



Annual Comprehensive Financial Report

Southern California Association of Governments, California

FISCAL YEAR ENDED JUNE 30, 2025





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.

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**Southern California
Association of Governments**
Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by the Finance Division under the direction of
Bea Valdez, CPA, Controller, and
Cindy Giraldo, CPA, Chief Financial Officer

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Introductory Section



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

November 14, 2025

Honorable Cindy Allen, President
Members of the Regional Council
Southern California Association of Governments
8900 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017

Subject: SCAG's Annual Comprehensive Financial Report for Fiscal Year (FY)
2024-2025

Citizens of the Southern California Association of Government's Region,
President Cindy Allen 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, 2025.

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 2024-2025.

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, 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
- Listing of Principal SCAG Officers
- SCAG's Management 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 2023-2024 ACFR.

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, 2024. This was the twenty-second 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, 2025, are free of material misstatement. The Independent Auditor's Report is also included in the ACFR.

Management's 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 2024-2025 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 Independent Auditor's Report 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 was a one-time planning program that authorized subregional partnerships and encouraged inter-governmental collaboration on projects with a broader regional impact on housing production. SCAG administered 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 were funded under this program, focusing on planning to help jurisdictions meet 6th Cycle RHNA allocation. SCAG submitted the final invoice and close-out report 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 predominately 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 (CO₂) 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
- 18.8 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 86 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 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 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 2024-2025 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 2024-2025, TDA revenues were \$8.7 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 submitted the final invoice and close-out report form to HCD 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 is administering it with sub-allocations made available to eligible entities through three programmatic funding areas.

Overall Work Program

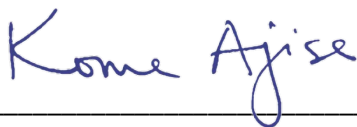
SCAG's Overall Work Program (OWP) is the foundation for annual financial planning and internal administrative budget control. It consists of all projects and budgets allocated and necessary to perform the planning work to be accomplished in the following year. It also identifies the funding source(s) 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 Allen, 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,



Kome Ajise
Executive Director

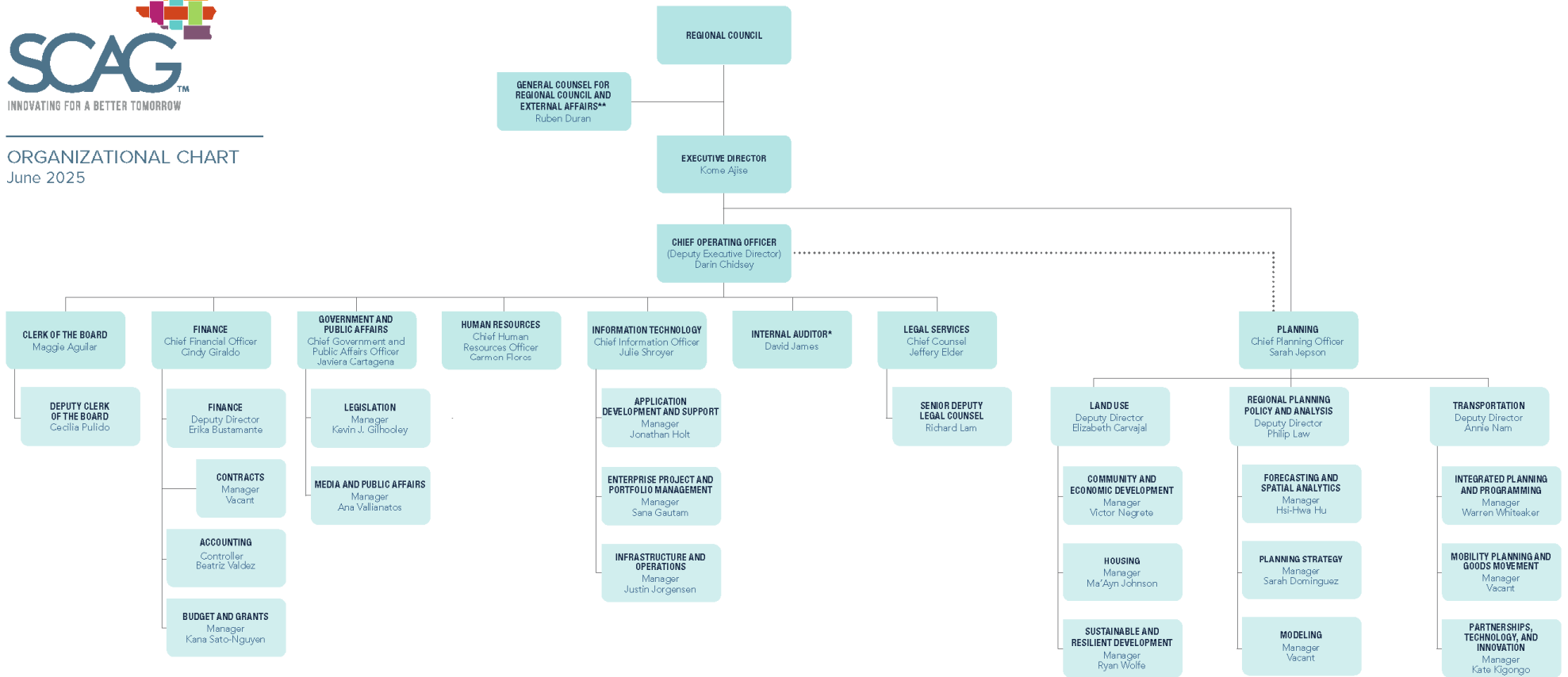


Cindy Giraldo
Chief Financial Officer



ORGANIZATIONAL CHART

June 2025



* Takes direction from the Audit Committee

** Takes direction from the Regional Council

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

List of Principal Officials

As of June 30, 2025

Kome Ajise, Executive Director

Darin Chidsey, Chief Operating Officer/Deputy Executive Director

Ruben Duran, General Counsel for Regional Council and External Affairs

Cindy Giraldo, Chief Financial Officer

Javiera Cartagena, Chief Government & Public Affairs Officer

Carmen Flores, Chief Human Resources

Julie Shroyer, Chief Information Officer

Jeffrey Elder, Chief Counsel

Maggie Aguilar, Clerk of the Board

Sarah Jepson, Chief Planning Officer

David James, Internal Auditor



Government Finance Officers Association

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Southern California Association of Governments

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

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, 2025, 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, 2025, 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.

Adoption of New Accounting Standard (restatement)

As discussed in Notes 1 and 16 to the financial statements, SCAG has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024, to restate beginning net position. Our opinions are not modified with respect to this matter.

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 14, 2025, 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.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Rancho Cucamonga, California
November 14, 2025

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, 2025. 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, goods movement, environmental, housing, and other grants is reviewed. Finally, there is summary information about project work undertaken and completed by SCAG in FY 2024-2025.

FINANCIAL HIGHLIGHTS

Revenues increased to \$97.0 million in FY 2024-2025 from \$87.5 million in FY 2023-2024, an increase of \$9.5 million, or 10.9%.

Federal revenues decreased by \$0.5 million; state revenues increased by \$7.8 million; local revenues decreased by \$45,136; and General Fund revenues increased by \$2.3 million.

Net position increased by \$5.6 million from (\$14.9) million (as restated) to (\$9.3) million primarily due to interest and other income exceeding expenditures and other financing sources by \$5.2 million, an increase of \$2.7 million from FY 2023-2024. REAP AB 101 revenues exceeded expenditures by \$1.7 million, an increase of \$3.4 million from FY 2023-2024. Transportation Development Act (TDA) revenues exceeded expenditures by \$3.4 million, a decrease of \$0.9 million.

Total cash decreased by \$22.3 million, this includes restricted cash and cash equivalents of \$15.4 million; receivables increased by \$58,083; due from other governments increased by \$1.9 million; the over-recovery of indirect costs of \$4.1 million, decreased by \$2 million; accounts and contracts payable decreased by \$0.3 million; accrued liabilities increased by \$67,832, and due to other governments increased by \$4.6 million.

As noted above, cash decreased significantly as cash advances received in FY2023-2024 for the REAP program were utilized to fund ongoing program expenditures. Cash balances were adequate to support operations. There were no draws on SCAG's line of credit in FY 2024-2025.

Due from other governments increased by \$1.9 million due primarily to an increase in the number of grants that are on a reimbursement basis and the timing of receiving the reimbursements.

Accounts and contracts payable (AP) payments to vendors are disbursed on a current basis. AP balances decreased from \$3.2 million to \$2.9 million due to more timely processing of payments.

Due to other governments increased by \$4.6 million, from \$4.1 million to \$8.7 million primarily due to outstanding payables related to the REAP 2021 program activities scaling up significantly as FY 2024-2025 was the first full year of the program.

Cash advances of \$47.0 million decreased by \$31.6 million to \$15.4 million due to recognizing revenue related to the REAP 2021 program as described above in Restricted Cash & Cash Equivalents.

Noncurrent liabilities due within one year increased by \$0.4 million, from \$4.3 million to \$4.7 million due to the implementation of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated absences*, which also required a restatement of beginning Net Position of \$0.9 million as of July 1, 2024.

The unfunded net pension liability of \$50.7 million to CalPERS and PARS decreased \$3.2 million from \$53.9 million last year due to an increase in net investment returns. SCAG's liability for other post-employment benefits was \$1.2 million, a decrease from last year of \$0.6 million primarily 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 flow, 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 TDA funds, not from the grant funds, which operate on a cost-reimbursement basis. The government-wide financial statements can be found on pages 18 and 19 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 24 to 56 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 2024-2025, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$9.3 million compared to \$14.0 million in FY 2023-2024, an increase of \$4.7 million.

The following is a summary of net position as of June 30, 2025, and 2024:

		June 30	
		2025	2024
Current and other assets	\$	67,172,414	\$ 87,773,251
Capital assets, net		30,044,873	32,891,274
Total assets		<u>97,217,287</u>	<u>120,664,525</u>
Deferred outflows of resources		<u>11,514,270</u>	<u>16,283,483</u>
Current liabilities		32,453,602	61,549,216
Noncurrent liabilities		85,100,663	88,929,774
Total liabilities		<u>117,554,265</u>	<u>150,478,990</u>
Deferred inflows of resources		<u>463,766</u>	<u>462,746</u>
Net position			
Invested in capital assets		351,037	2,000,812
Restricted		21,429,437	18,001,869
Unrestricted		<u>(31,066,948)</u>	<u>(33,996,408)</u>
Total net position	\$	<u><u>(9,286,474)</u></u>	\$ <u><u>(13,993,727)</u></u>

Cash and Cash Equivalents

Over the last year, cash and cash equivalents increased by \$9.3 million from \$28.8 million to \$38.1 million. As of June 30, 2025, cash and cash equivalents represents 39.15% of total assets. The increase is related primarily due to receiving payment for prior year expenses that were recorded as revenue in FY 2024-2025 of \$1.8 million, a net increase of \$3.4 million in TDA fund balance, an increase in interest and other income of \$2.0 million, and an increase in member dues and general assembly revenue of \$0.3 million.

Restricted Cash and Cash Equivalents

As of June 30, 2025, restricted cash and cash equivalents was \$15.4 million, a decrease of \$31.6 million as the REAP 2021 program expenditures increased significantly in FY 2024-2025. As of June 30, 2025, restricted cash and cash equivalents represents 15.82% of total assets. The restricted cash and cash equivalents is related to cash advances from grantors.

Accounts Receivable (AR)

ARs from local and other agencies at the end of FY 2024-2025 were \$0.3 million compared to \$0.2 million the year before. AR balances represented 0.31% of total assets compared to 0.2% in FY 2023-2024.

SCAG has continued to monitor ARs. 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 (Caltrans), 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 due from other governments was \$9.9 million an increase of \$3.1 million due to a shift in billing frequency from monthly to quarterly for the Consolidated Planning Grants (CPG) and an increase in federal grants on a reimbursement basis, such as the Carbon Reduction Program grants. Due from other governments for State grants and contracts was \$2.5 million, a decrease of \$1.0 million, due to the REAP AB101 program ending on November 2024 and the prior year receivable related to this grant was collected. Due from other governments for local grants and contracts decreased by \$0.2 million from \$0.6 million to \$0.4 million.

Deferred Outflows of Resources

Deferred outflows of Resources decreased by \$4.8 million, from \$16.3 million to \$11.5 million primarily due to a decrease in the net difference between projected and actual earnings on pension plan investments.

Accounts and Contracts Payable (AP)

The AP balance decreased by \$0.3 million, from \$3.2 million to \$2.9 million due primarily to more timely processing of payments throughout the year.

Line of Credit (LOC)

During FY 2024-2025, 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, 2027. Cash advances, if requested, are secured by an assignment of all monies due, or to be 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

Capital assets, net of accumulated depreciation and amortization, total \$30.0 million, which is composed of Non-depreciable assets of \$0.9 million for development in progress of intangible assets and net depreciated and amortized assets of \$29.1 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. Capital assets represent 31% of total assets.

The policy with respect to capitalizing assets was revised in Fiscal Year 2024-2025, increasing the capitalization threshold. The revised policy states that the asset must cost more than \$10,000 (\$100,000 for intangible assets, and \$75,000 for leases and subscriptions) and have a useful life of more than one year. Net investment in capital assets includes computer equipment, leasehold improvements, right to use leased assets and right to use subscriptions based information technology agreements assets as follows:

	June 30	
	2025	2024
Development in progress	\$ 552,835	\$ 366,624
Subscription in progress	347,530	-
Computer equipment and software, net	1,412,153	2,093,685
Leasehold improvements, net	3,924,096	4,043,841
Right to use lease building, net	20,126,877	21,102,736
Right to use lease equipment, net	139,117	339,794
Right to use subscription asset, net	3,542,265	4,944,594
Total Capital Assets	<u>\$ 30,044,873</u>	<u>\$ 32,891,274</u>

The net change in capital assets is primarily related to the removal of computer equipment, furniture and subscriptions based information technology agreements due to the change in capitalization thresholds; the decommission of a SCAG owned software, and an increase in capital assets not being depreciated.

Statements of Activities

All current year's 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/housing and administration, are described below.

	June 30	
	2025	2024
REVENUES		
Charges for services - member dues	\$ 2,742,095	\$ 2,457,984
Operating grants and contributions	88,678,474	84,905,508
General revenues:		
Interest Income	3,274,391	1,349,476
Other revenue	538,910	426,000
Total Revenues	<u>95,233,870</u>	<u>89,138,968</u>
EXPENSES		
Transportation	32,867,296	20,177,964
Environmental	3,600,387	4,316,302
Modeling	14,617,870	14,901,173
Public Involvement	4,723,928	5,505,614
Sustainability/Housing	23,918,544	21,927,982
Administration	8,715,559	9,351,464
Interest	1,208,109	1,171,019
Total Expenses	<u>89,651,693</u>	<u>77,351,518</u>
Change in net position	5,582,177	11,787,450
Net position - beginning of year, as previously stated	(13,993,727)	(25,781,177)
Change in Accounting Principle Adjustments (Note 16)	<u>(874,924)</u>	<u>-</u>
Net position - beginning of year, as restated	<u>(14,868,651)</u>	<u>(25,781,177)</u>
Net position - end of year	<u>\$ (9,286,474)</u>	<u>\$ (13,993,727)</u>

In FY 2024-2025, beginning net position was restated due to the implementation of GASB Statement No. 101, *Compensated Absences*. See Note 16 in the notes to the financial statements.

Total revenues in FY 2024-2025 were \$95.2 million compared to \$89.1 million last year. This is an increase of \$6.1 million or 6.85%. This increase is primarily attributable to the increase in Regional Early Action Planning (REAP) 2021 revenues, an increase in federal Transit Administration funding, new federal and state grants in the non-major funds, such as the Carbon Reduction Program, Congestion Mitigation and Air Quality Program, and Mobile Source Air Pollution Reduction Review Program. These increases were partially offset by a reduction in revenues for the REAP AB 101 program that concluded in November.

Net position increased by \$5.6 million from (\$14.9) million (as restated) to (\$9.3) million primarily due to interest and other income exceeding expenditures and other financing sources by \$5.2 million, an increase of \$2.7 million from FY 2023-2024. REAP AB 101 revenues exceeded expenditures by \$1.7 million, an increase of \$3.4 million from FY 2023-2024. Transportation Development Act (TDA) revenues exceeded expenditures by \$3.4 million, a decrease of \$0.9 million.

Furthermore, the investment in capital assets decreased from \$2.0 million to \$0.4 million due to the removal of computer equipment and software due to updated capitalization policy and an increase to debt related to right to use assets.

Major Expenses

In FY 2024-2025, salary expenses were \$29.2 million which included non-worktime (e.g., vacation leave, sick leave, holiday, and other paid time off) compared to \$28.1 million in FY 2023-2024. Salaries, including non-worktime, represent about 32.77% of total expenses.

Consultant expenses are the next largest expense line item. They increased by \$11.0 million to \$35.3 million in FY 2024-2025 from \$24.3 million in FY 2023-2024 due primarily to REAP 2021 activities. They represent about 39.58% 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 FTIP must comply with all applicable state and federal requirements, including transportation conformity, fiscal constraint and inter-agency consultation and public outreach.

