitates housing supply, choice, and affordability. SCAG was awarded approximately \$231.5 million in grant funds through REAP 2.0 (a total reduction of \$14.5 million from SCAG's original allocation), which SCAG will administer with sub-allocations made available to eligible entities through several programmatic funding areas.

SCAG's framework document includes a set of core objectives that align with the REAP 2021 priorities, the Connect SoCal Implementation Strategy, and the SCAG Executive/Administration Committee Strategic Work Plan. SCAG's Regional Council approved the Framework in July 2024. There have been six Calls for Applications for funding opportunities approved by SCAG's Regional Council.

### ***Carbon Reduction Program (CRP)***

The Infrastructure Investment and Jobs Act created the Carbon Reduction Program (CRP) to provide federal funding to projects that decrease transportation emissions, defined as the carbon dioxide (CO<sub>2</sub>) emissions that result from on-road, highway sources. California receives annual apportionments of CRP over five years. The SCAG region is anticipated to receive approximately \$34 million annually in local CRP apportionments. Of this annual apportionment, approximately 65 percent will be made available to the county transportation commissions within the SCAG region. SCAG selects projects within the region for CRP funding by soliciting project nominations consistent with the approved SCAG CRP Program Guidelines to ensure the project selection process complies with federal program guidance and regulations. SCAG will retain 35 percent of the Local CRP funds to support various projects that achieve regional transportation goals and objectives.

### ***Surface Transportation Block Grant (STBG) and Congestion Mitigation and Air Quality (CMAQ) Improvement Programs***

The Surface Transportation Block Grant (STBG) program is a federal funding source that may be used for projects to preserve and improve the conditions and performance of highways, bridges, and public roads pedestrian and bicycle infrastructure, and transit capital projects. The Congestion Mitigation and Air Quality (CMAQ) Improvement Program is a federal funding source for transportation projects and programs to reduce congestion and improve air quality in areas that do not meet the National Ambient Air Quality Standards. SCAG selects projects within the region for STBG/CMAQ funding by soliciting project nominations consistent with the approved STBG/CMAQ Program Guidelines.

In June 2024, the SCAG Regional Council approved 2023-2026 STBG/CMAQ funding recommendations for \$186.9 million across 33 projects within the SCAG region. Projects approved by SCAG for STBG/CMAQ funding must be programmed in the Federal Transportation Improvement Program. In addition to the full list of 33 projects, the SCAG Regional Council also approved a contingency list of projects estimated at \$101 million. The funding for these projects will flow directly to the implementing agency from Caltrans.

The approved STBG/CMAQ Program Guidelines indicate that SCAG reserves the right to set aside up to 2.5 percent of the annual obligational authority for CMAQ and STBG funds apportioned to the SCAG region to support regional planning priorities that are led by SCAG and /or in partnership with the County Transportation Commissions (CTCs). This portion of the funding will be administered by SCAG.

### **Profile of SCAG**

Representatives from city and county governments along with other local agencies throughout Southern California come together at SCAG to develop solutions to common concerns in transportation, housing, air quality, and other issues. SCAG also acts as an information clearinghouse, providing cities and counties with an array of demographic, forecasting, mapping, and other regional statistics and data.

SCAG closely coordinates its efforts with several partners at the local, state, and federal levels. In addition to its federal and state funding partners, SCAG's planning efforts are also closely coordinated with 15 sub-regional organizations, six county transportation commissions, representatives from the tribal governments, the business community, and the public at large.

SCAG is the largest Metropolitan Planning Organization (MPO) in the nation, representing Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties.

- 191 cities
- 16 federally recognized tribal governments
- 38,618 square miles
- 18.7 million people
- 16th largest economy in the world
- 47.6% of total state population

### **Governing Body of SCAG**

The Regional Council is SCAG's main governing body. The membership is comprised of 88 individuals representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one public transit representative, one Tribal Government representative, one representative for the air districts within Southern California, and one non-voting, ex-officio representative of the private sector. Except for the private sector representative, all serve as elected officials from within the six-county region. All policy-making, the annual Overall Work Program (OWP), project budgets, and all material financial matters are discussed and acted upon through the Regional Council. A listing of each member and their respective representation is included in the Introductory Section.

The Regional Council's policy-making process and operational oversight are guided by the work of an Executive/Administration Committee (EAC), made up of the SCAG officers (President, First Vice President, Second Vice President, and the Immediate Past President); the three Policy Committee chairs and vice chairs; the chair and vice chair of the Legislative, Communications and Membership Committee; four additional Regional Council members appointed by the SCAG President; one representative from the Tribal Government Planning Board; and one ex-officio, non-voting member representing the private sector. There are three main policy committees: Transportation; Community, Economic, and Human Development; and Energy and

Environment. In addition, all financial operations are reviewed and managed by the EAC as well as monitored by the Audit Committee.

### **SCAG's Mandates**

As an MPO, SCAG is responsible under federal law for:

#### **(a) Development of the Regional Transportation Plan**

Every four years, SCAG updates Connect SoCal, the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), as required by federal and state regulations. The plan was developed through a four-year planning process involving rigorous technical analysis, extensive stakeholder engagement and robust policy discussions with local elected leaders. Connect SoCal 2024 outlines a vision for a more resilient and equitable future, with investment, policies, and strategies for achieving the region's shared goals through 2050. The Plan elements that are necessary to bring this vision to fruition are organized within the pillars of Mobility, Communities, Environment and Economy. However, the conditions of our region and the impacts of our decisions are all intertwined. Investment decisions for our transportation system impact the quality of our environment and the resilience of our economy, while our decisions about how to develop our communities impact demands on our transportation system and our residents' access to opportunities. The most recent RTP/SCS was approved by SCAG's Regional Council in April 2024.

#### **(b) Development of the Federal Transportation Improvement Program**

The Federal Transportation Improvement Program (FTIP) is a federally mandated, four-year program of all surface transportation projects that will receive federal funding or are subject to a federally required action. The FTIP is a comprehensive listing of such transportation projects proposed over a six-year period. As the metropolitan planning organization (MPO) for the region, SCAG is responsible for developing the FTIP for submittal to the California Department of Transportation (Caltrans) and the federal funding agencies. The FTIP for the SCAG region is developed in partnership between the six-county transportation commissions (CTCs) of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura, as well as Caltrans Districts 7, 8, 11, 12, and Headquarters.

The SCAG Regional Council adopted the 2025 FTIP in September 2024. The 2025 FTIP implements transportation projects for fiscal years 2024-25 through fiscal years 2029-30 as planned in the Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy.

#### **(c) Transportation Conformity Analysis**

In developing the RTP/SCS and FTIP, SCAG is responsible for ensuring that transportation plans and programs are consistent with, or conform to, the goals and objectives of applicable state air quality plans to attain federal air quality standards as required by the Federal Clean Air Act. Failure to achieve transportation conformity could result in rejection of the RTP/SCS and FTIP and withholding of federal funding and/or federal approval for Southern California's critical transportation needs. SCAG received approval of the transportation conformity determination for the 2024 Connect SoCal and the 2023 FTIP Amendment #23-26 from the FHWA and FTA in May 2024.

**(d) Integrated Growth Forecast**

SCAG is responsible for producing socioeconomic estimates and projections at multiple geographic levels in multiple years following policy direction from the Community, Economic, and Human Development (CEHD) policy committee. In addition, SCAG works closely with an expert panel of economists and demographers, the California Department of Finance (DOF), the California Department of Housing and Community Development (HCD), subregions, local jurisdictions, county transportation commissions, the public, and other major stakeholders. The socioeconomic estimates and projections are used for federal and state-mandated long-range planning efforts such as the RTP/SCS, the FTIP, the Air Quality Management Plan (AQMP), and the Regional Housing Needs Assessment (RHNA). The AQMP and RHNA are further described below.

Under California state law, SCAG is designated as a Regional Transportation Planning Agency and a Council of Governments, and thus is responsible for:

**(a) Development of the Sustainable Communities Strategy**

As required by SB 375, SCAG develops the Sustainable Communities Strategy (SCS) as an integral component of the regional transportation plan. SCAG reaches out to local jurisdictions to determine the range of land use and transportation priorities to develop a series of scenarios for regional growth, ultimately arriving at a consensus for Connect SoCal's Growth Vision to help guide the plan's strategies, programs and projects. Connect SoCal sets forth a forecasted development pattern for the region that integrates the transportation network, transportation measures, and policies that will reduce GHG emissions from automobiles and light trucks and achieve overall GHG reduction targets as set by the California Air Resources Board (ARB).

**(b) Development and Submittal of Connect SoCal Technical Methodology**

In accordance with California Government Code Section 65080(b)(2)(J)(i), SCAG is required to submit to the ARB the Technical Methodology that SCAG intends to use to estimate the GHG emissions from its SCS before starting the formal public participation process required by SB 375.

**(c) Development of the Regional Housing Needs Assessment**

The Regional Housing Needs Assessment (RHNA) is a requirement of State housing law and is a process that determines projected and existing housing needs for all jurisdictions (city or unincorporated county) in California. The process to determine a RHNA allocation is conducted by a council of governments, such as SCAG, every eight (8) years. Every jurisdiction must plan for its RHNA allocation in the housing element of its General Plan by ensuring there are enough sites and zoning to accommodate its RHNA allocation. Many jurisdictions use the housing element as an opportunity to complement their economic development, open space, and sustainability goals with their housing goals. Once updated, housing elements are reviewed by the California Department of Housing and Community Development (HCD) and must be adopted by the jurisdiction.

In March 2021, SCAG adopted its 6th cycle RHNA allocation plan, which covers the planning period of October 2021 through October 2029. For the 6th cycle, SCAG received a need of 1,341,827 housing units, which was distributed to all 197 SCAG jurisdictions. The 6th Cycle RHNA has led to requests for SCAG to pursue reform of the RHNA process. Several issues had been

raised by stakeholders related to the regional determination methodology, the use of land planning factors in the SCAG RHNA methodology, and the basis for RHNA appeals. As part of Assembly Bill 101, HCD is tasked with preparing a report on the RHNA reform and making recommendations to the State Legislature. To inform HCD's recommendations for improving the RHNA process and methodology, HCD has been conducting a statewide engagement process.

**(d) Compliance with the California Environmental Quality Act and Intergovernmental Review**

In accordance with the California Environmental Quality Act (CEQA), SCAG, as Lead Agency, prepares a Program Environmental Impact Report (PEIR) for the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS), which is updated every four years. The program-level environmental impact report conducts a regional-wide assessment and discloses the potential impacts of the RTP/SCS on the environment at a regional level. The PEIR also considers program-wide mitigation measures and broad policy alternatives. The PEIR provides a foundation for subsequent, project-specific environmental reviews that may be conducted by local implementation agencies serving as CEQA lead agencies for later projects with a narrower scope. In April 2024, the Final PEIR was certified for Connect SoCal 2024. The 2024 PEIR serves as a programmatic document that presents a region-wide assessment of the potential environmental effects of Connect SoCal 2024.

Additionally, pursuant to Presidential Executive Order 12372 (Intergovernmental Review (IGR) of Federal Programs), SCAG is the authorized regional agency responsible for the review of applications for federal grants and financial assistance programs, federally required state plans, federal development activities, and federal environmental documents. SCAG also reviews environmental documents of projects of regional significance for consistency with regional plans according to CEQA Guidelines.

**(e) South Coast Air Quality Management Plan**

Pursuant to California Health and Safety Code Section 40460, SCAG is responsible for preparing and approving the portions of the South Coast Air Quality Management Plan (AQMP) for the South Coast Air Basin, commonly known as Appendix IV-C, which includes an overview of the adopted Connect SoCal; a list of committed transportation control measures (TCMs) in the South Coast Air Basin that are federally enforceable and subject to timely implementation; and, pursuant to Clean Air Act requirements, an analysis of reasonably available TCMs. In November 2022, the Regional Council approved the transmittal of the final Appendix IV-C for the 2022 AQMP to the SCAQMD.

**Long-Term Financial Planning**

SCAG has stable finances and continuously evaluates its financial outlook to address challenges proactively. The FY 2023-2024 financial statements reflect the measures SCAG has taken in prior years to operate using a model that balances revenues and expenditures. Traditionally, the Consolidated Planning Grant (CPG) revenue allocations (FHWA PL and FTA 5303 grants) have been sufficient to cover SCAG's core planning activities, but those costs have grown over time as personnel costs have risen and as SCAG has broadened its activities. Fortunately, SCAG was successful in its bid to increase its Transportation Development Act (TDA) revenues, and thanks to Assembly Bill 1403, SCAG has had an additional annual revenue stream since FY 2011-2012 to continue its level of operations. In FY 2023-2024, TDA revenues exceeded \$8.6 million. SCAG is also receiving Sustainable Communities Grant funds of around \$5.3 million starting in 2018

pursuant to the terms of Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. The SB 1 revenues are estimated to be available for allocation for 10 years after the bill was passed, through FY 2026-2027. In 2019, SCAG was awarded \$47 million in Regional Early Action Planning (REAP 1.0) state funding from Assembly Bill (AB) 101 to support local governments and stakeholders with planning activities that accelerate housing production. SCAG is preparing the final invoice and close-out report form to be completed in November 2024. Additionally, SCAG was awarded approximately \$231.5 million in grant funds through REAP 2.0 (a total reduction of \$14.5 million from SCAG’s original allocation), which SCAG will administer with sub-allocations made available to eligible entities through three programmatic funding areas.

**Overall Work Program**

SCAG’s Overall Work Program (OWP) is the foundation for annual financial planning and internal administrative budget control. It consists of all projects and budgets allocated and necessary to perform the planning work to be accomplished in the following year. It also identifies the funding source(s) for each project. The budget includes line items for direct labor and non-labor expenses, fringe benefits, and indirect costs. When the OWP is completed, it is submitted to and approved by the SCAG Regional Council and our state and federal funding agencies. In addition, formal amendments to the OWP, which involve major budgetary revisions, are reviewed and approved by the SCAG Regional Council and applicable funding agencies.

Like the OWP, SCAG annually establishes the agency's General Fund Budget, which is used to pay for legislative activities, sponsorships, and the SCAG General Assembly, among other items.

**Acknowledgments**

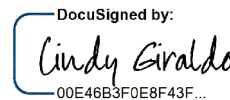
On behalf of each member of the management team at SCAG, we express our sincere gratitude to you, President Hagman, and all the members of the Regional Council for your leadership, hard work, and support throughout the year. We recognize that being a member of the Regional Council is a demanding responsibility that requires a tremendous investment of time, and we appreciate your efforts. With leadership from the Regional Council, the work of management, and our excellent staff, we are prepared to continue supporting the complex and challenging work of regional planning for Southern California's future economic, transportation, and social vitality.

Sincerely,



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Kome Ajise  
Executive Director

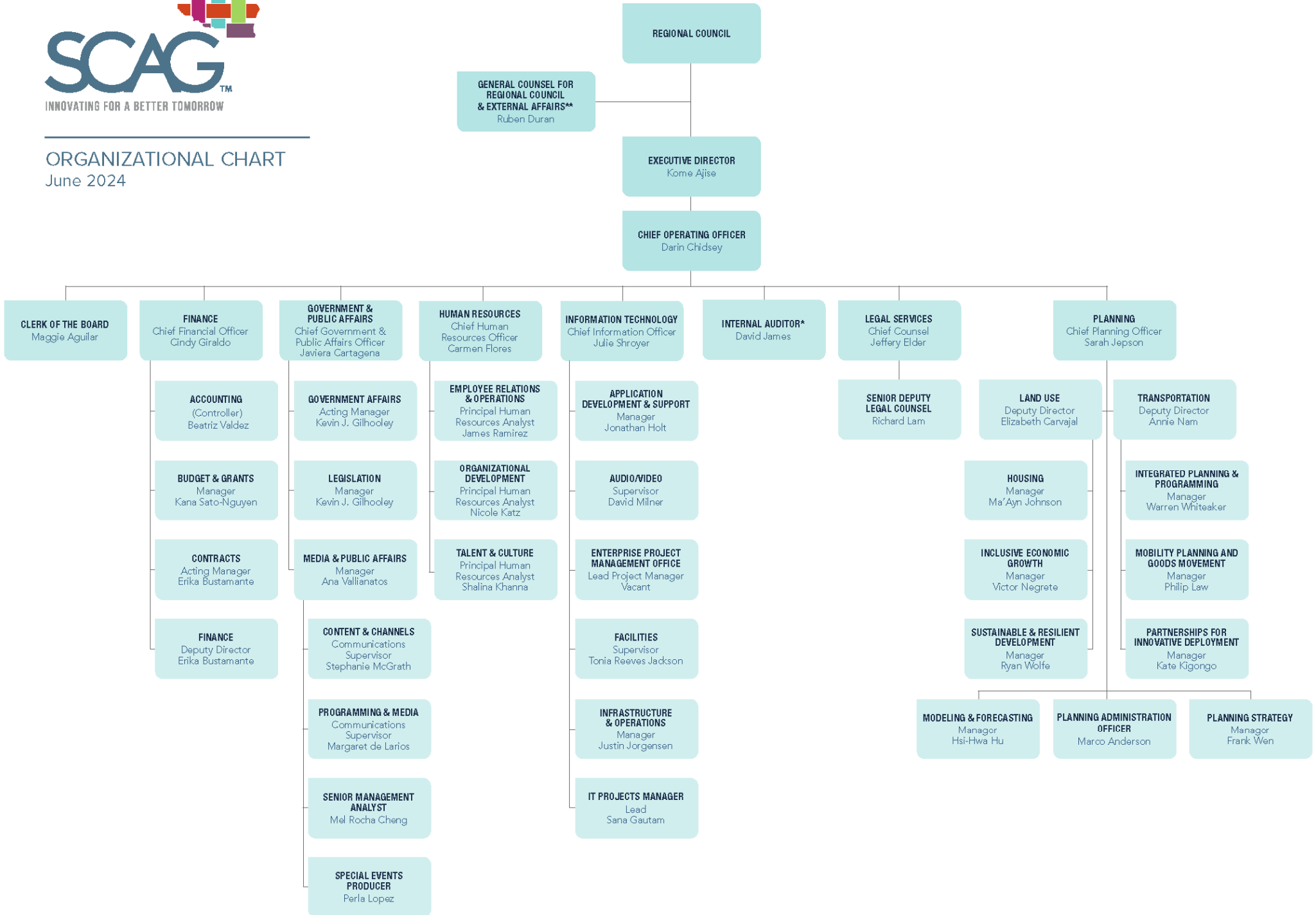


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Cindy Giraldo  
Chief Financial Officer



**ORGANIZATIONAL CHART**  
June 2024



\* Takes direction from the Audit Committee

\*\* Takes direction from the Regional Council



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For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## Financial Section



## Independent Auditor's Report

The Honorable Members of the Regional Council  
Southern California Association of Governments

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern California Association of Governments (SCAG) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SCAG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of SCAG, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SCAG and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SCAG's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SCAG's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SCAG's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, the Schedule of Changes in the Net Pension Liability and Related Ratios and Schedule of Plan Contribution to the California Public Employees Retirement System (CalPERS), the Schedule of Changes in the Net Pension Liability and

Related Ratios and Schedule of Plan Contributions to the Public Agency Retirement System (PARS), the Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SCAG's basic financial statements. The supplemental combining financial statements and supplemental schedules of indirect costs, fringe benefits, and distribution of salaries and fringe benefits by project type are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplemental combining financial statements and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2024, on our consideration of SCAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SCAG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCAG's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and address.

Rancho Cucamonga, California  
November 18, 2024

## Management's Discussion and Analysis



## INTRODUCTION

This management's discussion and analysis (MD&A) of the Southern California Association of Governments' (SCAG) financial performance provides an overview of SCAG's financial activities for the fiscal year ended June 30, 2024. This overview should be read in conjunction with the transmittal letter and the accompanying financial statements to obtain a thorough understanding of SCAG's financial condition.

The MD&A is intended to serve as an introduction to SCAG's basic financial statements. The basic financial statements are composed of the government-wide financial statements, the governmental fund financial statements, and notes to the basic financial statements. These various presentations combine to form a single, integrated set of basic financial statements.

In this MD&A, the Statement of Net Position and the individual accounts, which comprise total assets and deferred outflows of resources and liabilities and deferred inflows of resources, are discussed and analyzed for the reader. Specific information about the functional areas of grant revenues reported in the Statement of Activities is also provided. Revenue and expenditure information about transportation, railroad, aviation, high-speed rail, housing, and other grants is reviewed. Finally, there is summary information about project work undertaken and completed by SCAG in FY 2023-2024.

## FINANCIAL HIGHLIGHTS

Revenues increased to \$87.5 million in FY 2023-2024 from \$77.8 million in FY 2022-2023, an increase of \$9.7 million, or 12.41%.

Federal revenues decreased by \$0.7 million; state revenues increased by \$8.7 million; local revenues increased by \$0.3 million; and General Fund revenues increased by \$1.4 million.

Net position increased by \$11.8 million from (\$25.8) to (\$14.0) million primarily due to a net increase in revenues for the REAP AB101 and REAP 2021 of \$8.7 million, an increase in interest and other income of \$1.2 million, and an increase in TDA net position related to lower than expected expenditures while experiencing a minor increase in revenue.

Cash increased by \$67 million, this includes restricted cash and cash equivalents of \$47 million; receivables and due from other governments decreased by \$12 million; the over-recovery indirect costs amount to \$6.1 million; accounts, contracts payable, and due to other governments decreased by \$2.3 million; accrued liabilities increased by \$50 thousand.

As noted above, cash increased significantly due primarily to cash advances received for the REAP 2021 program and collections of prior year receivables. Cash balances were adequate to support operations. There were no draws on SCAG's line of credit in FY 2023-2024.

Accounts receivables increased \$0.2 million to \$0.24 million. No receivables are past due at year-end.

Due from other governments decreased by \$12 million due primarily to more timely processing of reimbursement requests and receiving cash advances from grantors.

Accounts, contracts payable, and due to other governments (AP) payments are disbursed on a current basis. AP balances decreased from \$9.5 million to \$7.3 million due to more timely processing of payments.

The unfunded net pension liability of \$53.9 million to CalPERS and PARS increased by \$2.5 million from \$51.4 million last year due to an increase in pension expense related to differences between expected and actual experience. SCAG's liability for other post-employment benefits was \$1.8 million, a decrease from last year of \$0.4 million due to strong investment returns.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The government-wide financial statements are designed to provide readers with a broad overview of SCAG's finances. They are similar to private sector financial statements in that both use accrual accounting and are designed to provide operational accountability. This means reporting the extent to which SCAG met its operating objectives. There are two basic government-wide financial statements: the statement of net position and the statement of activities.

The Statement of Net Position is the basic government-wide statement of financial position. It presents information on all assets and liabilities, deferred outflows of resources and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SCAG is improving or deteriorating.

The Statement of Activities presents information showing how net position has changed during the most recent fiscal year. Changes in net position are reported when the underlying event giving rise to the transaction occurs, regardless of when cash is received or paid. Since, it is not dependent on the timing of cash flows, some revenues and expenses that are reported in this statement will result in cash inflows and outflows in future fiscal years.

The government-wide financial statements distinguish between the activities of SCAG that are principally supported by grants or contracts, and the General Fund activities which are intended to be covered primarily by dues paid by SCAG's members. Changes in net position are a result of the financial activities of the General and Transportation Development Act (TDA) funds, not from the grant funds, which operate on a cost-reimbursement basis. The government-wide financial statements can be found on pages 17 and 18 of this report.

## **FUND-BASED REPORTING**

The primary role of fund-based financial statements is fiscal accountability. This means demonstrating whether SCAG complied, in the short-term (usually a fiscal year), with the legal restrictions associated with its funding. The governmental funds report the same activities as the government-wide financial statements, but they use modified accrual basis of accounting. Governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term – financing requirements.

The focus of governmental funds is narrower than the government-wide financial statements; however, it is useful to compare and reconcile the governmental funds with the information presented in the government-wide financial statements. A comparison will provide a better understanding of the near-term and long-term impact of SCAG's financial decisions. Governmental funds financial statements are reconciled to the government-wide financial statements to facilitate comparison. The reconciliations are reported in the basic financial statements.

### Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and the governmental funds financial statements. The notes provide the reader with information about accounting policies, data and information about cash, indirect overhead, commitments and contingencies, retirement pension plans, and other items. The notes to the basic financial statements can be found on pages 23 to 54 of this report.

### Statement of Net Position

The Statement of Net Position is prepared using accrual accounting since its measurement focus is total economic resources. Thus, it reports both long-term and short-term assets and deferred outflows of resources, and liabilities and deferred inflows of resources. At the end of FY 2023-2024, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$14.0 million compared to \$25.8 million in FY 2022-2023 resulting in a net position increase of \$11.8 million.

The following is a summary of net positions as of June 30, 2024 and 2023:

	June 30	
	2024	2023
Current and other assets	\$ 87,773,251	\$ 33,017,495
Capital assets, net	<u>32,891,274</u>	<u>33,644,806</u>
Total assets	<u>120,664,525</u>	<u>66,662,301</u>
 Deferred outflows of resources	 <u>16,283,483</u>	 <u>15,851,582</u>
 Current liabilities	 61,549,215	 20,566,557
Noncurrent liabilities	<u>88,929,774</u>	<u>87,332,286</u>
Total liabilities	<u>150,478,989</u>	<u>107,898,843</u>
 Deferred inflows of resources	 <u>462,746</u>	 <u>396,217</u>
 Net position		
Net investment in capital assets	2,000,812	2,192,254
Restricted	18,001,869	13,721,185
Unrestricted	<u>(33,996,408)</u>	<u>(41,694,616)</u>
Total net position	<u>\$ (13,993,727)</u>	<u>\$ (25,781,177)</u>

### **Cash and Cash Equivalents**

Over the last year, cash and cash equivalents has increased \$20 million from \$8.8 million to \$28.8 million. As of June 30, 2024, cash and cash equivalents represents 23.83% of total assets. The increase is related primarily due to payment for prior year expenses recorded as revenue in fiscal 2023-2024 of \$7.0 million, and a reduction in due from other governments of \$12 million.

