

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Comprehensive Annual Financial Report

YEAR ENDED JUNE 30, 2010



SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

Comprehensive Annual Financial Report

YEAR ENDED JUNE 30, 2010

Finance Department
Wayne Moore, Chief Financial Officer
Finance and Accounting Division



Comprehensive Annual Financial Report
Southern California Association of Governments
Year ended June 30, 2010
with Report of Independent Auditors

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INTRODUCTORY SECTION

SOUTHERN CALIFORNIA



**ASSOCIATION of
GOVERNMENTS**

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Officers

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Larry McCallon, Highland

First Vice President
Pam O'Connor, Santa Monica

Second Vice President
Glen Becerra, Simi Valley

**Executive/Administration
Committee Chair**

Larry McCallon, Highland

Policy Committee Chairs

Community, Economic and
Human Development
Bill Jahn, Big Bear Lake

Energy & Environment
Margaret Clark, Rosemead

Transportation
Greg Pettis, Cathedral City

December 2, 2010

Honorable Larry McCallon, President, and
Members of the Regional Council
Southern California Association of Governments
818 West Seventh Street, 12th Floor
Los Angeles, CA 90017

Subject: SCAG's Comprehensive Annual Financial Report for Fiscal Year 2009-10

Dear President McCallon and Members of the Regional Council:

As the Executive Director and Chief Financial Officer for the Southern California Association of Governments (SCAG), we hereby submit to you SCAG's Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010.

This Letter of Transmittal is the first item in the introductory section of the CAFR. Its purpose is firstly to provide you and other readers of the CAFR with general financial information about the basic financial statements in the CAFR, and secondly, to give some general comments to assist the reader in assessing SCAG and its financial condition. The second purpose is to give readers a profile of SCAG, including its governance; organization; planning mandates and requirements; and to highlight several significant planning programs mandated by Federal and State requirements, which were successfully managed in 2009-2010.

As management of SCAG we have also prepared a narrative Management Discussion and Analysis (MD&A) of our financial performance for the fiscal year. Specific revenue and expenditure information about our transportation, goods movement, aviation, environmental and housing grants and the related planning work is reviewed in the MD&A. The MD&A incorporates information about grants, the project budgets, and the projects completed during the year. We encourage readers to examine the MD&A, together with this transmittal letter.

The introductory section of the CAFR includes this Letter of Transmittal and the following attachments:

- Listing of the Officers and Members of the Regional Council,
- The SCAG Organizational Chart,
- The SCAG Accounting Section Organizational Chart, and
- The Certificate of Achievement for Excellence in Financial Reporting awarded to SCAG by the Government Finance Officers Association in recognition of our FY09 CAFR.

Certificate of Achievement for Excellence in Financial Reporting

We are pleased to report that the Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SCAG for its CAFR for the fiscal year ended June 30, 2009. This was the seventh 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 CAFR was done by the professional staff in our Accounting Division, which is in the Finance Department. We express our appreciation to them and to other staff members of SCAG, who contributed in any way to the preparation of the CAFR.

The Comprehensive Annual Financial Report

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

To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework. This framework includes accounting, contracts, budgets, 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 audited by Mayer Hoffman McCann, PC, 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 ended June 30, 2010 are free of material misstatement. The Report of the Independent Auditors is also included in the CAFR.

The Single Audit Report

The independent audit of the financial statements in this CAFR is part of a broader, federally mandated Single Audit designed to meet the special needs of federal grantor agencies. The standards applied in the single audit require consideration of internal controls, and compliance with legal and federal requirements in the administration of federal awards. There were no findings reported by Mayer Hoffman McCann, PC,. The Single Audit report for the year ended June 30, 2010 is issued separately from the CAFR and is available upon written request to the Chief Financial Officer.

Management Discussion and Analysis

SCAG has adopted GASB 34, as amended by GASB 37 and GASB 38. GASB 34 requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). GASB 34 describes the MD&A as an opportunity for management to reach beyond the familiar to a new and different analytical overview of financial activities. The transactions and events in FY10 are discussed fully in the MD&A.

The basic financial statements are comprised of the GASB 34 government-wide, governmental fund financial statements, and the notes to the financial statements. These financial reports combine to form a single, integrated set of financial statements. This letter of transmittal is designed to complement the MD&A, which is located following the Report of Independent Auditors in the Financial Section of the CAFR.

SCAG Management & Financial Goals for FY10-11

- Play a leading national and state-wide role in transportation planning issues and initiatives. Enable cutting edge transformations in air quality and greenhouse gas management approaches.
- Continue outreach to members in all six counties. Develop meaningful support postures for members.
- Continue the accumulation of reserve funds. Develop a policy framework to maintain a prudent balance between reserve balances and programmatic needs with respect to additional TDA funding in 2011.
- Enhance SCAG's working capital and borrowing capacity in order to withstand prolonged delays in State funding.

Profile of SCAG

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

SCAG closely coordinates its efforts with a number of 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 14 sub-regional organizations, six county transportation commissions, representatives from the tribal government planning boards, the business community and the public at large.

SCAG is the largest regional planning agency in the nation, functioning as the Metropolitan Planning Organization (MPO) for six counties. SCAG represents:

- Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties
- 189 cities
- 2 tribal governments
- 38,000 square miles
- 19 million people
- 10th largest economy in the world.