FHWA Planning (PL) and FTA 5303 revenues amounted to \$22.9 million and \$12.9 million, respectively, in FY 2024- 2025. These two grants were billed \$35.8 million in FY 2024-2025 compared to \$38.7 million in FY 2023- 2024. Salaries and fringe benefits accounted for \$13.6 million, consultant expenses were \$1.2 million, and the balance consisted of indirect overhead of \$20.3 million and other direct project costs of \$0.7 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 2023-2024, SCAG secured another grant award from Office of Traffic Safety (OTS) in the amount of \$1.4 million to continue the effort to promote and educate bicycle and pedestrian safety and completed the grant activities during FY 2024-2025. In FY 2023-2024, SCAG also received \$0.9 million for Transportation Safety Predictive Modeling and Analysis Platform project and completed the grant activities during FY 2024-2025. OTS is the Direct Recipient of the National Highway Traffic Safety Administration funds and SCAG is responsible for managing the program. In FY 2024-2025, SCAG secured another grant awards 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 2025-2026.

Department of Energy, Energy Efficiency & Renewable Energy

SCAG received a cooperative agreement award in the amount of \$90,000 in FY 2021-2022 (Year 1), \$107,500 in FY 2022-2023 (Year 2), \$110,000 in FY 2023-2024 (Year 3), and \$87,500 in FY 2024-2025 (Year 4). The funds are used for Clean Cities Outreach, Education and Performance Tracking projects. 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. This grant was completed in FY 2024-2025. 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. This grant was also completed in 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 2025-2026.

Caltrans Sustainable Transportation Planning Grants

The Sustainable Transportation Planning Grant Program was created to support the California Department of Transportation's (Caltrans) Mission to provide a safe and reliable transportation network that serves all people and respects the environment. Caltrans awards these grants through an annual, competitive selection process. In FY 2024-2025, SCAG received a grant award in the amount of \$500,000 from the Caltrans Sustainable Transportation Planning Grant program to conduct the Southern California Airport Passenger Surface Transportation study. In the same year, SCAG also received another grant award in the amount of \$500,000 to perform planning work for Main Streets project. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2025-2026.

Carbon Reduction Program (CRP)

The Carbon Reduction Program (CRP) is a new program established by the Infrastructure Investment and Jobs Act (IIJA). It funds transportation projects that reduce carbon dioxide emissions from on-road transportation sources. For each fiscal year, 65 percent of CRP funding to the State is apportioned annually by population to MPOs and RTPAs (Local CRP funds). SCAG, as the MPO, is responsible for the selection of Local CRP-funded projects in the SCAG region. Following discussion with key stakeholders and consistent with the Regional Council approval, 65 percent of the Local CRP funds will be made available through a Call-for-Projects process and SCAG will retain and use 35 percent of the Local CRP funds to support various projects that achieve regional transportation goals and objectives. In FY 2024-2025, SCAG programmed a total of \$30.3 million in CRP funding to carry out various transportation projects.

Surface Transportation Block Grant Program (STBG)/Congestion Mitigation and Air Quality Improvement Program (CMAQ)

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 for areas that do not meet the National Ambient Air Quality Standards for ozone, carbon monoxide, or particulate matter (nonattainment areas) and for former nonattainment areas that are now in compliance (maintenance areas). Roughly \$290 million in STBG and \$290 million in CMAQ funds for a combined amount of \$580 million annually is apportioned to the SCAG region. As of July 1, 2023, SCAG is responsible for the selection of STBG/CMAQ-funded projects in the SCAG region. SCAG reserves the right to set aside up to 2.5 percent of the annual obligational authority for STBG and CMAQ 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). In FY 2024-2025, SCAG programmed a total of \$8.9 million in STBG and \$5.6 million in CMAQ to carry out various transportation projects.

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, \$5.3 million in FY 2023-2024, and additional \$5.2 million in FY 2024-2025. 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 2025-2026 and future years, if needed, subject to authorization from Caltrans.

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

In FY 2020-2021, 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 2025-2026.

Active Transportation Program (ATP) Funds

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 2024- 2025 and the unused grant balance not expiring at the end of fiscal year is carried over to FY 2025-2026.

Regional Early Action Planning (REAP) Grants Program

In FY 2020-2021, SCAG received from the Department of Housing and Community Development (HCD) \$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). Activities for REAP AB 101 were completed in FY 2024-2025 and the final closeout report was submitted to HCD in November 2024. Further in FY 2021-2022, the 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 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 was executed in June 2025. The unused grant balance for REAP 2021 funding not expiring at the end of fiscal year is carried over to FY 2025-2026.

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 completed the grant activities in 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 completed the grant activities in 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 2025-2026.

Sustainable Agricultural Lands Conservation Program (SALC)

The Sustainable Agricultural Lands Conservation Program (SALC) is a component of the Strategic Growth Council's Affordable Housing and Sustainability Program. It supports California's greenhouse gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses. In FY 2023-2024, SCAG was awarded \$500,000 to develop a Natural and Agricultural Lands Economic and Resilience Benefits Study and Landscape Analysis White Paper for SCAG's six county region. The unused grant balance not expiring at the end of fiscal year is carried over to FY 2025-2026.

Local Revenues

Local revenues were \$9.0 million compared to \$9.1 million in FY 2023-2024 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 ¼ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region. TDA revenues continue to exceed TDA expenditures and are steady at around \$8.7 million, exceeding expenditures of \$5.2 million by \$3.4 million, thus increasing the TDA fund balance year after year. The accumulated fund balance will be utilized to meet future match requirements.

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 change in fund balance of the GF shown below is reported on a modified accrual basis. In FY 2024-2025, total annual revenues and other financing sources exceed total expenditures resulting in an increase in fund balance.

	June 30	
	2025	2024
Revenues:		
Membership assessments	\$ 2,742,095	\$ 2,457,984
General assembly	538,910	426,000
Interest and other	3,274,391	1,349,476
Total revenues	<u>6,555,396</u>	<u>4,233,460</u>
Expenditures:		
Administration	1,365,150	1,484,833
Indirect cost	47,824,636	45,719,360
Indirect cost recovery	(51,909,470)	(51,814,661)
Over-recovery of indirect costs	4,084,834	6,095,301
Debt Service:		
Principal	5,721	266,709
Interest	3,481	15,737
Capital outlay	246,592	1,792,432
Total expenditures	<u>1,620,944</u>	<u>3,559,711</u>
Excess of revenues over expenditures	4,934,452	673,749
Other financing sources (uses):		
Transfers in	31,049	153,425
Transfers out	(5,000)	-
Leases	72,937	223,191
Subscriptions	171,632	1,445,963
Total other financing sources (uses)	<u>270,618</u>	<u>1,822,579</u>
Change in fund balance	5,205,070	2,496,328
Fund balance, beginning of year	<u>8,737,936</u>	<u>6,241,608</u>
Fund balance, end of year	<u><u>\$ 13,943,006</u></u>	<u><u>\$ 8,737,936</u></u>

Dues Assessed to Member Jurisdictions

The main source of revenues in the GF are 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 2024-2025 to \$2.7 million from \$2.4 million, in FY 2023-2024, an increase of 11.56%.

Other General Fund Revenues and Interest Income

Total GF other revenues and interest income increased in FY 2024-2025 by \$2.0 million, to \$3.8 million from \$1.8 million in FY 2023-2024, an increase of 114.78%, 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 and Cash Equivalents were invested in a bank depository money market account and are reflected as bank deposits. Restricted Cash and Cash Equivalents represents cash advances from the 1) California Department of Housing to fund the REAP 2021 activities, 2) the Los Angeles County Metropolitan Transportation Authority, and the California Emerging Technology Fund.

Capital Outlay and Other Financing Sources

General Fund capital outlay expenditures decreased from \$1.8 million to \$0.2 million due to a decrease in new subscriptions; thus, Other Financial sources – debt issuance subscriptions had the corresponding reduction.

Another change that positively affected the GF balance was a decrease of \$2.0 million in over recovery of indirect costs, from \$6.1 million in FY 2023-2024 to \$4.1 million in FY 2024-2025. This was the result of adjusting the indirect cost rate for billable activities.

General Fund Budget vs. Actual Expenditures

GF expenditures overall were \$2.2 million compared to the budget of \$3.2 million, a difference of \$1.0 million, primarily due to lower than expected contractual costs and board stipends. The GF budget includes Regional Council (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 2025-2026 is \$415.5 million compared to \$403.7 million in FY 2024-2025, a net increase of \$11.8 million or 2.92% mainly due to an increase in various grants including Carbon Reduction Program that SCAG will continue to implement in FY 2025-2026.

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, 2025

	<u>Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 38,061,345
Restricted cash and cash equivalents	15,377,773
Receivables	
Other	279,887
Local grants	18,366
Due from other governments	
Federal grants	9,868,268
State grants and contracts	2,549,272
Local grants and contracts	407,868
Prepays	602,861
Other assets	6,774
Capital assets not being depreciated	900,365
Capital assets being depreciated and amortized, net	29,144,508
Total assets	<u>97,217,287</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	10,626,768
Deferred outflows of resources related to OPEB	887,502
Total deferred outflows of resources	<u>11,514,270</u>
Liabilities	
Accounts and contracts payable	2,916,047
Accrued liabilities	1,281,528
Accrued interest payable	113,738
Due to other governments	8,679,682
Advances from grantors	15,377,773
Over-recovery of indirect costs	4,084,834
Noncurrent liabilities	
Due within one year	4,700,849
Due in more than one year	28,458,469
Net pension liabilities	50,733,505
Net OPEB liability	1,207,840
Total liabilities	<u>117,554,265</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to OPEB	463,766
Total deferred inflows of resources	<u>463,766</u>
Net Position	
Net investment in capital assets	351,037
Restricted for	
Transportation projects	21,429,437
Unrestricted	(31,066,948)
Total net position	<u>\$ (9,286,474)</u>

Southern California Association of Governments

Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services - Member Dues	Operating Grants and Contributions	
Governmental Activities				
Transportation	\$ 32,867,296	\$ -	\$ 34,438,806	\$ 1,571,510
Environmental	3,600,387	-	3,969,842	369,455
Modeling	14,617,870	-	16,117,887	1,500,017
Public involvement	4,723,928	-	5,208,675	484,747
Sustainability initiatives	23,918,544	-	26,372,952	2,454,408
Administration	8,715,559	2,742,095	2,570,312	(3,403,152)
Interest	1,208,109	-	-	(1,208,109)
Total governmental activities	<u>\$ 89,651,693</u>	<u>\$ 2,742,095</u>	<u>\$ 88,678,474</u>	<u>1,768,876</u>
General Revenues				
General assembly				538,910
Interest and other				<u>3,274,391</u>
Total general revenues				<u>3,813,301</u>
Change in Net Position				5,582,177
Net Deficit, Beginning of Year, as Previously Stated				(13,993,727)
Change in Accounting Principle Adjustments (Note 16)				<u>(874,924)</u>
Net Deficit, Beginning of Year, as Restated				<u>(14,868,651)</u>
Net Deficit, End of Year				<u>\$ (9,286,474)</u>

Southern California Association of Governments

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP AB 101 Fund	REAP 2021 Fund	Nonmajor Funds	Total
Assets								
Cash and cash equivalents	\$ 38,061,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,061,345
Restricted cash and cash equivalents	15,377,773	-	-	-	-	-	-	15,377,773
Receivables								
Other	279,887	-	-	-	-	-	-	279,887
Local grants	-	-	-	-	-	-	18,366	18,366
Due from other governments								
Federal grants	-	3,451,902	5,235,890	-	-	-	1,180,476	9,868,268
State grants and contracts	-	-	-	-	-	-	2,549,272	2,549,272
Local grants and contracts	-	-	-	407,868	-	-	-	407,868
Due from other funds	-	-	-	21,320,288	-	23,429,817	485,129	45,235,234
Prepays	602,861	-	-	-	-	-	-	602,861
Other assets	6,774	-	-	-	-	-	-	6,774
Total assets	\$ 54,328,640	\$ 3,451,902	\$ 5,235,890	\$ 21,728,156	\$ -	\$ 23,429,817	\$ 4,233,243	\$ 112,407,648
Liabilities								
Accounts and contracts payable	\$ 455,339	\$ 210,775	\$ 30,967	\$ 272,989	\$ -	\$ 274,291	\$ 1,671,686	\$ 2,916,047
Accrued liabilities	1,281,528	-	-	-	-	-	-	1,281,528
Due to other governments	624,053	-	-	25,730	-	8,014,858	15,041	8,679,682
Due to other funds	33,939,880	3,241,127	5,204,923	-	-	-	2,849,304	45,235,234
Advances from grantors	-	-	-	-	-	15,140,668	237,105	15,377,773
Over-recovery of indirect costs	4,084,834	-	-	-	-	-	-	4,084,834
Total liabilities	40,385,634	3,451,902	5,235,890	298,719	-	23,429,817	4,773,136	77,575,098
Deferred Inflows of Resources								
Deferred inflows of resources relating to grants	-	-	-	-	-	-	36,512	36,512
Fund Balances								
Nonspendable for								
Prepays	602,861	-	-	-	-	-	-	602,861
Restricted	-	-	-	21,429,437	-	-	-	21,429,437
Transportation	13,340,145	-	-	-	-	-	(576,405)	12,763,740
Unassigned	-	-	-	-	-	-	-	-
Total fund balances	13,943,006	-	-	21,429,437	-	-	(576,405)	34,796,038
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,328,640	\$ 3,451,902	\$ 5,235,890	\$ 21,728,156	\$ -	\$ 23,429,817	\$ 4,233,243	\$ 112,407,648

Southern California Association of Governments
Reconciliation of Total Governmental Fund Balances to the Statement of Net Position
June 30, 2025

Total Fund Balance - Governmental Funds	\$ 34,796,038
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.	30,044,873
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.	(113,738)
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	36,512
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	(3,566,700)
Net pension liabilities	(50,733,505)
Net OPEB liability	(1,207,840)
Lease liability	(27,225,540)
SBITA liability	(2,367,078)
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	10,626,768
OPEB	887,502
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	<u>(463,766)</u>
Total Net Position - Governmental Activities	<u><u>\$ (9,286,474)</u></u>

Southern California Association of Governments
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2025

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP AB 101 Fund	REAP 2021 Fund	Nonmajor Funds	Total
Revenues								
Federal grants, net	\$ -	\$ 12,942,810	\$ 22,907,457	\$ -	\$ -	\$ -	\$ 3,898,657	\$ 39,748,924
State grants and contracts	-	-	-	-	-	30,255,517	11,446,665	41,702,182
Local grants and contracts	-	-	-	8,658,666	-	-	369,878	9,028,544
Membership assessments								
Cities and Indian Tribes	2,253,581	-	-	-	-	-	-	2,253,581
Counties	380,014	-	-	-	-	-	-	380,014
Commission	88,500	-	-	-	-	-	-	88,500
Transportation corridor agency	10,000	-	-	-	-	-	-	10,000
Air districts	10,000	-	-	-	-	-	-	10,000
General assembly	538,910	-	-	-	-	-	-	538,910
Interest and other	3,274,391	-	-	-	-	-	-	3,274,391
Total revenues	6,555,396	12,942,810	22,907,457	8,658,666	-	30,255,517	15,715,200	97,035,046
Expenditures								
Current:								
Transportation	-	4,066,615	4,943,814	2,567,095	-	12,784,322	8,505,450	32,867,296
Environmental	-	1,071,786	2,262,771	103,406	-	-	162,424	3,600,387
Modeling	-	1,285,222	11,701,637	523,697	-	-	1,107,314	14,617,870
Public involvement	-	3,588,488	497,119	229,972	-	-	408,349	4,723,928
Sustainability initiatives	-	1,751,299	1,770,462	895,429	-	16,188,668	3,312,686	23,918,544
Administration	1,365,150	131,027	232,984	581,366	-	-	152,880	2,463,407
Indirect/fringe benefit cost	47,824,636	-	-	-	-	-	-	47,824,636
Indirect/fringe benefit cost recovery	(51,909,470)	-	-	-	-	-	-	(51,909,470)
Over-recovery	4,084,834	-	-	-	-	-	-	4,084,834
Debt service								
Principal	5,721	480,682	974,319	101,564	-	1,105,455	136,049	2,803,790
Interest	3,481	301,270	524,351	76,150	-	177,072	154,005	1,236,329
Capital outlay	246,592	1,657,950	-	152,419	-	-	114,900	2,171,861
Total expenditures	1,620,944	14,334,339	22,907,457	5,231,098	-	30,255,517	14,054,057	88,403,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,934,452	(1,391,529)	-	3,427,568	-	-	1,661,143	8,631,634
Other Financing Sources (Uses)								
Transfers in	31,049	-	-	-	-	-	5,000	36,049
Transfers out	(5,000)	-	-	-	-	-	(31,049)	(36,049)
Issuance of debt - leases	72,937	-	-	-	-	-	-	72,937
Issuance of debt - subscriptions	171,632	1,391,529	-	-	-	-	-	1,563,161
Total other financing sources (uses)	270,618	1,391,529	-	-	-	-	(26,049)	1,636,098
Change in Fund Balance	5,205,070	-	-	3,427,568	-	-	1,635,094	10,267,732
Fund Balances, Beginning of Year as Previously Stated	8,737,936	-	-	18,001,869	(1,704,822)	-	(506,677)	24,528,306
Fund Reclassified to Non-Major (Note 16)	-	-	-	-	1,704,822	-	(1,704,822)	-
Fund Balances, Beginning of Year, As Restated	8,737,936	-	-	18,001,869	-	-	(2,211,499)	24,528,306
Fund Balances, End of Year	\$ 13,943,006	\$ -	\$ -	\$ 21,429,437	\$ -	\$ -	\$ (576,405)	\$ 34,796,038

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, 2025

Total Net Change in Fund Balances - Governmental Funds \$ 10,267,732

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	\$ 2,171,861	
Loss on disposal of assets	(85,636)	
Depreciation and amortization expense	<u>(4,932,626)</u>	(2,846,401)

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.	(192,590)
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Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds	28,221
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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	(72,937)
Lease principal payments	534,738
Issuance of debt - subscriptions	(1,563,161)
Subscription IT principal payments	2,269,052

Revenues reported in the statement of activities which do not require the use of current financial resources are reported as revenues in governmental funds.	(1,801,177)
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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 liabilities	3,133,886
Change in net OPEB liability	595,047
Change in pension deferred inflows/outflows	(4,347,516)
Change in OPEB deferred inflows/outflows	<u>(422,717)</u>

Change in Net Position of Governmental Activities	<u><u>\$ 5,582,177</u></u>
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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 reports the following funds as major 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) 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. Restricted cash and cash equivalents are cash advances from grantors that are restricted to fund grant activities.