### **Restricted Cash and Cash Equivalents**

As of June 30, 2024, restricted cash and cash equivalents was \$47 million which is a new account in Fiscal Year 2023-2024 and it represents 38.93% of total assets. The restricted cash and cash equivalents is related to cash advances from grantors.

### **Accounts Receivable (AR)**

AR's from local and other agencies at the end of FY 2023-2024 were \$240 thousand compared to \$51 thousand the year before. AR balances represented 0.2% of total assets compared to 0.08% in FY 2022-2023.

SCAG has continued to monitor AR's. Each AR was fully documented, and its collection was carefully monitored. All AR balances are considered collectible.

### **Due From Other Governments**

Under the terms of the Master Fund Transfer Agreement (MFTA) with the California Department of Transportation, SCAG may submit billings for actual allowable costs incurred (and not necessarily paid). However, SCAG must pay all billed costs within ten days of reimbursement by Caltrans.

Federal and state due from other governments of \$6.8 million and \$3.6 million, decreased by \$1.1 million and \$11.1 million, respectively due to more timely processing of reimbursement requests and collection of prior year balances. Due from other governments from Local grants increased by \$130 thousand, from \$443 thousand to \$573 thousand.

### **Accounts, Contracts Payable, and Due to Other Governments (AP)**

The AP balance decreased by \$2.2 million, from \$9.5 million to \$7.3 million due primarily to more timely processing of payments throughout the year.

### **Advances from Grantors**

Advances from grantors balance increased by \$44.3 million, from \$2.7 million primarily due to the REAP 2021 advance of \$45.4 million.

**Line of Credit (LOC)**

During FY 2023-2024, SCAG did not draw on its LOC.

The LOC is a \$6.5 million credit line with an independent financial institution, which expires on March 31, 2026. Cash advances, if requested, are secured by an assignment of moneys due only from Caltrans. Advances on the line must be in minimum amounts of \$350,000 and are due 45 days from the date of the advance. The current agreement provides for a choice of two interest rate structures. Variable rate advances incur interest at the prime rate plus 0.5%. SOFR advances incur a fixed rate of interest for a fixed period which is 2.61% for a one-month term and 2.76% for a three-month term above the bank's SOFR rate.

**Capital Assets**

Net capital assets total \$32.9 million. These assets have continuing value, which contribute to efficiency and effectiveness in conducting SCAG's transportation planning activities. For additional information, the reader is referred to note 6 of the basic financial statements.

The policy with respect to capitalizing assets is that the asset must cost more than \$5,000 (\$100,000 for intangible assets, \$75,000 for leases, and \$30,000 for subscriptions) and have a useful life of more than one year. Net investment in capital assets includes computer equipment, leasehold improvements, furniture and fixtures, right to use leased assets and right to use subscriptions as follows:

The net change in capital assets is related to the deletion of developments and subscriptions in progress.

	<b>June 30</b>	
	<b>2024</b>	<b>2023</b>
Development in progress	\$ 366,624	\$ 842,694
Subscription in progress	-	92,915
Computer equipment and software, net	2,093,685	1,421,303
Leasehold improvements, net	4,043,841	4,159,552
Furniture and fixtures, net	-	(2)
Right to use lease building, net	21,102,736	22,285,082
Right to use lease equipment, net	339,794	162,407
Right to use subscription IT assets, net	4,944,594	4,680,855
	\$ 32,891,274	\$ 33,644,806

### Statements of Activities

All current year revenues and expenses are accounted for in the Statement of Activities. It recognizes revenues when earned and expenses when they are incurred, regardless of the timing of related cash inflows and outflows. This statement measures the results of operations over the year and can be used to analyze the revenues earned and expenses incurred to benefit the project objectives established by the grantors. Specific grants, which are included in the distribution of the functional areas of transportation, environmental, modeling, public involvement, sustainability initiatives, administration, and interest are described below.

	June 30	
	2024	2023
<b>REVENUES</b>		
Charges for services - member dues	\$ 2,457,984	\$ 2,342,293
Operating grants and contributions	84,905,508	75,153,697
General revenues:		
Interest and other	1,349,476	136,375
General assembly	426,000	393,971
	89,138,968	78,026,336
<b>EXPENSES</b>		
Transportation	20,177,964	19,358,040
Environmental	4,316,302	4,191,170
Modeling	14,901,173	14,704,741
Public involvement	5,505,614	5,057,381
Sustainability initiatives	21,927,982	28,940,936
Administration	9,351,464	4,980,562
Interest	1,171,019	1,272,620
	77,351,518	78,505,450
Change in net position	11,787,450	(479,114)
Net position - beginning, as restated	(25,781,177)	(24,870,580)
Prior period adjustment	-	(431,483)
Net position - ending	\$ (13,993,727)	\$ (25,781,177)

Total revenues in FY 2023-2024 were \$89.1 million compared to \$78.0 million last year. This is an increase of \$11.1 million or 14.24%. This increase is primarily attributable to the Regional Early Action Planning (REAP) 2021 grant received by SCAG from the Department of Housing and Community Development in FY 2023-2024.

The increase in net position of \$11.8 million is primarily due to: 1) a net increase in REAP AB101 and REAP 2021 funding of \$8.7 million, and 2) less than anticipated expenses in TDA while experiencing an increase of revenue for a net increase of \$4.3 million, and 3) an increase in interest income of \$1.2 million due to additional principal being invested at higher interest rates than the prior year.

## **Major Expenses**

In FY 2023-2024, salary expenses were \$28.1 million which included non-worktime (e.g., vacation leave, sick leave, holiday, and other paid time off) compared to \$25.7 million in FY 2022-2023. Salaries, including non-worktime, represent about 36.38% of total expenses.

Consultant expenses are the next largest expense line item. They decreased by \$2.5 million to \$24.3 million in FY 2023-2024 from \$26.8 million in FY 2022-2023. They represent about 31.36% of total expenses. Detailed information concerning specific consultant activities is analyzed below in the discussion about major revenues and expenses of federal, state, and local grants and the General Fund.

### **Federal Transportation Grants Major FHWA and FTA Grants**

On annual basis, SCAG receives two major federal grants for Metropolitan Planning from the Federal Highway Administration (FHWA) and Section 5303 from the Federal Transit Administration (FTA), also known as the Consolidated Planning Grant (CPG). These two federal grants are used to develop regional plans for transportation, integrated planning, air quality and other regionally significant transportation related issues. In accordance with federal and state laws, SCAG develops a long-range Regional Transportation Plan (RTP) every four years and a Federal Transportation Improvement Program (FTIP) every two years.

The RTP lays out the framework for investments in transportation infrastructure and maintaining it over the long-term. The FTIP, on the other hand, is a near-term program that identifies specific funding allocations for transportation projects to be implemented within the SCAG region over the next six years. Both the RTP and the FTIP must comply with all applicable state and federal requirements, including transportation conformity, fiscal constraint and inter-agency consultation and public outreach.

FHWA PL and FTA 5303 revenues amounted to \$24.7 million and \$14.0 million, respectively, in FY 2023-2024. These two grants were billed \$38.7 million in FY 2023-2024 compared to \$38.5 million in FY 2022-2023. Salaries and fringe benefits accounted for \$14.3 million, consultant expenses were \$3.8 million, and the balance consisted of indirect overhead of \$19.7 million and other direct project costs of \$0.9 million. Other direct project expenses include professional services, travel, printing, and other non-labor costs.

## **Other Federal Grants**

In addition to the two metropolitan planning funding programs under the federal Consolidated Planning Grant (CPG), there are several other federal grant programs awarded to SCAG to fund specific project activities.

### *Office of Traffic Safety Active Transportation Safety*

In FY 2022-2023, SCAG secured another grant award from Office of Traffic Safety (OTS) in the amount of \$1.2 million to continue the effort to promote and educate bicycle and pedestrian safety and completed the grant activities during FY 2023-2024. OTS is the Direct Recipient of the National Highway Traffic Safety Administration funds and SCAG is responsible for managing the program. In FY 2023-2024, SCAG secured another grant award from OTS in the amount of \$1.4 million for Pedestrian and Bicycle Safety Program and \$0.9 million for Transportation Safety Predictive Modeling and Analysis Platform project. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

### *Department of Energy, Energy Efficiency & Renewable Energy*

SCAG received a cooperative agreement award in the amount of \$90,000 in FY 2020-2021 (Year 1), \$107,500 in FY 2021-2022 (Year 2), \$110,000 in FY 2022-2023 (Year 3), and \$110,000 in FY 2023-2024 (Year 4). The funds are used for Clean Cities Outreach, Education and Performance Tracking project. In FY 2021-2022, SCAG received a grant award in the total amount of \$30,000 for Artificial Intelligence-Based Mobility Monitoring System and Analytics Demonstration Pilot project. The University of California, Irvine is the Direct Recipient of the Department of Energy funds and SCAG is responsible for managing the project. Also in FY 2021-2022, SCAG received a grant award in the total amount of \$238,977 for Testing and Evaluation of Curb Management and Integrated Strategies to Catalyze Market Adoption of Electric Vehicles project. The Los Angeles Cleantech Incubator is the Direct Recipient of the Department of Energy funds and SCAG is responsible for managing the project. The unused grant balance not expiring at the end of fiscal year for these DOE projects is carried over to FY 2024-2025.

### *FHWA Community Project Funding/Congressionally Directed Spending (CPFCDs)*

The Consolidated Appropriations Act, 2022 (Public Law 117-103) appropriated funding for Highway Infrastructure Programs (HIP), which included a set-aside for Community Project Funding/Congressionally Directed Spending (CPFCDs). Caltrans provides administrative oversight for this program. SCAG received an award in the amount of \$480,000 under this program to support Highways to Boulevards Regional Study. The authorization to proceed was issued by Caltrans in FY 2023-2024. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

### *Federal Communications Commission Affordable Connectivity Program Funds*

The Affordable Connectivity Program (ACP) is administered by the Federal Communications Commission (FCC), and the program is designed to play an integral role in helping to bridge the broadband affordability gap. In FY 2023-2024, SCAG entered into a grant agreement to receive \$0.5 million in grant funds to advance the ACP on a regional scale through collaboration with local jurisdictions, community-based organizations, local businesses, community leaders and other stakeholders. Due to the lack of additional funding from Congress, the FCC terminated the funding support for this grant project in FY 2023-2024.



## State Grants

### *Senate Bill (SB) 1*

The Sustainable Communities Competitive Grants reside under the Caltrans Sustainable Transportation Planning Grant Program and include the traditional State Highway Account (SHA) funds and Senate Bill (SB) 1 funds that are deposited into the Road Maintenance and Rehabilitation Account (RMRA). SB1, the Road Repair and Accountability Act of 2017, is a transportation funding bill that supports and implements the RTP/SCS and helps achieve the State's greenhouse gas (GHG) reduction targets. SB1 expanded the existing Caltrans' Sustainable Transportation Planning Grant Program by offering a formula grant program to the MPOs. Under this formula grant program, SCAG, as an MPO, received a grant award in the amount of \$5.6 million in FY 2017-2018, \$5.3 million in FY 2018-2019, \$5.3 million in FY 2019-2020, \$5.3 million in FY 2020-2021, \$5.3 million in FY 2021-2022, \$5.3 million in FY 2022-2023, and an additional \$5.3 million in FY2023-2024. The SB1 grant funds support various programs for the development and implementation of the SCS. The unused balance for formula grants not expiring at the end of fiscal year are carried forward to FY 2024-2025 and future years, if needed, subject to authorization from Caltrans.

### *AB2766/Mobile Source Air Pollution Reduction Review Committee (MSRC) Funds*

In FY 2018-2019, SCAQMD also awarded SCAG \$2.0 million for implementation of Future Communities Pilot Program to research new and innovative concepts for reducing VMT and carry out a few pilot programs, and SCAG completed the grant activities in FY 2023-2024. Additionally, SCAG received a grant award in the amount of \$16.8 million from SCAQMD for the Last Mile Freight Program to support the commercial deployment of zero emission or near-zero emission heavy and/or medium duty on-road trucks and supporting infrastructure. The unused grant balance not expiring at the end of fiscal year for the Last Mile Freight Program is carried over to FY 2024-2025.

### *Active Transportation Program (ATP) Funds*

In FY 2019-2020, SCAG received several grants from the Caltrans Local Assistance Office and continued the activities for one of the grants in FY 2023-2024. The project funded \$2.6 million in temporary demonstration of active transportation infrastructure as well as public engagement activities, and all the grant activities were completed in FY 2023-2024. In FY 2021-22, SCAG was awarded \$4.7 million from the Caltrans Local Assistance Office to support implementation of the Sustainable Communities Program projects. SCAG continued the grant activities in FY 2023-2024 and the unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

### *Regional Early Action Planning (REAP) Grants Program*

In FY 2020-2021, SCAG received from the Department of Housing and Community Development \$47 million in Regional Early Action Planning (REAP AB 101) funding to support local governments and stakeholders with housing planning activities that accelerate housing production and meet the region's goals of housing productions as determined by the sixth Cycle Regional Housing Needs Assessment (RHNA). Further in FY 2021-2022, the Department of Housing and Community Development (HCD) allocated \$246 million to SCAG in Regional Early Action Planning Grant (REAP 2021) funding to support transformative planning and implementation activities that meet housing and equity goals, reduce VMT per capita and advance implementation of the region's SCS or alternative planning strategy. The grant agreement for the REAP 2021 was executed in October 2024. The Budget

Act of 2024 approved by the California State Legislature and the State Governor reduced the REAP 2021 funding, and the REAP 2021 funding allocation for SCAG was reduced by approximately \$14.5 million. The amendment to reflect this budget reduction is currently pending. The unused grant balance for REAP AB101 funding not expiring at the end of fiscal year is carried over to FY 2024-2025.

#### *California Energy Commission Grant Funds*

In FY 2021-2022, SCAG also received a grant award in the amount of \$0.6 million for the California Energy Commission's (CEC) Research Hub for Electric Technologies in Truck Applications (RHETTA) grant. SCAG is a subrecipient to the Electric Power Research Institute (EPRI) and the project is to study supporting infrastructure for medium and heavy-duty zero-emission trucks. The project continued being implemented in FY 2023-2024. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

#### *California Workforce Development Board Grant Funds*

In FY 2021-2022, SCAG received a grant award in the amount of \$3.5 million from the California Workforce Development Board in the Inclusive Economic Recovery Strategy (IERS) Grant funds to support implementation of recommendations of the IERS. The project continued being implemented in FY 2023-2024. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

#### *Local Agency Technical Assistance Grant Funds*

In FY 2023-2024, the Public Utilities Commission of the State of California (CPUC) awarded SCAG \$996,058 in grant funds under the Local Agency Technical Assistance (LATA) Program which supports tribes and local agencies in California to expand broadband services to unserved and underserved communities. The funding will be used to conduct Last Mile Project Assessment for the SCAG region where the assessment would determine and provide high-level design for a maximum of three shovel-ready projects located within underserved communities. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2024-2025.

### **Local Revenues**

Local revenues were \$9.1 million compared to \$8.7 million in FY 2022-2023 and consisted primarily of Transportation Development Act (TDA) funding. The TDA Fund, a major fund, had revenues of \$8.7 million. TDA funds are used primarily to meet the local match requirement for federal and state grants. SCAG receives these funds under the terms of the State of California Public Utilities Code Section 99233.2, which authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to ¾ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region.

**General Fund**

Management is required by SCAG's By-laws to submit an annual budget for the General Fund (GF) to the Regional Council (RC) and the RC presents it to the General Assembly for final approval. The GF is used as working capital and its resources are available for any authorized purpose, not otherwise required or allowed to be accounted for in another fund. Thus, GF cash is routinely used to pay invoices that are in the process of being billed to the grantor.

The comparative summary statement of revenues, expenditures, and changes in fund balances of the GF shown below is reported on a modified accrual basis. In FY 2023-2024, total annual revenues and other financing sources exceed total expenditures resulting in an increase in fund balance.

	June 30	
	2024	2023
<b>Revenues:</b>		
Membership assessments	\$ 2,457,984	\$ 2,342,293
General assembly	426,000	393,971
Interest and other	1,349,476	136,375
Total revenues	4,233,460	2,872,639
<b>Expenditures:</b>		
Administration	1,484,833	416,639
Debt Service	282,446	1,832,788
Capital outlay	1,792,432	968,635
Indirect cost	45,719,360	42,128,341
Indirect cost recovery	(51,814,661)	(49,337,373)
Over-recovery of indirect costs	6,095,301	7,209,032
Total expenditures	3,559,711	3,218,062
Deficiency of revenues over expenditures	673,749	(345,423)
<b>Other financing sources (uses):</b>		
Transfers in	153,425	860,266
Leases	223,191	440,665
Subscriptions	1,445,963	304,866
Total other financing sources (uses)	1,822,579	1,605,797
Change in fund balance	2,496,328	1,260,374
Fund balance, beginning of year	6,241,608	5,191,715
Prior period adjustment	-	(210,481)
Fund balance, beginning of year, as restated	6,241,608	4,981,234
Fund balance, end of year	\$ 8,737,936	\$ 6,241,608

### **Dues Assessed to Member Jurisdictions**

The main source of revenues in the General Fund is dues assessed and collected from member cities, counties, Transportation Commissions and Tribal Governments in the region. Dues are used to fund the expenses of the RC and its committees, and other budgeted expenses described below, which are not otherwise chargeable to a grant.

The RC has implemented formal policies to retain members and grow dues collections. By-law amendments have been approved to permit increases in dues equal to the consumer price index. The collection of membership dues increased in FY 2023-2024 to \$2.5 million from \$2.3 million, in FY 2022-2023, an increase of 5%.

### **Other GF Revenues and Interest Income**

Total other revenues and interest income increased in FY 2023-2024 by \$1.2 million, to \$1.3 million from \$136 thousand in FY 2022-2023, an increase of 900%, due to an increase in interest income.

Cash that was not needed as working capital to support daily operations was invested in the Local Agency Investment Fund. The SCAG Investment Policy provides standards and guidelines for the prudent investment of funds by SCAG in conducting its investment and cash management responsibilities. The reader is referred to Note 3 – Cash and Cash Equivalents for additional information.

Restricted cash was invested in a bank depository money market account and it was reflected as bank deposits.

### **Administrative Expenditures**

The increase in administration expense and the corresponding decrease in debt service is related to reallocating debt service expenses related to subscriptions out of the General Fund to the other Major Funds as those funds fund these expenses through overhead.

### **GF Budget vs. Actual Expenditures**

GF expenditures overall were \$4.1 million compared to the budget of \$3.1 million, a difference of (\$1.1 million). The GF budget includes RC expenditures including member stipends, travel, monthly RC meeting expenses, and annual meetings. It also includes contracted federal and state lobbying, and legal fees.

### **Next Year's Budgets**

SCAG's Comprehensive Budget for FY 2024-2025 is \$403.7 million compared to \$350.3 million in FY 2023-2024, a net increase of \$53.4 million or 15% mainly due to an increase in various grants including Carbon Reduction Program and REAP 2021, that SCAG will continue to implement in FY 2024-2025.

### **Requests for Information**

This report is designed to provide a general overview of SCAG finances for readers of the Annual Comprehensive Financial Report. Detailed questions concerning any of the information in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Southern California Association of Governments, 900 Wilshire Boulevard, Ste. 1700, Los Angeles, California 90017.

# Basic Financial Statements

Southern California Association of Governments

Statement of Net Position

June 30, 2024

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 28,755,581
Restricted cash and cash equivalents	46,977,958
Receivables	
Local grants and contracts	11,098
Other	229,072
Due from other governments	
Federal grants	6,776,099
State grants and contracts	3,569,076
Local grants and contracts	572,929
Prepays	874,664
Other assets	6,774
Capital assets, net	32,891,274
<b>Total assets</b>	<b>120,664,525</b>
<b>Deferred Outflows of Resources</b>	
Deferred outflows of resources related to pensions	14,974,284
Deferred outflows of resources related to OPEB	1,309,199
<b>Total deferred outflows of resources</b>	<b>16,283,483</b>
<b>Liabilities</b>	
Accounts and contracts payable	3,194,548
Accrued liabilities	1,071,735
Accrued interest payable	141,959
Due to other governments	4,067,714
Advances from grantors	46,977,958
Over-recovery of indirect costs	6,095,301
Noncurrent liabilities	
Due within one year	4,322,288
Due in more than one year	28,937,208
Net pension liabilities	53,867,391
Net other post-employment benefits liability	1,802,887
<b>Total liabilities</b>	<b>150,478,989</b>
<b>Deferred Inflows of Resources</b>	
Deferred inflows of resources related to OPEB	462,746
<b>Total deferred inflows of resources</b>	<b>462,746</b>
<b>Net Position</b>	
Net investment in capital assets	2,000,812
Restricted for	
Transportation projects	18,001,869
Unrestricted	(33,996,408)
<b>Total net position</b>	<b>\$ (13,993,727)</b>

Southern California Association of Governments

Statement of Activities  
Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services - Member Dues	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Transportation	\$ 20,177,964	\$ -	\$ 25,778,998	\$ 5,601,034
Environmental	4,316,302	-	5,162,588	846,286
Modeling	14,901,173	-	17,822,808	2,921,635
Public involvement	5,505,614	-	6,585,086	1,079,472
Sustainability initiatives	21,927,982	-	26,227,345	4,299,363
Administration	9,351,464	2,457,984	3,328,683	(3,564,797)
Interest	1,171,019	-	-	(1,171,019)
Total governmental activities	<u>\$ 77,351,518</u>	<u>\$ 2,457,984</u>	<u>\$ 84,905,508</u>	<u>10,011,974</u>
<b>General Revenues</b>				
General assembly				426,000
Interest and other				<u>1,349,476</u>
Total general revenues				<u>1,775,476</u>
Change in Net Position				11,787,450
Net Deficit, Beginning of Year				<u>(25,781,177)</u>
Net Deficit, End of Year				<u><u>\$ (13,993,727)</u></u>

Southern California Association of Governments  
Balance Sheet – Governmental Funds  
June 30, 2024

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP AB 101 Fund	REAP 2021 Fund	Nonmajor Funds	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 28,755,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,755,581
Restricted cash and cash equivalents	46,977,958	-	-	-	-	-	-	46,977,958
Receivables								
Local grants and contracts	-	-	-	-	-	-	11,098	11,098
Other	229,072	-	-	-	-	-	-	229,072
Due from other governments								
Federal grants	-	2,612,187	3,691,596	-	-	-	472,316	6,776,099
State grants and contracts	-	-	-	-	1,704,822	-	1,864,254	3,569,076
Local grants and contracts	-	-	-	408,465	-	-	164,464	572,929
Due from other funds	-	-	-	17,733,158	468,761	46,646,320	1,804,945	66,653,184
Prepays	874,664	-	-	-	-	-	-	874,664
Other assets	6,774	-	-	-	-	-	-	6,774
<b>Total assets</b>	<b>\$ 76,844,049</b>	<b>\$ 2,612,187</b>	<b>\$ 3,691,596</b>	<b>\$ 18,141,623</b>	<b>\$ 2,173,583</b>	<b>\$ 46,646,320</b>	<b>\$ 4,317,077</b>	<b>\$ 154,426,435</b>
<b>Liabilities</b>								
Accounts and contracts payable	\$ 552,993	\$ 677,161	\$ 207,793	\$ 139,754	\$ 236,034	\$ 34,920	\$ 1,345,893	\$ 3,194,548
Accrued liabilities	1,071,735	-	-	-	-	-	-	1,071,735
Due to other governments	914,950	-	-	-	1,937,549	1,215,215	-	4,067,714
Due to other funds	59,471,134	1,935,026	3,483,803	-	-	-	1,763,221	66,653,184
Advances from grantors	-	-	-	-	-	45,396,185	1,581,773	46,977,958
Over-recovery of indirect costs	6,095,301	-	-	-	-	-	-	6,095,301
<b>Total liabilities</b>	<b>68,106,113</b>	<b>2,612,187</b>	<b>3,691,596</b>	<b>139,754</b>	<b>2,173,583</b>	<b>46,646,320</b>	<b>4,690,887</b>	<b>128,060,440</b>
<b>Deferred Inflows of Resources</b>								
Deferred inflows of resources relating to grants	-	-	-	-	1,704,822	-	132,867	1,837,689
<b>Fund Balances</b>								
Nonspendable for								
Prepays	874,664	-	-	-	-	-	-	874,664
Restricted								
Transportation	-	-	-	18,001,869	-	-	-	18,001,869
Unassigned	7,863,272	-	-	-	(1,704,822)	-	(506,677)	5,651,773
<b>Total fund balances</b>	<b>8,737,936</b>	<b>-</b>	<b>-</b>	<b>18,001,869</b>	<b>(1,704,822)</b>	<b>-</b>	<b>(506,677)</b>	<b>24,528,306</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 76,844,049</b>	<b>\$ 2,612,187</b>	<b>\$ 3,691,596</b>	<b>\$ 18,141,623</b>	<b>\$ 2,173,583</b>	<b>\$ 46,646,320</b>	<b>\$ 4,317,077</b>	<b>\$ 154,426,435</b>