Governing Body of SCAG

The Regional Council is SCAG's main governing body. The membership is comprised of elected representatives representing 67 Districts who represent the 189 cities in the SCAG region; county elected supervisors; representatives from the six transportation commissions in the SCAG region; one Tribal Government representative; one representative from the air districts in the region; one representative from the Transportation Corridor Agency; and the Mayor of Los Angeles, as the City-at-large representative. All are elected from within the six-county region. All policy-making, the annual Overall Work Program, project budgets, and all material financial matters are discussed and acted upon through the Regional Council. A listing of each member and the city, county and tribal government representatives 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; and other Regional Council members appointed by the SCAG President. There are three main policy Committees: the Transportation Committee; the Community, Economic and Human Development Committee; and the Energy and Environment Committee. In addition, all financial operations are reviewed and managed by the EAC.

SCAG's Mandates

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

(a) Development of the Regional Transportation Plan

The Regional Transportation Plan (RTP) must be prepared every four years. It is a comprehensive 20-year plan that provides a vision for the region's transportation future and addresses air quality attainment and financial commitments. The RTP serves as a basis for transportation infrastructure investments and policy decision-making in the region. The RTP includes projections for socioeconomic growth in SCAG's region to establish a basis for developing needs and strategies for future investments. Major transportation projects of regional significance seeking federal or state funding must be consistent with the RTP. SCAG is also responsible for reviewing all Congestion Management Plans for consistency with the RTP.

As the RTP sets a framework for the region's future transportation investments, various studies are undertaken to support the development of the RTP. Transportation studies encompassing all modes of mobility (transit, goods movement, capacity enhancements, etc.), policy analysis, corridor studies, and land use studies are undertaken in consultation with numerous stakeholders and project sponsors. Land use studies and environmental analysis are also undertaken to comply with various state and federal requirements. Modeling analysis encompasses a major portion of the RTP effort. All of the major components of the RTP are subject to performance criteria that assess and measure project performance and defines benefits and impacts of proposed projects and initiatives. Modeling studies and analysis form the basis of this type of RTP work. A major modeling component is air quality and conformity analysis, which ensure that all required federal and state air quality requirements are met. The RTP is also required to be "financially constrained". This requirement ensures that the projects proposed in the RTP have realistic funding streams and ensures the integrity of the RTP.

SB375 is California legislation that became law effective January 1, 2009. It prompts California regions to work together to reduce greenhouse gas (GHG) emissions from cars and light trucks by creating nexuses between land uses and transportation infrastructure investments and policy. The new law requires that this objective be a component of SCAG's next RTP. The new law will achieve this objective by requiring integration of planning processes for transportation, land use and housing. SCAG is tasked with creating a Sustainable Communities Strategy (SCS), which combines transportation and land use elements in order to achieve established emissions reduction targets. SCAG in collaboration with its regional partners is spearheading this effort for Southern California.

The 2008 RTP was adopted in May 2008, and was the culmination of a multi-year effort that involved transportation stakeholders from across the region. It represents the most comprehensive long-term vision for the future of our transportation system. Given the size and complexity of our region, the RTP by necessity is a living document that must be adjusted on a regular basis to keep it valid, relevant, and in sync with new challenges and opportunities. Accordingly, it must be amended occasionally between major updates, to ensure major projects being planned and implemented in the region remain consistent with the prevailing RTP. To date, the 2008 RTP has been amended four times. In addition to putting forth bold transportation initiatives, the 2008 RTP evaluates and presents some of the most innovative funding strategies to meet funding challenges in the near-term as well as the long-term. The next update of the RTP is scheduled for 2012. The next RTP will include a SCS in accordance with SB 375.

(b) Development of the Federal Regional Transportation Improvement Plan

The Federal Transportation Improvement Plan (FTIP) is a short-term component of the RTP. It is updated every two years and it identifies a listing of capital projects in the region over a five-year period. The FTIP essentially represents the near-term implementation of the RTP. The FTIP includes and identifies all transportation capital projects proposed over a five-year period by each of the transportation commissions in the region.

Each project is analyzed by SCAG staff to assure conformity with federal and state transportation conformity requirements before inclusion in the FTIP. It is the primary instrument for funding and implementing transportation capital projects identified in the RTP. The 2008 FTIP, which is the most recent FTIP, was adopted by the Regional Council in July 2008 and has received state and federal approval.

(c) Maintenance of Federal Air Quality Standards

In developing the RTP and FTIP, SCAG is responsible for ensuring that the projects included in these transportation plans help the region maintain conformity with federal air quality standards as required by the Clean Air Act. Failure to conform to federal air quality standards could result in the federal agencies rejecting the RTP and FTIP, and consequently withholding funding for Southern California's critical transportation needs.

The monitoring functions are to compile, report on, and circulate information on environmental variables as a precursor to growth forecasting and other elements of RTP development; work with member agencies in identifying trends and baseline information such that a common set of data can be applied to local and regional planning efforts; and review and comment on applicable regionally significant projects in compliance with federal and state laws.

SCAG is also a council of governments and is thus responsible under California state law for:

(d) Development of the Regional Housing Needs Assessment Plan

As part of SB 375, existing state law was amended such that a Regional Housing Needs Assessment Plan (RHNA) is developed every eight years with the RHNA process to be integrated with the RTP process. The RHNA serves as the starting point for the local Housing Element update process. The RHNA process sets each jurisdiction's fair share of the region's future housing needs, as determined by the State Department of Housing and Community Development (HCD).

HCD approved SCAG's last RHNA Plan in September 2007. HCD expressed its pleasure in working with SCAG staff and acknowledged the leadership role that SCAG demonstrated in strengthening the housing capacity of local governments in the region. Since then, cities and counties in the SCAG region have been engaged in the update of local housing elements. The three cities of La Mirada, Irvine and Palmdale sued SCAG regarding their respective housing allocations. SCAG prevailed in all three lawsuits, including receiving favorable decisions on appeal from both the 4th Appellate District (in the Irvine case) and the Second Appellate District (in the La Mirada and Palmdale cases). The California Supreme Court also denied review of the appellate opinion in the Irvine case. Therefore, final dispositions have been reached in the three lawsuits, all of which were in favor of SCAG.