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 \$10,000 (\$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 13 months to 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 \$75,000 or more for capitalizing right to use subscription IT assets. 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 from 15 months to 5 years.

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

Computer and Electronic Equipment	3 to 5 years
Computer Software	5 to 15 years
Furniture and Fixtures	5 to 10 years
Metal Filing Cabinets and Bookshelves	10 years
Leasehold Improvements	Contract life as per GAAP
Intangible Assets	Contract life as per GAAP

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. Sick leave benefits accrued at the rate of 12 days per year. Compensated absences related to sick leave only applies to leave that is more likely than not to be used by the employees during employment, as employees terminating employment without retiring lose their sick leave accruals. For employees retiring from SCAG, their sick leave accruals are credited towards their pension. Other compensated absences include parental leave as SCAG provides twelve weeks of paid leave to employees qualifying for parental leave which can be used within twelve months from the qualifying event. Other leave such as military leave or jury duty leave is not recognized until the leave commences or is used. Compensated absences were measured at the employee's pay rate as of June 30, 2025.

Liabilities for accrued compensated absences are accrued and reported in the government-wide financial statements. For the governmental funds, expenditures are recorded when amounts become due and payable.

J. New Governmental Accounting Standards Board (GASB) pronouncements issued, and effective

GASB Statement No. 101 – In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements that liabilities for compensated absences are recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. As of July 1, 2024, SCAG adopted GASB Statement No. 101, *Compensated Absences*. The effect of the implementation of this standard on beginning net position is disclosed in Note 16.

GASB Statement No. 102 – In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. 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, 2025, 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. 103, *Financial Reporting Model Improvements*
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*

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 of certain assets and deferred outflows of resources, liabilities and deferred inflows of resources, 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. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

Committed fund balance includes amounts that can be used only for specific purposes determined by a formal action of SCAG's highest level of decision-making authority (Regional Council). Commitments may be changed or lifted only by SCAG taking the same formal action, resolution, that imposed the constraint originally. The underlying action that imposed the limitation needs to occur no later than the close of the fiscal year.

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, 2025.

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. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. Authorization to assign fund balance rests with SCAG's Regional Council through the budget process.

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

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.

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	\$ 15,609,616
Restricted book balance of deposits with financial institutions	15,377,773
Cash and cash equivalents in Local Agency Investment Fund	22,450,729
Petty cash	1,000
Total	<u>\$ 53,439,118</u>

A. Deposits

At June 30, 2025, SCAG's cash and cash equivalents and restricted 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, 2025, the bank balance of SCAG's deposits with financial institutions totaling \$31,004,586 were covered by FDIC up to \$500,000, and the remaining amounts of \$30,504,586 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, 2025, 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, 2025, 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.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2025

	<u>Indirect Costs and Fringe Benefits</u>
Indirect costs and fringe benefits	\$ 47,824,636
Indirect costs and fringe benefits recovered	<u>(45,814,169)</u>
(Over) under-recovered indirect costs and fringe benefits	2,010,467
(Over) under-recovered indirect costs and fringe benefits, beginning of year	<u>(6,095,301)</u>
(Over) under-recovered indirect costs and fringe benefits, end of year	<u><u>\$ (4,084,834)</u></u>

The balance of over-recovered indirect costs at June 30, 2025 amounting to \$4,084,834 will be carried forward as an adjustment to the calculation of the indirect cost carryforward for FY 2025-2026.

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, \$15,377,773 is classified as restricted cash within the general fund as of June 30, 2025.

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. \$15,140,668 is reported as advances from grantors as of June 30, 2025.

B. Non-Major Government Funds Grant (Advances)

SCAG was awarded funding from local entities to support various local program activities. \$237,105 is reported as advances from grantors as of June 30, 2025.

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 federal funding in the amount of \$36,512 from the Office of Traffic and Safety programs not available within SCAG's period of availability.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2025

Note 6 - Capital Assets

SCAG's capital asset activity for the year ended June 30, 2025 was as follows:

	Balance July 01, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated					
Development in progress	\$ 366,624	\$ 186,211	\$ -	\$ -	\$ 552,835
Subscription in progress	-	347,530	-	-	347,530
Total capital assets not being depreciated	366,624	533,741	-	-	900,365
Capital assets being depreciated and amortized:					
Computer equipment and software	6,760,677	-	(493,314)	-	6,267,363
Leasehold improvements	6,368,907	-	(7,463)	-	6,361,444
Furniture and fixtures	727,761	-	(292,569)	-	435,192
Total capital assets being depreciated	13,857,345	-	(793,346)	-	13,063,999
Lease assets being amortized:					
Right to use lease building	24,531,369	-	-	223,191	24,754,560
Right to use lease equipment	406,408	72,937	-	(223,191)	256,154
Total right to use lease assets being amortized	24,937,777	72,937	-	-	25,010,714
Subscription-based information technology agreements being amortized:					
Right to use subscription IT assets	8,058,057	1,563,161	(181,719)	-	9,439,499
Less accumulated depreciation and amortization for:					
Computer equipment and software	(4,666,992)	(653,386)	465,169	-	(4,855,209)
Leasehold improvements	(2,325,066)	(115,220)	2,936	-	(2,437,350)
Furniture and fixtures	(727,761)	-	292,569	-	(435,192)
Total accumulated depreciation	(7,719,819)	(768,606)	760,674	-	(7,727,751)
Less lease assets accumulated amortization for:					
Right to use lease building	(3,428,633)	(1,199,049)	-	-	(4,627,682)
Right to use lease equipment	(66,614)	(50,423)	-	-	(117,037)
Total accumulated amortization for lease assets	(3,495,247)	(1,249,472)	-	-	(4,744,719)
Less accumulated amortization for:					
Right to use subscription IT assets	(3,113,463)	(2,914,548)	130,777	-	(5,897,234)
Total capital assets, depreciable/amortizable, net	32,524,650	(3,296,528)	(83,614)	-	29,144,508
Total capital assets, net	\$ 32,891,274	\$ (2,762,787)	\$ (83,614)	\$ -	\$ 30,044,873

Southern California Association of Governments

Notes to Financial Statements

June 30, 2025

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

Transportation	\$ 2,454,494
Environmental	260,517
Sustainability/Housing	1,117,974
Modeling	876,111
Public Involvement	223,530
	<u>\$ 4,932,626</u>

SCAG's development in progress for the year ended June 30, 2025, was as follows:

Green print Implementation Tool	\$ 374,012
Dynamic Traffic Assignment	78,458
SPM Transportation Engine Enhancement	100,365
	<u>\$ 552,835</u>

SCAG's subscription in progress for the year ended June 30, 2025, was as follows:

eFtip FY25-FY29 Platform Upgrade	<u>\$ 347,530</u>
	<u>\$ 347,530</u>

Note 7 - Interfund Balances and Transfers

The interfund due to/from amounts at June 30, 2025, were as follows:

	Due From Other Funds	Due to Other Funds
Major Governmental Funds		
General fund	\$ -	\$ 33,939,880
FTA 5303 fund	-	3,241,127
FHWA PL fund	-	5,204,923
TDA fund	21,320,288	-
REAP 2021	23,429,817	-
Total	44,750,105	42,385,930
Non-Major Governmental Funds	485,129	2,849,304
	<u>\$ 45,235,234</u>	<u>\$ 45,235,234</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.

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Notes to Financial Statements

June 30, 2025

The interfund transfers in/out during the year ended June 30, 2025, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds		
General fund	\$ 31,049	\$ 5,000
Total	<u>\$ 31,049</u>	<u>\$ 5,000</u>
Non-Major Governmental Funds		
CALTRANS	\$ 5,000	\$ -
DOE/NETL	<u>-</u>	<u>31,049</u>
Total	<u>\$ 5,000</u>	<u>\$ 31,049</u>

General Fund transfers in consisted of prior year excess revenue from a Department of Energy grant that can be programmed in future years as general expenditures. The transfer was performed to close the DOE/NETL fund. The Caltrans transfers in is due to prior-year revenue recorded in the General Fund that was received for the program activities performed by the Caltrans fund.

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, 2025, SCAG is contractually committed to pay for certain future transportation, technical and other planning consulting services as well as contracts to subrecipients of grants amounting to \$171,780,487.

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. For coverage years 2012-13 and prior, annual retrospective adjustments are conducted; however, coverage years 2013-14 and forward are not subject to routine retrospective adjustments. The Authority's total funding requirements are determined annually through an actuarial analysis, and costs are allocated to individual members based on payroll, loss experience relative to the overall 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 2024-25, 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 \$10 million shared aggregate limit for the entire risk pool during the policy period of July 1, 2024 through June 30, 2025. 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 2024-25.

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, 2025, SCAG paid \$2,277,802 of health insurance premiums and \$333,873 of vision and dental insurance premiums, as well as \$445,992 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, 2027. 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, 2025 and no liability was outstanding.

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The line of credit agreement contains certain covenants regarding timely repayment, maintenance of certain levels of financial position, and other criteria. At June 30, 2025, SCAG management believes SCAG was in compliance with the financial covenants.

Note 10 - Long-Term Liabilities

The following is a summary of changes in SCAG's long-term liabilities for the year ended June 30, 2025:

	Beginning Balance As Restated July 01, 2024	Additions	Deletions	Balance June 30, 2025	Due within One year
Compensated absences, net	\$ 3,374,110	\$ 192,590	\$ -	\$ 3,566,700	\$ 2,861,229
Right of use building lease liabilities	27,565,627	-	474,181	27,091,446	482,838
Right of use equipment lease liability	121,714	72,937	60,557	134,094	60,846
Right of use subscription liability	3,072,969	1,563,161	2,269,052	2,367,078	1,295,936
Total Governmental Activities	<u>\$ 34,134,420</u>	<u>\$ 1,828,688</u>	<u>\$ 2,803,790</u>	<u>\$ 33,159,318</u>	<u>\$ 4,700,849</u>

A. Lease Liabilities

SCAG has six active lease agreements for the use of building space and equipment. As of June 30, 2025, the value of the lease liabilities were \$27,225,540. SCAG is required to make monthly principal and interest payments through September 2043 ranging from \$6,840 to \$1,463,955. 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 \$25,010,714 and \$4,744,719, as of June 30, 2025, 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
2026	\$ 543,684	\$ 1,091,233	\$ 1,634,917
2027	583,949	1,069,610	1,653,559
2028	641,880	1,045,694	1,687,574
2029	734,883	1,018,432	1,753,315
2030	819,082	987,286	1,806,368
2031-2035	5,809,005	4,320,470	10,129,475
2036-2040	9,398,802	2,807,537	12,206,339
2041-2044	8,694,255	613,383	9,307,638
Total	<u>\$ 27,225,540</u>	<u>\$ 12,953,645</u>	<u>\$ 40,179,185</u>

B. Subscription IT Liability

SCAG has 16 active IT subscription agreements for the use of IT software, platforms, and infrastructure. As of June 30, 2025, the value of the IT liabilities were \$2,367,078. SCAG is required to make principal and interest payments through June 2029 with annual payments ranging from \$0 to \$902,004, as well as monthly payments ranging from \$0 to \$23,348. The lease liability was valued using discount rates between 2.18% and 3.71% 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 \$9,439,499 and \$5,897,234 as of June 30, 2025, respectively. The subscriptions had no variable payments and other payments of \$321,272, not included in the subscription liability, within the fiscal year. Due to a change in materiality thresholds, two subscriptions were removed thus reducing the overall subscription liability by \$63,874.

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

Fiscal Year Ending June 30,	Subscription Based IT Liability		
	Principal	Interest	Total
2026	\$ 1,295,936	\$ 65,651	\$ 1,361,587
2027	394,165	27,540	421,705
2028	361,838	16,163	378,001
2029	315,139	5,143	320,282
Total	<u>\$ 2,367,078</u>	<u>\$ 114,497</u>	<u>\$ 2,481,575</u>

Note 11 - Related Party Transactions

For the year ended June 30, 2025, SCAG recorded \$2,742,095 as membership revenue. These revenues are received from member cities, counties, transportation commissions and eleven 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 \$84,345 with a three percent annual increase. For the year ended June 30, 2025, SCAG recorded \$92,166 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, 2025, is presented below:

	CalPERS	PARS	Total
Deferred outflows - pensions	\$ 10,622,690	\$ 4,078	\$ 10,626,768
Net pension liability	50,562,242	171,263	50,733,505
Pension expenses (credit)	8,587,772	(75,738)	8,512,034

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.

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The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire Date		
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	1.426% to 2.418%	1.00% to 2.50%
Required employee contribution rates	7.00%	7.00%
Required employer contribution rates	9.77%	9.77%

Employees Covered

At June 30, 2023, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	241
Inactive employees entitled to but not yet receiving benefits	220
Active employees	210
Total	671

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 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, 2025 were \$7,234,697.

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, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

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June 30, 2025

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	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.

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.

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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 ⁽¹⁾	Assumed Asset Allocation	Real ⁽¹⁾⁽²⁾ Return
Global equity - Cap-weighted	30%	4.54%
Global equity - Non-cap-weighted	12%	3.84%
Private equity	13%	7.28%
Treasury	5%	0.27%
Mortgage-backed securities	5%	0.50%
Investment grade corporates	10%	1.56%
High yield	5%	2.27%
Emerging market debt	5%	2.48%
Private debt	5%	3.57%
Real assets	15%	3.21%
Leverage	-5%	-0.59%
Total	100%	

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

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

C. Changes in the Net Pension Liability

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

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 161,968,741	\$ 108,412,598	\$ 53,556,143
Changes in the year			
Service Cost	4,348,975	-	4,348,975
Interest on the total pension liability	11,069,135	-	11,069,135
Differences between expected and actual experience	751,543	-	751,543
Contributions from the employer	-	6,865,235	(6,865,235)
Contributions from the employee	-	2,032,820	(2,032,820)
Net investment income	-	10,353,715	(10,353,715)
Benefit payments, including refunds of employee contributions	(8,945,032)	(8,945,032)	-
Administrative expenses	-	(88,216)	88,216
Net changes during measurement period	7,224,621	10,218,522	(2,993,901)
Balance at June 30, 2024	\$ 169,193,362	\$ 118,631,120	\$ 50,562,242

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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		
		Current	
	1% Decrease (5.90%)	Discount rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	\$ 71,433,489	\$ 50,562,242	\$ 33,225,441

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, 2025, SCAG recognized pension expense of \$8,587,772. At June 30, 2025, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 237,834	\$ -
Differences between expected and actual experiences	1,517,935	-
Net differences between projected and actual earnings on plan investments	1,632,224	-
Contributions subsequent to measurement date	7,234,697	-
Total	<u>\$ 10,622,690</u>	<u>\$ -</u>

\$7,234,697 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, 2026. 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>	
2026	\$ 1,026,808
2027	3,227,873
2028	(287,519)
2029	(579,169)
Total	<u>\$ 3,387,993</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, 2025 are summarized as follows:

Employees Covered

At June 30, 2025, all employees covered by the benefit terms for each Plan were inactive employees or beneficiaries currently receiving benefits. There were 7 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, 2025 were \$63,708.

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, 2025, 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, 2025 actuarial valuation was determined using the following actuarial assumptions:

	<u>PARS Miscellaneous</u>
Valuation Date	June 30, 2025
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.20%
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, 2025, 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 3.93% as of June 30, 2024 to 5.20% as of June 30, 2025. The Fiduciary Plan Net Position is \$155,242, leaving an unfunded liability, known as the Net Pension Liability of \$171,263. 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.