Southern California Association of Governments  
 Reconciliation of Total Governmental Fund Balances to the Statement of Net Position  
 June 30, 2024

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Total Fund Balance - Governmental Funds	\$ 24,528,306
Amounts reported for governmental activities in the accompanying statement of net position are different because:	
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	32,891,274
Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(141,959)
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	1,837,689
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Long-term liabilities at year-end consist of	
Compensated absences	(2,499,186)
Net pension liabilities	(53,867,391)
Net OPEB liability	(1,802,887)
Lease liability	(27,687,341)
SBITA liability	(3,072,969)
Deferred outflows of resources are not considered financial resources and are not reported in the governmental funds. Deferred outflows of resources amounted to and related to	
Pension	14,974,284
OPEB	1,309,199
Deferred inflows of resources are not available to pay for current period expenses and are not reported in the governmental funds. Deferred inflows of resources amounted to and related to	
OPEB	(462,746)
Total Net Position - Governmental Activities	\$ (13,993,727)

**Southern California Association of Governments**  
**Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds**  
**Year Ended June 30, 2024**

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP AB 101 Fund	REAP 2021 Fund	Nonmajor Funds	Total
<b>Revenues</b>								
Federal grants, net	\$ -	\$ 13,963,307	\$ 24,698,514	\$ -	\$ -	\$ -	\$ 1,605,061	\$ 40,266,882
State grants and contracts	-	-	-	-	8,898,496	16,109,838	8,911,821	33,920,155
Local grants and contracts	-	-	-	8,663,349	-	-	410,330	9,073,679
Membership assessments								
Cities and Indian Tribes	2,009,730	-	-	-	-	-	-	2,009,730
Counties	349,754	-	-	-	-	-	-	349,754
Commission	88,500	-	-	-	-	-	-	88,500
Transportation corridor agency	10,000	-	-	-	-	-	-	10,000
General assembly	426,000	-	-	-	-	-	-	426,000
Interest and other	1,349,476	-	-	-	-	-	-	1,349,476
<b>Total revenues</b>	<b>4,233,460</b>	<b>13,963,307</b>	<b>24,698,514</b>	<b>8,663,349</b>	<b>8,898,496</b>	<b>16,109,838</b>	<b>10,927,212</b>	<b>87,494,176</b>
<b>Expenditures</b>								
Current:								
Transportation	-	3,662,952	6,964,416	1,406,344	-	3,860,649	4,283,603	20,177,964
Environmental	-	956,141	1,657,355	356,001	-	661,004	685,801	4,316,302
Modeling	-	2,806,499	10,808,252	585,748	-	-	700,674	14,901,173
Public involvement	-	3,690,381	683,286	243,252	-	150,652	738,043	5,505,614
Sustainability initiatives	-	1,660,974	2,575,853	881,772	10,512,170	2,353,916	3,943,297	21,927,982
Administration	1,484,833	133,960	498,152	692,147	-	63,793	247,440	3,120,325
Indirect/fringe benefit cost	45,719,360	-	-	-	-	-	-	45,719,360
Indirect/fringe benefit cost recovery	(51,814,661)	-	-	-	-	-	-	(51,814,661)
Over-recovery	6,095,301	-	-	-	-	-	-	6,095,301
Debt service								
Principal	266,709	487,338	770,440	95,913	38,675	1,330,747	-	2,989,822
Interest	15,737	280,809	587,335	81,964	52,473	144,950	-	1,163,268
Capital outlay	1,792,432	594,194	94,879	39,524	-	926,988	305,065	3,753,082
<b>Total expenditures</b>	<b>3,559,711</b>	<b>14,273,248</b>	<b>24,639,968</b>	<b>4,382,665</b>	<b>10,603,318</b>	<b>9,492,699</b>	<b>10,903,923</b>	<b>77,855,532</b>
<b>Excess (Deficiency) of Revenues</b>								
Over (Under) Expenditures	673,749	(309,941)	58,546	4,280,684	(1,704,822)	6,617,139	23,289	9,638,644
<b>Other Financing Sources (Uses)</b>								
Transfers in	153,425	-	-	-	-	-	-	153,425
Transfers out	-	-	(153,425)	-	-	-	-	(153,425)
Issuance of debt - leases	223,191	-	-	-	-	-	-	223,191
Issuance of debt - subscriptions	1,445,963	309,941	94,879	-	-	423,439	-	2,274,222
<b>Total other financing sources (uses)</b>	<b>1,822,579</b>	<b>309,941</b>	<b>(58,546)</b>	<b>-</b>	<b>-</b>	<b>423,439</b>	<b>-</b>	<b>2,497,413</b>
<b>Change in Fund Balance</b>	<b>2,496,328</b>	<b>-</b>	<b>-</b>	<b>4,280,684</b>	<b>(1,704,822)</b>	<b>7,040,578</b>	<b>23,289</b>	<b>12,136,057</b>
<b>Fund Balances, Beginning of Year</b>	<b>6,241,608</b>	<b>-</b>	<b>-</b>	<b>13,721,185</b>	<b>-</b>	<b>(7,040,578)</b>	<b>(529,966)</b>	<b>12,392,249</b>
<b>Fund Balances at End of Year</b>	<b>\$ 8,737,936</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,001,869</b>	<b>\$ (1,704,822)</b>	<b>\$ -</b>	<b>\$ (506,677)</b>	<b>\$ 24,528,306</b>

Southern California Association of Governments  
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
Year Ended June 30, 2024

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Total Net Change in Fund Balances - Governmental Funds \$ 12,136,057

Amounts reported for governmental activities in the accompanying statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities the cost of those capital assets is allocated over their estimated useful lives as depreciation and amortization expense.

Capital outlay	\$ 3,753,082	
Depreciation and amortization expense	(4,506,614)	(753,532)

Compensated absences are not recorded in the governmental funds and the corresponding changes in these balances are not reflected in the change in fund balances. (83,407)

Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds (7,751)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.

Issuance of debt- leases		(223,191)
Lease principal payments		429,054
Issuance of debt - subscriptions		(2,274,222)
Subscription IT principal payments		2,560,768

Revenues reported in the statement of activities which do not require the use of current financial resources are reported as revenues in governmental funds. 1,644,792

Governmental funds report pension/OPEB contributions as expenditures. Such amounts are reported as deferred outflows of resources on the full accrual basis. The impact of pension and OPEB accounting is as follows:

Change in net pension liability		(2,429,942)
Change in net OPEB liability		423,452
Change in pension deferred inflows/outflows		513,858
Change in OPEB deferred inflows/outflows		(148,486)

Change in Net Position of Governmental Activities \$ 11,787,450

**Note 1 - Summary of Significant Accounting Policies****A. General Background**

The Southern California Association of Governments (SCAG) is a regional planning organization and a Council of Governments voluntarily established by its members in 1965 pursuant to the Joint Exercise of Powers Act. SCAG was established as a regional platform for the discussion, study, and agreement on long term regional policies regarding the orderly development of the Southern California Region pertaining to transportation, air quality, and growth management. The State of California and the federal government have designated SCAG as the comprehensive planning agency for the Southern California Region.

The region served by SCAG includes the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura as well as cities within the boundaries of these counties. SCAG works with the region's agencies and decision makers to develop long range regional plans and strategies that provide for efficient movement of people, goods, and information; enhance economic growth and improve the quality of life. These plans can be used as a guide in addressing issues of regional/subregional concern and to help local agencies meet federal and state planning mandates. SCAG's policies and programs are governed by an 84-member Regional Council (RC). Members of the RC are locally elected officials who are appointed to serve two-year terms by their respective local jurisdictions. RC officers are elected by the RC membership and serve a one-year term.

The accompanying basic financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The accompanying basic financial statements include all financial activities of SCAG.

**B. Government-wide and Fund Financial Statements**

The basic financial statements of SCAG are composed of the following:

- Government-wide financial statements
- Governmental funds financial statements
- Notes to basic financial statements

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) display information about SCAG as a whole. All of SCAG's operations represent governmental activities and SCAG has no business type activities. Interfund balances have been eliminated in the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation. Government wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Amounts paid to acquire capital assets are capitalized as assets in the government wide financial statements, rather than reported as expenditures.

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. When both restricted and unrestricted resources are available for SCAG, it is SCAG's policy to use restricted resources first, then unrestricted resources as they are needed.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) dues assessments charged to members who directly benefit from services and, 2) grants and contributions that are restricted to meeting the operational needs of a particular function. Other items not included among program revenues are reported as general revenues.

In general, expenses related to a predetermined fixed rate percentage applied to direct labor and fringe benefits are reported as indirect costs. SCAG policy for the allocation of indirect costs states they are allocated equitably to projects using the guidance, standards, and objectives contained in relevant federal and state regulations. Specifically, *Title 2 of U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, is the primary federal reference, and the *Local Assistance Procedure Manual* is the State of California reference.

SCAG is permitted by these regulations to allocate indirect costs to projects using a predetermined fixed rate percentage applied to direct labor and fringe benefit costs incurred. The underlying documentation for the calculation of the fixed rate is submitted annually to SCAG's federal cognizant agency, the Federal Transit Administration, for review and approval of the fixed rate to be used in the following year. The proposed indirect cost rate is also submitted to the California Department of Transportation, Division of Audits and Investigations for review and acceptance. Upon approval of the Indirect Cost Allocation Plan, SCAG can use the rate to allocate indirect costs to grants, contracts, and other agreements with the Federal Government and the California Department of Transportation (Caltrans).

SCAG's accounting system is organized and operated on the basis of separate funds. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. All funds are classified as governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures and liabilities are recorded when amounts are due and payable and revenue is recognized when earned and when considered measurable and available. Available means the revenue is collectible within the current period or within 5 months thereafter to be used to pay liabilities of the current period. Revenues on grants are recognized when all eligibility requirements are met and amounts are considered measurable and available.

All governmental funds are accounted for on a spending or "financial flow" measurement focus. Generally, only current assets and current liabilities are included in the Balance Sheets. The Statements of Revenues, Expenditures, and Changes in Fund Balances for governmental funds generally present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in the net current assets or fund balance.

**C. Major Funds**

SCAG considers the following funds as major governmental funds:

*Governmental Funds*

**General Fund** – The General Fund is available for any authorized purpose and is used to account for all financial activities of SCAG not required or allowed to be accounted for in another fund. The General Fund’s main source of revenue is membership dues, which are assessed and collected from the members of SCAG. The General Fund is the primary internal source of working capital.

The special revenue funds are described below:

**Federal Transit Administration (FTA) Sec. 5303 Fund** – This fund is established to account for revenues from FTA. These funds are available and restricted to support expenditures for specifically identified purposes and projects relating to public transportation.

**Federal Highway Administration (FHWA) Planning (PL) Fund** – This fund is established to account for revenues from FHWA. These funds are available and restricted to support expenditures for specifically identified purposes and projects related to highways and bridges.

**Transportation Development Act (TDA) Fund** – This fund is established to account for revenues from TDA. These funds are available and restricted to support expenditures for specifically identified purposes and projects related to the transportation planning and programming process.

**Regional Early Action Planning (REAP) AB 101 Fund** – This fund is established to account for revenues from REAP AB 101. These funds are available and restricted to support expenditures for specifically identified purposes and projects related to the accelerating of housing procedure and facilitating compliance in implementing the sixth cycle of the Regional Housing Needs Allocation.

**Regional Early Action Planning (REAP) 2021 Fund** – This fund is established to account for revenues from REAP AB 140. These funds are available and restricted to support expenditures for specifically identified purposes to support transformative planning and implementation activities that meet housing and equity goals, reduce Vehicle Miles Traveled (VMT) per capita and advance implementation of the region’s sustainable communities strategy or alternative planning strategy.

**D. Grant Revenues**

All major and nonmajor fund revenues are recognized as program revenue to the extent that allowable expenditures under the grant have been incurred and amounts are considered measurable and available. Grant expenditures incurred in excess of grant revenues available are funded by the General Fund or other allowable funds by transfers. Disallowed costs, if any, associated with grant expenditures submitted for reimbursement in the current fiscal year are funded by transfers from the General Fund. Disallowed costs, if any, related to grant programs already completed and closed out by SCAG are recorded as administration expenditures of the General Fund.

**E. Advances from Grantors**

Cash received from grantors in advance of actual grant expenditures being incurred is recorded as advances from grantors in the accompanying basic financial statements.

**F. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

In the fund financial statements, governmental fund types recognize bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Lease liabilities represent SCAG's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments expected to be made during the lease term. The present value of the lease payments are discounted based on a borrowing rate determined by SCAG.

Subscription liabilities represent SCAG's obligation to make subscription payments arising from the subscription contract. Subscription liabilities are recognized at the subscription commencement date based on the present value of future subscription payments expected to be made during the subscription term. The present value of subscription payments are discounted based on a borrowing rate determined by SCAG.

**G. Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand and demand deposit accounts and amounts held by the Local Agency Investment Fund. Cash not needed for immediate working capital use is invested in interest bearing accounts.

**H. Capital Assets**

Capital assets, which include furniture and fixtures, computer equipment and leasehold improvements, are reported in the accompanying government wide financial statements. Capital assets are defined by SCAG as assets with an initial individual cost of more than \$5,000 (\$100,000 for intangible assets) and an estimated useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a concession arrangement are reported at acquisition value.

Right to use lease assets are recognized at the lease commencement date and represent SCAG's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. SCAG maintains a threshold level of \$75,000 or more for capitalizing right to use lease assets. Right to use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period for the lease assets range from 3-22 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent SCAG's right to use an underlying IT asset for the subscription term. Right to use IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor before commencement of the subscription term, plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. SCAG maintains a threshold level of \$30,000 or more for capitalizing right to use subscription IT asset. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period for the subscriptions range between 15 months and 3 years.

The provision for depreciation of capital assets within SCAG is computed on the straight-line method using these estimated useful lives:

Equipment	3 years
Intangible assets	5 years
Leasehold improvements	10 years
Furniture and fixtures	3 to 7 years

#### I. Compensated Absences

It is SCAG's policy to permit employees to accumulate earned but unused vacation benefits up to a maximum of 400 hours. Employees are paid 100% of their accumulated vacation when they terminate employment for any reason. All vacation is accrued and reported in the government-wide financial statements as compensated absences. It is estimated that a substantial part of the liability for compensated absences will be paid in the subsequent period from the General Fund and related Special Revenue Funds.

#### J. New Governmental Accounting Standards Board (GASB) pronouncements issued

**GASB Statement No. 99** – In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. SCAG has determined that there was no material impact on the financial statements.

**GASB Statement No. 100** – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections—An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. SCAG has determined that there was no material impact on the financial statements.



**K. New Governmental Accounting Standards Board (GASB) pronouncements issued, not yet effective**

The Governmental Accounting Standards Board (GASB) has issued the following pronouncements prior to June 30, 2024, that have effective dates that may impact future financial statement presentation. The effect of these statements is currently under review by SCAG:

- GASB Statement No. 101, *Compensated Absences*
- GASB Statement No. 102, *Certain Risk Disclosures*
- GASB Statement No. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*

**L. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the California Public Employees’ Retirement System (CalPERS) and Public Agency Retirement System (PARS), and additions to/deductions from CalPERS’ and PARS’ fiduciary net positions have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. Other Post-Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the California Public Employees’ Retirement System (CalPERS) and additions to/deductions from CalPERS’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, CalPERS recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**N. Deferred Outflows and Inflows of Resources**

SCAG recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period.

SCAG reports deferred outflows and inflows of resources related to pension and OPEB on the government-wide statement of net position, under the full accrual basis of accounting. Refer to Note 12 and Note 14 for items identified as deferred inflows and outflows related to pension and OPEB, respectively.

**O. Use of Estimates**

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures at the date of the basic financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from such estimates.

**P. Fund Balance Reporting**

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, defines fund balance as the difference between the assets and liabilities reported in SCAG's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending upon their source.

Consequently, the fund balance reported in the annual financial statements is categorized into five components whereby each component identifies the extent to which a governmental entity is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The five components of fund balance are as follows:

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Examples are inventories, prepaid expenses, long-term receivables, or non-financial assets held for resale.

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of SCAG's highest level of decision-making authority (Regional Council).

Assigned fund balance consists of funds that are set aside for specific purposes by SCAG's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balance is the residual classification for SCAG's general fund and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The General fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The Regional Council, as SCAG’s highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the Regional Council removes or changes the specific use through the same type of formal action taken to establish the commitment. SCAG does not have any fund balance that meets this classification as of June 30, 2024.

The Regional Council delegates the authority to assign fund balance to the Executive Director for purposes of reporting in the annual financial statements.

When both restricted and unrestricted resources are available for use, it is SCAG’s policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, SCAG’s policy is to use committed amounts first, followed by assigned and then unassigned.

**Note 2 - Cash and Cash Equivalents**

A reconciliation of cash and cash equivalents as shown on the Statement of Net Position is as follows:

Book balance of deposits with financial institutions	\$ 1,934,418
Restricted book balance of deposits with financial institutions	46,977,958
Cash and cash equivalents in Local Agency Investment Fund	26,820,163
Petty cash	<u>1,000</u>
	<u><u>\$ 75,733,539</u></u>

**A. Deposits**

At June 30, 2024, SCAG’s cash and cash equivalents consisted of deposits with the Local Agency Investment Fund (LAIF), deposits with an independent financial institution, and petty cash on hand, all of which are presented in the accompanying basic financial statements at fair value.

*Custodial Credit Risk*

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and SCAG’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies.

California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2024, the bank balance of SCAG's deposits with financial institutions totaling \$49,504,167 were covered by FDIC up to \$500,000, and the remaining amounts of \$49,004,167 were collateralized by the financial institution's agent as described above.

#### **B. Investments Authorized by SCAG's Investment Policy**

The SCAG Investment Policy provides standards and guidelines for the prudent investment of funds by SCAG in conducting its investment and cash management responsibilities. The policy is designed to achieve and maintain adequate working capital to support our operations and grow our available resources and funds to the fullest extent possible. The objectives of such investments are: 1) the long-term preservation of capital, 2) adequate cash resources to meet our short-term financial needs for liquidity; and 3) to earn a competitive rate of return on capital. SCAG funds may be invested in any instrument allowable by the State of California Government Code Section 53600 et. seq. so long as the investment is appropriate when SCAG's investment objectives and policies are taken into consideration.

#### **C. Local Agency Investment Fund's Pool**

As of June 30, 2024, SCAG is a voluntary participant in the California LAIF that is regulated by California Government Code Section 16429.1 et seq. under the oversight of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission. The Fair value of SCAG's investments in this pool is reported in the accompanying financial statements at amounts based upon SCAG's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

##### *Fair Value Measurements*

GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. SCAG categorizes its fair value measurements within the fair value hierarchy established by US GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and is as follows.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that SCAG has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability. This valuation is accomplished using management's best estimate of fair value, with inputs into the determination of fair value that require significant management judgment or estimation. The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, SCAG's cash and cash equivalents in LAIF at June 30, 2024, is uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

**Note 3 - Indirect Cost Rate Proposal and Fringe Benefits Recovery Rate**

Indirect costs are budgeted and actual costs are allocated and recovered from all grantors based on a predetermined fixed rate percentage applied to the sum of actual direct labor and fringe benefit cost incurred. An indirect cost allocation plan/indirect cost rate proposal is prepared and submitted to SCAG's cognizant agency in accordance with the guidelines in 2 CFR Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200).

SCAG bases its fringe benefit recovery on a fixed rate for regular staff and interns instead of actual cost incurred during the fiscal year. Variations between actual indirect costs incurred and the allocated and recovered amounts are recorded as receivables or liabilities, and included in the calculation of future year fringe benefit recovery rates.

	Indirect Costs and Fringe Benefits
Indirect costs and fringe benefits	\$ 45,719,360
Indirect costs and fringe benefits recovered	(44,605,629)
(Over) under-recovered indirect costs and fringe benefits	1,113,731
(Over) under-recovered indirect costs and fringe benefits, beginning of year	(7,209,032)
(Over) under-recovered indirect costs and fringe benefits, end of year	\$ (6,095,301)

The balance of over-recovered indirect costs at June 30, 2024 amounting to \$6,095,301 will be carried forward as an adjustment to the calculation of the indirect cost carryforward for FY 2024-2025.

**Note 4 - Advances from Grantors**

If cash is advanced from a grantor, it is transferred and held in the general fund until expended. As such, \$46,977,958 is classified as restricted cash within the general fund as of June 30, 2024.

Advances from grantors consisted of the following:

**A. REAP 2021 Grant (Advances)**

SCAG was awarded Regional Early Action Planning funding from Assembly Bill (AB) 140 to support transformative planning and implementation activities. \$45,396,185 is reported as advances from grantors as of June 30, 2024.

**B. Non-Major Government Funds Grant (Advances)**

SCAG was awarded California Workforce Development Board funding from Senate Bill (SB) 129 to fund SCAG's Inclusive Economic Recovery (IERS) Implementation and Workforce Development for Displaced Workers Pilot. \$822,886 is reported as advances from grantors as of June 30, 2024.

SCAG was awarded funding from state and local entities to support various state and local program activities. \$758,887 is reported as advances from grantors as of June 30, 2024.

**Note 5 - Deferred Inflows Relating to Grants**

Revenues on grants that are not considered measurable and available are reported as deferred inflows from grantors as the revenue will not be available during the period of availability.

Deferred inflows of resources consisted of the following:

**A. REAP AB101**

SCAG was awarded state funding for the Regional Early Action Planning Program from AB101 to support local governments with housing planning activities. \$1,704,822 is reported as deferred inflows from grantors as the revenue will not be available during the period of availability.

**B. Non-Major Government Funds Grant (Deferred Inflows)**

SCAG was awarded federal funding for the Office of Traffic and Safety Programs. \$132,867 is reported as deferred inflows from grantors as the revenue will not be available during the period of availability.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**Note 6 - Capital Assets**

SCAG's capital asset activity for the year ended June 30, 2024 was as follows:

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024
Capital assets not being depreciated				
Development in progress	\$ 842,694	\$ 366,624	\$ (842,694)	\$ 366,624
Subscription in progress	92,915	-	(92,915)	-
Total capital assets not being depreciated	<u>935,609</u>	<u>366,624</u>	<u>(935,609)</u>	<u>366,624</u>
Capital assets being depreciated and amortized:				
Computer equipment and software	7,062,194	1,228,193	(1,529,710)	6,760,677
Leasehold improvements	6,368,907	-	-	6,368,907
Furniture and fixtures	727,761	-	-	727,761
Total capital assets being depreciated	<u>14,158,862</u>	<u>1,228,193</u>	<u>(1,529,710)</u>	<u>13,857,345</u>
Lease assets being amortized:				
Right to use lease building	24,531,369	-	-	24,531,369
Right to use lease equipment	183,217	223,191	-	406,408
Total right to use lease assets being amortized	<u>24,714,586</u>	<u>223,191</u>	<u>-</u>	<u>24,937,777</u>
Subscription-based information technology agreements being amortized:				
Right to use subscription IT assets	5,884,766	2,870,683	(697,392)	8,058,057
Less accumulated depreciation and amortization for:				
Computer equipment and software	(5,640,891)	(555,811)	1,529,710	(4,666,992)
Leasehold improvements	(2,209,357)	(115,709)	-	(2,325,066)
Furniture and fixtures	(727,761)	-	-	(727,761)
Total accumulated depreciation	<u>(8,578,009)</u>	<u>(671,520)</u>	<u>1,529,710</u>	<u>(7,719,819)</u>
Less lease assets accumulated amortization for:				
Right to use lease building	(2,246,287)	(1,182,346)	-	(3,428,633)
Right to use lease equipment	(20,810)	(45,804)	-	(66,614)
Total accumulated amortization for lease assets	<u>(2,267,097)</u>	<u>(1,228,150)</u>	<u>-</u>	<u>(3,495,247)</u>
Less accumulated amortization for:				
Right to use subscription IT assets	(1,203,911)	(2,606,944)	697,392	(3,113,463)
Total capital assets, depreciable/amortizable, net	<u>32,709,197</u>	<u>(184,547)</u>	<u>-</u>	<u>32,524,650</u>
Total capital assets, net	<u>\$ 33,644,806</u>	<u>\$ 182,077</u>	<u>\$ (935,609)</u>	<u>\$ 32,891,274</u>

# Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

Depreciation and amortization expense was charged to SCAG’s functions/programs as follows:

Transportation	\$ 1,857,829
Environmental	282,745
Sustainability/Housing	1,315,030
Modeling	783,815
Public Involvement	267,195
	<u>\$ 4,506,614</u>

SCAG’s development in progress for the year ended June 30, 2024, was as follows:

Green print Implementation Tool	\$ 344,590
Dynamic Traffic Assignment	22,032
	<u>\$ 366,622</u>

## Note 7 - Interfund Balances and Transfers

The interfund due to/from amounts at June 30, 2024, were as follows:

	Due From Other Funds	Due to Other Funds
Major Governmental Funds		
General fund	\$ -	\$ 59,471,134
FTA 5303 fund	-	1,935,026
FHWA PL fund	-	3,483,803
TDA fund	17,733,158	-
REAP AB101	468,761	-
REAP 2021	46,646,320	-
Total	<u>64,848,239</u>	<u>64,889,963</u>
Non-Major Governmental Funds	<u>1,804,945</u>	<u>1,763,221</u>
	<u>\$ 66,653,184</u>	<u>\$ 66,653,184</u>

SCAG’s General Fund is the organization’s main operating fund and all cash receipts and disbursements are processed through the General Fund. Interfund due to/from transactions are used to account for the other funds’ portion of these transactions. Interfund balances have been eliminated in the government wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.



# Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

The interfund transfers in/out during the year ended June 30, 2024, were as follows:

	Transfers In	Transfers Out
Major Governmental Funds		
General fund	\$ 153,425	\$ -
FHWA PL fund	-	153,425
Total	\$ 153,425	\$ 153,425

FHWA transfer consists of prior year program expenditures that will be funded from the Federal Highway Program in the fiscal year 2023-24.

## Note 8 - Commitments and Contingencies

### A. Grants

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, which include the USDOT, Caltrans, and other state agencies. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds.

### B. Contract Commitments

At June 30, 2024, SCAG is contractually committed to pay for certain future transportation, technical and other planning consulting services amounting to \$119,517,424.

### C. Contingent Liabilities

In the ordinary course of its operations, SCAG is the subject of claims and litigation from outside parties. SCAG is insured for professional and general liability claims on a claims-made basis.

### D. Liability, Workers' Compensation, and Purchased Insurance

#### *Description of Self-Insurance Pool Pursuant to Joint Powers Agreement*

SCAG is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of more than 100 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

### *Self-Insurance Programs of the Authority*

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

### *Primary Liability Program*

The California JPIA provides liability coverage that offers members two program options: the primary liability program and the excess liability program. Coverage in both programs includes bodily injury, personal injury, or property damage to a third party resulting from a member activity, including automobile liability. Employment practices liability is also a covered exposure. Claims for these programs are managed through a collaborative process with member communication and consultation. The California JPIA uses a third-party administrator to investigate and respond to all claims.

The primary liability program provides first-dollar coverage with no deductibles or member-retained limits. The program offers \$50 million of coverage per occurrence and is funded at the 70% – 80% confidence level. Although claims are managed through a collaborative process, the Authority retains ultimate settlement authority. The program is funded by annual contributions that represent an “all-inclusive” charge that covers the pool’s retained layer, excess and reinsurance premiums, claims administration fees, operating expenses, and most training and risk management program expenses. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/coverage/risk-sharing-pools/>.

### *Workers’ Compensation Program*

The California JPIA provides workers’ compensation coverage that offers members two options: the primary workers’ compensation program and the excess workers’ compensation program. Coverage in both programs includes benefits to employees who are injured or become ill as a result of work-related activities. Benefits include medical treatment, indemnity payments, and other statutory requirements. All employers must provide workers’ compensation protection for their employees. Claims for these programs are managed through a collaborative process with member communication and consultation.

For 2023-24, the Authority’s pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers’ Compensation Law. Employer’s Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer’s Liability losses from \$5 million to \$10 million are pooled among members.

### *Purchased Insurance*

#### Property Insurance

SCAG participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. SCAG’s property is currently insured according to a schedule of covered property submitted by SCAG to the Authority. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Crime Insurance

SCAG purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Cyber Liability Program

The cyber liability program provides coverage for both first- and third-party claims. This program offers coverage for up to a \$1 million aggregate limit per member that is subject to a \$5 million shared aggregate limit for the entire risk pool during the policy period of July 1, 2023, through June 30, 2024. Self-insured retention is \$250,000.

*Adequacy of Protection*

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

**E. Other Employee Benefits**

SCAG also provides health insurance, vision, and dental benefits to employees under fully insured plans. The benefits are funded on a pay-as-you-go basis in which SCAG pays premiums up to a maximum amount to cover the employees who participate in the program or payments are made directly to employees who have elected not to participate in the program. During the year ended June 30, 2024, SCAG paid \$2,119,183 of health insurance premiums and \$328,547 of vision and dental insurance premiums, as well as \$566,652 to employees who had no health insurance elections.

**Note 9 - Line of Credit**

SCAG has a \$6.5 million line of credit arrangement with an independent financial institution, which expires on March 31, 2026. It was established to provide access to cash, if needed, on a current basis. If advances are requested, they are secured by an assignment of all monies due, or to be due, from Caltrans. Advances must be made in minimum amounts of \$350,000. The line of credit was not used in the year ended June 30, 2024 and no liability was outstanding.

The line of credit agreement contains certain covenants regarding timely repayment, maintenance of certain levels of financial position, and other criteria. At June 30, 2024, SCAG management believes SCAG was in compliance with the financial covenants.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**Note 10 - Long-Term Liabilities**

The following is a summary of changes in SCAG’s long-term liabilities for the year ended June 30, 2024:

	Balance July 01, 2023	Additions	Deletions	Balance June 30, 2024	Due within One year
Compensated absences	\$ 2,415,779	\$ 1,822,991	\$ 1,739,584	\$ 2,499,186	\$ 1,826,564
Right of use building lease liabilities	27,727,118	223,191	384,682	27,565,627	474,183
Right of use equipment lease liability	166,086	-	44,372	121,714	45,638
Right of use subscription liability	3,359,515	2,274,222	2,560,768	3,072,969	1,975,903
<b>Total Governmental Activities</b>	<b>\$ 33,668,498</b>	<b>\$ 4,320,404</b>	<b>\$ 4,729,406</b>	<b>\$ 33,259,496</b>	<b>\$ 4,322,288</b>

Compensated absences are liquidated from the General Fund.

**A. Lease Liabilities**

SCAG has five active agreements for the use of building space and equipment rental. As of June 30, 2024, the value of the lease liabilities were \$27,687,341. SCAG is required to make monthly principal and interest payments through September 2043 ranging from \$6,281 to \$1,407,763. The lease liability was valued using discount rates between 2.59% and 4.06% which were SCAG’s incremental borrowing rate at the inception of the leases. The total amount of right to use lease assets, and the related accumulated amortization on right to use leased assets was \$24,937,777 and \$3,495,247, as of June 30, 2024, respectively.

Remaining principal and interest payments on the building and equipment leases are as follows:

Fiscal Year Ending June 30,	Building & Equipment Leases		
	Principal	Interest	Total
2025	\$ 519,821	\$ 1,109,907	\$ 1,629,728
2026	529,778	1,089,600	1,619,378
2027	569,651	1,068,368	1,638,019
2028	627,180	1,044,855	1,672,035
2029	719,768	1,018,006	1,737,774
2030-2034	5,227,045	4,541,855	9,768,900
2035-2039	8,566,228	3,170,636	11,736,864
2040-2044	10,927,870	1,016,186	11,944,056
<b>Total</b>	<b>\$ 27,687,341</b>	<b>\$ 14,059,413</b>	<b>\$ 41,746,754</b>

**B. Subscription IT Liability**

SCAG has 15 active subscriptions for the use of IT software, platforms, and infrastructure. As of June 30, 2024, the value of the IT liabilities were \$3,072,969. SCAG is required to make principal and interest payments through June 2028 with annual payments ranging from \$0 to \$982,255, as well as monthly payments ranging from \$0 to \$4,123. The lease liability was valued using discount rates between 1.71% and 3.712% which were SCAG's incremental borrowing rates at the inception of the agreements. The total amount of right to use IT assets, and the related accumulated amortization on right to use IT assets was \$8,058,057 and \$3,113,463 as of June 30, 2024, respectively.

Remaining principal and interest on the subscription liability are as follows:

Fiscal Year Ending June 30,	Subscription IT Liability		
	Principal	Interest	Total
2025	\$ 1,975,903	\$ 89,697	\$ 2,065,600
2026	963,412	32,187	995,599
2027	67,288	3,827	71,115
2028	66,366	1,890	68,256
Total	<u>\$ 3,072,969</u>	<u>\$ 127,601</u>	<u>\$ 3,200,570</u>

**Note 11 - Related Party Transactions**

For the year ended June 30, 2024, SCAG recorded \$2,457,984 as membership revenue. These revenues are received from member cities, counties, transportation commissions and two Indian tribes whose representatives also serve on the Regional Council of SCAG. Such revenues are shown as membership assessments in the accompanying basic financial statements. The individual member assessments are calculated by a variable fixed base amount dependent on population plus a pro-rata allocation based on population. The bylaws of SCAG specify the method of calculation for the annual member assessments.

In addition, on November 1, 2022, SCAG entered into a three-year lease agreement with one of its Transportation Commission members. The annual lease payment is \$65,635 with a three percent annual increase. For the year ended June 30, 2024, SCAG recorded \$89,482 of expenses related to the lease.

**Note 12 - Retirement Plans**

SCAG participates in the California Public Employees’ Retirement System (CalPERS) and Public Agency Retirement System (PARS) for supplemental pension plan which are subject to GASB Statement No. 68. Net pension liabilities are liquidated from the General Fund.

A summary of pension amounts for SCAG’s plans at June 30, 2024, is presented below:

	CalPERS	PARS	Total
Deferred outflows - pensions	\$ 14,969,666	\$ 4,618	\$ 14,974,284
Net pension liability	53,556,143	311,248	53,867,391

**Defined Benefit Pension Plan - California Public Employees’ Retirement System (CalPERS)**

**A. General Information about the Pension Plan**

*Plan Descriptions*

All qualified permanent and probationary employees are eligible to participate in SCAG’s Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and SCAG’s resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 or 52 depending on the member’s date of entry into CalPERS, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

# Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

The Plan's provisions and benefits in effect at June 30, 2024, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Earliest Retirement age	50	52
Monthly benefits, as a % of eligible annual compensation	1.1% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%
Required employer contribution rates	9.920%	9.920%

### *Employees Covered*

At June 30, 2024, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	242
Inactive employees entitled to but not yet receiving benefits	211
Active employees	180
<b>Total</b>	<b>633</b>

### *Contributions*

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for each of the Tiers within the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. SCAG's contributions to the Plan for the year ended June 30, 2024 were \$6,865,235.

## **B. Net Pension Liability**

SCAG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

# Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

## *Actuarial Assumptions*

The total pension liabilities in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

## *Discount Rate*

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

## *Changes in Actuarial Assumptions*

For the measurement period ended June 30, 2023, there was no assumption changes.



*Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real <sup>(1)(2)</sup> Return
Global equity - Cap-weighted	30.0%	4.54%
Global equity - Non-cap-weighted	12.0%	3.84%
Private equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed securities	5.0%	0.50%
Investment grade corporates	10.0%	1.56%
High yield	5.0%	2.27%
Emerging market debt	5.0%	2.48%
Private debt	5.0%	3.57%
Real assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100.0%	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**C. Changes in the Net Pension Liability**

The following table shows the changes in net position liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2022	\$ 153,852,518	\$ 102,785,735	\$ 51,066,783
Changes in the year			
Service Cost	3,678,300	-	3,678,300
Interest on the total pension liability	10,611,553	-	10,611,553
Differences between expected and actual experience	2,211,760	-	2,211,760
Changes in benefit terms	159,799	-	159,799
Contributions from the employer	-	6,211,998	(6,211,998)
Contributions from the employee	-	1,657,138	(1,657,138)
Net investment income	-	6,378,500	(6,378,500)
Benefit payments, including refunds of employee contributions	(8,545,189)	(8,545,189)	-
Administrative expenses	-	(75,584)	75,584
Net changes during measurement period	8,116,223	5,626,863	2,489,360
Balance at June 30, 2023	\$ 161,968,741	\$ 108,412,598	\$ 53,556,143

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of SCAG for the Plan, calculated using the discount rate for the Plan, as well as what SCAG's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous		
	1% Decrease (5.90%)	Current Discount rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 73,386,326	\$ 53,556,143	\$ 37,071,864

*Pension Plan Fiduciary Net Position*

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, SCAG recognized pension expense of \$8,839,410. At June 30, 2024, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,427,003	\$ -
Differences between expected and actual experiences	1,881,899	-
Net differences between projected and actual earnings on plan investments	4,795,529	-
Contributions subsequent to measurement date	<u>6,865,235</u>	<u>-</u>
Total	<u>\$ 14,969,666</u>	<u>\$ -</u>

\$6,865,235 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30,</u>	
2025	\$ 2,953,537
2026	1,408,201
2027	3,609,266
2028	<u>133,427</u>
Total	<u>\$ 8,104,431</u>

**Supplemental Defined Benefit Pension Plan – Public Agency Retirement System (PARS)****A. General Information about the Pension Plan***Plan Description*

On January 1, 2002, SCAG adopted a PARS Supplementary Retirement Plan (Plan). It was established to provide supplemental retirement benefits to certain eligible employees who retired in 1999. The Plan is an agent multi-employer defined benefit plan to pay the equivalent of retirement benefits based on the amount of a bonus paid to each employee as an incentive to early retirement. Management believed the bonus was eligible for retirement pension benefits through PERS. The bonuses were later deemed ineligible by PERS for the purpose of calculating benefits; consequently, the Plan was established to pay each retiree the retirement amount they would have received from PERS, if the bonus had been deemed eligible. The Plan is closed to new entrants. The Plan does not issue stand-alone financial reports.

The PARS' trust administrator is Phase II Systems, which was appointed by the member agencies affiliated with the trust. The US Bank is the appointed trustee and has full power and authority with respect to property held in the trust. The distributions by PARS are in addition to the retirement benefits received from PERS.

Benefits Provided

A participant is fully vested and eligible to receive benefits under the Plan, if designated by the plan administrator. There are 10 designated participants, and the amount of their monthly distribution is stated in the Plan. It is anticipated that there will not be any future eligible participants added to the Plan.

The Plan provides a lifetime retirement benefit in the amount specified in the Plan with respect to each participant. At the effective date of the Plan, the amount of the supplementary benefit was determined based on the participant's selection from various retirement benefit options available. Distributions are paid consistent with the method of distribution by PERS, including an annual two-percent (2 percent) compounding cost-of-living adjustment effective each year on May 1st.

The Plan's provisions and benefits in effect at June 30, 2024 are summarized as follows:

Employees Covered

At June 30, 2024, all employees covered by the benefit terms for each Plan were inactive employees or beneficiaries currently receiving benefits. There were 8 participants.

Contributions

Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by the actuarial firm of Milliman. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits paid to retirees during the year on a pay-as-you-go basis. SCAG is not prefunding these benefits. SCAG's contributions to the Plan for the year ended June 30, 2024 were \$83,600.

SCAG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2024, using an annual actuarial valuation as of that date. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

**B. Net Pension Liability**

*Actuarial Assumptions*

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions:

	PARS Miscellaneous
Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.93%
Payroll Growth	None (1)
Projected Salary Increases	None (1)
Investment Rate of Return	6.0% (2)
Mortality	Males: RP-2000 Males rate projected to 2030 using scale BB (as prescribed by PARS) Females: RP-2000 Females rate projected to 2030 using scale BB (as prescribed by PARS)

(1) Plan has no active members.

(2) Net of pension plan investment expense, including inflation.

*Discount Rate*

The primary assumption in determining the sufficiency of a plan’s fiduciary net position relates to expected employer contributions. As of June 30, 2024, the Plan is not being prefunded. Thus, the employer contributions are sufficient to cover only current benefit payments. Since there is a date of depletion, the discount rate is much lower than the current 6% investment return assumption. Projected benefit payments are discounted using the municipal bond index after the date that assets are expected to be depleted. SCAG chose the Bond Buyer GO 20-Bond Municipal Bond Index. The bond index increased from 3.65% as of June 30, 2023 to 3.93% as of June 30, 2024. The Fiduciary Plan Net Position is \$132,498, leaving an unfunded liability, known as the Net Pension Liability of \$311,248. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current covered participants. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**C. Changes in the Net Pension Liability**

The following table shows the changes in net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 468,601	\$ 97,935	\$ 370,666
Service Cost			
Interest on the total pension liability	16,200	-	16,200
Effect of economic/demographic gains or losses	15,776	-	15,776
Effect of assumption changes or inputs	(6,859)	-	(6,859)
Benefit payments	(49,972)	(49,972)	-
Contributions from the employer	-	83,600	(83,600)
Net investment income	-	5,633	(5,633)
Administrative expenses	-	(4,698)	4,698
Net changes	(24,855)	34,563	(59,418)
Balance at June 30, 2024	\$ 443,746	\$ 132,498	\$ 311,248

*Plan Fiduciary Net Position - Separate financial statements are not issued and management has determined that the balances and activity are immaterial.*

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability of SCAG for the Plan, calculated using the discount rate for the Plan, as well as what SCAG's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.93%)	Current Discount rate (3.93%)	1% Increase (4.93%)
Net Pension Liability	\$ 336,663	\$ 311,248	\$ 288,231

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2024, SCAG recognized a pension expense of \$25,507. At June 30, 2024, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Deferred Inflows of Resources</u>
Net differences between projected and actual earnings	\$ 4,618	\$ -

Amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year ended June 30,</u>	
2025	\$ 2,108
2026	1,557
2027	731
2028	<u>222</u>
Total	<u>\$ 4,618</u>

**Note 13 - Deferred Compensation**

SCAG has a deferred compensation plan that is available to substantially all employees. The plan allows employees to defer a portion of their current income from state and federal taxation. Employees may withdraw their participation at any time by giving written notice at least 30 days prior to the effective date of withdrawal. At June 30, 2024, plan assets totaling \$38,713,992 were held by independent trustees and, as such, are not reflected in the accompanying basic financial statements.

All amounts of compensation deferred under the plans are solely the property and rights of each beneficiary (pursuant to legislative changes effective in 1998 to the Internal Revenue Code Section 457, this includes all property and rights purchased and income attributable to these amounts until paid or made available to the employee or other beneficiary).

**Note 14 - Post Employment Healthcare Plan****A. Plan Description**

SCAG participates in the California Public Employees' Retirement System's (CalPERS) California Employer's Retiree Benefit Trust Program (CERBT) to assist SCAG's payment of other post employment benefits (OPEB). SCAG's Retiree Health Program (Plan) provides OPEB for all permanent full-time employees. The Plan is an agent multiple-employer defined benefit other postemployment benefits plan administered by the California Public Employees' Retirement System (CalPERS). CalPERS issues a publicly available financial report that can be found on the CalPERS website.

**B. Benefits Provided**

SCAG provides healthcare benefits through the CalPERS Health Program for all eligible retirees and their dependents. Retirees are eligible for this benefit if they are 50 years of age or over, have completed 5 years of employment, or they have taken disability retirement. Healthcare benefit payments are made monthly for each retired employee up to a maximum of \$550 and no future increases are assumed. Retirees can select a healthcare plan from only among the plans available through CalPERS. All of the retiree health benefit continues to the surviving spouse.

*Employees Covered by Benefit Terms*

At June 30, 2023, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	106
Active employees	211
	<hr/>
Total	317
	<hr/> <hr/>

*Contributions*

The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Contributions recognized by the Plan from the employer for the year ended June 30, 2024 were \$666,329.

**C. Net OPEB Liability**

SCAG's net OPEB liability was measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability was measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net OPEB liability is shown on the next page. The net OPEB liability is liquidated from the General Fund.



# Southern California Association of Governments

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*Actuarial Assumptions* – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal Cost Method
<b>Actuarial Assumptions:</b>	
Discount Rate	6.75%
Inflation	2.50%
Payroll Growth	2.75%
Investment Rate of Return	6.75%
Mortality	(1)
Healthcare Trend Rate	4.00%

(1) 2021 CalPERS Mortality for Miscellaneous and Schools Employees

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period.

*Discount Rate* – The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that SCAG’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan’s target asset allocation as of June 30, 2023 are summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return Expected Real
All Equities	49%	7.55%
All Fixed Income	23%	4.25%
Real Estate Investment Trusts	20%	7.25%
All Commodities	3%	7.55%
Treasury Inflation Protected Securities (TIPS)	5%	3.00%
Total	100%	

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**D. Changes in Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 9,847,394	\$ 7,621,055	\$ 2,226,339
Changes in the year:			
Service cost	301,505	-	301,505
Interest on the total OPEB liability	652,386	-	652,386
Changes in assumptions	(168,082)	-	(168,082)
Differences between expected and actual experience	89,544	-	89,544
Contributions - employer	-	801,025	(801,025)
Net investment income	-	500,014	(500,014)
Benefit payments	(666,329)	(666,329)	-
Administrative expenses	-	(2,234)	2,234
Net changes	<u>209,024</u>	<u>632,476</u>	<u>(423,452)</u>
Balance at June 30, 2024	<u>\$ 10,056,418</u>	<u>\$ 8,253,531</u>	<u>\$ 1,802,887</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*— The following presents the net OPEB liability of SCAG, as well as what SCAG's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current discount rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 2,793,396	\$ 1,802,887	\$ 957,113

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates* – The following presents the net OPEB liability of SCAG, as well as what SCAG's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (3.00%)	Healthcare Cost Trend Rates (4.00%)	1% Increase (5.00%)
Net OPEB Liability	\$ 1,443,502	\$ 1,802,887	\$ 2,215,087

*OPEB Plan Fiduciary Net Position* – Detailed information about the OPEB plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2024

**E. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2024, SCAG recognized OPEB expense of \$493,616. At June 30, 2024, SCAG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 666,329	\$ -
Changes in assumptions	-	240,736
Differences between actual and expected experience	84,500	222,010
Net difference between projected and actual earnings on plan investments	558,370	-
Total	\$ 1,309,199	\$ 462,746

\$666,329 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2025	\$ 52,067
2026	10,746
2027	289,532
2028	(63,643)
2029	(67,411)
Thereafter	(41,167)
Total	\$ 180,124

**Note 15 - Accumulated Fund Deficits**

The following individual funds reported deficit fund balances as of June 30, 2024:

Special Revenue Fund:	
REAP 2021	\$ (1,704,822)
Nonmajor Fund:	
OTS, Round 9	(132,866)
CPUC LATA	(172,159)
ATP Cycle 5	(53,546)
ATP C5 SM	(148,106)

The deficits for REAP AB101 and OTS are due to not receiving the revenue within the availability period. The deficits for CPUC LATA, ATP Cycle 5, and ATP C5 SB are due to not meeting the eligibility as required tasks were not completed by June 30, 2024. Amounts are not recognized as revenue, receivable or deferred inflows when an expenditure-driven grant that has not met the eligibility requirements by June 30, 2024, that results in a negative fund balance. The fund balance deficits will be offset with future collections of revenue.