SCAG will begin the next RHNA process in 2011 and remains committed to working constructively with all jurisdictions during the RHNA process.

(e) Development of a Portion of the Air Quality Management Plan

SCAG is responsible for developing a portion of the Air Quality Management Plan (AQMP) prepared by the South Coast Air Quality Management District (SCAQMD). Specifically, SCAG develops the demographic projections and the integrated land use housing, employment, transportation measures and strategies portions of the AQMP every three years. SCAG prepared its portion of the AQMP in the spring of 2007. It was approved by the Governing Board of the SCAQMD in August 2007.

(f) Compliance with the California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA), SCAG undertakes the appropriate environmental review of the RTP and FTIP. In most cases this involves the preparation of a Program Environmental Impact Report (PEIR) and amendments thereto. Additionally, in accordance with CEQA regulations and Presidential Executive Order 12372, SCAG is the authorized agency for Inter-Governmental Review (IGR) of projects of regional significance for consistency with regional plans.

(g) Development of a Regional Waste Management Plan

Under state law, SCAG (along with the Association of Bay Area Governments, the Sacramento Area Council of Governments, and the Association of Monterey Bay Area Governments), may prepare a regional hazardous waste management plan to serve as a document to identify hazardous waste management issues, needs and solutions at the regional level. This role is consistent with SCAG's responsibility under federal law to serve as the Southern California area-wide waste management planning agency for the purpose of improving water quality in the region.

Overall Work Program

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

Acknowledgements

We are pleased to report that our internal reorganization has achieved better and more effective staff assignments. We have also expanded training opportunities for all of our staff. With the SCAG Strategic Plan (adopted in May 2009) to guide us, we are committed to regularly assessing our actual performance and to making the necessary adjustments to changing conditions and needs to continuously improve. We consider this a fundamental responsibility of management.

On behalf of each of the members of the management team at SCAG, we express our sincere gratitude to you, President McCallon, and to each of 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 which requires a tremendous investment of time, and we appreciate your efforts. With leadership from the Regional Council and the work of management and our excellent staff, we are prepared to continue supporting the complex and challenging work of planning for Southern California's future economic and social vitality.

Sincerely,



Hasan Ikhata

Executive Director



Wayne Moore

Chief Financial Officer



**SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS**

Our VISION

An international and regional planning forum trusted for its leadership and inclusiveness in developing plans and policies for a sustainable Southern California.

Our MISSION

Under the guidance of the Regional Council and in collaboration with our partners, our mission is to facilitate a forum to develop and foster the realization of regional plans that improve the quality of life for Southern Californians.

Funding: The preparation of this report was financed in part through grants from the United States Department of Transportation – Federal Highway Administration and the Federal Transit Administration – under provisions of the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU). Additional financial assistance was provided by the California State Department of Transportation.

**REGIONAL COUNCIL MEMBERS
OFFICERS**

President: Larry McCallon, Highland
First Vice President: Pam O’Connor, Santa Monica
Second Vice President: Glen Becerra, Simi Valley

MEMBERS

Imperial County: Louis Fuentes, Imperial County • Cheryl Viegas-Walker, El Centro

Los Angeles County: Mike Antonovich, Los Angeles County • Mark Ridley-Thomas, Los Angeles County • Richard Alarcón, Los Angeles • Bruce Barrows, Cerritos • Barbara Calhoun, Compton • Tony Cardenas, Los Angeles • Stan Carroll, La Habra Heights • Margaret Clark, Rosemead • Gene Daniels, Paramount • Judy Dunlap, Inglewood • Margaret Finlay, Duarte • David Gafin, Downey • Eric Garcetti, Los Angeles • Frank Gurulé, Cudahy • Janice Hahn, Los Angeles • Keith W. Hanks, Azusa • Carol Herrera, Diamond Bar • Steve Hofbauer, Palmdale • José Huizar, Los Angeles • Paul Koretz, Los Angeles • Paul Krekorian, Los Angeles • Tom LaBonge, Los Angeles • Paula Lantz, Pomona • Marsha McLean, Santa Clarita • Barbara Messina, Alhambra • Judy Mitchell, Rolling Hills Estates • Pam O’Connor, Santa Monica • Bernard Parks, Los Angeles • Jan Perry, Los Angeles • Frank Quintero, Glendale • Ed Reyes, Los Angeles • Susan Rhilinger, Torrance • Bill Rosendahl, Los Angeles • Greig Smith, Los Angeles • Antonio Villaraigosa, Los Angeles • Donald Voss, La Cañada Flintridge • Dennis Washburn, Calabasas • Herb J. Wesson, Jr., Los Angeles • Dennis Zine, Los Angeles

Orange County: Shawn Nelson, Orange County • John Beauman, Brea • Gil Coerper, Huntington Beach • Leslie Daigle, Newport Beach • Richard Dixon, Lake Forest • Paul Glaab, Laguna Niguel • Robert Hernandez, Anaheim • Sukhee Kang, Irvine • Michele Martinez, Santa Ana • Leroy Mills, Cypress • John Nielsen, Tustin • Andy Quach, Westminster • Sharon Quirk-Silva, Fullerton

Riverside County: John J. Benoit, Riverside County • Thomas Buckley, Lake Elsinore • Melanie Fesmire, Indio • Bonnie Flickinger, Moreno Valley • Ron Loveridge, Riverside • Greg Pettis, Cathedral City • Ron Roberts, Temecula