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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, 2024	\$ 443,746	\$ 132,498	\$ 311,248
Service Cost			
Interest on the total pension liability	16,586	-	16,586
Effect of economic/demographic gains or losses	(67,251)	-	(67,251)
Effect of assumption changes or inputs	(22,748)	-	(22,748)
Benefit payments	(43,828)	(43,828)	-
Contributions from the employer	-	63,708	(63,708)
Net investment income	-	6,470	(6,470)
Administrative expenses	-	(3,606)	3,606
Net changes	(117,241)	22,744	(139,985)
Balance at June 30, 2025	\$ 326,505	\$ 155,242	\$ 171,263

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 (4.20%)	Current Discount rate (5.20%)	1% Increase (6.20%)
Net Pension Liability	\$ 188,937	\$ 171,263	\$ 155,188

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

For the year ended June 30, 2025, SCAG recognized a pension credit of \$75,738. At June 30, 2025, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Deferred Inflows of Resources
Net differences between projected and actual earnings	\$ 4,078	\$ -

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

<u>Year ended June 30,</u>	
2026	\$ 1,949
2027	1,124
2028	613
2029	392
Total	\$ 4,078

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, 2025, plan assets totaling \$43,646,722 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	<u>211</u>
Total	<u><u>317</u></u>

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, 2025 were \$656,970.

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, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. 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.

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 Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation Rate	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, 2024 are summarized as follows:

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

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D. Changes in Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2023	\$ 10,056,418	\$ 8,253,531	\$ 1,802,887
Changes in the year:			
Service cost	400,267	-	400,267
Interest on the total OPEB liability	670,144	-	670,144
Expected investment income	-	560,326	(560,326)
Differences between expected and actual experience	(88,541)	-	(88,541)
Contributions - employer	-	666,329	(666,329)
Differences between projected and actual earnings on plan investments	-	352,969	(352,969)
Benefit payments, including implied rate subsidy	(568,429)	(568,429)	-
Administrative expenses	-	(2,707)	2,707
Net changes	413,441	1,008,488	(595,047)
Balance at June 30, 2024	\$ 10,469,859	\$ 9,262,019	\$ 1,207,840

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	\$ 2,249,796	\$ 1,207,840	\$ 321,499

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	\$ 791,261	\$ 1,207,840	\$ 1,688,871

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, 2025

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

For the year ended June 30, 2025, SCAG recognized OPEB expense of \$484,640. At June 30, 2025, 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	\$ 656,970	\$ -
Changes in assumptions	-	205,310
Differences between actual and expected experience	74,021	258,456
Net difference between projected and actual earnings on plan investments	156,511	-
Total	<u>\$ 887,502</u>	<u>\$ 463,766</u>

\$656,970 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2026	\$ (69,473)
2027	209,313
2028	(143,862)
2029	(147,629)
2030	(32,226)
Thereafter	(49,357)
Total	<u>\$ (233,234)</u>

Note 15 - Accumulated Fund Deficits

The following individual funds reported deficit fund balances as of June 30, 2025:

Nonmajor Fund:	
OTS, Round 9	\$ (24,088)
OTS, TSPMAP	(12,424)
CPUC LATA	(514,610)
CEC, EPRI	(25,283)
Total deficit of governmental activities	<u>\$ (576,405)</u>

The deficits for the two OTS funds (R9 and TSPMAP) are due to not receiving the revenue within the availability period. The deficits for CPUC LATA and CEC EPRI are due to not meeting the eligibility requirements. 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, 2025, that results in a negative fund balance. The fund balance deficits will be offset with future collections of revenue.

Note 16 - Changes in Accounting Principles Changes and Estimates*Changes in Thresholds and Useful Lives of Capital Assets*

Effective July 1, 2024, SCAG updated its accounting manual to increase the capitalization threshold for tangible assets from \$5,000 to \$10,000 and for subscription IT assets, it has increased from \$30,000 to \$75,000. These changes were made to better align the capitalization policy, enhance administrative efficiency and ensure that the financial reporting focuses on assets that are materially significant. These changes in accounting estimates effected the classification of 32 tangible assets, and 2 right-to-use subscription assets, valued at a total of \$318,654 (\$222,246 and \$96,408, respectively), which were previously capitalized, and no longer meet the updated criteria. As a result, these assets have been removed from the capital asset balances. These assets were not fully depreciated or amortized. A total loss on the removal of capital assets of \$85,636 was reflected in the statement of activities. These changes will take effect prospectively, starting in fiscal year 2025.

Effective July 1, 2024, SCAG reviewed and updated the estimated useful lives of certain classes of capital assets as part of its accounting manual update. This change in estimate was made based on a reassessment of asset usage patterns, technological advancements, and condition assessments. The changes were applied prospectively, beginning in fiscal year 2025.

The useful lives were revised as follows:

<u>Asset Class</u>	<u>Previous Useful Life</u>	<u>Revised Useful Life</u>
Computer and Electronic Equipment	3 years	3 to 5 years
Computer Software	5 years	5 to 15 years
Furniture and Fixtures	5 to 7 years	5 to 10 years
Metal Filing Cabinets and Bookshelves	N/A	10 years
Leasehold Improvements	10 years	Contract life as per GAAP
Intangible Assets	5 years	Contract life as per GAAP

This change in accounting estimate revised the useful life of two GASB 51 computer software assets from 5 years to 8 years, which resulted in a reduction in current year's amortization expense of \$26,331.

Restatement of Beginning Net Position (Deficit) due to Implementation of a New Standard

As of July 1, 2024, SCAG adopted GASB Statement No. 101, *Compensated Absences*, which replaces the guidance in GASB Statement No. 16, *Accounting for Compensated Absences*. This disclosure follows the criteria in GASB Statement No. 101, which requires recognizing a liability for compensated absences if the leave is for services already rendered, accumulates, and is more likely than not to be used or settled.

See Note 1 for a description of SCAG's policies and types of leave included in the compensated absence liability.

Southern California Association of Governments

Notes to Financial Statements

June 30, 2025

As required by GASB Statement No. 100, *Accounting Changes and Error Corrections*, the prior-period financial statements presented for comparison have been restated to retroactively apply the provisions of Statement No. 101. The cumulative effect of this change in accounting principle for periods prior to the earliest period presented is reported as a restatement of beginning net position (deficit) as of July 1, 2024.

The key changes under GASB 101 that led to this adjustment include:

- **Measurement of liability:** The standard clarifies that a liability should be recognized for unused leave if it is "more likely than not" (greater than 50% likelihood) that the leave will be used for time off or settled in cash. This is a different threshold than the "probable" standard under the superseded GASB 16 and can lead to a higher reported liability.
- **Recognition of liability:** A liability is now recognized for unused leave that accumulates and is attributable to services already rendered. The standard also provides guidance for leave that has been used but not yet paid.
- **Expansion of scope:** The new guidance clarifies that the liability includes certain salary-related payments and applies to various types of leave, with specific guidance for leave types such as parental leave, military leave, and jury duty.

The impact of implementing this accounting standard was a restatement on the financial statements decreasing net position and increasing compensated absences liability by \$874,924 at July 1, 2024.

Change in Fund Presentation

As of July 1, 2024, SCAG has reclassified the REAP AB 101 fund from a major governmental fund to a non-major governmental fund. This reclassification was based on the application of the quantitative criteria for major fund determination established by GASB. For the current fiscal year, the total assets, liabilities, revenues, and expenditures of the REAP AB 101 fund no longer meet the minimum threshold to be considered a major fund. This change in fund presentation affects the comparability of the fund financial statements. To account for this change, the fund's beginning balance for the current period has been adjusted to reflect the non-major fund classification.

Below summarizes the impact of the restatements on beginning fund balance/net position (deficit):

	Major Funds	Aggregate Non-Major Funds	Government-Wide Governmental Activities
	REAP AB 101		
July 1, 2024, as previously reported	\$ (1,704,822)	\$ (506,677)	\$ (13,993,727)
Change from major to nonmajor	1,704,822	(1,704,822)	-
Change in accounting principle	-	-	(874,924)
July 1, 2024, as restated	\$ -	\$ (2,211,499)	\$ (14,868,651)

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Membership assessments				
Cities	\$ 2,251,020	\$ 2,251,020	\$ 2,253,581	\$ 2,561
Counties	380,014	380,014	380,014	-
Commissions	88,500	88,500	88,500	-
Transportation corridor agency	10,000	10,000	10,000	-
Air districts	10,000	10,000	10,000	-
General assembly	367,273	367,273	538,910	171,637
Transfers from reserves	(146,368)	(146,368)	-	146,368
Interest and other	129,259	129,259	3,274,391	3,145,132
Total revenues	3,089,698	3,089,698	6,555,396	3,465,698
Expenditures				
Administration				
Salaries and wages	64,136	77,393	35,166	42,227
Allocated fringe benefits	41,711	50,333	22,872	27,461
Allocated indirect costs	157,252	189,757	80,037	109,720
Contractual and professional services	291,200	291,200	259,385	31,815
Legal services	883,556	783,556	198,286	585,270
Bank fees	15,000	75,000	76,806	(1,806)
Meetings and special events	181,500	180,000	127,253	52,747
Scholarship	44,000	44,000	40,000	4,000
RC/Committee meetings	5,000	5,000	4,975	25
RC retreat	20,000	20,000	35,235	(15,235)
General assembly	507,510	556,100	522,688	33,412
IT systems, infrastructure and support	500	500	(6,495)	6,995
Memberships and dues	131,000	77,980	75,704	2,276
Office supplies	-	-	2,835	(2,835)
Engagement committee	20,000	20,000	15,401	4,599
Employee recognition	15,000	15,000	9,349	5,651
Department allowances	15,000	15,000	11,041	3,959
Board stipends	301,683	301,683	176,550	125,133
Sponsorships	165,000	165,000	90,150	74,850
Economic and labor summit	59,750	7,160	7,160	-
Demographic workshop	9,800	9,800	8,975	825
Travel	137,400	205,300	129,682	75,618
Other	23,700	150,700	9,700	141,000
Total administration	3,089,698	3,240,462	1,932,755	1,307,707

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Debt Service				
Principal	\$ -	\$ -	\$ 5,721	\$ (5,721)
Interest	-	-	3,481	(3,481)
Total debt service	-	-	9,202	(9,202)
Capital Outlay	-	-	246,592	(246,592)
Total expenditures	3,089,698	3,240,462	2,188,549	1,051,913
Excess (deficiency) of revenues over (under) expenditures	-	(150,764)	4,366,847	4,517,611
Other Financing Sources (Uses)				
Transfers in	-	-	31,049	31,049
Transfers in	-	-	(5,000)	(5,000)
Issuance of debt - leases	-	-	72,937	72,937
Issuance of debt - subscriptions	-	-	171,632	171,632
Total other financing sources (uses)	-	-	270,618	270,618
Net Change in Fund Balances	-	(150,764)	4,637,465	4,788,229
Fund Balances, Beginning of Year	8,737,936	8,737,936	8,737,936	-
Fund Balances, End of Year	<u>\$ 8,737,936</u>	<u>\$ 8,587,172</u>	<u>\$ 13,375,401</u>	<u>\$ 4,788,229</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, 2025

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
Revenues				
Federal grants	\$ 14,960,300	\$ 17,159,949	\$ 12,942,810	\$ (4,217,139)
Expenditures				
Transportation				
Salaries and wages	1,083,217	1,141,469	977,060	164,409
Allocated fringe benefits	704,474	742,357	635,144	107,213
Allocated indirect costs	2,655,946	2,798,775	2,223,318	575,457
Contractual and professional services	665,860	1,077,461	230,559	846,902
Travel	-	-	87	(87)
Meetings and conferences	-	-	447	(447)
Other	3	143,380	-	143,380
Total transportation	5,109,500	5,903,442	4,066,615	1,836,827
Environmental				
Salaries and wages	287,499	274,104	258,357	15,747
Allocated fringe benefits	186,976	178,265	167,730	10,535
Allocated indirect costs	704,921	672,079	587,597	84,482
Contractual and professional services	154,060	156,716	57,568	99,148
Travel	-	-	87	(87)
Meetings and special events	-	-	447	(447)
Other	6	286,759	-	286,759
Total environmental	1,333,462	1,567,923	1,071,786	496,137
Modeling				
Salaries and wages	324,294	335,312	314,847	20,465
Allocated fringe benefits	210,906	218,071	204,471	13,600
Allocated indirect costs	795,139	822,154	716,167	105,987
Contractual and professional services	266,000	601,975	49,737	552,238
Other	9	430,139	-	430,139
Total modeling	1,596,348	2,407,651	1,285,222	1,122,429
Public Involvement				
Salaries and wages	941,410	890,468	847,953	42,515
Allocated fringe benefits	612,249	579,118	549,633	29,485
Allocated indirect costs	2,308,252	2,183,346	1,927,643	255,703
Contractual and professional services	615,819	658,314	262,132	396,182
Travel	-	-	233	(233)
Meetings and special events	-	-	894	(894)
Other	3	143,380	-	143,380
Total public involvement	4,477,733	4,454,626	3,588,488	866,138

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, 2025

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
Sustainability Initiatives				
Salaries and wages	\$ 471,317	\$ 441,798	\$ 422,911	\$ 18,887
Allocated fringe benefits	306,522	287,324	274,558	12,766
Allocated indirect costs	1,155,627	1,083,249	1,036,229	47,020
Contractual and professional services	347,111	399,255	16,532	382,723
Travel	-	-	175	(175)
Meetings and special events	-	-	894	(894)
Other	6	286,760	-	286,760
Total sustainability initiatives	2,280,583	2,498,386	1,751,299	747,087
Administration				
Salaries and wages	36,778	39,519	31,793	7,726
Allocated fringe benefits	23,919	25,701	20,648	5,053
Allocated indirect costs	90,175	96,897	72,318	24,579
Contractual and professional services	11,800	22,424	6,268	16,156
Other	2	143,380	-	143,380
Total administration	162,674	327,921	131,027	196,894
Debt Service				
Principal	-	-	480,682	(480,682)
Interest	-	-	301,270	(301,270)
Total debt service	-	-	781,952	(781,952)
Capital Outlay	-	-	1,657,950	(1,657,950)
Total expenditures	14,960,300	17,159,949	14,334,339	2,825,610
Excess (deficiency) of revenues over/(under) expenditures	-	-	(1,391,529)	(1,391,529)
Other Financing Sources (Uses)				
Issuance of debt - subscriptions	-	-	1,391,529	1,391,529
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Federal grants	\$ 25,328,774	\$ 29,067,241	\$ 22,907,457	\$ (6,159,784)
Expenditures				
Transportation				
Salaries and wages	1,719,314	1,510,963	1,254,093	256,870
Allocated fringe benefits	1,118,164	964,656	803,527	161,129
Allocated indirect costs	4,215,588	3,677,979	2,837,574	840,405
IT systems, infrastructure and support	-	15,258	47,415	(32,157)
Meetings and special events	-	-	430	(430)
Travel	-	3,950	775	3,175
Other	4,217	341,574	-	341,574
Total transportation	7,057,283	6,514,380	4,943,814	1,570,566
Environmental				
Salaries and wages	823,000	743,254	578,220	165,034
Allocated fringe benefits	535,240	478,081	372,505	105,576
Allocated indirect costs	2,017,919	1,814,519	1,311,103	503,416
Travel	-	6,150	943	5,207
Other	2,530	317,109	-	317,109
Total environmental	3,378,689	3,359,113	2,262,771	1,096,342
Modeling				
Salaries and wages	2,671,603	3,156,017	2,954,307	201,710
Allocated fringe benefits	1,737,485	2,037,169	1,911,130	126,039
Allocated indirect costs	6,550,521	7,715,451	6,709,705	1,005,746
IT systems, infrastructure and support	-	554,041	120,931	433,110
Meetings and special events	-	-	2,580	(2,580)
Travel	-	2,850	2,984	(134)
Other	843	1,100,669	-	1,100,669
Total modeling	10,960,452	14,566,197	11,701,637	2,864,560
Public Involvement				
Salaries and wages	205,934	184,980	128,694	56,286
Allocated fringe benefits	133,930	115,007	80,133	34,874
Allocated indirect costs	504,932	445,685	287,984	157,701
Travel	-	1,650	308	1,342
Other	422	146,275	-	146,275
Total public involvement	845,218	893,597	497,119	396,478