## Required Supplementary Information

Southern California Association of Governments  
Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual on a Budgetary Basis – General Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Membership assessments				
Cities	\$ 2,011,702	\$ 2,011,702	\$ 1,999,730	\$ (11,972)
Counties	349,754	349,754	349,754	-
Commissions	88,500	88,500	88,500	-
Transportation corridor agency	10,000	10,000	10,000	-
Air districts	10,000	10,000	10,000	-
	<u>2,469,956</u>	<u>2,469,956</u>	<u>2,457,984</u>	<u>(11,972)</u>
General assembly	340,000	340,000	426,000	86,000
Transfers from reserves	182,905	182,905	-	(182,905)
Interest and other	96,886	96,886	1,349,476	1,252,590
Total revenues	<u>3,089,747</u>	<u>3,089,747</u>	<u>4,233,460</u>	<u>1,143,713</u>
<b>Expenditures</b>				
Administration				
Salaries and wages	239,102	239,102	59,486	179,616
Allocated fringe benefits	160,398	160,398	39,903	120,495
Allocated indirect costs	548,247	548,247	136,392	411,855
Contractual and professional services	297,700	385,950	317,945	68,005
Legal services	384,840	323,800	178,198	145,602
Bank fees	15,000	15,000	31,693	(16,693)
Meetings and special events	86,500	86,500	70,164	16,336
Scholarship	44,000	44,000	40,000	4,000
RC/Committee meetings	15,000	15,000	31,113	(16,113)
RC retreat	40,000	40,000	27,950	12,050
General assembly	453,310	457,310	429,244	28,066
IT systems, infrastructure and support	2,000	2,000	-	2,000
Memberships and dues	139,100	158,500	132,499	26,001
Engagement committee	20,000	20,000	16,921	3,079
Employee recognition	15,000	15,000	6,476	8,524
Department allowances	15,000	15,000	9,768	5,232
Reproduction and printing	4,000	-	-	-
Board stipends	245,000	245,000	249,570	(4,570)
Sponsorships	165,000	163,000	108,350	54,650
Economic and labor summit	29,750	30,337	45,262	(14,925)
Demographic workshop	9,800	9,213	9,213	-
Travel	137,500	137,500	89,618	47,882
Other	23,500	25,500	1,296	24,204
Total administration	<u>3,089,747</u>	<u>3,136,357</u>	<u>2,031,061</u>	<u>1,105,296</u>
Debt Service				
Principal	-	-	266,709	(266,709)
Interest	-	-	15,737	(15,737)
Total debt service	<u>-</u>	<u>-</u>	<u>282,446</u>	<u>(282,446)</u>
Capital Outlay				
Total expenditures	<u>3,089,747</u>	<u>3,136,357</u>	<u>4,105,939</u>	<u>(969,582)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(46,610)</u>	<u>127,521</u>	<u>174,131</u>
Other Financing Sources (Uses)				
Transfers in	-	-	153,425	153,425
Issuance of debt - leases	-	-	223,191	223,191
Issuance of debt - subscriptions	-	-	1,445,963	1,445,963
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,822,579</u>	<u>1,822,579</u>
Net change in fund balance	-	(46,610)	1,950,100	1,996,710
Fund balances, Beginning of Year	6,241,608	6,241,608	6,241,608	-
Fund Balances, End of Year	<u>\$ 6,241,608</u>	<u>\$ 6,194,998</u>	<u>\$ 8,191,708</u>	<u>\$ 1,996,710</u>

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – Federal Transportation Administration 5303 – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Revenues</b>				
Federal grants	\$ 17,412,752	\$ 19,339,282	\$ 13,963,307	\$ (5,375,975)
<b>Expenditures</b>				
<b>Transportation</b>				
Salaries and wages	818,128	1,422,352	768,500	653,852
Allocated fringe benefits	519,830	498,140	493,688	4,452
Allocated indirect costs	1,836,145	1,762,006	1,732,100	29,906
Contractual and professional services	2,934,278	2,944,722	658,213	2,286,509
Public notices and advertisement	5,000	5,000	3,326	1,674
Travel	13,800	13,800	6,335	7,465
Meetings and conferences	3,400	2,900	583	2,317
Outreach and advertisement	5,000	5,000	207	4,793
<b>Total transportation</b>	<b>6,135,581</b>	<b>6,653,920</b>	<b>3,662,952</b>	<b>2,990,968</b>
<b>Environmental</b>				
Salaries and wages	261,736	438,036	219,582	218,454
Allocated fringe benefits	167,053	160,804	140,643	20,161
Allocated indirect costs	588,448	567,088	494,337	72,751
Contractual and professional services	150,060	172,734	95,524	77,210
Meetings and conferences	3,150	2,900	583	2,317
Public notices and advertisement	5,000	5,000	3,326	1,674
Travel	3,800	3,800	1,939	1,861
Outreach and advertisement	5,000	5,000	207	4,793
<b>Total environmental</b>	<b>1,184,247</b>	<b>1,355,362</b>	<b>956,141</b>	<b>399,221</b>
<b>Modeling</b>				
Salaries and wages	626,880	834,710	621,171	213,539
Allocated fringe benefits	395,799	402,948	398,020	4,928
Allocated indirect costs	1,403,470	1,427,907	1,398,636	29,271
Contractual and professional services	995,600	1,145,424	383,010	762,414
Meetings and conferences	500	-	-	-
Public notices and advertisement	5,000	5,000	3,326	1,674
Travel	7,500	7,500	2,129	5,371
Outreach and advertisement	5,000	5,000	207	4,793
<b>Total modeling</b>	<b>3,439,749</b>	<b>3,828,489</b>	<b>2,806,499</b>	<b>1,021,990</b>
<b>Public Involvement</b>				
Salaries and wages	898,025	1,325,964	817,483	508,481
Allocated fringe benefits	593,896	596,501	540,222	56,279
Allocated indirect costs	2,047,435	2,056,336	1,863,178	193,158
Contractual and professional services	651,770	661,563	443,510	218,053
Meetings and conferences	9,950	7,200	1,393	5,807
Public notices and advertisement	27,500	27,500	18,296	9,204
Travel	9,600	9,600	5,162	4,438
Outreach and advertisement	27,500	27,500	1,137	26,363
<b>Total public involvement</b>	<b>4,265,676</b>	<b>4,712,164</b>	<b>3,690,381</b>	<b>1,021,783</b>

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – Federal Transportation Administration 5303 – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Sustainability Initiatives				
Salaries and wages	\$ 486,499	\$ 756,515	\$ 419,730	\$ 336,785
Allocated fringe benefits	312,715	327,406	270,944	56,462
Allocated indirect costs	1,096,799	1,147,018	947,813	199,205
Contractual and professional services	286,462	309,839	8,543	301,296
Meetings and conferences	5,350	4,600	801	3,799
Public notices and advertisement	7,500	7,500	4,990	2,510
Travel	13,900	14,400	7,843	6,557
Outreach/advertisement	7,500	7,500	310	7,190
Total sustainability initiatives	<u>2,216,725</u>	<u>2,574,778</u>	<u>1,660,974</u>	<u>913,804</u>
Administration				
Salaries and wages	24,577	73,266	24,239	49,027
Allocated fringe benefits	15,634	15,387	15,627	(240)
Allocated indirect costs	55,183	54,338	54,708	(370)
Contractual and professional services	74,330	70,778	39,257	31,521
Meetings and conferences	650	400	122	278
Travel	400	400	7	393
Total administration	<u>170,774</u>	<u>214,569</u>	<u>133,960</u>	<u>80,609</u>
Capital Outlay	-	-	594,194	(594,194)
Debt Service				
Principal	-	-	487,338	(487,338)
Interest	-	-	280,809	(280,809)
Total debt service	<u>-</u>	<u>-</u>	<u>768,147</u>	<u>(768,147)</u>
Total expenditures	<u>17,412,752</u>	<u>19,339,282</u>	<u>14,273,248</u>	<u>5,066,034</u>
Excess (deficiency) of revenues over/(under) expenditures	<u>-</u>	<u>-</u>	<u>(309,941)</u>	<u>(309,941)</u>
Other Financing Sources (Uses)				
Issuance of debt - subscriptions	-	-	309,941	309,941
Net change in fund balance	-	-	-	-
Fund balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – Federal Highway Administration PL – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 28,683,770	\$ 29,714,231	\$ 24,698,514	\$ (5,015,717)
Expenditures				
Transportation				
Salaries and wages	2,158,190	2,346,526	1,754,009	592,517
Allocated fringe benefits	1,393,050	1,398,002	1,175,093	222,909
Allocated indirect costs	4,873,517	4,890,444	4,019,607	870,837
Contractual and professional services	365,355	375,355	-	375,355
Public notices and advertisement	800	800	438	362
IT systems, infrastructure and support	70,000	70,000	852	69,148
Meetings and conferences	-	195	156	39
Reproduction and printing	4,900	4,900	-	4,900
Travel	36,375	41,930	14,261	27,669
Other	1,375	1,375	-	1,375
Total transportation	8,903,562	9,129,527	6,964,416	2,165,111
Environmental				
Salaries and wages	444,646	515,443	417,143	98,300
Allocated fringe benefits	298,284	307,280	279,819	27,461
Allocated indirect costs	1,019,556	1,050,306	956,441	93,865
Contractual and professional services	260,098	280,098	-	280,098
Public notices and advertisement	3,600	3,600	1,972	1,628
IT systems, infrastructure and support	-	-	2	(2)
Meetings and conferences	-	195	91	104
Travel	3,125	9,180	1,887	7,293
Reproduction and printing	1,800	1,800	-	1,800
Other	125	125	-	125
Total environmental	2,031,234	2,168,027	1,657,355	510,672
Modeling				
Salaries and wages	2,764,118	3,291,856	2,624,182	667,674
Allocated fringe benefits	1,854,260	1,882,742	1,759,399	123,343
Allocated indirect costs	6,338,012	6,435,356	6,015,588	419,768
Contractual and professional services	398,032	498,033	361,515	136,518
Public notices and advertisement	1,200	1,200	657	543
IT systems, infrastructure and support	1,139,000	1,139,000	33,674	1,105,326
Meetings and special events	-	1,560	728	832
Travel	29,250	33,440	12,509	20,931
Reproduction and printing	600	600	-	600
Other	3,000	3,000	-	3,000
Total modeling	12,527,472	13,286,787	10,808,252	2,478,535
Public Involvement				
Salaries and wages	225,892	226,286	172,110	54,176
Allocated fringe benefits	151,536	131,896	115,451	16,445
Allocated indirect costs	517,961	450,830	394,620	56,210
Contractual and professional services	112,033	127,033	-	127,033
Public notices and advertisement	1,200	1,200	657	543
Travel	750	2,000	448	1,552
Reproduction and printing	600	600	-	600
Total public involvement	1,009,972	939,845	683,286	256,559



Southern California Association of Governments  
Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual on a Budgetary Basis – Federal Highway Administration PL – Major Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Sustainability Initiatives				
Salaries and wages	\$ 795,689	\$ 823,333	\$ 648,138	\$ 175,195
Allocated fringe benefits	533,776	513,167	434,771	78,396
Allocated indirect costs	1,824,481	1,754,039	1,486,076	267,963
Contractual and professional services	339,975	359,975	-	359,975
Public notices and advertisement	400	400	219	181
IT systems, infrastructure and support	-	-	15	(15)
Meetings and special events	-	1,755	819	936
Travel	10,625	14,968	5,815	9,153
Reproduction and printing	200	200	-	200
Other	2,875	2,874	-	2,874
Total sustainability initiatives	<u>3,508,021</u>	<u>3,470,711</u>	<u>2,575,853</u>	<u>894,858</u>
Administration				
Salaries and wages	160,189	184,180	110,111	74,069
Allocated fringe benefits	107,461	104,197	73,863	30,334
Allocated indirect costs	367,305	356,152	252,468	103,684
Contractual and professional services	65,855	70,855	60,541	10,314
Public notices and advertisement	800	800	438	362
IT systems, infrastructure and support	-	-	5	(5)
Meetings and special events	-	195	91	104
Reproduction and printing	400	400	-	400
Travel	1,375	2,430	635	1,795
Other	124	125	-	125
Total administration	<u>703,509</u>	<u>719,334</u>	<u>498,152</u>	<u>221,182</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>94,879</u>	<u>(94,879)</u>
Debt Service				
Principal	-	-	770,440	(770,440)
Interest	-	-	587,335	(587,335)
Total debt service	<u>-</u>	<u>-</u>	<u>1,357,775</u>	<u>(1,357,775)</u>
Total expenditures	<u>28,683,770</u>	<u>29,714,231</u>	<u>24,639,968</u>	<u>5,074,263</u>
Excess (deficiency) of revenues over/ (under) expenditures	<u>-</u>	<u>-</u>	<u>58,546</u>	<u>(58,546)</u>
Other Financing Sources (Uses)				
Transfer out	-	-	(153,425)	153,425
Issuance of debt - subscriptions	-	-	94,879	(94,879)
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(58,546)</u>	<u>58,546</u>
Fund balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – Transportation Development Act – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Local grants and contracts	\$ 8,681,774	\$ 8,681,774	\$ 8,663,349	\$ (18,425)
Expenditures				
Transportation				
Salaries and wages	420,969	394,840	302,648	92,192
Allocated fringe benefits	282,011	263,997	203,016	60,981
Allocated indirect costs	971,192	907,643	697,496	210,147
Contractual and professional services	412,862	493,390	165,056	328,334
Legal services	12,000	44,711	29,322	15,389
IT systems, infrastructure and support	-	-	369	(369)
Travel	18,075	18,075	2,879	15,196
Memberships and dues	-	-	5,000	(5,000)
Meetings and special events	-	14,500	552	13,948
Equipment and Maintenance	1,000	-	-	-
Outreach and advertisement	6,000	2,000	-	2,000
Other	2,000	1,000	6	994
Total transportation	<u>2,126,109</u>	<u>2,140,156</u>	<u>1,406,344</u>	<u>733,812</u>
Environmental				
Salaries and wages	100,165	86,057	65,869	20,188
Allocated fringe benefits	66,544	56,269	44,185	12,084
Allocated indirect costs	239,555	201,141	156,982	44,159
Contractual and professional services	109,399	126,159	23,451	102,708
Legal services	54,000	72,856	63,843	9,013
IT systems, infrastructure and support	-	-	492	(492)
Travel	2,825	2,825	619	2,206
Meetings and special events	-	1,000	552	448
Other	1,800	1,800	8	1,792
Total environmental	<u>574,288</u>	<u>548,107</u>	<u>356,001</u>	<u>192,106</u>
Modeling				
Salaries and wages	88,566	82,588	138,348	(55,760)
Allocated fringe benefits	59,413	55,403	92,804	(37,401)
Allocated indirect costs	203,078	189,371	317,210	(127,839)
Contractual and professional services	65,796	66,833	-	66,833
Legal services	18,000	52,639	36,267	16,372
IT systems, infrastructure and support	-	-	492	(492)
Travel	1,500	1,500	619	881
Meetings and special events	-	1,500	-	1,500
Other	2,500	2,500	8	2,492
Total modeling	<u>438,853</u>	<u>452,334</u>	<u>585,748</u>	<u>(133,414)</u>
Public Involvement				
Salaries and wages	82,863	67,519	44,927	22,592
Allocated fringe benefits	54,808	43,542	30,137	13,405
Allocated indirect costs	201,860	159,398	110,156	49,242
Contractual and professional services	76,806	83,299	27,560	55,739
Legal services	18,000	36,856	27,969	8,887
IT systems, infrastructure and support	-	-	369	(369)
Travel	1,700	1,700	464	1,236
Office supplies	600	600	560	40
Meetings and special events	-	2,000	1,104	896
Other	1,000	1,000	6	994
Total public involvement	<u>437,637</u>	<u>395,914</u>	<u>243,252</u>	<u>152,662</u>

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – Transportation Development Act – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Sustainability initiatives</b>				
Salaries and wages	\$ 238,819	\$ 213,636	\$ 206,943	\$ 6,693
Allocated fringe benefits	159,559	141,854	138,817	3,037
Allocated indirect costs	557,483	493,673	480,441	13,232
Contractual and professional services	193,416	246,138	16,429	229,709
Legal services	50,520	97,087	30,675	66,412
IT systems, infrastructure and support	5,735	-	615	(615)
Travel	11,650	11,650	1,580	10,070
Office supplies	3,200	3,200	2,986	214
Meetings and special events	-	500	276	224
Outreach and advertisement	-	-	3,000	(3,000)
Other	1,900	1,900	10	1,890
Total sustainability initiatives	<u>1,222,282</u>	<u>1,209,638</u>	<u>881,772</u>	<u>327,866</u>
<b>Administration</b>				
Salaries and wages	79,341	76,520	55,833	20,687
Allocated fringe benefits	53,095	51,041	37,453	13,588
Allocated indirect costs	183,902	176,222	129,208	47,014
Contractual and professional services	200,155	31,226	3,122	28,104
Legal services	12,000	18,928	15,624	3,304
Demographic workshop	18,200	11,500	11,500	-
Economic and labor summit	128,250	134,950	133,044	1,906
General assembly	208,190	360,715	286,126	74,589
IT systems, infrastructure and support	-	36,275	123	36,152
Reproduction and printing	16,000	-	-	-
Travel	17,250	17,250	19,649	(2,399)
Office supplies	200	200	187	13
Meetings and special events	-	500	276	224
Other	800	800	2	798
Total administration	<u>917,383</u>	<u>916,127</u>	<u>692,147</u>	<u>223,980</u>
<b>Debt service</b>				
Principal	-	-	95,913	(95,913)
Interest	-	-	81,964	(81,964)
Total debt service	<u>-</u>	<u>-</u>	<u>177,877</u>	<u>(177,877)</u>
<b>Capital outlay</b>	<u>-</u>	<u>-</u>	<u>39,524</u>	<u>-</u>
Total expenditures	<u>5,716,552</u>	<u>5,662,276</u>	<u>4,382,665</u>	<u>1,319,135</u>
Excess (deficiency) of revenues over/(under) expenditures	2,965,222	3,019,498	4,280,684	1,261,186
<b>Net change in fund balance</b>	2,965,222	3,019,498	4,280,684	1,261,186
<b>Fund balances, Beginning of Year</b>	<u>13,721,185</u>	<u>13,721,185</u>	<u>13,721,185</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 16,686,407</u>	<u>\$ 16,740,683</u>	<u>\$ 18,001,869</u>	<u>\$ 1,261,186</u>

Southern California Association of Governments  
Schedule of Revenues, Expenditures and Changes in Fund Balances –  
Budget and Actual on a Budgetary Basis – REAP AB 101 – Major Fund  
Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 12,401,775	\$ 12,221,469	\$ 8,898,496	\$ (3,322,973)
Expenditures				
Sustainability initiatives				
Salaries and wages	508,473	711,712	531,018	180,694
Allocated fringe benefits	258,793	252,081	356,207	(104,126)
Allocated indirect costs	884,567	861,631	1,217,539	(355,908)
Contractual and professional services	10,499,298	10,351,511	8,380,711	1,970,800
Legal services	250,644	44,534	26,695	17,839
Total sustainability initiatives	12,401,775	12,221,469	10,512,170	1,709,299
Debt service				
Principal	-	-	38,675	(38,675)
Interest	-	-	52,473	(52,473)
Total debt service	-	-	91,148	(91,148)
Total expenditures	12,401,775	12,221,469	10,603,318	1,618,151
Excess (deficiency) of revenues over/(under) expenditures	-	-	(1,704,822)	(1,704,822)
Changes In Fund Balance	-	-	(1,704,822)	(1,704,822)
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ (1,704,822)	\$ (1,704,822)

**Southern California Association of Governments**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances –**  
**Budget and Actual on a Budgetary Basis – REAP 2021 – Major Fund**  
**Year Ended June 30, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 238,350,867	\$ 239,697,681	\$ 16,109,838	\$ (223,587,843)
Expenditures				
Transportation				
Salaries and wages	7,031,162	8,073,553	738,525	7,335,028
Allocated fringe benefits	415,718	619,619	495,401	124,218
Allocated indirect costs	1,420,958	2,117,907	1,693,315	424,592
Contractual and professional services	101,343,326	107,272,827	926,050	106,346,777
Travel	21,500	19,725	7,358	12,367
Total transportation	110,232,664	118,103,631	3,860,649	114,242,982
Environmental				
Salaries and wages	160,711	164,974	111,193	53,781
Allocated fringe benefits	107,810	110,670	74,589	36,081
Allocated indirect costs	368,504	378,280	254,949	123,331
Contractual and professional services	13,474,000	14,950,630	220,273	14,730,357
Total Environmental	14,111,025	15,604,554	661,004	14,943,550
Public Involvement				
Salaries and wages	-	13,562	12,355	1,207
Allocated fringe benefits	-	9,098	8,288	810
Allocated indirect costs	-	31,097	28,328	2,769
Contractual and professional services	-	1,621,750	101,681	1,520,069
Total Housing	-	1,675,507	150,652	1,524,855
Sustainability Initiatives				
Salaries and wages	7,263,092	7,940,971	536,064	7,404,907
Allocated fringe benefits	514,246	473,620	359,592	114,028
Allocated indirect costs	1,874,462	1,735,600	1,229,109	506,491
Contractual and professional services	102,584,000	92,415,229	228,557	92,186,672
Travel	7,500	7,438	594	6,844
Total Sustainability Initiatives	112,243,300	102,572,858	2,353,916	100,218,942
Administration				
Salaries and wages	20,089	18,926	12,353	6,573
Allocated fringe benefits	13,476	12,697	8,288	4,409
Allocated indirect costs	46,063	43,398	28,328	15,070
Contractual and professional services	1,684,250	1,666,110	14,824	1,651,286
Total administration	1,763,878	1,741,131	63,793	1,677,338
Debt service				
Principal	-	-	1,330,747	(1,330,747)
Interest	-	-	144,950	(144,950)
Total debt service	-	-	1,475,697	(1,475,697)
Capital Outlay	-	-	926,988	(926,988)
Total expenditures	238,350,867	239,697,681	9,492,699	230,204,982
Excess (deficiency) of revenues over/(under) expenditures	-	-	6,617,139	6,617,139
Other financing sources (uses)				
Issuance of Debt - subscriptions	-	-	423,439	423,439
Total other financing sources (uses)	-	-	423,439	423,439
Net change in fund balance	-	-	7,040,578	7,040,578
Fund balances, Beginning of Year	-	-	(7,040,578)	(7,040,578)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

Southern California Association of Governments  
California Public Employees' Retirement System (CalPERS)  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Last Ten Years  
Year Ended June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability</b>										
Service cost	\$ 1,926,065	\$ 1,848,012	\$ 2,111,871	\$ 2,343,160	\$ 2,290,471	\$ 2,364,540	\$ 2,412,334	\$ 2,662,398	\$ 3,292,805	\$ 3,678,300
Interest on total pension liability	7,284,415	7,705,889	8,138,979	8,507,621	8,757,694	9,116,962	9,463,839	9,773,229	10,086,584	10,611,553
Changes of benefits terms	-	-	-	-	-	-	-	-	-	159,799
Differences between expected and actual experiences	-	1,664,721	1,778,383	1,846,790	(61,325)	831,035	704,626	(82,799)	855,087	2,211,760
Changes in assumptions **	-	(1,702,023)	-	6,497,980	(853,150)	-	-	-	3,805,341	-
Benefit payments, including refunds of employee contributions	(5,397,736)	(5,660,486)	(5,945,299)	(6,285,626)	(6,539,230)	(7,243,780)	(7,473,419)	(7,709,152)	(8,125,658)	(8,545,189)
Net changes in total pension liability	3,812,744	3,856,113	6,083,934	12,909,925	3,594,460	5,068,757	5,107,380	4,643,676	9,914,159	8,116,223
Total pension liability - beginning	98,861,370	102,674,114	106,530,227	112,614,161	125,524,086	129,118,546	134,187,303	139,294,683	143,938,359	153,852,518
<b>Total pension liability - ending (a)</b>	<b>\$ 102,674,114</b>	<b>\$ 106,530,227</b>	<b>\$ 112,614,161</b>	<b>\$ 125,524,086</b>	<b>\$ 129,118,546</b>	<b>\$ 134,187,303</b>	<b>\$ 139,294,683</b>	<b>\$ 143,938,359</b>	<b>\$ 153,852,518</b>	<b>\$ 161,968,741</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - employer	\$ 1,911,321	\$ 2,257,575	\$ 2,688,004	\$ 2,934,589	\$ 2,938,828	\$ 3,439,687	\$ 4,147,506	\$ 4,826,633	\$ 5,665,143	\$ 6,211,998
Contributions - employee	962,936	973,611	1,100,545	1,165,262	1,207,117	1,033,035	1,135,142	1,275,178	1,500,165	1,657,138
Net investment income	11,968,522	1,777,972	391,145	8,568,953	7,087,763	5,712,467	4,475,170	20,969,620	(8,394,837)	6,378,500
Plan to plan resource movement	-	(1,489)	(465)	-	(204)	-	-	-	-	-
Administrative expense	-	(89,199)	(48,228)	(114,158)	(130,255)	(62,732)	(127,985)	(92,843)	(69,901)	(75,584)
Benefit payments	(5,397,736)	(5,660,486)	(5,945,299)	(6,285,626)	(6,539,230)	(7,243,780)	(7,473,419)	(7,709,152)	(8,125,658)	(8,545,189)
Other miscellaneous income/(expense)	-	-	-	-	(247,357)	204	-	-	-	-
Net change in plan fiduciary net position	9,445,043	(742,016)	(1,814,298)	6,269,020	4,316,662	2,878,881	2,156,414	19,269,436	(9,425,088)	5,626,863
Plan fiduciary net position - beginning	70,431,681	79,876,724	79,134,708	77,320,410	83,589,430	87,906,092	90,784,973	92,941,387	112,210,823	102,785,735
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 79,876,724</b>	<b>\$ 79,134,708</b>	<b>\$ 77,320,410</b>	<b>\$ 83,589,430</b>	<b>\$ 87,906,092</b>	<b>\$ 90,784,973</b>	<b>\$ 92,941,387</b>	<b>\$ 112,210,823</b>	<b>\$ 102,785,735</b>	<b>\$ 108,412,598</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>22,797,390</b>	<b>27,395,519</b>	<b>35,293,751</b>	<b>41,934,656</b>	<b>41,212,454</b>	<b>43,402,330</b>	<b>46,353,296</b>	<b>31,727,536</b>	<b>51,066,783</b>	<b>53,556,143</b>
Plan fiduciary net position as a percentage of total pension liability	77.80%	74.28%	68.66%	66.59%	68.08%	67.66%	66.72%	77.96%	66.81%	66.93%
Covered payroll	\$ 12,208,828	\$ 12,363,763	\$ 14,479,749	\$ 13,449,458	\$ 13,659,971	\$ 14,171,140	\$ 15,963,250	\$ 18,366,719	\$ 20,912,316	\$ 24,493,576
Net pension liability as a percentage of covered payroll	186.73%	221.58%	243.75%	311.79%	301.70%	306.27%	290.38%	172.74%	244.19%	218.65%

\*\* For the measurement period ended June 30, 2022, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 17,2021. For the measurement period ended June 30, 2023, the discount rate remained at 6.90%, this reflects a change in the price inflation assumption to 2.30%.