San Bernardino County: Gary Ovitt, San Bernardino County • Ginger Coleman, Apple Valley • Glenn Duncan, Chino • Paul Eaton, Montclair • Pat Gilbreath, Redlands • Bill Jahn, Big Bear Lake • Larry McCallon, Highland • Deborah Robertson, Rialto

Ventura County: Linda Parks, Ventura County • Glen Becerra, Simi Valley • Bryan MacDonald, Oxnard • Carl Morehouse, San Buenaventura

Tribal Government Representative: Mark Calac, Pechanga Band of Luiseno Indians

Orange County Transportation Authority: Art Brown, Buena Park

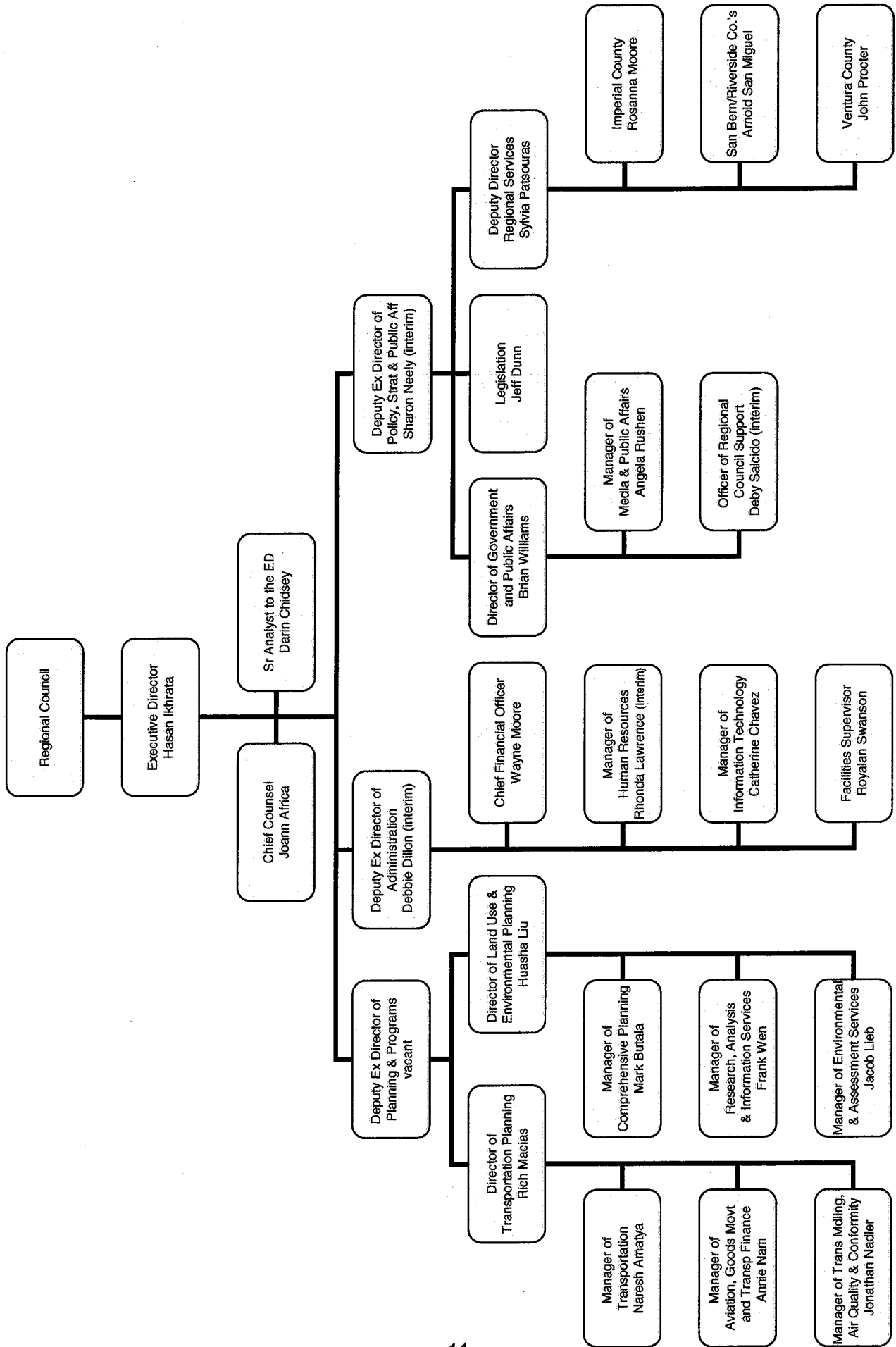
Riverside County Transportation Commission: Robin Lowe, Hemet