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Sustainability Initiatives				
Salaries and wages	\$ 630,100	\$ 605,960	\$ 453,001	\$ 152,959
Allocated fringe benefits	409,787	385,615	288,921	96,694
Allocated indirect costs	1,544,939	1,473,161	1,023,151	450,010
Contractual and professional services	-	177,060	-	177,060
IT systems, infrastructure and support	-	2,100	831	1,269
Meetings and special events	-	-	1,290	(1,290)
Travel	-	7,550	3,268	4,282
Other	-	625,834	-	625,834
Total sustainability initiatives	2,584,826	3,277,280	1,770,462	1,506,818
Administration				
Salaries and wages	122,343	76,805	59,518	17,287
Allocated fringe benefits	79,567	49,420	38,353	11,067
Allocated indirect costs	299,975	187,530	134,970	52,560
Travel	-	850	143	707
Other	421	142,069	-	142,069
Total administration	502,306	456,674	232,984	223,690
Debt Service				
Principal	-	-	974,319	(974,319)
Interest	-	-	524,351	(524,351)
Total debt service	-	-	1,498,670	(1,498,670)
Total expenditures	25,328,774	29,067,241	22,907,457	6,159,784
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Revenues				
Local grants	\$ 8,923,249	\$ 8,923,249	\$ 8,658,666	\$ (264,583)
Expenditures				
Transportation				
Salaries and wages	529,790	497,326	491,068	6,258
Allocated fringe benefits	303,064	299,953	301,253	(1,300)
Allocated indirect costs	1,237,351	1,184,489	1,092,655	91,834
Contractual and professional services	2,300,169	3,615,387	617,904	2,997,483
Legal services	13,856	15,356	3,337	12,019
IT systems, infrastructure and support	94,000	79,442	21,900	57,542
Reproduction and printing	2,500	-	-	-
Travel	67,550	75,350	24,514	50,836
Meetings and special events	4,150	16,650	10,454	6,196
Outreach and advertisement	12,000	12,000	3,930	8,070
Public notices and advertisement	-	180	34	146
Other	1,103	189,586	46	189,540
Total transportation	4,565,533	5,985,719	2,567,095	3,418,624
Environmental				
Salaries and wages	26,647	16,859	18,344	(1,485)
Allocated fringe benefits	6,740	5,669	6,596	(927)
Allocated indirect costs	49,602	33,469	34,394	(925)
Contractual and professional services	55,356	555,325	21,106	534,219
Legal services	27,711	38,961	13,711	25,250
Travel	8,050	8,050	4,595	3,455
Meetings and special events	3,400	3,400	454	2,946
Outreach and advertisement	10,000	10,000	3,928	6,072
Public notices and advertisement	-	1,350	254	1,096
Other	1,605	1,605	24	1,581
Total environmental	189,111	674,688	103,406	571,282
Modeling				
Salaries and wages	523,953	44,126	54,895	(10,769)
Allocated fringe benefits	309,431	12,733	20,234	(7,501)
Allocated indirect costs	1,238,151	84,473	103,607	(19,134)
Contractual and professional services	720,078	390,010	139,635	250,375
Legal services	12,392	12,392	2,361	10,031
IT systems, infrastructure and support	957,900	408,059	178,647	229,412
Travel	43,500	43,500	19,435	24,065
Meetings and special events	4,500	4,500	953	3,547
Outreach and advertisement	10,000	10,000	3,930	6,070
Other	2,108	15,488	-	15,488
Total modeling	3,822,013	1,025,281	523,697	501,584

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Public Involvement				
Salaries and wages	\$ 67,297	\$ 47,429	\$ 47,834	\$ (405)
Allocated fringe benefits	33,176	25,550	25,777	(227)
Allocated indirect costs	149,272	108,425	101,514	6,911
Contractual and professional services	80,728	38,234	22,404	15,830
Legal services	6,928	7,678	1,668	6,010
Travel	12,600	13,000	8,326	4,674
Meetings and special events	10,200	10,200	701	9,499
Outreach and advertisement	55,000	55,000	21,613	33,387
Public notices and advertisement	-	90	17	73
Other	1,703	1,703	118	1,585
Total public involvement	416,904	307,309	229,972	77,337
Sustainability initiatives				
Salaries and wages	303,522	238,109	177,963	60,146
Allocated fringe benefits	180,451	146,384	107,212	39,172
Allocated indirect costs	719,027	571,228	393,272	177,956
Contractual and professional services	457,438	512,215	182,428	329,787
Legal services	14,928	15,678	4,941	10,737
IT systems, infrastructure and support	12,000	12,000	10,950	1,050
Travel	23,550	28,550	11,607	16,943
Meetings and special events	8,000	8,000	1,098	6,902
Outreach and advertisement	15,000	15,000	5,894	9,106
Public notices and advertisement	-	90	17	73
Other	1,805	1,805	47	1,758
Total sustainability initiatives	1,735,721	1,549,059	895,429	653,630
Administration				
Salaries and wages	59,204	54,562	45,825	8,737
Allocated fringe benefits	37,445	34,955	29,271	5,684
Allocated indirect costs	143,589	132,994	103,561	29,433
Contractual and professional services	41,621	32,997	24,298	8,699
Legal services	3,464	4,214	1,154	3,060
Demographic workshop	18,200	18,200	3,750	14,450
Economic and labor summit	128,250	125,250	-	125,250
General assembly	340,715	338,715	320,676	18,039
IT systems, infrastructure and support	36,275	36,275	36,275	-
Travel	17,250	17,383	16,539	844
Meetings and special events	250	250	-	250
Public notices and advertisement	-	90	17	73
Other	703	4,140	-	4,140
Total administration	826,966	800,025	581,366	218,659

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Debt service				
Principal	\$ -	\$ -	\$ 101,564	\$ (101,564)
Interest	-	-	76,150	(76,150)
Total debt service	-	-	177,714	(177,714)
Capital outlay	-	-	152,419	(152,419)
Total expenditures	11,556,248	10,342,081	5,231,098	5,110,983
Excess (deficiency) of revenues over/(under) expenditures	(2,632,999)	(1,418,832)	3,427,568	4,846,400
Net Change in Fund Balances	(2,632,999)	(1,418,832)	3,427,568	4,846,400
Fund Balances, Beginning of Year	18,001,869	18,001,869	18,001,869	-
Fund Balances, End of Year	<u>\$ 15,368,870</u>	<u>\$ 16,583,037</u>	<u>\$ 21,429,437</u>	<u>\$ 4,846,400</u>

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, 2025

	Budgeted Amounts			Variance with Final Budget Positive/ (Negative)
	Original	Final	Actual	
Revenues				
Federal grants	\$ 203,004,547	\$ 215,442,245	\$ 30,255,517	\$ (185,186,728)
Expenditures				
Transportation				
Salaries and wages	522,498	425,685	356,118	69,567
Allocated fringe benefits	339,809	276,847	231,619	45,228
Allocated indirect costs	1,281,119	1,043,742	810,522	233,220
Contractual and professional services	80,300,000	82,178,104	11,380,846	70,797,258
Travel	21,500	21,500	5,217	16,283
Other	2,285,286	7,200,705	-	7,200,705
Total transportation	84,750,212	91,146,583	12,784,322	78,362,261
Environmental				
Contractual and professional services	400,000	-	-	-
Total Environmental	400,000	-	-	-
Sustainability Initiatives				
Salaries and wages	1,252,126	1,077,175	1,116,488	(39,313)
Allocated fringe benefits	814,324	700,545	726,164	(25,619)
Allocated indirect costs	3,070,099	2,641,137	2,541,118	100,019
Contractual and professional services	110,375,000	112,668,600	11,802,660	100,865,940
Travel	7,500	7,500	2,238	5,262
Other	2,285,286	7,200,705	-	7,200,705
Total Sustainability Initiatives	117,804,335	124,295,662	16,188,668	108,106,994
Administration				
Contractual and professional services	50,000	-	-	-
Total administration	50,000	-	-	-
Debt service				
Principal	-	-	1,105,455	(1,105,455)
Interest	-	-	177,072	(177,072)
Total debt service	-	-	1,282,527	(1,282,527)
Total expenditures	203,004,547	215,442,245	30,255,517	185,186,728
Excess (deficiency) of revenues over/(under) expenditures	-	-	-	-
Net Change in Fund Balances	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-
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, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Service cost	\$ 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	\$ 4,348,975
Interest on total pension liability	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	11,069,135
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	751,543
Changes in assumptions **	(1,702,023)	-	6,497,980	(853,150)	-	-	-	3,805,341	-	-
Benefit payments, including refunds of employee contributions	(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)	(8,945,032)
Net changes in total pension liability	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	7,224,621
Total pension liability - beginning	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	161,968,741
Total pension liability - ending (a)	\$ 106,530,227	\$ 112,614,161	\$ 125,524,086	\$ 129,118,546	\$ 134,187,303	\$ 139,294,683	\$ 143,938,359	\$ 153,852,518	\$ 161,968,741	\$ 169,193,362
Plan Fiduciary Net Position										
Contributions - employer	\$ 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	\$ 6,865,235
Contributions - employee	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	2,032,820
Net investment income	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	10,353,715
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)	(88,216)
Benefit payments	(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)	(8,945,032)
Other miscellaneous income/(expense)	-	-	-	(247,357)	204	-	-	-	-	-
Net change in plan fiduciary net position	(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	10,218,522
Plan fiduciary net position - beginning	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	108,412,598
Plan fiduciary net position - ending (b)	\$ 79,134,708	\$ 77,320,410	\$ 83,589,430	\$ 87,906,092	\$ 90,784,973	\$ 92,941,387	\$ 112,210,823	\$ 102,785,735	\$ 108,412,598	\$ 118,631,120
Net pension liability - ending (a)-(b)	27,395,519	35,293,751	41,934,656	41,212,454	43,402,330	46,353,296	31,727,536	51,066,783	53,556,143	50,562,242
Plan fiduciary net position as a percentage of total pension liability	74.28%	68.66%	66.59%	68.08%	67.66%	66.72%	77.96%	66.81%	66.93%	70.12%
Covered-employee 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
Net pension liability as a percentage of covered-employee payroll	221.58%	243.75%	311.79%	301.70%	306.27%	290.38%	172.74%	244.19%	218.65%	178.10%

** 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%.

For the measurement period ended June 30, 2024, the discount rate and the inflation rate remained at 6.80% and 2.30%, respectively.

Southern California Association of Governments
California Public Employees' Retirement System (CalPERS)
Schedule of Plan Contributions
Last Ten Years
As of June 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 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	\$ 7,234,697
Contribution made	(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)	(7,234,697)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 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	\$ 28,224,527
Contributions as a percentage of covered-employee payroll	18.56%	21.82%	21.51%	24.27%	25.98%	26.28%	27.08%	25.36%	24.18%	25.63%

Notes to Schedule

Valuation date: 6/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age actuarial cost method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	Market value of assets
Price inflation salary increases	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvements using 80% of Scale MP-2020 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, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Pension Liability										
Interest on total pension liability	\$ 23,361	\$ 23,351	\$ 24,138	\$ 24,762	\$ 22,278	\$ 14,966	\$ 12,377	\$ 19,052	\$ 16,200	\$ 16,586
Effect of economic/demographic gains or losses	24,562	(63,489)	17,893	18,965	21,057	(56,668)	24,027	(55,087)	15,776	(67,251)
Effect of assumptions changes or inputs*	139,540	(40,318)	(13,995)	16,695	59,559	2,842	(16,461)	(2,999)	(6,859)	(22,748)
Benefit payments	(66,738)	(67,444)	(61,853)	(63,090)	(64,352)	(59,911)	(59,946)	(60,544)	(49,972)	(43,828)
Net change in total pension liability	120,725	(147,900)	(33,817)	(2,668)	38,542	(98,771)	(40,003)	(99,578)	(24,855)	(117,241)
Total pension liability - beginning	732,071	852,796	704,896	671,079	668,411	706,953	608,182	568,179	468,601	443,746
Total pension liability - ending (a)	<u>\$ 852,796</u>	<u>\$ 704,896</u>	<u>\$ 671,079</u>	<u>\$ 668,411</u>	<u>\$ 706,953</u>	<u>\$ 608,182</u>	<u>\$ 568,179</u>	<u>\$ 468,601</u>	<u>\$ 443,746</u>	<u>\$ 326,505</u>
Plan Fiduciary Net Position										
Benefit payments	\$ (66,738)	\$ (67,444)	\$ (61,853)	\$ (63,090)	\$ (64,352)	\$ (59,911)	\$ (59,946)	\$ (60,544)	\$ (49,972)	\$ (43,828)
Administrative expense	(4,011)	(3,088)	(5,185)	(4,255)	(3,266)	(5,501)	(4,515)	(4,606)	(4,698)	(3,606)
Contributions - employer	71,352	72,779	74,235	75,719	57,702	98,310	80,354	81,961	83,600	63,708
Investment gains or losses	6	41	200	557	390	6	86	2,660	5,633	6,470
Net change in plan fiduciary net position	609	2,288	7,397	8,931	(9,526)	32,904	15,979	19,471	34,563	22,744
Plan fiduciary net position - beginning	19,882	20,491	22,779	30,176	39,107	29,581	62,485	78,464	97,935	132,498
Plan fiduciary net position - ending (b)	<u>\$ 20,491</u>	<u>\$ 22,779</u>	<u>\$ 30,176</u>	<u>\$ 39,107</u>	<u>\$ 29,581</u>	<u>\$ 62,485</u>	<u>\$ 78,464</u>	<u>\$ 97,935</u>	<u>\$ 132,498</u>	<u>\$ 155,242</u>
Net pension liability - ending (a)-(b)	\$ 832,305	\$ 682,117	\$ 640,903	\$ 629,304	\$ 677,372	\$ 545,697	\$ 489,715	\$ 370,666	\$ 311,248	\$ 171,263
Plan fiduciary net position as a percentage of total pension liability	2.40%	3.23%	4.50%	5.85%	4.18%	10.27%	13.81%	20.90%	29.86%	47.55%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

* Change of assumptions: For the measurement period ended June 30, 2025, the discount rate used in the valuation increased to 5.20% from 3.93%.

Southern California Association of Governments
Public Agency Retirement System (PARS) Supplementary Retirement Plan
Schedule of Plan Contributions
Last Ten Years
Year Ended June 30, 2025

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 71,352	\$ 72,779	\$ 74,235	\$ 75,719	\$ 57,702	\$ 98,310	\$ 80,354	\$ 81,961	\$ 83,600	\$ 63,708
Contribution made	(71,352)	(72,779)	(74,235)	(75,719)	(57,702)	(98,310)	(80,354)	(81,961)	(83,600)	(63,708)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee 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-employee 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: 6/30/2025

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, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Total OPEB Liability								
Service cost	\$ 234,601	\$ 250,437	\$ 257,950	\$ 247,159	\$ 253,956	\$ 293,436	\$ 301,505	\$ 400,267
Interest on the total OPEB liability	628,051	646,120	664,742	644,240	643,752	633,237	652,386	670,144
Differences between actual and expected experience	-	-	(359,001)	(92,055)	(267,594)	6,180	89,544	(88,541)
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)	(568,429)
Net change in total OPEB liability	261,428	276,185	(284,786)	136,173	(211,050)	298,968	209,024	413,441
Total OPEB liability - beginning	9,370,476	9,631,904	9,908,089	9,623,303	9,759,476	9,548,426	9,847,394	10,056,418
Total OPEB liability - ending (a)	<u>\$ 9,631,904</u>	<u>\$ 9,908,089</u>	<u>\$ 9,623,303</u>	<u>\$ 9,759,476</u>	<u>\$ 9,548,426</u>	<u>\$ 9,847,394</u>	<u>\$ 10,056,418</u>	<u>\$ 10,469,859</u>
Plan Fiduciary Net Position								
Contributions - employer	\$ 1,033,199	\$ 938,099	\$ 956,076	\$ 782,082	\$ 840,296	\$ 772,866	\$ 801,025	\$ 666,329
Net investment income	452,722	398,485	370,167	224,666	1,849,065	(1,176,652)	500,014	913,295
Benefit payments	(601,224)	(620,372)	(636,009)	(663,171)	(698,772)	(633,885)	(666,329)	(568,429)
Administrative expenses	(2,287)	(2,713)	(2,858)	(3,136)	(2,549)	(2,210)	(2,234)	(2,707)
Other expense	-	(6,533)	-	-	-	-	-	-
Net change in plan fiduciary net position	882,410	706,966	687,376	340,441	1,988,040	(1,039,881)	632,476	1,008,488
Plan fiduciary net position - beginning	4,055,703	4,938,113	5,645,079	6,332,455	6,672,896	8,660,936	7,621,055	8,253,531
Plan fiduciary net position - ending (b)	<u>4,938,113</u>	<u>5,645,079</u>	<u>6,332,455</u>	<u>6,672,896</u>	<u>8,660,936</u>	<u>7,621,055</u>	<u>8,253,531</u>	<u>9,262,019</u>
Net OPEB liability - ending (a)-(b)	<u>\$ 4,693,791</u>	<u>\$ 4,263,010</u>	<u>\$ 3,290,848</u>	<u>\$ 3,086,580</u>	<u>\$ 887,490</u>	<u>\$ 2,226,339</u>	<u>\$ 1,802,887</u>	<u>\$ 1,207,840</u>
Plan fiduciary net position as a percentage of the total OPEB liability	51.27%	56.97%	65.80%	68.37%	90.71%	77.39%	82.07%	88.46%
Covered-employee payroll	\$ 13,449,458	\$ 14,314,496	\$ 15,094,517	\$ 16,860,092	\$ 18,993,604	\$ 21,990,288	\$ 26,220,611	\$ 29,970,399
Net OPEB liability as a percentage of covered-employee payroll	34.90%	29.78%	21.80%	18.31%	4.67%	10.12%	6.88%	4.03%

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, 2025

	2018	2019	2020	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 853,217	\$ 878,814	\$ 782,082	\$ 698,772	\$ 697,791	\$ 698,772	\$ 666,329	\$ 656,970
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>	<u>(656,970)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<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	\$ 29,701,017
Contributions as a percentage of covered-employee payroll	5.96%	5.82%	4.64%	3.68%	3.17%	2.66%	2.22%	2.21%

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 Actuarial 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.