Southern California Association of Governments  
California Public Employees' Retirement System (CalPERS)  
Schedule of Plan Contributions  
Last Ten Years  
As of June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 2,257,575	\$ 2,688,004	\$ 2,934,588	\$ 2,938,424	\$ 3,439,787	\$ 4,147,545	\$ 4,826,472	\$ 5,662,040	\$ 6,211,998	\$ 6,865,235
Contribution made	(2,257,575)	(2,688,004)	(2,934,588)	(2,938,424)	(3,439,787)	(4,147,545)	(4,826,472)	(5,662,040)	(6,211,998)	(6,865,235)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 12,363,763	\$ 14,479,749	\$ 13,449,458	\$ 13,659,971	\$ 14,171,140	\$ 15,963,250	\$ 18,366,719	\$ 20,912,316	\$ 24,493,576	\$ 28,389,318
Contributions as a percentage of covered payroll	18.26%	18.56%	21.82%	21.51%	24.27%	25.98%	26.28%	27.08%	25.36%	24.18%

Notes to Schedule

Valuation date: 6/30/2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	Fair Value of Assets
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Southern California Association of Governments  
Public Agency Retirement System (PARS) Supplementary Retirement Plan  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Last Ten Years  
Year Ended June 30, 2024

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Total Pension Liability</b>										
Interest on total pension liability	\$ 29,637	\$ 23,361	\$ 23,351	\$ 24,138	\$ 24,762	\$ 22,278	\$ 14,966	\$ 12,377	\$ 19,052	\$ 16,200
Effect of economic/demographic gains or losses	18,819	24,562	(63,489)	17,893	18,965	21,057	(56,668)	24,027	(55,087)	15,776
Effect of assumptions changes or inputs	25,827	139,540	(40,318)	(13,995)	16,695	59,559	2,842	(16,461)	(2,999)	(6,859)
Benefit payments	(65,430)	(66,738)	(67,444)	(61,853)	(63,090)	(64,352)	(59,911)	(59,946)	(60,544)	(49,972)
Net change in total pension liability	8,853	120,725	(147,900)	(33,817)	(2,668)	38,542	(98,771)	(40,003)	(99,578)	(24,855)
Total pension liability - beginning	723,218	732,071	852,796	704,896	671,079	668,411	706,953	608,182	568,179	468,601
<b>Total pension liability - ending (a)</b>	<b>\$ 732,071</b>	<b>\$ 852,796</b>	<b>\$ 704,896</b>	<b>\$ 671,079</b>	<b>\$ 668,411</b>	<b>\$ 706,953</b>	<b>\$ 608,182</b>	<b>\$ 568,179</b>	<b>\$ 468,601</b>	<b>\$ 443,746</b>
<b>Plan Fiduciary Net Position</b>										
Benefit payments	\$ (65,430)	\$ (66,738)	\$ (67,444)	\$ (61,853)	\$ (63,090)	\$ (64,352)	\$ (59,911)	\$ (59,946)	\$ (60,544)	\$ (49,972)
Administrative expense	(3,933)	(4,011)	(3,088)	(5,185)	(4,255)	(3,266)	(5,501)	(4,515)	(4,606)	(4,698)
Contributions - employer	69,953	71,352	72,779	74,235	75,719	57,702	98,310	80,354	81,961	83,600
Expected investment income (net of investment expenses)	1,175	-	-	-	-	-	-	-	-	-
Investment gains or losses	(1,175)	6	41	200	557	390	6	86	2,660	5,633
Net change in plan fiduciary net position	590	609	2,288	7,397	8,931	(9,526)	32,904	15,979	19,471	34,563
Plan fiduciary net position - beginning	19,292	19,882	20,491	22,779	30,176	39,107	29,581	62,485	78,464	97,935
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 19,882</b>	<b>\$ 20,491</b>	<b>\$ 22,779</b>	<b>\$ 30,176</b>	<b>\$ 39,107</b>	<b>\$ 29,581</b>	<b>\$ 62,485</b>	<b>\$ 78,464</b>	<b>\$ 97,935</b>	<b>\$ 132,498</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 712,189</b>	<b>\$ 832,305</b>	<b>\$ 682,117</b>	<b>\$ 640,903</b>	<b>\$ 629,304</b>	<b>\$ 677,372</b>	<b>\$ 545,697</b>	<b>\$ 489,715</b>	<b>\$ 370,666</b>	<b>\$ 311,248</b>
<b>Plan fiduciary net position as a percentage of total pension liability</b>	2.72%	2.40%	3.23%	4.50%	5.85%	4.18%	10.27%	13.81%	20.90%	29.86%
<b>Covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>Net pension liability as a percentage of covered payroll</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



**Southern California Association of Governments**  
**Public Agency Retirement System (PARS) Supplementary Retirement Plan**  
**Schedule of Plan Contributions**  
**Last Ten Years**  
**Year Ended June 30, 2024**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 69,953	\$ 71,352	\$ 72,779	\$ 74,235	\$ 75,719	\$ 57,702	\$ 98,310	\$ 80,354	\$ 81,961	\$ 83,600
Contribution made	(69,953)	(71,352)	(72,779)	(74,235)	(75,719)	(57,702)	(98,310)	(80,354)	(81,961)	(83,600)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: 6/30/2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	1 year
Asset valuation method	Actuarial value of assets
Inflation	N/A
Salary increases	N/A
Payroll growth	N/A
Investment rate of return	6.0%, net of pension plan investment expense, including inflation
Mortality	Males: RF-2000 male rates projected to 2030 using Scale BB (As prescribed by PARS) Females: RP-2000 female rates projected to 2030 using Scale BB (As prescribed by PARS)

**Southern California Association of Governments**  
**Schedule of Changes in the OPEB Liability and Related Ratios**  
**Last Ten Years\***  
**Year Ended June 30, 2024**

	2018	2019	2020	2021	2022	2023	2024
<b>Total OPEB Liability</b>							
Service cost	\$ 234,601	\$ 250,437	\$ 257,950	\$ 247,159	\$ 253,956	\$ 293,436	\$ 301,505
Interest on the total OPEB liability	628,051	646,120	664,742	644,240	643,752	633,237	652,386
Differences between actual and expected experience	-	-	(359,001)	(92,055)	(267,594)	6,180	89,544
Changes in assumptions **	-	-	(212,468)	-	(142,392)	-	(168,082)
Benefit payments, including refunds of member contributions	(601,224)	(620,372)	(636,009)	(663,171)	(698,772)	(633,885)	(666,329)
<b>Net change in total OPEB liability</b>	<b>261,428</b>	<b>276,185</b>	<b>(284,786)</b>	<b>136,173</b>	<b>(211,050)</b>	<b>298,968</b>	<b>209,024</b>
<b>Total OPEB liability - beginning</b>	<b>9,370,476</b>	<b>9,631,904</b>	<b>9,908,089</b>	<b>9,623,303</b>	<b>9,759,476</b>	<b>9,548,426</b>	<b>9,847,394</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 9,631,904</b>	<b>\$ 9,908,089</b>	<b>\$ 9,623,303</b>	<b>\$ 9,759,476</b>	<b>\$ 9,548,426</b>	<b>\$ 9,847,394</b>	<b>\$ 10,056,418</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 1,033,199	\$ 938,099	\$ 956,076	\$ 782,082	\$ 840,296	\$ 772,866	\$ 801,025
Net investment income	452,722	398,485	370,167	224,666	1,849,065	(1,176,652)	500,014
Benefit payments	(601,224)	(620,372)	(636,009)	(663,171)	(698,772)	(633,885)	(666,329)
Administrative expenses	(2,287)	(2,713)	(2,858)	(3,136)	(2,549)	(2,210)	(2,234)
Other expense	-	(6,533)	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>882,410</b>	<b>706,966</b>	<b>687,376</b>	<b>340,441</b>	<b>1,988,040</b>	<b>(1,039,881)</b>	<b>632,476</b>
<b>Plan fiduciary net position - beginning</b>	<b>4,055,703</b>	<b>4,938,113</b>	<b>5,645,079</b>	<b>6,332,455</b>	<b>6,672,896</b>	<b>8,660,936</b>	<b>7,621,055</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>4,938,113</b>	<b>5,645,079</b>	<b>6,332,455</b>	<b>6,672,896</b>	<b>8,660,936</b>	<b>7,621,055</b>	<b>8,253,531</b>
<b>Net OPEB liability - ending (a)-(b)</b>	<b>\$ 4,693,791</b>	<b>\$ 4,263,010</b>	<b>\$ 3,290,848</b>	<b>\$ 3,086,580</b>	<b>\$ 887,490</b>	<b>\$ 2,226,339</b>	<b>\$ 1,802,887</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>51.27%</b>	<b>56.97%</b>	<b>65.80%</b>	<b>68.37%</b>	<b>90.71%</b>	<b>77.39%</b>	<b>82.07%</b>
<b>Covered-employee payroll</b>	<b>\$ 13,449,458</b>	<b>\$ 14,314,496</b>	<b>\$ 15,094,517</b>	<b>\$ 16,860,092</b>	<b>\$ 18,993,604</b>	<b>\$ 21,990,288</b>	<b>\$ 26,220,611</b>
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>34.90%</b>	<b>29.78%</b>	<b>21.80%</b>	<b>18.31%</b>	<b>4.67%</b>	<b>10.12%</b>	<b>6.88%</b>

Notes to Schedule:

\* Fiscal year 2018 was the first year of implementation.

\*\* Change of assumptions: For the measurement period ended June 30, 2023, the inflation rate and healthcare remained at 2.50% and 4.00%, respectively. A discount rate of 6.75% was used in the valuation. The interest rate used in the valuation was 6.75%.

Southern California Association of Governments  
Schedule of OPEB Contributions  
Last Ten Years\*  
Year Ended June 30, 2024

	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 853,217	\$ 878,814	\$ 782,082	\$ 698,772	\$ 697,791	\$ 698,772	\$ 666,329
Contributions in relation to the actuarially determined contributions	<u>(853,217)</u>	<u>(878,814)</u>	<u>(782,082)</u>	<u>(698,772)</u>	<u>(697,791)</u>	<u>(698,772)</u>	<u>(666,329)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 14,314,496	\$ 15,094,517	\$ 16,860,092	\$ 18,993,604	\$ 21,990,288	\$ 26,220,611	\$ 29,970,399
Contributions as a percentage of covered-employee payroll	5.96%	5.82%	4.64%	3.68%	3.17%	2.66%	2.22%

Notes to Schedule

Valuation date: Actuarially determined contribution rates are calculated as of June 30 one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Inflation	2.50%
Healthcare cost trend rates	4.00%
Payroll growth	2.75%
Investment rate of return	6.75%
Retirement age	Based on CalPERS Experience Study
Mortality	2021 CalPERS Mortality for Miscellaneous and School Employees

\* Fiscal year 2018 was the first year of implementation.

**Budgetary Basis of Accounting**

SCAG prepares the annual Comprehensive Budget and it is made up of the General Fund and the Overall Work Program (OWP). These budgets are approved separately by the General Assembly and the Regional Council respectively, as required by the By-Laws. The General Fund finances activities not chargeable to SCAG’s grants while the OWP uses grant and TDA funding for its planning programs.

All expenditures are controlled at the functional level and are reviewed by SCAG’s management and funding agencies (Caltrans, FHWA and FTA). SCAG is subject to audit by these agencies.

The OWP identifies grant sources and the line item budget allocation to support each project’s direct and indirect costs. The OWP is intended to comply with SCAG’s federal grant responsibilities and to serve as a management device to measure financial and program performance. Federal and state representatives, SCAG’s Executive/Administration Committee, the Regional Council, and Caltrans are responsible to review and adopt the annual project budgets in the OWP.

Management determines line item budget amounts for all projects in accordance with the objectives and tasks of each project. Line item budgets are established for staff, indirect and fringe benefits, consultants, travel, and other designated line items.

The following are summaries of the differences in the presentation of revenues and expenditures in the budget as compared to the presentation of revenues and expenditures and transfers in the accompanying financial statements.

General Fund	Actual/budget as presented in the budget	Actual/GAAP as presented in the financial statements	Differences
Total revenues	\$ 4,233,460	\$ 4,233,460	\$ -
Total expenditures	(4,105,939)	(3,559,711)	(546,228)
Other financing sources	1,822,579	1,822,579	-
Deficiency of revenues under expenditures	<u>\$ 1,950,100</u>	<u>\$ 2,496,328</u>	<u>\$ (546,228)</u>

Difference pertains to depreciation expense that was not reported in the Statement of Revenues, Expenditures and Changes in Fund Balances for Governmental Funds.

In the Statement of Revenues, Expenditures, and Changes in Fund Balance, indirect costs incurred by the General Fund are reported as transportation expenditures in the General Fund, and transfers from the other governmental funds to the General Fund are recorded to reflect the reimbursement of such costs. For budgetary purposes, indirect costs are allocated to the other funds and are reported as expenditures of those funds. Additionally, disallowance of certain grant receivables recorded in other funds are reported as operating contributions to projects in the General Fund’s budget but are reflected as transfers out in the accompanying fund financial statements for reporting purposes. Depreciation and the amortization of deferred lease credits are also included as indirect costs and the related revenues are included in the FTA and FHWA funds.

Southern California Association of Governments  
 Notes to Required Supplementary Information  
 Year Ended June 30, 2024

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Excess of expenditures over appropriations by function of individual funds is as follows:

<u>Fund</u>	<u>Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
Major Fund			
General Fund	\$ 3,136,357	\$ 4,105,939	\$ 969,582
TDA Fund			
Modeling	452,334	585,748	133,414

Supplemental Combining Financial Statements

Southern California Association of Governments

Combining Balance Sheet – Nonmajor Funds

June 30, 2024

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
<b>Assets</b>				
Receivables				
Local grants and contracts	\$ -	\$ -	\$ 11,098	\$ 11,098
Due from other Governments	472,316	1,864,254	164,464	2,501,034
Due from other funds	-	1,044,658	760,287	1,804,945
	<u>\$ 472,316</u>	<u>\$ 2,908,912</u>	<u>\$ 935,849</u>	<u>\$ 4,317,077</u>
<b>Liabilities</b>				
Accounts and contracts payable	\$ 284,962	\$ 943,459	\$ 117,472	\$ 1,345,893
Due to other funds	187,353	1,410,306	165,562	1,763,221
Advances from grantors	-	928,958	652,815	1,581,773
	<u>472,315</u>	<u>3,282,723</u>	<u>935,849</u>	<u>4,690,887</u>
<b>Deferred inflows of resources</b>				
Deferred inflows of resources relating to grants	132,867	-	-	132,867
	<u>(132,866)</u>	<u>(373,811)</u>	<u>-</u>	<u>(506,677)</u>
<b>Fund Balances - Unassigned</b>				
	<u>(132,866)</u>	<u>(373,811)</u>	<u>-</u>	<u>(506,677)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>				
	<u>\$ 472,316</u>	<u>\$ 2,908,912</u>	<u>\$ 935,849</u>	<u>\$ 4,317,077</u>

Southern California Association of Governments  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds  
Year Ended June 30, 2024

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Grant revenue, net	\$ 1,605,061	\$ 8,911,821	\$ 410,330	\$ 10,927,212
Expenditures				
Transportation				
Salaries and wages	56,417	185,795	744	242,956
Allocated fringe benefits	37,841	124,631	500	162,972
Allocated indirect costs	125,773	425,993	1,708	553,474
Contractual services	256,674	2,892,131	160,242	3,309,047
Other	15,154	-	-	15,154
Total transportation	491,859	3,628,550	163,194	4,283,603
Environmental				
Salaries and wages	13,674	39,635	-	53,309
Allocated fringe benefits	9,173	26,587	-	35,760
Contractual services	235,968	223,521	7,500	466,989
Other	13,467	-	-	13,467
Total environmental	297,681	380,620	7,500	685,801
Modeling				
Salaries and wages	-	143,524	-	143,524
Allocated fringe benefits	-	96,276	-	96,276
Allocated indirect costs	-	329,078	-	329,078
Contractual services	-	89,200	42,596	131,796
Total modeling	-	658,078	42,596	700,674
Public Involvement				
Salaries and wages	20,178	36,944	-	57,122
Allocated fringe benefits	13,535	24,782	-	38,317
Allocated indirect costs	39,118	84,707	-	123,825
Contractual services	301,554	183,952	15,000	500,506
Other	18,273	-	-	18,273
Total public involvement	392,658	330,385	15,000	738,043
Sustainability Initiatives				
Salaries and wages	13,674	606,562	-	620,236
Allocated fringe benefits	9,173	403,409	-	412,582
Allocated indirect costs	25,399	1,385,984	-	1,411,383
Contractual services	235,968	1,056,100	176,964	1,469,032
Other	13,467	16,597	-	30,064
Total sustainability initiatives	297,681	3,468,652	176,964	3,943,297



Southern California Association of Governments  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds  
Year Ended June 30, 2024

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Administration				
Salaries and wages	\$ 3,288	\$ 34,618	\$ 19	\$ 37,925
Allocated fringe benefits	2,206	23,221	13	25,440
Allocated indirect costs	6,350	79,374	44	85,768
Contractual services	50,259	40,002	5,000	95,261
Other	3,046	-	-	3,046
Total administration:	<u>65,149</u>	<u>177,215</u>	<u>5,076</u>	<u>247,440</u>
Capital Outlay	-	305,065	-	305,065
Total expenditures	<u>1,545,028</u>	<u>8,948,565</u>	<u>410,330</u>	<u>10,903,923</u>
Excess (deficiency) of revenues over (under) expenditures	<u>60,033</u>	<u>(36,744)</u>	<u>-</u>	<u>23,289</u>
Net Change in Fund Balance	60,033	(36,744)	-	23,289
Fund Balances, Beginning of Year	<u>(192,899)</u>	<u>(337,067)</u>	<u>-</u>	<u>(529,966)</u>
Fund Balances, End of Year	<u><u>\$ (132,866)</u></u>	<u><u>\$ (373,811)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (506,677)</u></u>

SCAG considers the following funds to be nonmajor federal governmental funds:

**OTS Round 8**

This fund is established to account for revenues from the Pedestrian and Bicycle Safety Program for FY 2024.

**OTS Round 9**

This fund is established to account for revenues from the Pedestrian and Bicycle Safety Program for FY 2024.

**FHWA HIP**

This fund is established to account for revenues from the Consolidated Appropriations Act, 2022 (Public Law 117-103) appropriated funding for Highway Infrastructure Programs (HIP).

**Other Federal Funds**

These funds are established to account for the revenues from the Department of Energy for the Clean Cities programs; from the Department of Energy for the Artificial Intelligence Based Mobility Monitoring system and Analytics Demonstration Pilot Project, from the Department of Energy for Testing and Evaluation of Curb Management and Integrated Strategies to Catalyze Market Adoption of Electric Vehicles Project: and from the Affordable Connectivity Program (ACP) to bridge the broadband affordability gap.

Southern California Association of Governments

Combining Balance Sheet – Federal Nonmajor Funds

June 30, 2024

	NHTSA			Other Federal Funds 20038, 20110 20111, 20113	Total Federal Nonmajor Funds
	OTS, Round 8 20048	OTS, Round 9 20049	FHWA HIP 20112		
	Assets				
Due from other governments	\$ -	\$ 408,221	\$ 27,106	\$ 36,989	\$ 472,316
Total assets	\$ -	\$ 408,221	\$ 27,106	\$ 36,989	\$ 472,316
Liabilities and Fund Balances					
Liabilities					
Accounts and contracts payable	\$ -	\$ 260,755	\$ 21,707	\$ 2,500	\$ 284,962
Due to other funds	-	147,465	5,399	34,489	187,353
Total liabilities	-	408,220	27,106	36,989	472,315
Deferred Inflows of Resources					
Deferred inflows of resources relating to grants	-	132,867	-	-	132,867
Fund Balances - Unassigned	-	(132,866)	-	-	(132,866)
Total liabilities, deferred inflow of resources, and fund balances	\$ -	\$ 408,221	\$ 27,106	\$ 36,989	\$ 472,316

**Southern California Association of Governments**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Federal Nonmajor Funds**  
**Year Ended June 30, 2024**

	NHTSA			Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 8 20048	OTS, Round 9 20049	FHWA HIP 20112	20036, 20110 20111, 20113	
	\$	\$	\$	\$	
Federal Grants and Services	934,581	428,431	75,242	166,807	1,605,061
Expenditures					
Transportation					
Salaries and wages	1,559	13,848	-	41,010	56,417
Allocated fringe benefits	1,046	9,287	-	27,508	37,841
Allocated indirect costs	-	31,747	-	94,026	125,773
Contractual services	104,794	76,638	75,242	-	256,674
Other	3,852	8,802	-	2,500	15,154
Total transportation	111,251	140,322	75,242	165,044	491,859
Environmental					
Salaries and wages	2,597	11,077	-	-	13,674
Allocated fringe benefits	1,742	7,431	-	-	9,173
Allocated indirect costs	-	25,399	-	-	25,399
Contractual services	174,657	61,311	-	-	235,968
Other	6,425	7,042	-	-	13,467
Total environmental	185,421	112,260	-	-	297,681
Public Involvement					
Salaries and wages	3,117	16,616	-	445	20,178
Allocated fringe benefits	2,091	11,146	-	298	13,535
Allocated indirect costs	-	38,098	-	1,020	39,118
Contractual services	209,588	91,966	-	-	301,554
Other	7,710	10,563	-	-	18,273
Total public involvement	222,506	168,389	-	1,763	392,658
Sustainability Initiatives					
Salaries and wages	2,597	11,077	-	-	13,674
Allocated fringe benefits	1,742	7,431	-	-	9,173
Allocated indirect costs	-	25,399	-	-	25,399
Contractual services	174,657	61,311	-	-	235,968
Other	6,425	7,042	-	-	13,467
Total sustainability initiatives	185,421	112,260	-	-	297,681
Administration					
Salaries and wages	519	2,769	-	-	3,288
Allocated fringe benefits	348	1,858	-	-	2,206
Allocated indirect costs	-	6,350	-	-	6,350
Contractual services	34,931	15,328	-	-	50,259
Other	1,285	1,761	-	-	3,046
Total administration	37,083	28,066	-	-	65,149
Total expenditures	741,682	561,297	75,242	166,807	1,545,028
Net Change in Fund Balance	192,899	(132,866)	-	-	60,033
Fund Balances, Beginning of Year	(192,899)	-	-	-	(192,899)
Fund Balances, End of Year	\$ -	\$ (132,866)	\$ -	\$ -	\$ (132,866)

SCAG considers the following funds to be nonmajor state governmental funds:

**FY22 SB1**

This is the fiscal year 2022 Senate Bill (SB) 1 funds from Sustainable Communities Competitive Grants.

**FY21 MSRC**

This is the fiscal year 2021 AB 2766 Discretionary Funds for the Regional goods Movement Program.

**FY23 SB1**

This is the fiscal year 2023 Senate Bill (SB) 1 funds from Sustainable Communities Competitive Grants.

**FY24 SB1**

This is the fiscal year 2024 Senate Bill (SB) 1 funds from Sustainable Communities Competitive Grants.

**MSAPR, MSRC**

This is California Assembly Bill 2766 funding for the Future Communities Pilot Program.

**CPUC LATA**

This is from the Public Utilities Commission of the State of California (CPUC) under the Local Agency Technical Assistance (LATA) Program which supports tribes and local agencies in California to expand broadband services to unserved and underserved communities.

**ATP C4**

These are Active Transportation Planning monies earmarked for local demonstration initiatives.

**ATP Cycle 5/ ATP C5 PMA/ ATP C5 SM**

These are the grants from Caltrans Local Assistance Office to support the implementation of the Sustainable Communities Program projects.

**CWBD-IERS**

These are the California Workforce Development Board in the Inclusive Economic Recovery Strategy (IERS) Grant funds to support implementation of recommendations of the IERS.

**CEC**

This is from the California Energy Commission for studying supporting infrastructure for medium heavy duty zero-emission trucks.