San Bernardino Associated Governments: Kelly Chastain, Colton

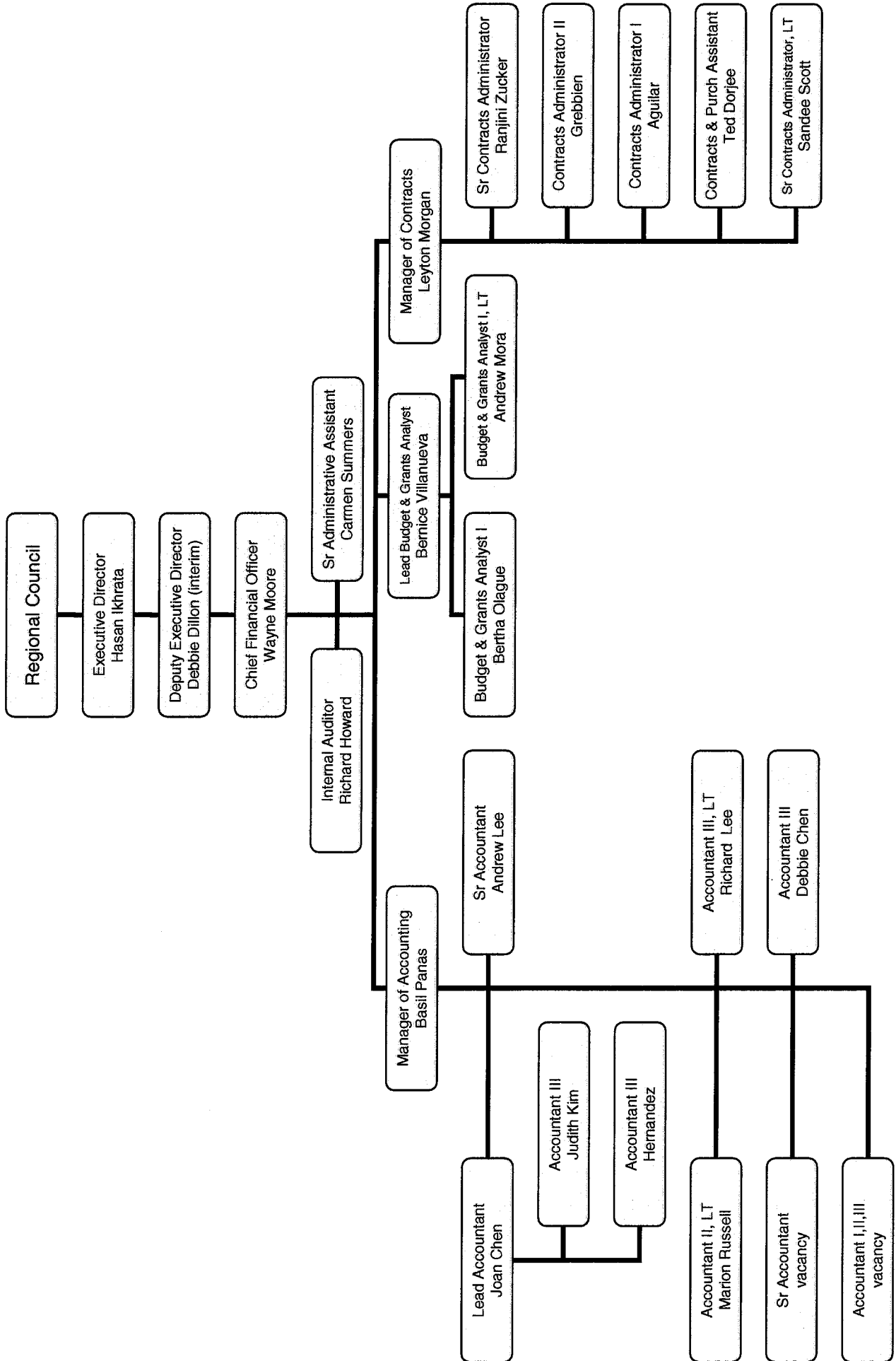
Ventura County Transportation Commission: Keith Millhouse, Moorpark

Transportation Corridors Agency: Lisa Bartlett, Dana Point

SCAG Organization Chart - June 30, 2010



Finance Organization Chart – June 30, 2010



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern California Association of Governments

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A stylized, handwritten signature in black ink, appearing to read "JHR".

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION



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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern California Association of Governments, as of and for the year ended June 30, 2010, which collectively comprise the Southern California Association of Government's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the Southern California Association of Government. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 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 the Southern California Association of Governments, as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, of the Southern California Association of Governments for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Southern California Association of Governments changed its method of accounting for intangible assets for fiscal years ending on or after June 30, 2010.

The information identified in the accompanying table of contents as *management's discussion and analysis and required supplementary information* are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Honorable Members of the Regional Council
Southern California Association of Governments
Page Two

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Southern California Association of Government's basic financial statements. The introductory section, supplemental combining and individual nonmajor fund financial statements, schedules, supplemental schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, supplemental schedules and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 17, 2010 on our consideration of the Southern California Association of Government's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman McCann P.C.

Irvine, California
November 17, 2010

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS**

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Management's Discussion and Analysis
June 30, 2010

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, 2010. This overview should be read in conjunction with the transmittal letter and the accompanying financial statements in order 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 comprised 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 Assets and the individual accounts, which comprise total assets and liabilities, are discussed and analyzed for the reader. Specific information about the functional areas of grant revenues reported in the Statement of Activities is also provided. Revenue and expenditure information about transportation, railroad, aviation, high speed rail, housing, and other grants is reviewed. Finally, there is summary information about project work undertaken and completed by SCAG in FY10.

FINANCIAL HIGHLIGHTS

- Revenues rose to \$35.6 million in FY10 from \$29.4 million in FY09, an increase of \$6.2 million, or 21%. This was primarily the result of reimbursements for the increased level of effort in FY10.
- Federal revenues increased by \$6.9 million; state revenues decreased \$0.7 million; local revenues were virtually unchanged, as were General Fund revenues.
- Net assets increased by \$0.8 million to \$5.6 million. The actual increase was \$778,885 and was attributable to surplus in the General Fund from budgetary savings.
- Cash decreased by \$2.6 million; accounts receivable increased by \$5.3 million; and accounts payable increased by \$1.6 million, all compared to FY09.
- Cash balances were adequate to support operations. There were no draws on SCAG's line of credit in FY10. In fact, SCAG has not utilized its line of credit since FY05 (\$3.0 million).
- Accounts Payable (AP) payments to vendors are disbursed on a current basis. All AP obligations are current.