Southern California Association of Governments

Notes to Required Supplementary Information

Year Ended June 30, 2025

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	\$ 6,555,396	\$ 6,555,396	\$ -
Total expenditures	(2,188,549)	(1,620,944)	(567,605)
Other financing sources	270,618	270,618	-
Deficiency of revenues under expenditures	<u>\$ 4,637,465</u>	<u>\$ 5,205,070</u>	<u>\$ (567,605)</u>

Difference pertains to depreciation expense and a loss on removal of capital assets that were 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.

Supplemental Combining Financial Statements

Southern California Association of Governments

Combining Balance Sheet – Nonmajor Funds

June 30, 2025

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Assets				
Receivables - grants	\$ -	\$ -	\$ 18,366	\$ 18,366
Due from other governments	1,180,476	2,549,272	-	3,729,748
Due from other funds	-	36,464	448,665	485,129
Total assets	<u>\$ 1,180,476</u>	<u>\$ 2,585,736</u>	<u>\$ 467,031</u>	<u>\$ 4,233,243</u>
Liabilities				
Accounts and contracts payable	\$ 90,285	\$ 1,364,841	\$ 216,560	\$ 1,671,686
Due to other governments	-	15,041	-	15,041
Due to other funds	1,090,191	1,745,747	13,366	2,849,304
Advances from grantors	-	-	237,105	237,105
Total liabilities	<u>1,180,476</u>	<u>3,125,629</u>	<u>467,031</u>	<u>4,773,136</u>
Deferred inflows of resources				
Deferred inflows of resources relating to grants	<u>36,512</u>	<u>-</u>	<u>-</u>	<u>36,512</u>
Fund Balances - Unassigned	<u>(36,512)</u>	<u>(539,893)</u>	<u>-</u>	<u>(576,405)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,180,476</u>	<u>\$ 2,585,736</u>	<u>\$ 467,031</u>	<u>\$ 4,233,243</u>

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds
Year Ended June 30, 2025

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Revenues				
Grant revenue, net	\$ 3,898,657	\$ 11,446,665	\$ 369,878	\$ 15,715,200
Expenditures				
Transportation				
Salaries and wages	492,101	423,093	135	915,329
Allocated fringe benefits	320,062	275,178	88	595,328
Allocated indirect costs	1,120,018	962,954	309	2,083,281
Contractual services	870,857	3,905,630	98,692	4,875,179
Other	31,333	5,000	-	36,333
Total transportation	2,834,371	5,571,855	99,224	8,505,450
Environmental				
Salaries and wages	296	6,347	-	6,643
Allocated fringe benefits	193	4,128	-	4,321
Allocated indirect costs	673	14,445	-	15,118
Contractual services	136,342	-	-	136,342
Total environmental	137,504	24,920	-	162,424
Modeling				
Salaries and wages	8,846	75,865	-	84,711
Allocated fringe benefits	5,753	49,342	-	55,095
Allocated indirect costs	20,134	172,667	-	192,801
Contractual services	102,256	401,771	270,299	774,326
Other	-	381	-	381
Total modeling	136,989	700,026	270,299	1,107,314
Public Involvement				
Salaries and wages	30,248	3,173	-	33,421
Allocated fringe benefits	19,672	2,064	-	21,736
Allocated indirect costs	68,846	7,223	-	76,069
Contractual services	262,178	-	-	262,178
Other	14,945	-	-	14,945
Total public involvement	395,889	12,460	-	408,349
Sustainability Initiatives				
Salaries and wages	7,613	587,842	-	595,455
Allocated fringe benefits	4,956	382,331	-	387,287
Allocated indirect costs	17,329	1,337,921	-	1,355,250
Contractual services	-	970,947	-	970,947
Other	-	3,747	-	3,747
Total sustainability initiatives	29,898	3,282,788	-	3,312,686

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds
Year Ended June 30, 2025

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Administration				
Salaries and wages	\$ 9,258	\$ 3,173	\$ 3	\$ 12,434
Allocated fringe benefits	6,022	2,064	2	8,088
Allocated indirect costs	21,074	7,222	7	28,303
Contractual services	98,754	-	319	99,073
Other	4,982	-	-	4,982
Total administration:	<u>140,090</u>	<u>12,459</u>	<u>331</u>	<u>152,880</u>
Debt Service				
Principal	45,269	90,769	11	136,049
Interest	<u>51,244</u>	<u>102,748</u>	<u>13</u>	<u>154,005</u>
Total debt service	<u>96,513</u>	<u>193,517</u>	<u>24</u>	<u>290,054</u>
Capital Outlay	<u>-</u>	<u>114,900</u>	<u>-</u>	<u>114,900</u>
Total expenditures	<u>3,771,254</u>	<u>9,912,925</u>	<u>369,878</u>	<u>14,054,057</u>
Excess (deficiency) of revenues over (under) expenditures	<u>127,403</u>	<u>1,533,740</u>	<u>-</u>	<u>1,661,143</u>
Other financing sources (uses)				
Transfers in	-	5,000	-	5,000
Transfers out	<u>(31,049)</u>	<u>-</u>	<u>-</u>	<u>(31,049)</u>
Total other financing sources (uses)	<u>(31,049)</u>	<u>5,000</u>	<u>-</u>	<u>(26,049)</u>
Net Change in Fund Balance	96,354	1,538,740	-	1,635,094
Fund Balances, Beginning of Year, as Previously Stated	(132,866)	(373,811)	-	(506,677)
Reclassification of Major Fund	<u>-</u>	<u>(1,704,822)</u>	<u>-</u>	<u>(1,704,822)</u>
Fund Balances, Beginning of Year, As Restated	<u>(132,866)</u>	<u>(2,078,633)</u>	<u>-</u>	<u>(2,211,499)</u>
Fund Balances, End of Year	<u>\$ (36,512)</u>	<u>\$ (539,893)</u>	<u>\$ -</u>	<u>\$ (576,405)</u>

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

State and Community Highway Safety Funds:

OTS, Round 8: 20049

This fund is established to account for revenues from the Office of Traffic Safety Active Transportation Safety received in FY 2023.

OTS, TSP: 20052

This fund is established to account for revenues from the Transportation Safety Predictive Modeling and Analysis Platform project for FY 2024.

OTS, Round 9: 20053

This fund is established to account for revenues from the Pedestrian and Bike Safety Program for FY 2025.

OTS, TSPMAP: 20054

This fund is established to account for revenues from the OTS Transportation Safety Predictive Modeling & Analysis Platform for FY 2025.

FHWA Funds:

FHWA PP: 20098

This fund is established to account for revenues from the FHWA Partnership Planning.

FHWA HIP: 20112

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).

CRP-SC&M: 20200

This fund is established to account for revenue from the Carbon Reduction Program and Smart Cities and Mobility Innovations.

CRP RPI, TDA: 20201

This fund is established to account for revenue from the Transportation Data Analytics TA Program to provide strategic advisory and analytical expertise in the use and leveraging of transportation.

CRP PI: 20204

This fund is established to account for revenue from the CRP Pricing & Incentives program to support deployment of a beta-test for the SCAG region and some foundational elements of a full-scale pilot project.

CRP LMFP: 20205

This fund is established to account for revenue from the Last Mile Freight Program to serve as an initial step towards implementing freight-related clean vehicles/equipment and infrastructure to support cleaner air goals.

CRP CS: 20206

This fund is established to account for revenue from the Comprehensive Sustainable Freight Plan and Implementation Strategy program.

CRP RPI P: 20207

This fund is established to account for revenue from the Regional Pilot Initiative launching a transformative regional transportation program to implement innovative pilot projects.

CMAQ-GFTDM: 20300

This fund is established to account for revenue from the CMAQ - 2028 Games Freight TDM implementation to identify and implement pilot projects and opportunities to test strategic approaches, potential freight industry partnerships, and refine selected freight TDM strategies for implementation.

CMAQ-GTDM: 20301

This fund is established to account for revenue from the CMAQ - 2028 Games TDM Initiation Plan and Implementation to develop and implement pilot projects to evaluate viability and replicability of project deployments to targeted locations.

STBG, RPA: 20400

This fund is established to account for revenue from the Surface Transportation Block Grant Program.

Other Federal Funds:

DOE NETL: 20038

This fund is established to account for revenues from the Department of Energy for the Clean Cities programs.

FTA 5304: 20070

This fund is established to account for revenues from the Federal Transit Administration Sec. 5304 Metropolitan Planning Program.

DOE AI BMMS: 20110

This fund is established to account for revenues from the Department of Energy, Energy Efficiency & Renewable Energy for Artificial Intelligence-Based Mobility Monitoring System and Analytics Demonstration Pilot project.

DOE CM&I: 20111

This fund is established to account for revenues from the Department of Energy, Energy Efficiency & Renewable Energy for Testing and Evaluation of Curb Management and Integrated Strategies to Catalyze Market Adoption of Electric Vehicles project.

Southern California Association of Governments
Combining Balance Sheet – Federal Nonmajor Funds
June 30, 2025

	NHTSA				FHWA		Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 8 20049	OTS, TSP 20052	OTS, Round 9 20053	OTS, TSPMAP 20054	20098, 20112, 20200 20201, 20204, 20205 20206, 20207, 20300 20301, 20400		20038, 20070 20110, 20111	
Assets								
Due from other governments - federal grants	\$ -	\$ -	\$ 195,684	\$ 28,755	\$ 933,293	\$ 22,744		\$ 1,180,476
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,684</u>	<u>\$ 28,755</u>	<u>\$ 933,293</u>	<u>\$ 22,744</u>		<u>\$ 1,180,476</u>
Liabilities								
Accounts and contracts payable	\$ -	\$ -	\$ 37,588	\$ 18,627	\$ 34,070	\$ -		\$ 90,285
Due to other funds	-	-	158,096	10,128	899,223	22,744		1,090,191
Total liabilities	-	-	195,684	28,755	933,293	22,744		1,180,476
Deferred Inflows of Resources								
Deferred inflows of resources relating to grants	-	-	24,088	12,424	-	-		36,512
Fund Balances - Unassigned	-	-	(24,088)	(12,424)	-	-		(36,512)
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,684</u>	<u>\$ 28,755</u>	<u>\$ 933,293</u>	<u>\$ 22,744</u>		<u>\$ 1,180,476</u>

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Federal Nonmajor Funds
Year Ended June 30, 2025

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 8 20049	OTS, TSP 20052	OTS, Round 9 20053	OTS, TSPMAP 20054	20098, 20112, 20200 20201, 20204, 20205 20206, 20207, 20300 20301, 20400	20038, 20070 20110, 20111	
Revenues							
Federal grant revenue, net	\$ 796,475	\$ 292,237	\$ 385,600	\$ 383,123	\$ 1,873,036	\$ 168,186	\$ 3,898,657
Expenditures							
Transportation							
Salaries and wages	2,298	207	52,810	534	405,721	30,531	492,101
Allocated fringe benefits	1,494	135	34,348	347	263,881	19,857	320,062
Allocated indirect costs	5,230	471	120,195	1,214	923,419	69,489	1,120,018
Contractual services	376,861	145,270	11,153	195,585	141,988	-	870,857
Other	11,878	-	18,013	-	-	1,442	31,333
Total transportation	397,761	146,083	236,519	197,680	1,735,009	121,319	2,834,371
Environmental							
Salaries and wages	-	83	-	213	-	-	296
Allocated fringe benefits	-	54	-	139	-	-	193
Allocated indirect costs	-	188	-	485	-	-	673
Contractual services	-	58,108	-	78,234	-	-	136,342
Total environmental	-	58,433	-	79,071	-	-	137,504
Modeling							
Salaries and wages	-	62	-	160	8,624	-	8,846
Allocated fringe benefits	-	40	-	104	5,609	-	5,753
Allocated indirect costs	-	141	-	364	19,629	-	20,134
Contractual services	-	43,581	-	58,675	-	-	102,256
Total public involvement	-	43,824	-	59,303	33,862	-	136,989
Public Involvement							
Salaries and wages	1,148	41	26,405	107	-	2,547	30,248
Allocated fringe benefits	747	27	17,174	69	-	1,655	19,672
Allocated indirect costs	2,615	94	60,098	243	-	5,796	68,846
Contractual services	188,431	29,054	5,576	39,117	-	-	262,178
Other	5,939	-	9,006	-	-	-	14,945
Total public involvement	198,880	29,216	118,259	39,536	-	9,998	395,889
Sustainability Initiatives							
Salaries and wages	-	-	-	-	7,613	-	7,613
Allocated fringe benefits	-	-	-	-	4,956	-	4,956
Allocated indirect costs	-	-	-	-	17,329	-	17,329
Total sustainability initiatives	-	-	-	-	29,898	-	29,898
Administration							
Salaries and wages	383	21	8,800	54	-	-	9,258
Allocated fringe benefits	249	13	5,725	35	-	-	6,022
Allocated indirect costs	872	47	20,033	122	-	-	21,074
Contractual services	62,810	14,527	1,859	19,558	-	-	98,754
Other	1,980	-	3,002	-	-	-	4,982
Total administration	66,294	14,608	39,419	19,769	-	-	140,090

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Federal Nonmajor Funds
Year Ended June 30, 2025

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 8 20049	OTS, TSP 20052	OTS, Round 9 20053	OTS, TSPMAP 20054	20098, 20112, 20200 20201, 20204, 20205 20206, 20207, 20300 20301, 20400	20038, 20070 20110, 20111	
Debt Service							
Principal	\$ 316	\$ 34	\$ 7,266	\$ 88	\$ 34,835	\$ 2,730	\$ 45,269
Interest	358	39	8,225	100	39,432	3,090	51,244
Total debt service	674	73	15,491	188	74,267	5,820	96,513
Total expenditures	663,609	292,237	409,688	395,547	1,873,036	137,137	3,771,254
Excess (deficiency) of revenues over (under) expenditures	132,866	-	(24,088)	(12,424)	-	31,049	127,403
Other financing sources (uses)							
Transfers out	-	-	-	-	-	(31,049)	(31,049)
Net Change in Fund Balance	132,866	-	(24,088)	(12,424)	-	-	96,354
Fund Balances, Beginning of Year	(132,866)	-	-	-	-	-	(132,866)
Fund Balances, End of Year	\$ -	\$ -	\$ (24,088)	\$ (12,424)	\$ -	\$ -	\$ (36,512)

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

FY21 MSRC: 30220

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

FY23 SB1 SCF: 30221

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

FY24 SB1 SCFG: 30222

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

SB 1 SCF: 30223

This is FY25 SB1 Sustainable Communities (SC) Formula.

CPUC LATA: 30301

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.

SALC: 30302

This is a grant from the Sustainable Agricultural Lands Conservation Program to support California Greenhouse Gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses. The funding will be used to develop a Natural & Agricultural Lands Economic and Resilience Benefits Study and Landscape Analysis White Paper for SCAG's six county region.

Caltrans: 30303

This is for a Caltrans contribution towards a SB 743 expert panel focused on estimating induced vehicle miles traveled for priced managed lane highway projects in the SCAG region.

ATP Cycle 5: 30406

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

ATP C5 SM: 30408

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

ATP C5 NV: 30409

This is Active Transportation Program Cycle 5 Network Visioning created to encourage increased use of active modes of transportation, such as biking and walking.

REAP AB101: 30500

This is Regional Early Action Planning (REAP) AB 101 Fund, this 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.

FY24 CL AD: 30502

This is the Caltrans Sustainable Transportation Planning Grant award under Climate Adaptation Planning.

CWBD-IERS: 30600

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, EPRI, R: 30650

This is the Clean Technology program to support Infrastructure for Zero-Emission Medium and Heavy-Duty Truck Study.