Southern California Association of Governments  
Combining Balance Sheet – State Nonmajor Funds  
June 30, 2024

	FY22 SB1	FY21 MSRC	FY23 SB1	FY24 SB1	MSAPR, MSRC	CPUC LATA	ATP C4
	30219	30220	30221	30222	30300	30301	30403
<b>Assets</b>							
Due from other governments - state grants	\$ 302,378	\$ -	\$ 171,506	\$ 698,178	\$ -	\$ -	\$ 331,763
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 302,378</b>	<b>\$ -</b>	<b>\$ 171,506</b>	<b>\$ 698,178</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,763</b>
<b>Liabilities</b>							
Accounts and contracts payable	\$ 174,030	\$ -	\$ 151,608	\$ 60,888	\$ -	\$ 150,967	\$ -
Due to other funds	128,348	-	19,898	637,290	-	21,192	331,763
Advances from grantors	-	-	-	-	-	-	-
<b>Total liabilities</b>	<b>302,378</b>	<b>-</b>	<b>171,506</b>	<b>698,178</b>	<b>-</b>	<b>172,159</b>	<b>331,763</b>
Fund Balances - Unassigned	-	-	-	-	-	(172,159)	-
<b>Total liabilities and fund balances</b>	<b>\$ 302,378</b>	<b>\$ -</b>	<b>\$ 171,506</b>	<b>\$ 698,178</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 331,763</b>

Southern California Association of Governments  
Combining Balance Sheet – State Nonmajor Funds  
June 30, 2024

	<u>ATP Cycle 5</u>	<u>ATP C5 PMA</u>	<u>ATP C5 SM</u>	<u>CWBD-IERS</u>	<u>CEC, EPRI</u>	<u>Total State Nonmajor Funds</u>
	30406	30407	30408	30600	30650	
<b>Assets</b>						
Due from other governments - state grants	\$ 206,297	\$ -	\$ -	\$ -	\$ 154,132	\$ 1,864,254
Due from other funds	-	-	-	1,044,658	-	1,044,658
<b>Total assets</b>	<b><u>\$ 206,297</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,044,658</u></b>	<b><u>\$ 154,132</u></b>	<b><u>\$ 2,908,912</u></b>
<b>Liabilities</b>						
Accounts and contracts payable	\$ 117,931	\$ -	\$ 23,378	\$ 221,772	\$ 42,885	\$ 943,459
Due to other funds	141,912	-	18,656	-	111,247	1,410,306
Advances from grantors	-	-	106,072	822,886	-	928,958
<b>Total liabilities</b>	<b><u>259,843</u></b>	<b><u>-</u></b>	<b><u>148,106</u></b>	<b><u>1,044,658</u></b>	<b><u>154,132</u></b>	<b><u>3,282,723</u></b>
<b>Fund Balances - Unassigned</b>	<b><u>(53,546)</u></b>	<b><u>-</u></b>	<b><u>(148,106)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(373,811)</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 206,297</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,044,658</u></b>	<b><u>\$ 154,132</u></b>	<b><u>\$ 2,908,912</u></b>

**Southern California Association of Governments**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds**  
**Year Ended June 30, 2024**

	FY22 SB1	FY21 MSRC	FY23 SB1	FY24 SB1	MSRC	CPUC LATA
	30219	30220	30221	30222	30300	30301
Grant Revenue, net	\$ 1,226,113	\$ 78,581	\$ 1,406,414	\$ 2,420,472	972,695	\$ -
Expenditures						
Transportation						
Salaries and wages	11,708	-	47,319	121,421	-	5,347
Allocated fringe benefits	7,853	-	31,742	81,450	-	3,586
Allocated indirect costs	26,842	-	108,496	278,396	-	12,259
Contractual services	698,726	78,581	326,078	16,670	635,628	150,967
Total transportation	745,129	78,581	513,635	497,937	635,628	172,159
Environmental						
Salaries and wages	2,142	-	-	37,493	-	-
Allocated fringe benefits	1,437	-	-	25,150	-	-
Allocated indirect costs	4,912	-	-	85,965	-	-
Contractual services	70,769	-	-	16,669	-	-
Total environmental	79,260	-	-	165,277	-	-
Modeling						
Salaries and wages	1,836	-	-	141,688	-	-
Allocated fringe benefits	1,232	-	-	95,044	-	-
Allocated indirect costs	4,210	-	-	324,868	-	-
Contractual services	28,381	-	-	60,819	-	-
Total modeling	35,659	-	-	622,419	-	-
Public Involvement						
Salaries and wages	-	-	-	36,944	-	-
Allocated fringe benefits	-	-	-	24,782	-	-
Allocated indirect costs	-	-	-	84,707	-	-
Contractual services	16,110	-	-	4,542	-	-
Total public involvement	16,110	-	-	150,975	-	-
Sustainability						
Salaries and wages	51,990	-	187,311	132,127	-	-
Allocated fringe benefits	34,875	-	125,648	88,631	-	-
Allocated indirect costs	119,205	-	429,474	302,947	-	-
Contractual services	129,887	-	150,346	19,094	-	-
Other	-	-	-	-	-	-
Total sustainability	335,957	-	892,779	542,799	-	-
Administration						
Salaries and wages	306	-	-	34,312	-	-
Allocated fringe benefits	205	-	-	23,016	-	-
Allocated indirect costs	702	-	-	78,672	-	-
Contractual services	12,785	-	-	-	-	-
Total sustainability	13,998	-	-	136,000	-	-
Capital Outlay	-	-	-	305,065	-	-
Total expenditures	1,226,113	78,581	1,406,414	2,420,472	635,628	172,159
Excess of revenues over expenditures	-	-	-	-	337,067	(172,159)
Net Change in Fund Balance	-	-	-	-	337,067	(172,159)
Fund Balances, Beginning of Year	-	-	-	-	(337,067)	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (172,159)



**Southern California Association of Governments**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds**  
**Year Ended June 30, 2024**

	ATP C4	ATP Cycle 5	ATP C5 PMA	ATP C5 SM	CWBD-IERS	CEC, EPRI	Total State Nonmajor Funds
	30403	30406	30407	30408	30600	30650	
Grant Revenue, net	\$ 544,333	\$ 336,694	\$ 8,198	\$ -	\$ 1,561,034	\$ 357,287	\$ 8,911,821
Expenditures							
Transportation							
Salaries and wages	-	-	-	-	-	-	185,795
Allocated fringe benefits	-	-	-	-	-	-	124,631
Allocated indirect costs	-	-	-	-	-	-	425,993
Contractual services	81,650	390,240	8,198	148,106	-	357,287	2,892,131
Total transportation	81,650	390,240	8,198	148,106	-	357,287	3,628,550
Environmental							
Salaries and wages	-	-	-	-	-	-	39,635
Allocated fringe benefits	-	-	-	-	-	-	26,587
Allocated indirect costs	-	-	-	-	-	-	90,877
Contractual services	136,083	-	-	-	-	-	223,521
Total environmental	136,083	-	-	-	-	-	380,620
Modeling							
Salaries and wages	-	-	-	-	-	-	143,524
Allocated fringe benefits	-	-	-	-	-	-	96,276
Allocated indirect costs	-	-	-	-	-	-	329,078
Contractual services	-	-	-	-	-	-	89,200
Total modeling	-	-	-	-	-	-	658,078
Public Involvement							
Salaries and wages	-	-	-	-	-	-	36,944
Allocated fringe benefits	-	-	-	-	-	-	24,782
Allocated indirect costs	-	-	-	-	-	-	84,707
Contractual services	163,300	-	-	-	-	-	183,952
Total public involvement	163,300	-	-	-	-	-	330,385
Sustainability							
Salaries and wages	-	-	-	-	235,134	-	606,562
Allocated fringe benefits	-	-	-	-	154,255	-	403,409
Allocated indirect costs	-	-	-	-	534,358	-	1,385,984
Contractual services	136,083	-	-	-	620,690	-	1,056,100
Other	-	-	-	-	16,597	-	16,597
Total sustainability	136,083	-	-	-	1,561,034	-	3,468,652
Administration							
Salaries and wages	-	-	-	-	-	-	34,618
Allocated fringe benefits	-	-	-	-	-	-	23,221
Allocated indirect costs	-	-	-	-	-	-	79,374
Contractual services	27,217	-	-	-	-	-	40,002
Total sustainability	27,217	-	-	-	-	-	177,215
Capital Outlay	-	-	-	-	-	-	305,065
Total expenditures	544,333	390,240	8,198	148,106	1,561,034	357,287	8,948,565
Excess of revenues over expenditures	-	(53,546)	-	(148,106)	-	-	(36,744)
Net Change in Fund Balance	-	(53,546)	-	(148,106)	-	-	(36,744)
Fund Balances, Beginning of Year	-	-	-	-	-	-	(337,067)
Fund Balances, End of Year	\$ -	\$ (53,546)	\$ -	\$ (148,106)	\$ -	\$ -	\$ (373,811)

SCAG considers the following funds to be nonmajor local governmental funds:

**Local Funds:**

This represents funding from the California Emerging Technology Fund and the City of Cerritos for match for a Remote Services Enhancement Project.

**Other Local Funds:**

These funds are established to account for revenues from the Anaheim Transportation Network, City of Burbank, California Emerging Technology Fund, Los Angeles Metropolitan Transportation Commission. These funds account for the cash match from participating agencies for various SCAG projects.

Southern California Association of Governments

Combining Balance Sheet – Local Nonmajor Funds

June 30, 2024

	Local Funds	Other Local Funds	Total Local
	60062, 60064	60076, 60081 60082, 60083	Nonmajor Funds
<b>Assets</b>			
Receivables - local grants	\$ -	\$ 11,098	\$ 11,098
Due from other Governments	-	164,464	164,464
Due from other funds	109,197	651,090	760,287
	<b>\$ 109,197</b>	<b>\$ 826,652</b>	<b>\$ 935,849</b>
<b>Liabilities and Fund Balances</b>			
Accounts and contracts payable	\$ -	\$ 117,472	\$ 117,472
Due to other funds	-	165,562	165,562
Advances from grantors	109,197	543,618	652,815
	<b>109,197</b>	<b>826,652</b>	<b>935,849</b>
Fund Balances - Restricted	-	-	-
	<b>\$ 109,197</b>	<b>\$ 826,652</b>	<b>\$ 935,849</b>

Southern California Association of Governments  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Local Nonmajor Funds  
Year Ended June 30, 2024

	Local Funds <u>60062, 60064</u>	Other Local Funds <u>60076, 60081</u> <u>60082, 60083</u>	Total Local Nonmajor Funds
Grant Revenue, net	\$ -	\$ 410,330	\$ 410,330
Expenditures			
Transportation			
Salaries and wages	-	744	744
Allocated fringe benefits	-	500	500
Allocated indirect costs	-	1,708	1,708
Contractual services	-	160,242	160,242
Total transportation	-	163,194	163,194
Environmental			
Contractual services	-	7,500	7,500
Total environmental	-	7,500	7,500
Modeling			
Contractual services	-	42,596	42,596
Total modeling	-	42,596	42,596
Public Involvement			
Contractual services	-	15,000	15,000
Total public involvement	-	15,000	15,000
Sustainability			
Contractual services	-	176,964	176,964
Total sustainability	-	176,964	176,964
Administration			
Salaries and wages	-	19	19
Allocated fringe benefits	-	13	13
Allocated indirect costs	-	44	44
Contractual services	-	5,000	5,000
Total administration	-	5,076	5,076
Total expenditures	-	410,330	410,330
Excess of revenues over expenditures	-	-	-
Net Change in Fund Balance	-	-	-
Fund Balances, Beginning of Year	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -

## Supplemental Schedules

Southern California Association of Governments

Supplemental Schedule of Indirect Costs

Year Ended June 30, 2023

Indirect costs	
Salaries and wages	\$ 11,291,876
Temporary help	17,797
Fringe benefits	7,533,232
Consultants	1,459,755
Legal services	83,195
Computer/software support	2,705,355
Equipment repairs and maintenance	43,630
Office space leases	2,761,111
Equipment lease	56,220
Security services	88,337
Insurance	338,872
Taxes	948
Bank fees	18,040
Office purchases under \$5,000	10,215
Office and graphic supplies	32,530
Telephone	629
Postage and delivery	11,637
Memberships and dues	86,652
Subscriptions	691,714
Covid Facility expense	4,207
Depreciation and amortization	546,228
Recruitment costs	48,094
Staff training	119,146
Printing	13,531
Travel	77,825
Other	2,269
	<u>28,043,045</u>
Indirect costs recovered	
General Fund	136,392
Federal Transportation Administration	13,124,800
Federal Highway Administration	6,490,771
Transportation Development Act	1,891,493
REAP AB 101	1,217,539
REAP 2021	3,234,029
Nonmajor Funds	2,619,804
	<u>28,714,828</u>
Total indirect costs recovered	<u>28,714,828</u>
Over (under) recovered	671,783
Over (Under) Recovered Fringe Benefit Costs, Beginning of Year	<u>4,166,345</u>
Over (Under) Recovered Fringe Benefit Costs, End of Year	<u>\$ 4,838,128</u>

Southern California Association of Governments

Supplemental Schedule of Fringe Benefits

Year Ended June 30, 2024

Fringe benefits	
Employee leave and other salary benefits	\$ 4,282,997
PERS/Other Retirement Plans	7,921,048
Life insurance	145,258
Health insurance	3,682,757
Medicare and social security taxes - employer share	439,457
Tuition reimbursement	12,729
Transit passes	26,803
Worker's compensation/unemployment insurance	179,204
Deferred compensaton employer match	485,721
Other	<u>500,341</u>
Total fringe benefits	<u>17,676,315</u>
Fringe benefits recovered	
Allocated to indirect costs	7,533,232
General fund	39,903
Federal Transportation Administration	1,859,144
Federal Highway Administration	3,838,396
Transportation Development Act	546,412
REAP 1.0 AB 101	356,207
REAP 2.0 2021	946,157
Nonmajor Funds	<u>771,350</u>
Total fringe benefits recovered	<u>15,890,801</u>
Over (under) recovered	(1,785,514)
Over (Under) Recovered Indirect Costs, Beginning of Year	<u>3,042,687</u>
Over (Under) Recovered Indirect Costs, End of Year	<u><u>\$ 1,257,173</u></u>

Southern California Association of Governments  
 Supplemental Schedule of Distribution of Salaries and Fringe Benefits by Project Type  
 Year Ended June 30, 2024

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	Salaries and Wages	Fringe Benefits	Salaries, Wages and Fringe
Charges to Direct projects	\$ 12,507,548	\$ 8,317,666	\$ 20,825,214
Charges to General Fund projects	59,486	39,903	99,389
Charges to Indirect projects	11,291,876	7,533,232	18,825,108
Totals	\$ 23,858,910	\$ 15,890,801	\$ 39,749,711



## Statistical Section

This part of the Southern California Association of Governments' Annual Comprehensive Financial Report provides information to better understand Southern California Association of Governments' overall financial condition. This information has not been audited by an independent auditor.

Financial Trends Information contains information to assist the reader understand how Southern California Association of Governments' financial performance has changed over time.

Revenue Capacity Information contains information to help the reader assess Southern California Association of Governments' ability to generate its own revenue.

Demographic and Economic Information assists the user in understanding the environment within which Southern California Association of Governments' financial activities take place.

Operating Information provides service and infrastructure data to help the reader understand how Southern California Association of Governments financial statement information relates to services Southern California Association of Governments provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive reports for the relevant year.

Southern California Association of Governments  
 Table 1 – Net Position by Component  
 Last Ten Fiscal Years  
 (Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
Invested in capital assets	\$ 2,251,523	1,626,539	1,231,475	4,859,839	128,748	287,694	1,639,425	1,267,140	2,192,254	2,000,812
Restricted	9,857,806	8,834,336	9,306,432	9,327,440	10,829,017	11,084,386	8,609,460	9,391,854	13,721,185	18,001,869
Unrestricted	<u>(22,772,623)</u>	<u>(21,432,913)</u>	<u>(22,519,075)</u>	<u>(35,184,659)</u>	<u>(39,056,497)</u>	<u>(37,917,543)</u>	<u>(38,286,262)</u>	<u>(35,529,574)</u>	<u>(41,694,616)</u>	<u>(33,996,408)</u>
<b>Total governmental activities</b>										
Net position	\$ <u>(10,663,294)</u>	<u>(10,972,038)</u>	<u>(11,981,168)</u>	<u>(20,997,380)</u>	<u>(28,098,732)</u>	<u>(26,545,463)</u>	<u>(28,037,377)</u>	<u>(24,870,580)</u>	<u>(25,781,177)</u>	<u>(13,993,727)</u>

Southern California Association of Governments  
Table 2 – Changes in Net Position  
Last Ten Fiscal Years  
(Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities:</b>										
<b>Expenses:</b>										
Transportation	\$ 31,710,847	30,851,350	20,838,392	14,792,393	16,150,392	19,039,509	19,694,557	20,848,493	19,358,040	20,177,964
Modeling	-	-	-	10,582,018	10,768,740	12,191,498	10,690,326	13,002,647	14,704,741	14,901,173
High speed rail	281,500	290,497	339,370	-	-	-	-	-	-	-
Aviation	585,322	575,716	267,597	-	-	-	-	-	-	-
Environmental	1,450,795	1,459,853	7,054,453	5,164,861	3,179,830	4,377,155	4,188,153	4,022,867	4,191,170	4,316,302
Housing	1,128,200	981,416	3,222,728	-	-	-	-	-	-	-
Public Involvement	-	-	-	2,180,608	2,219,085	2,826,301	3,261,091	3,677,128	5,057,381	5,505,614
Sustainability Initiatives	5,463,860	7,506,301	7,521,696	8,642,100	5,820,909	6,266,299	16,301,434	23,223,681	28,940,936	21,927,982
Administration	1,864,232	2,138,873	3,871,454	8,147,226	12,243,851	5,899,158	5,293,557	3,114,015	6,253,181	9,351,464
Interest	-	-	-	-	-	-	-	-	-	1,171,019
Total expenses	<u>42,484,756</u>	<u>43,804,006</u>	<u>43,115,690</u>	<u>49,509,206</u>	<u>50,382,807</u>	<u>50,599,920</u>	<u>59,429,118</u>	<u>67,888,831</u>	<u>78,505,449</u>	<u>77,351,518</u>
<b>Program revenues:</b>										
Charges for services - member dues	1,871,720	1,900,950	1,939,700	1,986,186	2,053,962	2,112,970	1,861,517	2,193,246	2,342,293	2,457,984
Operating grants and contributions	42,318,755	40,616,883	39,672,312	42,253,899	40,576,290	49,907,967	55,993,555	68,210,165	75,153,697	84,905,508
Total program revenues	<u>44,190,475</u>	<u>42,517,833</u>	<u>41,612,012</u>	<u>44,240,085</u>	<u>42,630,252</u>	<u>52,020,937</u>	<u>57,855,072</u>	<u>70,403,411</u>	<u>77,495,990</u>	<u>87,363,492</u>
<b>Net revenues (expenses)</b>	1,705,719	(1,286,173)	(1,503,678)	(5,269,121)	(7,752,555)	1,421,017	(1,574,046)	2,514,580	(1,009,459)	10,011,974
<b>General revenues and other changes in net assets:</b>										
Interest and other	75,652	92,093	114,318	142,388	271,058	122,252	74,632	210,718	136,375	1,349,476
General Assembly	407,156	885,336	380,230	392,095	380,145	10,000	7,500	340,575	393,971	426,000
	<u>482,808</u>	<u>977,429</u>	<u>494,548</u>	<u>534,483</u>	<u>651,203</u>	<u>132,252</u>	<u>82,132</u>	<u>551,293</u>	<u>530,346</u>	<u>1,775,476</u>
<b>Changes in net position</b>	\$ <u>2,188,527</u>	<u>(308,744)</u>	<u>(1,009,130)</u>	<u>(4,734,638)</u>	<u>(7,101,352)</u>	<u>1,553,269</u>	<u>(1,491,914)</u>	<u>3,065,873</u>	<u>(479,113)</u>	<u>11,787,450</u>

Southern California Association of Governments  
Table 3 – Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>General fund:</b>										
Nonspendable	\$ 580,163	763,655	927,324	779,552	867,144	876,033	2,652,163	2,160,611	1,222,955	874,664
Unassigned	4,716,559	5,649,117	5,725,487	7,073,814	1,889,233	6,062,262	4,371,332	3,031,104	5,018,653	7,863,272
Total general fund	<u>\$ 5,296,722</u>	<u>6,412,772</u>	<u>6,652,811</u>	<u>7,853,366</u>	<u>2,756,377</u>	<u>6,938,295</u>	<u>7,023,495</u>	<u>5,191,715</u>	<u>6,241,608</u>	<u>8,737,936</u>
<b>All other governmental funds:</b>										
Restricted	\$ 9,857,806	8,834,336	9,306,432	9,327,440	10,829,017	11,084,386	8,609,460	9,391,854	13,721,185	18,001,869
Unassigned	-	-	-	-	-	-	-	-	(7,570,546)	(2,211,499)
Total all other governmental funds	<u>\$ 9,857,806</u>	<u>8,834,336</u>	<u>9,306,432</u>	<u>9,327,440</u>	<u>10,829,017</u>	<u>11,084,386</u>	<u>8,609,460</u>	<u>9,391,854</u>	<u>6,150,639</u>	<u>15,790,370</u>

**Southern California Association of Governments**  
**Table 4 – Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(Modified Accrual Basis of Accounting)**

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues:</b>										
Federal grants	\$ 35,850,884	33,900,754	32,703,938	34,829,246	30,802,350	33,411,528	35,400,836	38,364,596	40,953,530	40,266,882
State grants and contracts	639,123	932,566	994,427	1,476,542	3,878,174	6,026,789	14,759,009	22,529,765	25,268,082	33,920,155
Local grants and contracts	5,828,748	5,783,563	5,973,947	5,948,111	6,095,766	6,407,071	5,833,710	7,315,804	8,739,186	9,073,679
Membership assessments	1,871,720	1,900,950	1,939,700	1,986,186	2,053,962	2,112,970	1,861,517	2,193,246	2,342,293	2,457,984
Recovery of disallowed grant costs	-	-	-	-	-	4,062,579	-	-	-	-
General Assembly	-	-	-	-	-	10,000	7,500	340,575	393,971	426,000
Interest and other	482,808	977,429	494,548	534,483	651,203	122,252	74,632	210,718	136,375	1,349,476
<b>Total revenues</b>	<b>44,673,283</b>	<b>43,495,262</b>	<b>42,106,560</b>	<b>44,774,568</b>	<b>43,281,455</b>	<b>52,153,189</b>	<b>57,937,204</b>	<b>70,954,704</b>	<b>77,833,437</b>	<b>87,494,176</b>
<b>Expenditures:</b>										
<b>Current:</b>										
Transportation	33,556,910	30,739,916	20,838,392	15,323,497	16,150,392	19,039,509	19,694,557	20,848,493	19,358,040	20,177,964
Environmental	969,338	1,448,295	7,054,453	5,164,861	3,179,830	4,377,155	4,188,153	4,022,867	4,191,170	4,316,302
Modeling	-	-	-	10,047,322	10,768,740	12,191,498	10,690,326	13,002,647	14,704,741	14,901,173
Public Involvement	-	-	-	2,184,200	2,219,085	2,826,301	3,261,091	3,677,128	5,057,381	5,505,614
Aviation	451,493	573,374	267,597	-	-	-	-	-	-	-
High speed rail	161,423	290,595	339,370	-	-	-	-	-	-	-
Housing	706,129	980,086	3,222,728	-	-	-	-	-	-	-
Sustainability Initiatives	4,524,338	7,403,783	7,521,696	8,642,100	5,820,909	6,266,299	16,301,434	23,223,681	28,940,936	21,927,982
Administration	1,841,987	1,543,263	2,138,062	2,322,029	3,325,282	2,581,252	4,418,946	4,815,657	1,787,352	3,120,325
Disallowed Grant Costs	-	-	-	-	4,832,192	-	-	-	-	-
<b>Debt service:</b>										
Principal	-	-	-	130,768	355,208	373,630	393,012	680,014	2,774,110	2,989,822
Interest	-	-	-	25,490	83,796	34,026	23,804	1,049,622	1,138,412	1,163,268
Capital outlay	281,717	423,370	12,127	1,656,202	141,433	26,232	1,355,607	1,026,796	6,479,871	3,753,082
<b>Total expenditures</b>	<b>42,493,335</b>	<b>43,402,682</b>	<b>41,394,425</b>	<b>45,496,469</b>	<b>46,876,867</b>	<b>47,715,902</b>	<b>60,326,930</b>	<b>72,346,905</b>	<b>84,432,013</b>	<b>77,855,532</b>
Excess (deficiency) of revenues over (under) expenditures	2,179,948	92,580	712,135	(721,901)	(3,595,412)	4,437,287	(2,389,726)	(1,392,201)	(6,598,576)	9,638,644
<b>Other financing sources (uses)</b>										
Transfers in	10,085,526	-	7,198	-	78,995	77,059	717,045	913,052	860,966	153,425
Transfers out	(10,085,526)	-	(7,198)	-	(78,995)	(77,059)	(717,045)	(913,052)	(860,966)	(153,425)
Proceeds from financing	-	-	-	1,943,484	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	440,665	223,191
Subscription	-	-	-	-	-	-	-	-	4,982,651	2,274,222
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,943,484</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,423,316</b>	<b>2,497,413</b>
<b>Net change in fund balances</b>	<b>\$ 2,179,948</b>	<b>92,580</b>	<b>712,135</b>	<b>1,221,583</b>	<b>(3,595,412)</b>	<b>4,437,287</b>	<b>(2,389,726)</b>	<b>(1,392,201)</b>	<b>(1,175,260)</b>	<b>12,136,057</b>
Total Debt Service Expenditures	\$ -	-	-	156,258	439,004	407,656	416,816	1,729,636	3,912,522	4,153,090
Total Non-Capital Expenditures	\$ 42,211,618	42,979,312	41,382,298	43,840,267	46,735,434	47,689,670	58,971,323	71,320,109	77,952,142	74,102,450
Ratio of Debt Service to Non-Capital noncapital expenditures	0.00%	0.00%	0.00%	0.36%	0.94%	0.85%	0.71%	2.43%	5.02%	5.60%

Expenditure classifications were changed in FY19 to better reflect the changing mix in SCAG's initiatives. FY18 expenditures were restated to be comparable to FY19. Fiscal years before FY18 were not restated.

Southern California Association of Governments

Table 5 – Indirect and Fringe Benefit Costs

Last Ten Fiscal Years

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<b>Fiscal Year</b>	<b>Indirect cost</b>	<b>Fringe benefits</b>	<b>Totals</b>
2015	\$ 10,858,012	\$ 8,082,809	\$ 18,940,821
2016	11,613,300	8,891,915	20,505,215
2017	12,586,074	9,311,132	21,897,206
2018	15,165,346	9,009,745	24,175,091
2019	12,365,958	9,574,971	21,940,929
2020	15,618,533	10,168,470	25,787,003
2021	18,992,533	11,629,265	30,621,798
2022	22,752,642	13,235,167	35,987,809
2023	27,277,796	14,850,543	42,128,339
2024	28,043,045	17,676,315	45,719,360

Source: SCAG Finance Department.