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 assets and the statement of activities.

The Statement of Net Assets is the basic government-wide statement of financial position. It presents information on all assets and liabilities, and the difference between assets and liabilities is reported as net assets. Over time, increases or decreases in net assets 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 assets have changed during the most recent fiscal year. Changes in net assets are reported when the underlying event giving rise to the transaction occurs, regardless of when cash is received or paid. Since, it is not dependent on the timing of cash flows, some revenues and expenses that are reported in this statement will result in cash inflows and outflows in future fiscal years.

The Government-wide Financial Statements distinguish between the activities of SCAG that are principally supported by grants or contracts, and the General Fund activities which are intended to be covered primarily by dues paid by SCAG's members. Changes in net assets 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 26 and 27 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 one 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 accounting. They report transactions involving current financial resources by focusing on: assets that are a form of cash or convertible to cash within the ordinary course of operations and on liabilities that will be settled with current financial resources.

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 fund financial statements are reconciled to the Government-wide Financial Statements to facilitate comparison. The reconciliations are reported in the Basic Financial Statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Management's Discussion and Analysis
June 30, 2010

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 32 to 52 of this report.

The Statement of Net Assets

The Statement of Net Assets is prepared using accrual accounting since its measurement focus is total economic resources. Thus, it reports both long- and short-term assets and liabilities. At the end of FY10, assets exceeded liabilities by \$4,801,921, an increase of \$952,948 from FY09. This results from the net increase in the General and TDA fund balances. No other funds have a fund balance.

The following is a summary of net assets as of June 30, 2010 and 2009:

	June 30	
	2010	2009
Current and other assets	\$ 13,244,892	10,672,688
Capital assets, net	1,645,468	746,236
Total assets	14,890,360	11,418,924
Current liabilities	7,203,393	5,243,314
Noncurrent liabilities	2,106,161	1,373,689
Total liabilities	9,309,554	6,617,003
Net assets:		
Invested in capital assets	1,645,468	746,236
Unrestricted	3,935,338	4,055,685
Total net assets	\$ 5,580,806	4,801,921

Cash and Cash Equivalents

Over the last year, cash has decreased \$2.6 million to \$2.1 million. During that same period, cash as a percentage of total assets fell from 41% to 14% thanks to an increase in receivables during that period.

Included in cash was \$2 million of TDA, which remains available for future years, and \$0.2 million of member dues for FY10 received in FY09. It is important to note that the General Fund had advanced \$3.8 million to other funds at year-end in anticipation of grant reimbursements to those funds. This will be repaid in FY11.

Accounts Receivable (AR)

ARs from federal, state, local and others at the end of FY10 were \$11.1 million compared to \$5.9 million the year before. SCAG received reimbursement from the State on a less timely basis. This accounted for the increase in ARs. AR balances represented 75% of total assets compared to 51% in FY09. SCAG has continued to monitor ARs. Each AR was fully documented and its collection was carefully monitored. All AR balances are considered collectible. Less than 1% of ARs have been outstanding more than 90 days.

Under the terms of the Master Fund Transfer Agreement (MFTA) with the California Department of Transportation, SCAG may submit billings for actual allowable costs incurred (and not necessarily paid). However, SCAG must pay all billed costs within ten days of reimbursement by Caltrans. SCAG uses the rapid pay option offered by Caltrans. In exchange for a fee, payments to SCAG are expedited.

Federal ARs at \$10.9 million were \$5.6 million more than last year. State receivables fell by \$0.3 million to \$0.2 million. Other receivables fell by \$0.06 million to \$0.02 million.

Accounts Payable (AP)

During FY10 SCAG met its goal of paying 95% of invoices within 30 days in all but three months (those immediately around the fiscal year-end). At June 30, 2010, 5.5% of AP were outstanding more than 30 days. The AP balance rose \$1.6 million to \$6.1 million. The increase was largely attributable to slow grant reimbursement payments.

Line of Credit (LOC)

There were no draws on the LOC in FY10. In prior years, it was a valuable resource to ensure cash demands were met while awaiting reimbursement from grant funding sources.

The LOC is a \$5.0 million credit line with an independent financial institution, which expires on February 28, 2011. Cash advances, if requested, are secured by an assignment of moneys due only from Caltrans. Advances on the line must be in minimum amounts of \$350,000 and are due 45 days from the date of the advance. The interest rate specified on the current agreement can be fixed or variable depending on the option selected.

Capital Assets

Investment in net capital assets of \$1,645,468 represents about 29% of net assets. These assets have continuing value, which contribute to the efficiency and effectiveness in conducting SCAG's transportation planning activities. For additional information, the reader is referred to note 4 of the basic financial statements.

The policy with respect to capitalizing assets (other than computer software) is that the asset must cost more than \$5,000 and have a useful life of more than one year. The threshold for purchased computer software is \$50,000 and for internally generated software, it is \$100,000. Net investment in capital assets includes computer equipment, leasehold improvements, and furniture and fixtures as follows:

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
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June 30, 2010

SUMMARY OF CAPITAL ASSETS

	June 30	
	2010	2009
Computer equipment and software, net	\$ 1,476,518	\$ 571,954
Leasehold improvements, net	88,623	48,677
Furniture & fixtures, net	80,327	125,605
	\$ 1,645,468	\$ 746,236

Statement of Activities

	Year ended June 30	
	2010	2009
REVENUES		
Charges for services – member dues	\$ 1,494,523	1,609,029
Operating grants and contributions	33,834,170	27,643,659
General revenues:		
Interest revenue	49,759	86,581
Other revenue	271,027	61,383
	35,649,479	29,400,652
EXPENSES		
Transportation	33,499,563	27,137,783
Aviation	289,498	17,455
High speed rail	47,656	92,797
Energy	—	47,643
Administration	1,033,877	1,152,026
	34,870,594	28,447,704
Change in net assets	778,885	952,948
Net assets – beginning	4,801,921	3,848,973
Net assets – ending	\$ 5,580,806	4,801,921

All current year revenues and expenses are accounted for in the Statement of Activities. It recognizes revenues when earned and expenditures 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, aviation, high speed rail, integrated planning and administration, are described below.