Southern California Association of Governments
Combining Balance Sheet – State Nonmajor Funds
June 30, 2025

	<u>FY21 MSRC</u>	<u>FY23 SB1</u>	<u>FY24 SB1</u>	<u>FY25 SB1 SCF</u>	<u>CPUC LATA</u>	<u>SALC</u>	<u>CALTRANS</u>	<u>ATP Cycle 5</u>
	<u>30220</u>	<u>30221</u>	<u>30222</u>	<u>30223</u>	<u>30301</u>	<u>30302</u>	<u>30303</u>	<u>30406</u>
Assets								
Due from other governments - state grants	\$ 641,175	\$ 58,364	\$ 638,069	\$ 692,235	\$ -	\$ 68,340	\$ -	\$ 151,005
Due from other funds	-	-	-	-	-	-	-	-
Total assets	<u>\$ 641,175</u>	<u>\$ 58,364</u>	<u>\$ 638,069</u>	<u>\$ 692,235</u>	<u>\$ -</u>	<u>\$ 68,340</u>	<u>\$ -</u>	<u>\$ 151,005</u>
Liabilities								
Accounts and contracts payable	\$ 641,175	\$ 37,761	\$ 294,931	\$ 86,204	\$ 67,097	\$ 45,468	\$ -	\$ 42,203
Due to other governments	-	-	-	-	-	-	-	-
Due to other funds	-	20,603	343,138	606,031	447,513	22,872	-	108,802
Total liabilities	<u>641,175</u>	<u>58,364</u>	<u>638,069</u>	<u>692,235</u>	<u>514,610</u>	<u>68,340</u>	<u>-</u>	<u>151,005</u>
Fund Balances - Unassigned	-	-	-	-	(514,610)	-	-	-
Total liabilities and fund balances	<u>\$ 641,175</u>	<u>\$ 58,364</u>	<u>\$ 638,069</u>	<u>\$ 692,235</u>	<u>\$ -</u>	<u>\$ 68,340</u>	<u>\$ -</u>	<u>\$ 151,005</u>

Southern California Association of Governments
Combining Balance Sheet – State Nonmajor Funds
June 30, 2025

	ATP C5 SM	ATP C5 NV	REAP AB 101	FY24 Climate Adaption	CWBD-IERS	CEC, EPRI	Total State Nonmajor Funds
	30408	30409	30500	30502	30600	30650	
Assets							
Due from other governments - state grants	\$ 91,489	\$ 193,554	\$ -	\$ 15,041	\$ -	\$ -	\$ 2,549,272
Due from other funds	-	-	-	-	36,464	-	36,464
Total assets	<u>\$ 91,489</u>	<u>\$ 193,554</u>	<u>\$ -</u>	<u>\$ 15,041</u>	<u>\$ 36,464</u>	<u>\$ -</u>	<u>\$ 2,585,736</u>
Liabilities							
Accounts and contracts payable	\$ 91,489	\$ 22,049	\$ -	\$ -	\$ 36,464	\$ -	\$ 1,364,841
Due to other governments	-	-	-	15,041	-	-	15,041
Due to other funds	-	171,505	-	-	-	25,283	1,745,747
Total liabilities	<u>91,489</u>	<u>193,554</u>	<u>-</u>	<u>15,041</u>	<u>36,464</u>	<u>25,283</u>	<u>3,125,629</u>
Fund Balances - Unassigned	-	-	-	-	-	(25,283)	(539,893)
Total liabilities and fund balances	<u>\$ 91,489</u>	<u>\$ 193,554</u>	<u>\$ -</u>	<u>\$ 15,041</u>	<u>\$ 36,464</u>	<u>\$ -</u>	<u>\$ 2,585,736</u>

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds
Year Ended June 30, 2025

	FY21 MSRC	FY23 SB1	FY24 SB1	FY25 SB1 SCF	CPUC LATA	SALC	CALTRANS	ATP Cycle 5
	30220	30221	30222	30223	30301	30302	30303	30406
Revenues								
State grant revenue, net	\$ 1,961,175	\$ 872,052	\$ 1,259,027	\$ 2,362,346	\$ -	\$ 68,340	\$ -	\$ 383,106
Expenditures								
Transportation								
Salaries and wages	-	40,689	122,717	249,810	9,877	-	-	-
Allocated fringe benefits	-	26,464	79,815	162,476	6,423	-	-	-
Allocated indirect costs	-	92,607	279,304	568,565	22,478	-	-	-
Contractual services	1,961,175	174,419	579,208	41,404	301,935	-	-	329,560
Other	-	-	-	-	-	-	5,000	-
Total transportation	1,961,175	334,179	1,061,044	1,022,255	340,713	-	5,000	329,560
Environmental								
Salaries and wages	-	-	-	6,347	-	-	-	-
Allocated fringe benefits	-	-	-	4,128	-	-	-	-
Allocated indirect costs	-	-	-	14,445	-	-	-	-
Total environmental	-	-	-	24,920	-	-	-	-
Modeling								
Salaries and wages	-	-	-	75,865	-	-	-	-
Allocated fringe benefits	-	-	-	49,342	-	-	-	-
Allocated indirect costs	-	-	-	172,667	-	-	-	-
Contractual services	-	-	97,916	303,855	-	-	-	-
Other	-	-	-	381	-	-	-	-
Total modeling	-	-	97,916	602,110	-	-	-	-
Public Involvement								
Salaries and wages	-	-	-	3,173	-	-	-	-
Allocated fringe benefits	-	-	-	2,064	-	-	-	-
Allocated indirect costs	-	-	-	7,223	-	-	-	-
Total public involvement	-	-	-	12,460	-	-	-	-
Sustainability								
Salaries and wages	-	26,311	16,493	126,198	-	-	-	-
Allocated fringe benefits	-	17,113	10,727	82,079	-	-	-	-
Allocated indirect costs	-	59,885	37,538	287,225	-	-	-	-
Contractual services	-	396,725	10,807	20,495	-	68,340	-	-
Other	-	-	-	1,525	-	-	-	-
Total sustainability	-	500,034	75,565	517,522	-	68,340	-	-
Administration								
Salaries and wages	-	-	-	3,173	-	-	-	-
Allocated fringe benefits	-	-	-	2,064	-	-	-	-
Allocated indirect costs	-	-	-	7,222	-	-	-	-
Total administration	-	-	-	12,459	-	-	-	-
Debt Service								
Principal	-	5,531	11,493	38,353	815	-	-	-
Interest	-	6,261	13,009	43,414	923	-	-	-
Total debt service	-	11,792	24,502	81,767	1,738	-	-	-
Capital Outlay	-	26,047	-	88,853	-	-	-	-
Total expenditures	1,961,175	872,052	1,259,027	2,362,346	342,451	68,340	5,000	329,560
Excess of revenues over expenditures	-	-	-	-	(342,451)	-	(5,000)	53,546
Other financing sources (uses)								
Transfers out	-	-	-	-	-	-	5,000	-
Net Change in Fund Balance	-	-	-	-	(342,451)	-	-	53,546
Fund Balances, Beginning of Year as Previously Stated	-	-	-	-	(172,159)	-	-	(53,546)
Fund Reclassification to Non-Major	-	-	-	-	-	-	-	-
Fund Balances, Beginning of Year, As Restated	-	-	-	-	(172,159)	-	-	(53,546)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ (514,610)	\$ -	\$ -	\$ -

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds
Year Ended June 30, 2025

	ATP C5 SM	ATP C5 NV	REAP AB 101	FY24 Climate Adaption	CWBD-IERS	CEC, EPRI	Total State Nonmajor Funds
	30408	30409	30500	30502	30600	30650	
Revenues							
State grant revenue, net	\$ 288,837	\$ 351,915	\$ 3,077,496	\$ 15,041	\$ 807,330	\$ -	\$ 11,446,665
Expenditures							
Transportation							
Salaries and wages	-	-	-	-	-	-	423,093
Allocated fringe benefits	-	-	-	-	-	-	275,178
Allocated indirect costs	-	-	-	-	-	-	962,954
Contractual services	140,731	351,915	-	-	-	25,283	3,905,630
Other	-	-	-	-	-	-	5,000
Total transportation	140,731	351,915	-	-	-	25,283	5,571,855
Environmental							
Salaries and wages	-	-	-	-	-	-	6,347
Allocated fringe benefits	-	-	-	-	-	-	4,128
Allocated indirect costs	-	-	-	-	-	-	14,445
Total environmental	-	-	-	-	-	-	24,920
Modeling							
Salaries and wages	-	-	-	-	-	-	75,865
Allocated fringe benefits	-	-	-	-	-	-	49,342
Allocated indirect costs	-	-	-	-	-	-	172,667
Contractual services	-	-	-	-	-	-	401,771
Other	-	-	-	-	-	-	381
Total modeling	-	-	-	-	-	-	700,026
Public Involvement							
Salaries and wages	-	-	-	-	-	-	3,173
Allocated fringe benefits	-	-	-	-	-	-	2,064
Allocated indirect costs	-	-	-	-	-	-	7,223
Total public involvement	-	-	-	-	-	-	12,460
Sustainability							
Salaries and wages	-	-	319,860	-	98,980	-	587,842
Allocated fringe benefits	-	-	208,036	-	64,376	-	382,331
Allocated indirect costs	-	-	727,997	-	225,276	-	1,337,921
Contractual services	-	-	60,484	15,041	399,055	-	970,947
Other	-	-	-	-	2,222	-	3,747
Total sustainability	-	-	1,316,377	15,041	789,909	-	3,282,788
Administration							
Salaries and wages	-	-	-	-	-	-	3,173
Allocated fringe benefits	-	-	-	-	-	-	2,064
Allocated indirect costs	-	-	-	-	-	-	7,222
Total administration	-	-	-	-	-	-	12,459
Debt Service							
Principal	-	-	26,406	-	8,171	-	90,769
Interest	-	-	29,891	-	9,250	-	102,748
Total debt service	-	-	56,297	-	17,421	-	193,517
Capital Outlay	-	-	-	-	-	-	114,900
Total expenditures	140,731	351,915	1,372,674	15,041	807,330	25,283	9,912,925
Excess of revenues over expenditures	148,106	-	1,704,822	-	-	(25,283)	1,533,740
Other financing sources (uses)							
Transfers out	-	-	-	-	-	-	5,000
Net Change in Fund Balance	148,106	-	1,704,822	-	-	(25,283)	1,538,740
Fund Balances, Beginning of Year as Previously Stated	(148,106)	-	-	-	-	-	(373,811)
Fund Reclassification to Non-Major	-	-	(1,704,822)	-	-	-	(1,704,822)
Fund Balances, Beginning of Year, As Restated	(148,106)	-	(1,704,822)	-	-	-	(2,078,633)
Fund Balances, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (25,283)	\$ (539,893)

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

Other Local Funds

ATN BEDAB: 60076

This is the Anaheim Transportation Network Fund, the funding is used to monitor Battery-Electric Deployment of Adv Buses for SoCal.

CETF BP: 60082

This is the California Emerging Technology Fund, Broadband Planning & Local Government Best Practices Fund for assisting local jurisdictions with broadband strategies projects.

LACMTA SRTS: 60083

This fund was established to account for revenues from Los Angeles County Metropolitan Transportation Authority to account for cash match for the development of the Regional Transportation Plan/Sustainable Communities Strategy.

CETF B&L: 60085

This fund is the California Emerging Technology Fund to support SCAG's participation in the Local Government Best Practices Check List Project Learning Community.

Southern California Association of Governments

Combining Balance Sheet – Local Nonmajor Funds

June 30, 2025

	Other Local Funds 60076, 60082 60083, 60085	Total Local Nonmajor Funds
Assets		
Accounts receivable - local grants	\$ 18,366	\$ 18,366
Due from other funds	448,665	448,665
Total assets	<u>\$ 467,031</u>	<u>\$ 467,031</u>
Liabilities		
Accounts and contracts payable	\$ 216,560	\$ 216,560
Due to other funds	13,366	13,366
Advances from grantors	237,105	237,105
Total liabilities	<u>467,031</u>	<u>467,031</u>
Fund Balances - Restricted	-	-
Total liabilities and fund balances	<u>\$ 467,031</u>	<u>\$ 467,031</u>

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Local Nonmajor Funds
Year Ended June 30, 2025

	Other Local Funds 60076, 60082 60083, 60085	Total Local Nonmajor Funds
Revenues		
Local grant revenue, net	\$ 369,878	\$ 369,878
Expenditures		
Transportation		
Salaries and wages	135	135
Allocated fringe benefits	88	88
Allocated indirect costs	309	309
Contractual services	98,692	98,692
Total transportation	99,224	99,224
Modeling		
Contractual services	270,299	270,299
Total modeling	270,299	270,299
Administration		
Salaries and wages	3	3
Allocated fringe benefits	2	2
Allocated indirect costs	7	7
Contractual services	319	319
Total administration	331	331
Debt Service		
Principal	11	11
Interest	13	13
Total debt service	24	24
Total expenditures	369,878	369,878
Net Change in Fund Balances	-	-
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, 2025

Indirect costs	
Salaries and wages	\$ 12,234,311
Temporary help	104,380
Fringe benefits	7,969,805
Consultants	1,183,524
Legal services	48,402
Computer/software support	645,020
Cloud services and on premise software	1,397,390
Subscriptions	1,071,938
Equipment and hardware	92,958
Equipment repairs and maintenance	36,926
Data center	189,699
Office space leases	2,870,506
Equipment lease	71,238
Depreciation and amortization	534,933
Insurance	408,211
Security services	91,556
Office and graphic supplies	29,487
Memberships and dues	182,587
Recruitment costs	53,807
Staff training and networking	120,398
Bank fees	14,227
Travel	93,458
Other	57,128
Total indirect costs	29,501,889
Indirect costs recovered	
General Fund	86,226
Federal Transportation Administration	6,990,371
Federal Highway Administration	13,256,016
Transportation Development Act	1,970,443
REAP 2021	3,610,829
Nonmajor Funds	4,040,877
Total indirect costs recovered	29,954,762
Over (under) recovered	452,873
Over (Under) Recovered Indirect Costs, Beginning of Year	4,838,128
Over (Under) Recovered Indirect Costs, End of Year	\$ 5,291,001

Southern California Association of Governments

Supplemental Schedule of Fringe Benefits

Year Ended June 30, 2025

Fringe benefits	
Employee leave and other salary benefits	\$ 4,635,310
PERS/Other Retirement Plans	8,231,928
Life insurance	151,419
Health insurance	3,743,096
Medicare and social security taxes - employer share	449,551
Tuition reimbursement	10,839
Transit passes	35,469
Worker's compensation/unemployment insurance	212,963
Deferred compensation employer match	342,974
Other	509,198
	<u>18,322,747</u>
Total fringe benefits	
	<u>18,322,747</u>
Fringe benefits recovered	
General fund	7,992,677
Federal Transportation Administration	1,852,183
Federal Highway Administration	3,494,570
Transportation Development Act	490,342
REAP 2.0 2021	957,783
Nonmajor Funds	1,071,852
	<u>15,859,407</u>
Total fringe benefits recovered	
	<u>15,859,407</u>
Over (under) recovered	(2,463,340)
Over (Under) Recovered Fringe Benefit Costs, Beginning of Year	<u>1,257,173</u>
Over (Under) Recovered Fringe Benefit Costs, End of Year	<u><u>\$ (1,206,167)</u></u>

Southern California Association of Governments
Supplemental Schedule of Distribution of Salaries and Fringe Benefits by Project Type
Year Ended June 30, 2025

	<u>Salaries and Wages</u>	<u>Fringe Benefits</u>	<u>Salaries, Wages and Fringe Benefits</u>
Charges to direct projects	\$ 12,237,281	\$ 7,866,730	\$ 20,104,011
Charges to general fund projects	35,166	22,872	58,038
Charges to indirect projects	<u>12,338,691</u>	<u>7,969,805</u>	<u>20,308,496</u>
Totals	<u><u>\$ 24,611,138</u></u>	<u><u>\$ 15,859,407</u></u>	<u><u>\$ 40,470,545</u></u>

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Invested in capital assets, net	\$ 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	\$ 351,037
Restricted	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	21,429,437
Unrestricted	<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>	<u>(31,066,948)</u>
Total governmental activities										
Net position (deficit)	<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>	<u>\$ (9,286,474)</u>

Southern California Association of Governments

Table 2 – Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Expenses:										
Transportation	\$ 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	\$ 32,867,296
Environmental	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	3,600,387
Modeling	-	-	10,582,018	10,768,740	12,191,498	10,690,326	13,002,847	14,704,741	14,901,173	14,617,870
High speed rail	290,497	339,370	-	-	-	-	-	-	-	-
Aviation	575,716	267,597	-	-	-	-	-	-	-	-
Housing	981,416	3,222,728	-	-	-	-	-	-	-	-
Public Involvement	-	-	2,180,608	2,219,085	2,826,301	3,261,091	3,877,128	5,057,381	5,505,614	4,723,928
Sustainability Initiatives	7,506,301	7,521,696	8,642,100	5,820,909	6,296,299	16,301,434	23,223,681	28,940,936	21,927,982	23,918,544
Administration	2,138,873	3,871,454	8,147,226	12,243,851	5,899,158	5,283,557	3,114,015	6,253,182	9,351,464	8,715,559
Interest	-	-	-	-	-	-	-	-	1,171,019	1,208,109
Total expenses	<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>78,505,450</u>	<u>77,351,518</u>	<u>89,651,693</u>
Program revenues:										
Charges for services - member dues	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	2,742,095
Operating grants and contributions	<u>40,616,883</u>	<u>39,672,312</u>	<u>42,253,899</u>	<u>40,579,290</u>	<u>49,907,967</u>	<u>55,903,555</u>	<u>68,210,165</u>	<u>75,153,697</u>	<u>84,905,508</u>	<u>88,678,474</u>
Total program revenues	<u>42,517,833</u>	<u>41,612,012</u>	<u>44,240,085</u>	<u>42,633,252</u>	<u>52,020,937</u>	<u>57,765,072</u>	<u>70,403,411</u>	<u>77,495,990</u>	<u>87,363,492</u>	<u>91,420,569</u>
Net revenues (expenses)	<u>(1,286,173)</u>	<u>(1,503,678)</u>	<u>(5,269,121)</u>	<u>(7,749,555)</u>	<u>1,421,017</u>	<u>(1,574,046)</u>	<u>2,514,580</u>	<u>(1,009,460)</u>	<u>10,011,974</u>	<u>1,768,876</u>
General revenues:										
Interest and other	92,093	114,318	142,388	271,058	122,252	74,632	210,718	136,375	1,349,478	3,274,391
Other income	-	380,230	392,095	380,145	10,000	7,500	340,575	393,971	426,000	538,910
Total general revenues	<u>92,093</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>1,775,478</u>	<u>3,813,301</u>
Changes in net position	<u>\$ (1,194,080)</u>	<u>\$ (1,009,130)</u>	<u>\$ (4,734,638)</u>	<u>\$ (7,098,352)</u>	<u>\$ 1,553,289</u>	<u>\$ (1,491,914)</u>	<u>\$ 3,065,873</u>	<u>\$ (479,114)</u>	<u>\$ 11,787,450</u>	<u>\$ 5,582,177</u>