## Southern California Association of Governments

Table 6 – Member Dues

Last Ten Fiscal Years

	<b>Cities &amp; Indian Tribes</b>			<b>Counties</b>			<b>Commissions</b>	
	<b>No. of Members</b>	<b>Population</b>	<b>Annual Dues</b>	<b>No. of Members</b>	<b>Population</b>	<b>Annual Dues</b>	<b>No. of Members</b>	<b>Annual Dues</b>
2015	189	16,304,097	\$ 1,484,363	6	1,950,310	\$ 292,357	5	\$ 95,000
2016	189	16,368,268	1,511,946	6	1,963,578	294,004	5	95,000
2017	189	16,476,665	1,543,468	6	1,973,786	297,899	5	95,000
2018	189	16,686,338	1,577,575	6	1,989,806	300,111	6	98,500
2019	189	16,836,783	1,634,861	6	1,999,994	307,523	6	98,500
2020	189	16,904,173	1,690,277	6	2,021,924	315,132	6	108,500
2021	185	16,911,782	1,483,344	6	2,017,250	280,673	7	97,500
2022	186	16,294,244	1,762,255	6	1,987,578	322,491	7	108,500
2023	191	16,741,660	1,896,896	6	1,975,937	336,897	7	108,500
2024	198	16,594,324	2,009,730	6	1,966,521	349,754	7	99,500



Southern California Association of Governments

Table 7 – Principal Members  
Current Year and Five Years Ago

City/County	2024		2019	
	Annual Dues	Percent of Total Dues Assessment	Annual Dues	Percent of Total Dues Assessment
City of Los Angeles	\$ 440,700	18%	\$ 373,137	18%
County of Los Angeles	151,187	6%	131,892	6%
County of Riverside	70,644	3%	59,390	3%
County of San Bernardino	59,516	2%	53,423	3%
City of Long Beach	53,753	2%	44,932	2%
County of Orange	40,237	2%	36,574	2%
City of Anaheim	40,011	2%	33,741	2%
City of Santa Ana	36,239	1%	32,158	2%
City of Riverside	37,319	2%	30,819	2%
SBCTA (SANBAG)	25,000	1%	25,000	1%
RCTC	25,000	1%	25,000	1%
OCTA	25,000	1%	25,000	1%
City of Irvine	36,445	1%	25,325	1%
County of Ventura	20,792	1%	19,056	1%
City of Glendale	22,969	1%	19,313	1%
City of San Bernardino	26,158	1%	20,714	1%
City of Santa Clarita	27,078	1%	20,657	1%
	<u>\$ 1,138,048</u>	<u>46%</u>	<u>976,131</u>	<u>48%</u>
	<b>Total FY24 Dues</b>		<b>Total FY19 Dues</b>	
	<u>2,457,984</u>		<u>2,053,962</u>	

## Southern California Association of Governments

### Table 8 – Population by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2015	183,856	10,124,800	3,144,663	2,315,547	2,112,187	848,459	18,729,512
2016	184,843	10,150,386	3,160,401	2,342,612	2,122,579	849,335	18,810,156
2017	186,664	10,181,162	3,180,125	2,374,555	2,139,520	848,232	18,910,258
2018	188,042	10,192,593	3,186,254	2,397,662	2,150,017	848,112	18,962,680
2019	188,552	10,163,139	3,185,378	2,419,057	2,165,876	844,259	18,966,261
2020	188,422	10,135,614	3,180,491	2,440,719	2,175,424	841,219	18,961,889
2021	179,588	9,942,011	3,167,783	2,418,727	2,179,007	839,628	18,726,744
2022	178,845	9,834,503	3,151,946	2,430,976	2,180,777	831,533	18,608,580
2023	179,476	9,761,210	3,137,164	2,439,234	2,182,056	825,653	18,524,793
2024	182,881	9,824,091	3,150,835	2,442,378	2,181,433	823,863	18,605,481

Source: 2014-2020: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. Sacramento, California, May 2021.

2021-2024: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2024, with 2020 Census Benchmark. Sacramento, California, May 2024.

<https://dof.ca.gov/forecasting/demographics/estimates/e-4-population-estimates-for-cities-counties-and-the-state-2021-2024-with-2020-census-benchmark/>  
<https://dof.ca.gov/forecasting/demographics/estimates/estimates-e4-2010-2020/>

**Southern California Association of Governments**  
**Table 9 – Number of Households by County in the SCAG Region**  
**Last Ten Calendar Years**

<b>Calendar Year</b>	<b>Imperial</b>	<b>Los Angeles</b>	<b>Orange</b>	<b>Riverside</b>	<b>San Bernardino</b>	<b>Ventura</b>	<b>Total</b>
2015	49,644	3,274,742	1,011,689	711,185	625,567	270,413	5,943,240
2016	49,802	3,287,528	1,017,539	717,126	629,119	271,708	5,972,822
2017	49,940	3,305,784	1,025,324	723,337	633,599	272,567	6,010,551
2018	50,109	3,321,379	1,034,724	730,218	638,633	272,979	6,048,042
2019	50,298	3,340,821	1,044,236	737,020	642,806	274,135	6,089,316
2020	50,550	3,360,402	1,051,153	744,644	645,798	275,693	6,128,240
2021	52,455	3,426,797	1,078,032	768,136	670,410	280,150	6,275,980
2022	53,181	3,444,744	1,084,236	776,794	675,944	281,120	6,316,019
2023	53,764	3,471,993	1,091,406	784,965	681,556	283,008	6,366,692
2024	54,171	3,518,197	1,100,269	793,543	688,088	284,303	6,438,571

Source: 2014-2020: State of California, Department of Finance, E-8 Population and Housing Estimates for Cities, Counties, and the State, April 1, 2010-April 1, 2020, with January Estimates (Released: November 16, 2023)

2021-2024: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2024, with 2020 Benchmark (Released: May, 2024)

[E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2024 | Department of Finance \(ca.gov\)](#)

[E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2010-2020 | Department of Finance](#)

Southern California Association of Governments

Table 10 – Wage and Salary Employment by County in the SCAG Region

Last Ten Calendar Years

<u>Calendar Year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2015	64,800	4,291,900	1,548,700	657,900	710,100	322,300	7,595,700
2016	63,500	4,401,400	1,588,700	688,400	727,100	325,200	7,794,300
2017	64,900	4,455,000	1,621,300	718,400	750,900	328,700	7,939,200
2018	65,000	4,520,900	1,653,800	748,500	772,700	332,800	8,093,700
2019	65,500	4,566,200	1,675,300	766,500	801,000	336,800	8,211,300
2020	61,700	4,171,700	1,532,700	734,000	775,400	315,300	7,590,800
2021	63,700	4,308,900	1,587,900	780,600	808,200	322,600	7,871,900
2022	66,200	4,543,400	1,671,500	820,000	854,200	336,700	8,292,000
2023	65,800	4,615,100	1,702,700	825,200	856,900	343,200	8,343,100
2024	68,900	4,568,100	1,697,600	840,100	867,600	342,100	8,384,400

Source: Processed by SCAG Staff; CA EDD - March 2023 Benchmark

Employment by Industry Data

Historical Annual Average Data: 2015 - 2023 (Total, All Industries=Wage and Salary Employment)

2024 figures are estimated by calculating the average from January 2024 to July 2024

[Employment by Industry Data \(ca.gov\)](https://www.ca.gov/employment-by-industry-data)

## Southern California Association of Governments

Table 11 – Labor Force by County in the SCAG Region

Last Ten Calendar Years

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<b>Calendar year</b>	<b>Imperial</b>	<b>Los Angeles</b>	<b>Orange</b>	<b>Riverside</b>	<b>San Bernardino</b>	<b>Ventura</b>	<b>Total</b>
2015	76,800	4,973,800	1,584,300	1,033,500	919,300	427,200	9,014,900
2016	75,200	5,018,900	1,597,400	1,051,600	930,200	425,300	9,098,600
2017	72,000	5,109,800	1,605,800	1,070,900	942,000	423,700	9,224,200
2018	71,100	5,119,800	1,616,100	1,090,100	955,100	423,100	9,275,300
2019	73,600	5,151,500	1,616,800	1,108,100	967,100	422,300	9,339,400
2020	71,700	4,960,300	1,566,900	1,121,100	974,700	410,900	9,105,600
2021	69,000	4,993,500	1,560,700	1,133,000	992,200	407,500	9,155,900
2022	70,000	4,984,800	1,590,900	1,152,100	1,008,500	413,600	9,219,900
2023	71,000	5,006,200	1,597,400	1,147,000	1,003,600	416,000	9,170,200
2024	73,400	5,027,400	1,588,000	1,158,500	1,013,600	413,900	9,274,800

Employment by Industry Data

[http://www.labormarketinfo.edd.ca.gov/LMID/Employment\\_by\\_Industry\\_Data.html](http://www.labormarketinfo.edd.ca.gov/LMID/Employment_by_Industry_Data.html)

Historical Annual Average Data: 2015 - 2023 (Civilian Labor Force=Labor Force)

2024 figures are estimated by calculating the average from January 2024 to July 2024

[Employment by Industry Data \(ca.gov\)](#)

## Southern California Association of Governments

Table 12 – Unemployment by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2014	19,000	410,200	87,000	83,700	73,200	28,900	686,200
2015	18,900	332,700	71,200	69,600	59,600	24,300	569,800
2016	18,200	267,700	64,700	64,400	53,900	22,300	483,300
2017	14,200	245,700	56,800	56,600	46,800	19,200	430,400
2018	13,400	237,500	47,900	48,400	39,200	16,200	400,200
2019	15,200	230,700	45,500	46,600	37,400	15,400	485,200
2020	16,200	609,800	139,900	113,000	93,800	35,900	962,100
2021	12,100	445,900	93,400	83,000	73,600	25,200	690,100
2022	10,300	244,900	50,300	48,000	41,300	15,200	359,700
2023	11,500	251,400	54,200	52,800	45,300	16,700	420,400
2024	12,400	274,500	62,800	61,100	52,000	19,200	482,000

Employment by Industry Data

[http://www.labormarketinfo.edd.ca.gov/LMID/Employment\\_by\\_Industry\\_Data.html](http://www.labormarketinfo.edd.ca.gov/LMID/Employment_by_Industry_Data.html)

Historical Annual Average Data: 2015 - 2023 (Civilian Unemployment=Unemployment)

2024 figures are estimated by calculating the average from January 2024 to July 2024

[Employment by Industry Data \(ca.gov\)](#)

# Southern California Association of Governments

## Table 13 – Largest Employer County in the SCAG Region

Current Year

Imperial			Riverside				
	Employees	Type of Business		Employees	Type of Business		
1	Imperial County Board of Supervisors	2,300	Government	1	County of Riverside	25,366	Government Offices
2	Walmart Supercenter	1,497	Retail	2	Amazon	14,317	E-Commerce
3	Calipatria State Prison	1,350	Correctional Institution	3	March Air Force Reserve	9,600	Military
4	Centinel State Prison	1,266	Correctional Institution	4	Nestle UA	8,874	Merchant Wholesalers
5	El Centro Regional Medical Ctr	1,200	Hospital	5	University of California, Riverside	8,623	Education
6	Academic Services	999	Education	6	State of California	8,383	Government
7	Imperial County Office-Educ	999	Education	7	Walmart	7,494	Retail
8	Pioneers Memorial Hosp-Doctors	750	Hospital	8	Moreno Valley Unified School District	6,020	Education
9	Imperial Irrigation District	649	Government	9	Kaiser Permanente Riverside Medical Center	5,817	Hospital
10	El Centro Naval Air Facility	600	Military	10	Corona-Norco Unified School District	5,478	Education
Los Angeles			San Bernardino				
1	County of Los Angeles	100,800	Government	1	County Of San Bernardino	21,340	Government
2	Los Angeles Unified School District	90,900	Education	2	Stater Bros. Markets	18,000	Retail
3	City of Los Angeles	68,300	Education	3	Loma Linda University	17,595	Education
4	University of California, Los Angeles	51,700	Education	4	Kaiser Medical Center	9,000	Hospital
5	Federal Government - All Agencies Except Defense & State	44,600	Government	5	San Bernardino City Unified School District	8,000	Education
6	Kaiser Permanente	37,400	Hospital	6	Loma Linda University Medical Center	7,500	Hospital
7	State of California (non-education)	33,900	Government	7	Ontario International Airport	4,000	Airport
8	University of Southern California	21,000	Education	8	Arrowhead Regional Medical Center	4,000	Hospital
9	Northrop Grumman Corp.	16,600	Aerospace	9	Fontana Unified School District	3,323	Education
10	Amazon	16,200	Online Retail	10	San Manuel Band Of Mission Indians	3,000	Government
Orange			Ventura				
1	University of California, Irvine	26,182	Education	1	Naval Base Ventura County	20,000	Government
2	Walt Disney Co	25,000	Hospitality and Entertainment	2	County of Ventura	9,572	Government
3	County of Orange	18,388	Government	3	Amgen Inc	5,500	Biomedical
4	Providence Southern California	13,079	Hospital	4	Conejo Valley Unified School District	3,320	Education
5	Kiaser Permanente	8,800	Hospital	5	Ventura Unified School District	2,899	Education
6	Albertsons	7,853	Retail	6	Oxnard Union High School District	2,825	Education
7	Hoag Memorial Hospital Presbyterian	7,051	Hospital	7	Bank of America	2,804	Bank
8	Walmart	4,300	Retail	8	Oxnard School District	2,634	Education
9	Target Corp.	6,000	Retail	9	Blue Cross of CA (previously Wellpoint, Inc.)	2,500	Hospital
10	MemorialCare	5,490	Hospital	10	Community Memorial Hospital	2,000	Hospital

Data provided courtesy of Infogroup, Orange County Business Journal, City of Riverside, Los Angeles Almanac, San Bernardino Area Chamber of Commerce

## Southern California Association of Governments

### Table 14 – Housing Units by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2015	57,174	3,504,173	1,076,199	828,383	711,781	287,080	6,464,790
2016	57,174	3,504,173	1,076,199	828,383	711,781	287,080	6,464,790
2017	57,401	3,527,368	1,084,476	834,652	715,634	288,074	6,507,605
2018	57,737	3,546,864	1,094,256	840,904	719,911	288,579	6,548,251
2019	58,002	3,568,900	1,104,275	847,851	723,783	289,647	6,592,458
2020	58,311	3,590,574	1,111,421	856,124	726,680	291,210	6,634,320
2021	57,045	3,612,856	1,135,474	854,164	734,848	293,756	6,688,143
2022	57,917	3,635,237	1,142,380	863,784	740,893	294,989	6,735,200
2023	58,541	3,664,182	1,149,943	872,930	747,011	296,892	6,789,499
2024	58,851	3,696,408	1,157,425	882,389	753,826	297,921	6,846,820

Source: 2014-2020: State of California, Department of Finance, E-8 Population and Housing Estimates for Cities, Counties, and the State,

April 1, 2010-April 1, 2020, with January Estimates (Released: November 16, 2023)

2021-2023: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State,

January 2021-2024, with 2020 Benchmark (Released: May, 2024)

[E-5 Population and Housing Estimates for Cities, Counties, and the State, 2020-2024 | Department of Finance \(ca.gov\)](#)

[E-8 Historical Population and Housing Estimates for Cities, Counties, and the State, 2010-2020 | Department of Finance](#)



Southern California Association of Governments  
 Table 15 – Median Home Values by County in the SCAG Region  
 Last Ten Calendar Years

<b>Calendar Year</b>	<b>Imperial</b>	<b>Los Angeles</b>	<b>Orange</b>	<b>Riverside</b>	<b>San Bernardino</b>	<b>Ventura</b>	<b>SCAG</b>
2015	193,000	475,000	605,000	314,000	268,000	507,000	452,000
2016	210,000	490,000	626,000	332,000	285,000	540,000	470,000
2017	223,000	527,000	678,000	353,000	314,000	572,000	506,000
2018	235,000	591,000	731,000	386,000	352,000	604,000	559,000
2019	248,000	615,000	736,000	399,000	366,000	614,000	577,000
2020	265,000	650,000	771,000	420,000	389,000	639,000	608,000
2021	295,000	744,000	877,000	494,000	456,000	732,000	699,000
2022	324,000	835,000	1,029,000	581,000	527,000	819,000	796,000
2023	326,000	816,000	1,020,000	573,000	520,000	802,000	782,000
2024	340,000	878,000	1,132,000	605,000	548,000	863,000	844,000

Source: Zillow.com

Home values represent the values as of January for each year

Note: SCAG region values are weighted averages by Housing Units from Table 14

Values represent smoothed, seasonally adjusted measure of the typical home values for all homes in each county

<https://www.zillow.com/research/data/>

Southern California Association of Governments

Table 16 – Land Area by County in the SCAG Region

Last Ten Calendar Years

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<b>Calendar Year</b>	<b>Imperial</b>	<b>Los Angeles</b>	<b>Orange</b>	<b>Riverside</b>	<b>San Bernardino</b>	<b>Ventura</b>	<b>Total</b>
2015	4,175	4,060	790	7,208	20,062	1,846	38,141
2016	4,175	4,060	790	7,208	20,062	1,846	38,141
2017	4,175	4,060	790	7,208	20,062	1,846	38,141
2018	4,175	4,060	790	7,208	20,062	1,846	38,141
2019	4,175	4,060	790	7,208	20,062	1,846	38,141
2020	4,175	4,060	790	7,208	20,062	1,846	38,141
2021	4,175	4,060	790	7,208	20,062	1,846	38,141
2022	4,175	4,060	790	7,208	20,062	1,846	38,141
2023	4,175	4,060	790	7,208	20,062	1,846	38,141
2024	4,175	4,060	790	7,208	20,062	1,846	38,141

Source: Census Bureau Tiger File

<https://www.census.gov/programs-surveys/geography.html>

Southern California Association of Governments  
Table 17 – Assessed Valuation by County in the SCAG Region  
Last Ten Calendar Years

<b>Calendar Year</b>	<b>Imperial</b>	<b>Los Angeles</b>	<b>Orange</b>	<b>Riverside</b>	<b>San Bernardino</b>	<b>Ventura</b>	<b>Total</b>
2015	\$ 11,648,369,468	1,207,856,228,771	473,782,781,168	228,233,802,746	182,705,725,334	114,663,397,481	2,218,890,304,968
2016	\$ 12,400,979,037	1,282,508,084,556	507,799,267,525	240,933,731,456	192,319,791,501	119,407,609,899	2,355,369,463,974
2017	\$ 12,689,982,548	1,354,458,674,851	528,711,072,636	253,658,272,351	200,564,761,328	123,951,233,364	2,474,033,997,078
2018	\$ 12,984,173,804	1,435,385,941,470	561,278,774,948	266,916,802,097	214,878,403,179	129,987,341,366	2,621,431,436,864
2019	\$ 13,487,316,919	1,529,882,494,903	596,783,437,256	283,283,510,304	227,946,672,512	135,744,679,058	2,787,128,110,952
2020	\$ 14,082,427,356	1,625,539,871,274	631,217,121,996	299,975,470,887	242,999,360,073	142,161,273,077	2,955,975,524,663
2021	\$ 14,527,965,087	1,724,138,383,369	661,208,217,028	317,602,508,036	257,234,231,864	148,066,044,105	3,122,777,349,489
2022	\$ 14,863,672,953	1,785,802,727,838	686,918,002,858	335,093,594,273	273,276,547,602	153,520,315,095	3,249,474,860,619
2023	\$ 15,695,312,653	1,911,287,084,413	731,577,233,989	367,359,529,950	299,123,203,552	164,713,506,015	3,489,755,870,572
2024	\$ 16,666,896,072	2,024,462,522,168	777,118,343,030	402,886,475,536	327,964,550,681	174,392,513,969	3,723,491,301,456

Source: State of California – Controller’s Office.

Note: Assessed Valuations Show Total State and County Assessed Valuation

<https://bythenumbers.sco.ca.gov/Raw-Data/Assessed-Valuation-Raw-Data-for-Fiscal-Years-2002-/qky3-f2m4>

Southern California Association of Governments

Table 18 – Full-Time and Part-time Employees as of June 30

Last Ten Fiscal Years

Full-Time and Part-Time Employees as of June 30										
Fiscal Year	Transportation	Modeling	High Speed Rail	Aviation	Environmental	Housing	Public Involvement	Sustainability	Administration	Total
2015	61	0	1	1	1	1	0	0	66	131
2016	58	0	1	1	3	1	0	0	67	131
2017	60	0	1	0	3	1	0	0	60	125
2018	44	15	0	1	1	0	15	7	46	129
2019	39	16	0	1	1	0	16	6	48	127
2020	41	16	0	1	1	2	19	9	58	147
2021	41	21	0	1	7	8	18	12	68	176
2022	39	24	0	0	6	13	18	11	80	191
2023	44	24	1	1	6	18	24	11	94	223
2024	43	23	1	1	6	22	23	7	90	216

Source: SCAG HR Department.

Employee classifications were changed in FY19 to better reflect the changing mix of SCAG's initiatives. FY18 employees were restated to be comparable to FY19. Fiscal years before FY18 were not restated.

Southern California Association of Governments  
Table 19 – Operating Indicators by Function  
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Transportation</b>										
No. of projects undertaken	85	89	80	27	71	67	68	71	57	59
Grants & Contracts Revenue	\$ 25,928,208	26,127,909	21,402,980	10,227,859	18,068,335	17,390,426	28,879,062	54,697,409	21,502,529	24,500,719
<b>Modeling</b>										
No. of projects undertaken				36	33	36	25	24	25	25
Grants & Contracts Revenue	\$ -	-	-	12,546,320	11,872,339	12,503,509	12,374,774	14,146,188	17,797,702	18,571,508
<b>High Speed Rail</b>										
No. of projects undertaken	1	1	1							
Grants & Contracts Revenue	\$ 281,779	290,593	339,370	-	-	-	-	-	-	-
<b>Aviation</b>										
No. of projects undertaken	1	1	1							
Grants & Contracts Revenue	\$ 579,242	550,584	267,597	-	-	-	-	-	-	-
<b>Environmental</b>										
No. of projects undertaken	1	5	20	17	8	10	8	8	7	9
Grants & Contracts Revenue	\$ 1,587,158	1,448,295	6,592,728	5,144,977	3,358,447	4,322,956	3,400,938	4,482,169	4,581,362	5,727,525
<b>Public Involvement</b>										
No. of projects undertaken				4	4	4	5	6	8	8
Grants & Contracts Revenue	\$ -	-	-	2,600,060	2,445,350	2,894,305	3,988,245	4,062,811	5,584,152	6,261,561
<b>Housing</b>										
No. of projects undertaken	3	2	9	9						
Grants & Contracts Revenue	\$ 1,176,694	960,528	3,187,930	2,032,313	-	-	-	-	-	-
<b>Sustainability Initiatives</b>										
No. of projects undertaken	14	25	28	41	8	27	38	46	46	41
Grants & Contracts Revenue	\$ 5,457,158	7,345,383	7,098,027	8,719,261	6,142,700	5,090,102	15,321,082	23,817,493	29,957,350	23,170,871
<b>GIS</b>										
No. of projects undertaken										
Grants & Contracts Revenue										
Expenditure classifications were changed in FY19 to better reflect the changing mix in SCAG's initiatives. FY18 expenditures were restated to be comparable to FY19. Fiscal years before FY18 were not restated.										
Total No. of projects undertaken				93	116	117	106	109	143	142
Grants & Contracts Revenue				32,551,529	35,744,471	37,111,196	48,643,019	77,388,576	79,423,095	78,232,184

Revenues reported include federal, state, local, general fund, and allocated indirect and fringe benefit cost revenues, administration function revenues are excluded.

Southern California Association of Governments

Table 20 – Outstanding Debt

Last Ten Fiscal Years

Fiscal Year	Financing Agreements	Subscription Liability	Lease Liability	Tenant Improvement Allowance	Total Outstanding Debt	Program Revenues	Ratio of Debt to Revenues
2015*	\$ -	\$ -	\$ -	108,700	\$ 108,700	\$ 44,190,475	0.2%
2016	-	-	-	81,553	81,553	42,517,833	0.2%
2017	-	-	-	54,406	54,406	41,612,012	0.1%
2018**	1,812,696	-	-	4,682,709	6,495,405	44,240,085	14.7%
2019	1,457,488	-	-	4,371,379	5,828,867	42,630,252	13.7%
2020	1,083,858	-	-	4,062,393	5,146,251	52,020,937	9.9%
2021	690,846	-	28,027,328	-	28,718,174	57,855,072	49.6%
2022	277,446	565,353	27,760,714	-	28,603,513	70,403,411	40.6%
2023	-	3,359,515	27,893,204	-	31,252,719	77,495,990	40.3%
2024	-	3,072,969	27,687,341	-	30,760,310	87,363,492	35.2%

\*SCAG implemented GASB 68 which required the PERS liability to be reported on the balance sheet.

\*\*SCAG implemented GASB 75 which required the OPEB liability to be reported on the balance sheet.



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Honorable Members of the Regional Council  
Southern California Association of Governments

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern California Association of Governments (SCAG), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise SCAG's basic financial statements, and have issued our report thereon dated November 18, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SCAG's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SCAG's internal control. Accordingly, we do not express an opinion on the effectiveness of SCAG's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether SCAG's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Eide Sully LLP*

Rancho Cucamonga, California  
November 18, 2024



Southern California Association of Governments  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2024

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**Financial Statement Findings**

Finding No.	Category	Status of Corrective Action
2023-001	Financial Reporting	Implemented
2023-002	Financial Reporting and Closing	Implemented

**Federal Award Findings**

None reported.

# Annual Comprehensive FINANCIAL REPORT | 2024

YEAR ENDED JUNE 30, 2024

## MAIN OFFICE

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Los Angeles, CA 90017  
Tel: (213) 236-1800

## REGIONAL OFFICES

### IMPERIAL COUNTY

1503 N. Imperial Ave., Ste. 104  
El Centro, CA 92243  
Tel: (213) 236-1967

### ORANGE COUNTY

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600 S. Main St., Ste. 1108  
Orange, CA 92868  
Tel: (213) 630-1599

### RIVERSIDE COUNTY

3403 10th St., Ste. 805  
Riverside, CA 92501  
Tel: (951) 784-1513

### SAN BERNARDINO COUNTY

1170 W. Third St., Ste. 140  
San Bernardino, CA 92410  
Tel: (213) 630-1499

### VENTURA COUNTY

4001 Mission Oaks Blvd., Ste. L  
Camarillo, CA 93012  
Tel: (213) 236-1960

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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

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YEAR ENDED  
JUNE 30, 2024