Total revenues in FY10 were \$35.6 million compared to \$29.4 million last year. This is a increase of \$6.2 million or about 21%. It reflects the higher level of activity in FY10.

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The increase in net assets reflects mostly the net increase of \$612,125 in General Fund and TDA fund equity – an increase of \$1,075,098 in the General Fund (due to favorable budget variances) and a decrease of \$462,973 in the TDA fund (due to increased matching requirements).

Most of SCAG's funding (about 91%) comes from the federal government. The rest comes from state and local sources. In FY12, SCAG will receive increased TDA funding pursuant to AB 1403 which removed the \$1 million cap on SCAG's annual TDA allotment.

Major Expenses

In FY10, salary expenses were \$10.6 million which included \$1.3 million of non-worktime. The comparable amounts in FY09 were \$11.3 million and \$1.9 million, respectively. Salaries, including non-worktime, represent about 28% of total expenses.

Consultant expenses are the next largest expense line item. They increased \$3.1 million, or 33%, to \$12.6 million in FY10 from \$9.5 million in FY09. They represent about 32% of total expenses. The increase in the level of consultant expenditures resulted from a concerted effort to speed up work. 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

SCAG's two major federal grants are the Metropolitan Planning grant from the Federal Highway Administration (FHWA) and the Section 5303 grant from the Federal Transit Administration (FTA). These two federal grants are used to develop regional plans for transportation, integrated planning, air quality and other regionally significant transportation related issues. In accordance with federal and state laws, SCAG develops a long-range Regional Transportation Plan (RTP) every four years and a Federal Transportation Improvement Program (FTIP) every two years. The RTP lays out the framework for investments in transportation infrastructure and maintaining it over the long term.

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

These two grants had revenues of \$31.5 million compared to budget of \$32.1 million. FHWA revenues amounted to \$18.9 million and FTA \$6.1 million in FY09. Salaries and fringe benefits accounted for \$9.9 million, consultant expenses were \$10.8 million and the balance represented indirect overhead of \$9.5 million and other direct project costs of \$1.0 million. Other direct project expenses include professional services, travel, printing and other non-labor costs.

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Other Federal Grants

In addition to the two major grants, there were six non-major Federal grants, which were awarded to SCAG to fund specific project activities. Highlights are discussed below.

Total FTA-5304 expenditures were \$0.1 million. The unused grant balance will be carried forward to future years, subject to authorization from Caltrans.

FHWA (Blueprint) revenue was \$0.8 million. Most of it was spent on contractual services (\$0.5 million). The grant is available to Metropolitan Planning Organizations to support integrated regional planning efforts that better coordinate transportation investment and land use decision making. SCAG's Blueprint Grant award supports the Compass Blueprint program and its current implementation efforts. The grant provides resources to conduct research and analysis, public education and planning support through partnerships with local governments and county transportation commissions aimed at improving local and regional accessibility and mobility through a more sustainable planning approach. Current efforts include developing infill market feasibility studies, transit oriented development codes, context sensitive transportation solutions and public participation in planning

For FY10 SCAG had one FAA-funded project. It was for Regional Airport Management Reporting (\$17 thousand) for which SCAG prepared Aviation and Freight Collaboratives reports.

There were two other Federal grants are from the FTA: Jobs Access and Reverse Commute (JARC) and New Freedom grants. SCAG is responsible for the administration of the program fund allocations for Riverside and San Bernardino counties and to ensure that projects that are selected are included in the Regional Transportation Improvement program and the State Transportation Improvement Plan.

State Grants

State revenues this year were \$0.3 million from five State grants compared to \$1.0 million in FY09. All were State Planning and Research grants.

In FY10, \$1 million in Proposition 84 Modeling Incentive Funds were allocated to the Strategic Growth Council by the State Legislature. These funds must be used by 2012 and are meant to improve the modeling capacity of MPOs in order to meet the requirements of SB 375. These funds supplement existing funds for modeling enhancement and data projects which concurrently support both the development of the RTP and the requirements of SB 375.

Local Revenues

Local revenues were \$1.1 million, unchanged from FY09, consisting of local match, mostly Transportation Development Act (TDA) funding. The TDA fund, a major fund, had revenues of \$1 million and expenditures of \$1.4 million. The TDA resource is an annual apportionment to SCAG of \$1.0 million received from four Transportation Commissions in the region. The \$1 million cap will not apply after FY11 thanks to AB 1403. The funds are primarily used to meet the local match requirement for federal grants.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Management's Discussion and Analysis
June 30, 2010

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 SCAG's only internal source of working capital and its resources are available for any authorized purpose, not otherwise required or allowed to be accounted for in another fund. Thus, GF cash is routinely used to pay invoices that are in the process of being billed to the grantor.

The comparative summary statement of revenues, expenditures, and changes in fund balances of the GF shown below is reported on a modified accrual basis. In FY10, the fund balance increased \$1,075,098. The reader is referred to page 27, which presents the statement of activities on a government-wide basis and reports an increase in net assets of \$778,885.