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

		Fiscal Year									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General fund:											
Nonspendable	\$	763,655	927,324	779,552	867,144	876,033	2,652,163	2,160,611	1,222,955	874,664	602,861
Unassigned		<u>5,649,117</u>	<u>5,725,487</u>	<u>7,073,814</u>	<u>1,889,233</u>	<u>6,062,262</u>	<u>4,371,332</u>	<u>3,031,104</u>	<u>5,018,653</u>	<u>7,863,272</u>	<u>13,340,145</u>
Total general fund	\$	<u><u>6,412,772</u></u>	<u><u>6,652,811</u></u>	<u><u>7,853,366</u></u>	<u><u>2,756,377</u></u>	<u><u>6,938,295</u></u>	<u><u>7,023,495</u></u>	<u><u>5,191,715</u></u>	<u><u>6,241,608</u></u>	<u><u>8,737,936</u></u>	<u><u>13,943,006</u></u>
All other governmental funds:											
Restricted	\$	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	21,429,437
Unassigned		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,570,546)</u>	<u>(2,211,499)</u>	<u>(576,405)</u>
Total all other governmental funds	\$	<u><u>8,834,336</u></u>	<u><u>9,306,432</u></u>	<u><u>9,327,440</u></u>	<u><u>10,829,017</u></u>	<u><u>11,084,386</u></u>	<u><u>8,609,460</u></u>	<u><u>9,391,854</u></u>	<u><u>6,150,639</u></u>	<u><u>15,790,370</u></u>	<u><u>20,853,032</u></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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues:										
Federal grants	\$ 33,900,754	32,703,938	34,829,246	30,602,350	33,411,528	35,400,836	38,364,596	40,953,530	40,266,882	39,748,924
State grants and contracts	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	41,702,182
Local grants and contracts	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	9,028,544
Membership assessments	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	2,742,095
Recovery of disallowed grant costs	-	-	-	-	4,062,579	-	-	-	-	-
General Assembly	-	-	-	-	10,000	7,500	340,575	393,971	426,000	538,910
Interest and other	977,429	494,548	534,483	651,203	122,252	74,632	210,718	136,375	1,349,476	3,274,391
Total revenues	<u>43,495,262</u>	<u>42,106,560</u>	<u>44,774,568</u>	<u>43,281,455</u>	<u>52,153,189</u>	<u>57,937,204</u>	<u>70,954,704</u>	<u>77,833,437</u>	<u>87,494,176</u>	<u>97,035,046</u>
Expenditures:										
Current:										
Transportation	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	32,867,296
Environmental	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	3,600,387
Modeling	-	-	10,047,322	10,768,740	12,191,498	10,690,326	13,002,647	14,704,741	14,901,173	14,617,870
Public Involvement	-	-	2,184,200	2,219,085	2,826,301	3,261,091	3,677,128	5,057,381	5,505,614	4,723,928
Aviation	573,374	267,597	-	-	-	-	-	-	-	-
High speed rail	290,595	339,370	-	-	-	-	-	-	-	-
Housing	980,086	3,222,728	-	-	-	-	-	-	-	-
Sustainability Initiatives	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	23,918,544
Administration	1,543,263	2,138,062	2,322,029	3,325,282	2,581,252	4,418,946	4,815,657	1,787,353	3,120,325	2,463,407
Disallowed Grant Costs	-	-	-	4,832,192	-	-	-	-	-	-
Debt service:										
Principal	-	-	130,768	355,208	373,630	393,012	680,014	2,774,110	2,989,822	2,803,790
Interest	-	-	25,490	83,796	34,026	23,804	1,049,622	1,138,412	1,163,268	1,236,329
Capital outlay	423,370	12,127	1,656,202	141,433	26,232	1,355,607	1,026,796	6,479,871	3,753,082	2,171,861
Total expenditures	<u>43,402,682</u>	<u>41,394,425</u>	<u>45,496,469</u>	<u>46,876,867</u>	<u>47,715,902</u>	<u>60,326,930</u>	<u>72,346,905</u>	<u>84,432,014</u>	<u>77,855,532</u>	<u>88,403,412</u>
Excess (deficiency) of revenues over (under) expenditures	<u>92,580</u>	<u>712,135</u>	<u>(721,901)</u>	<u>(3,595,412)</u>	<u>4,437,287</u>	<u>(2,389,726)</u>	<u>(1,392,201)</u>	<u>(6,598,577)</u>	<u>9,638,644</u>	<u>8,631,634</u>
Other financing sources (uses)										
Transfers in	-	7,198	-	78,995	77,059	717,045	913,052	860,966	153,425	36,049
Transfers out	-	(7,198)	-	(78,995)	(77,059)	(717,045)	(913,052)	(860,966)	(153,425)	(36,049)
Proceeds from financing	-	-	1,943,484	-	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	440,665	223,191	72,937
Subscription	-	-	-	-	-	-	-	4,982,651	2,274,222	1,563,161
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,943,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,423,316</u>	<u>2,497,413</u>	<u>1,636,098</u>
Net change in fund balances	<u>\$ 92,580</u>	<u>712,135</u>	<u>1,221,583</u>	<u>(3,595,412)</u>	<u>4,437,287</u>	<u>(2,389,726)</u>	<u>(1,392,201)</u>	<u>(1,175,261)</u>	<u>12,136,057</u>	<u>10,267,732</u>
Total Debt Service Expenditures	\$ -	-	156,258	439,004	407,656	416,816	1,729,636	3,912,522	4,153,090	4,040,119
Total Non-Capital Expenditures	\$ 42,979,312	41,382,298	43,840,267	46,735,434	47,689,670	58,971,323	71,320,109	77,952,143	74,102,450	86,231,551
Ratio of Debt Service to Non-Capital	0.00%	0.00%	0.36%	0.94%	0.85%	0.71%	2.43%	5.02%	5.60%	4.69%

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

Fiscal Year	Indirect cost	Fringe benefits	Totals
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	\$ 14,850,542	\$ 42,128,338
2024	\$ 28,043,045	\$ 17,676,315	\$ 45,719,360
2025	\$ 29,501,889	\$ 18,322,747	\$ 47,824,636

Source: SCAG Finance Department.

Southern California Association of Governments

Table 6 – Member Dues

Last Ten Fiscal Years

	Cities & Indian Tribes			Counties			Commissions	
	No. of Members	Population	Annual Dues	No. of Members	Population	Annual Dues	No. of Members	Annual Dues
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	\$ 98,500
2025	200	16,484,613	\$ 2,253,581	6	1,955,184	\$ 380,014	7	\$ 108,500

Southern California Association of Governments

Table 7 – Principal Members
Current Year and Five Years Ago

City/County	2025		2020	
	Annual Dues	Percent of Total Dues	Annual Dues	Percent of Total Dues
		Assessment		Assessment
City of Los Angeles	\$ 495,351	18%	\$ 385,514	18%
County of Los Angeles	165,934	6%	135,195	6%
County of Riverside	77,701	3%	61,579	3%
County of San Bernardino	64,029	2%	54,538	3%
City of Long Beach	60,867	2%	46,107	2%
County of Orange	42,333	2%	37,253	2%
City of Anaheim	43,859	2%	34,593	2%
City of Santa Ana	40,060	1%	32,808	2%
City of Riverside	41,903	2%	31,634	1%
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	40,509	1%	26,925	1%
County of Ventura	22,078	1%	19,275	1%
City of Glendale	25,846	1%	20,230	1%
City of San Bernardino	30,037	1%	21,708	1%
City of Santa Clarita	31,012	1%	21,278	1%
	<u>\$ 1,256,519</u>	<u>46%</u>	<u>\$ 1,003,637</u>	<u>47%</u>
	Total FY25 Dues		Total FY20 Dues	
	<u>\$ 2,742,095</u>		<u>\$ 2,112,970</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
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
2025	186,499	9,876,811	3,175,427	2,495,640	2,207,424	829,005	18,770,806

Source: 2015-2020: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020,

with 2020 Census Benchmark. Sacramento, California, May 2025.

2021-2025: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2025,

with 2020 Census Benchmark. Sacramento, California, May 2025.

<https://dof.ca.gov/forecasting/demographics/estimates/e-4-population-estimates-for-cities-counties-and-the-state-2021-2025-with-2020-census-benchmark/>

<https://dof.ca.gov/forecasting/demographics/estimates/e-4-population-estimates-for-cities-counties-and-the-state-2011-2020-with-2010-and-2020-census-benchmark-new/>

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

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
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
2025	54,479	3,546,497	1,106,197	803,775	691,517	286,561	6,489,026

Source: 2015-2020: 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: May, 2025)

2021-2025: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2025, with 2020 Benchmark (Released: May, 2025)

<https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2025/>

<https://dof.ca.gov/forecasting/demographics/estimates/estimates-e8-2010-2020/>

Southern California Association of Governments
Table 10 – Wage and Salary Employment by County in the SCAG Region
Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
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
2025	67,400	4,588,900	1,689,300	848,700	865,300	341,200	8,400,800

Source: Processed by SCAG Staff; CA EDD - March 2024 Benchmark

Employment by Industry Data

Historical Annual Average Data: 2016 - 2024 (Total, All Industries=Wage and Salary Employment)

2025 figures are estimated by calculating the average from January 2025 to July 2025

Employment by Industry Data (ca.gov)

Southern California Association of Governments

Table 11 – Labor Force by County in the SCAG Region

Last Ten Calendar Years

Calendar year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
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
2025	73,300	5,065,600	1,640,600	1,195,300	1,040,500	426,000	9,441,300

Source: Processed by SCAG Staff; CA EDD - March 2024 Benchmark

Employment by Industry Data

Historical Annual Average Data: 2016 - 2024 (Total, All Industries=Wage and Salary Employment)

2025 figures are estimated by calculating the average from January 2025 to July 2025

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
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
2025	13,100	290,100	66,300	64,700	55,000	20,100	509,300

Source: Processed by SCAG Staff; CA EDD - March 2024 Benchmark

Employment by Industry Data

http://www.labormarketinfo.edd.ca.gov/LMID/Employment_by_Industry_Data.html

2025 figures are estimated by calculating the average from January 2025 to July 2025

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

Southern California Association of Governments

Table 13 – Largest Employer County in the SCAG Region

Current Year

	Employees	Type of Business		Employees	Type of Business
Imperial			Riverside		
1 Imperial County Board of Supervisors	2,105	Government	1 County of Riverside	23,772	Government Offices
2 Walmart Supercenter	1,497	Retail	2 Amazon	14,317	E-Commerce
3 Calipatria State Prison	1,350	Correctional Institution	3 University of California, Riverside	8,593	Education
4 Centinela State Prison	1,266	Correctional Institution	4 State of California	8,398	Government
5 El Centro Regional Medical Ctr	1,200	Hospital	5 Walmart	6,465	Retail
6 Noblesse Oblige	1,200	Education	6 Moreno Valley Unified School District	6,020	
7 Academic Services	999	Education	7 Kaiser Permanente Riverside Medical Center	5,817	Hospital
8 Imperial County Office-Educ	999	Education	8 Riverside Unified School District	5,431	Education
9 Pioneers Memorial Hosp-Doctors	750	Hospital	9 Stater Bros	4,990	Retail
10 Imperial Irrigation District	649	Government	10 Mt. San Jacinto Community College District	4,638	Education
Los Angeles			San Bernardino		
1 County of Los Angeles	104,100	Government	1 County Of San Bernardino	22,000	Government
2 Los Angeles Unified School District	97,200	Education	2 Stater Bros. Markets	18,000	Retail
3 University of California, Los Angeles	72,100	Education	3 Loma Linda University	16,000	Education
4 City of Los Angeles	70,700	Education	4 Marine Corps Air Ground Combat Twentynine Palms	12,500	Military
5 Kaiser Permanente	47,400	Hospital	5 Kaiser Medical Center	9,000	Hospital
6 Federal Government - All Agencies Except Defense & State	45,500	Government	6 Ontario International Airport	7,690	Airport
7 State of California (non-education)	35,200	Government	7 San Bernardino City Unified School District	5,915	Education
8 University of Southern California	24,000	Education	8 Loma Linda University Medical Center	5,419	Hospital
9 Northrop Grumman Corp.	18,700	Aerospace	9 Yaamava' Resort & Casino at San Manuel	5,000	Hospitality and Entertainment
10 Los Angeles County Metropolitan Transportation Authority	13,400	Transportation	10 Arrowhead Regional Medical Center	4,000	Hospital
Orange			Ventura		
1 Walt Disney Co	34,000	Hospitality and Entertainment	1 Naval Base Ventura County	20,000	Government
2 University of California, Irvine	26,072	Education	2 County of Ventura	9,953	Government
3 Providence Southern California	23,632	Hospital	3 Amgen Inc	5,500	Biomedical
4 County of Orange	18,000	Government	4 Conejo Valley Unified School District	3,320	Education
5 Kaiser Permanente	10,293	Hospital	5 Ventura Unified School District	2,899	Education
6 Hoag Memorial Hospital Presbyterian	8,081	Hospital	6 Oxnard Union High School District	2,825	Education
7 Albertsons	7,222	Retail	7 Bank of America	2,804	Bank
8 Allied Universal	6,145	Security & Facility Service	8 Oxnard School District	2,634	Education
9 Memorial Care	5,800	Hospital	9 Blue Cross of CA (previously Wellpoint, Inc.)	2,500	Hospital
10 CHOC Hospital	5,462	Hospital	10 Community Memorial Healthcare	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
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
2025	59,169	3,726,527	1,163,983	893,304	758,120	300,727	6,901,830

Source: 2015-2020: 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: May, 2025)

2021-2025: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2025, with 2020 Benchmark (Released: May, 2025)

<https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2025/>

<https://dof.ca.gov/forecasting/demographics/estimates/estimates-e8-2010-2020/>

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

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG
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
2025	360,000	911,000	1,185,000	625,000	567,000	895,000	877,000

Source: Zillow.com

Home values represent the values as of January in 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

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
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
2025	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

Calendar Year		Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
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
2025	\$	17,658,537,766	2,122,888,574,633	818,456,047,134	430,792,530,508	351,536,283,645	182,060,708,716	3,923,392,682,402

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-/gky3-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
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
2025	43	25	0	0	5	13	24	8	97	215

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.

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Table 19 – Operating Indicators by Function

Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transportation										
No. of projects undertaken	89	80	27	71	67	68	71	57	59	76
Grants & Contracts Revenue	\$ 26,127,909	21,402,980	10,227,859	18,068,335	17,390,426	28,879,062	54,697,409	21,502,529	25,778,998	34,238,408
Environmental										
No. of projects undertaken	5	20	17	8	10	8	8	7	9	8
Grants & Contracts Revenue	\$ 1,448,295	6,592,728	5,144,977	3,358,447	4,322,956	3,400,938	4,482,169	4,581,362	5,162,588	3,971,619
Modeling										
No. of projects undertaken			36	33	36	25	24	25	25	28
Grants & Contracts Revenue	\$		12,546,320	11,872,339	12,503,509	12,374,774	14,146,188	17,797,702	17,822,808	16,125,103
High Speed Rail										
No. of projects undertaken	1	1								
Grants & Contracts Revenue	\$ 290,593	339,370								
Aviation										
No. of projects undertaken	1	1								
Grants & Contracts Revenue	\$ 550,584	267,597								
Public Involvement										
No. of projects undertaken			4	4	4	5	6	8	8	7
Grants & Contracts Revenue	\$		2,600,060	2,445,350	2,894,305	3,988,245	4,062,811	5,584,152	6,585,086	5,211,007
Housing										
No. of projects undertaken	2	9	9							
Grants & Contracts Revenue	\$ 960,528	3,187,930	2,032,313							
Sustainability Initiatives										
No. of projects undertaken	25	28	41	8	27	38	46	46	41	35
Grants & Contracts Revenue	\$ 7,345,383	7,098,027	8,719,261	6,142,700	5,090,102	15,321,082	23,817,493	29,957,350	26,277,345	26,167,988
Total										
No. of projects undertaken			93	116	117	106	109	143	142	154
Grants & Contracts Revenue			32,551,529	35,744,471	37,111,196	48,643,019	77,388,576	79,423,095	81,626,825	85,714,125

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.
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
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%
2025	-	2,367,078	27,225,540	-	29,592,618	91,420,569	32.4%

*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, 2025, and the related notes to the financial statements, which collectively comprise SCAG's basic financial statements, and have issued our report thereon dated November 14, 2025. Our report included an emphasis of matter paragraph indicating the adoption of GASB Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025.

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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Rancho Cucamonga, California
November 14, 2025



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