	Year ended June 30	
	2010	2009
Revenues:		
Membership assessments	\$ 1,494,523	1,609,029
General Assembly	168,500	-
Interest and other	155,653	147,964
Total revenues	1,818,676	1,756,993
Expenditures:		
Transportation	9,576,223	9,959,631
Administration	924,182	1,041,644
Capital outlay	86,443	366,192
Total expenditures	10,586,848	11,367,467
Deficiency of revenues over expenditures	(8,768,172)	(9,610,474)
Other financing sources (uses):		
Transfers in	9,843,270	10,118,305
Net change in fund balance	1,075,098	507,831
Fund balance, beginning of year	3,431,480	2,923,649
Fund balance, end of year	\$ 4,506,578	3,431,480

Dues assessed to member jurisdictions

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

The RC has implemented formal policies to retain members and grow dues collections. By-law amendments have been approved to permit increases in dues equal to the consumer price index. Member dues collections in FY10 were \$1,494,523 compared to \$1,609,029 in FY09, a decrease of about 7.1%. This resulted from the 10% waiver of dues that applied to most of SCAG's members. During FY10, SCAG welcomed the cities of Whittier, Laguna Hills, San Juan Capistrano and Santa Ana as new members and also welcomed back the city of Norwalk.

Other GF revenues and interest income

This year's General Assembly meeting's costs were defrayed to the extent of \$168,500 with funds from participants. Total other revenues increased in FY10 to \$155,653 from \$147,964 in FY09. This included \$49,759 of interest income down from \$86,581 in FY09, due to lower interest rates. Cash that was not needed as working capital to support daily operations was invested in the Los Angeles County Investment Pool. The County Pool investment policy provides that public funds are invested for the maximum security of principal with secondary emphasis on achieving the highest return. The reader is referred to the Note 2 – Cash and Cash Equivalents for additional information.

GF Budget vs. Actual Expenditures

GF expenditures overall were \$1.1 million compared to the budget of \$1.5 million, a positive variance of \$0.4 million. The GF budget includes RC expenditures including member stipends, travel, monthly RC meeting expenses, and annual meetings. It also includes contracted federal and state lobbying, and legal fees. Most of the positive variance resulted from savings in professional services contracts and capital outlay.

Next Year's Budgets

SCAG's aggregate grant budget, called the Overall Work Program (OWP), for FY11 is \$37.1 million compared to the grant budget in FY10 of \$38.9 million, a net decrease of \$1.8 million or 4.6%. Most FY11 OWP funding comes from the Federal government (82%), 12% comes from local sources, and 6% from the State of California.

Requests for Information

This report is designed to provide a general overview of SCAG finances for readers of the Comprehensive Annual 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, 818 West 7th Street, 12th Floor, Los Angeles, California 90017.

**BASIC
FINANCIAL
STATEMENTS**

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Statement of Net Assets
June 30, 2010

ASSETS

Cash and cash equivalents (note 2)	\$ 2,094,499
Receivables:	
Federal grants	10,914,960
State grants and contracts	190,533
Other	20,527
Prepays	24,373
Capital assets, net (note 5)	<u>1,645,468</u>
Total assets	<u><u>14,890,360</u></u>

LIABILITIES

Accounts and contracts payable	6,081,237
Accrued liabilities	423,340
Unearned revenues (note 4)	393,367
Indirect cost recovery (note 3)	305,449
Noncurrent liabilities (note 9):	
Due within one year	596,699
Due in more than one year	<u>1,509,462</u>
Total liabilities	<u><u>9,309,554</u></u>

Commitments and contingencies (notes 7, 8, 10, and 12)

NET ASSETS

Invested in capital assets	1,645,468
Unrestricted	<u>3,935,338</u>
Total net assets	<u><u>\$ 5,580,806</u></u>

See notes to basic financial statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Statement of Activities
Year ended June 30, 2010

			Program revenues		Net
	Expenses	Indirect cost allocations	Charges for services – member dues (note 10)	Operating grants and contributions	(expenses) revenues and change in net assets 2010
Functions/programs:					
Transportation	\$ 23,807,704	9,701,536	—	33,510,137	897
Aviation	166,258	123,240	—	286,326	(3,172)
High speed rail	19,485	18,494	—	37,707	(272)
Administration	10,877,147	(9,843,270)	1,494,523	—	460,646
Total governmental activities	34,870,594	—	1,494,523	33,834,170	458,099
General revenues:					
Interest income					49,759
Other revenue					271,027
Total general revenues					320,786
Change in net assets					778,885
Net assets at beginning of year					4,801,921
Net assets at end of the year					\$ 5,580,806

See notes to basic financial statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Balance Sheet
Governmental Funds
June 30, 2010

Assets	General Fund	FTA Fund	FHWA Fund	TDA Fund	Nonmajor Funds	Total
Cash and cash equivalents	\$ 2,094,499	—	—	—	—	2,094,499
Receivables:						
Federal grants	—	4,866,792	5,527,094	—	521,074	10,914,960
State grants and contracts	—	—	—	—	190,533	190,533
Other	20,527	—	—	—	—	20,527
Due from other funds (note 6)	3,794,835	—	—	2,051,416	508,183	6,354,434
Prepays	24,373	—	—	—	—	24,373
Total assets	\$ 5,934,234	4,866,792	5,527,094	2,051,416	1,219,790	19,599,326
Liabilities and Fund Balances						
Accounts and contracts payable	\$ 471,564	2,201,459	1,965,337	516,495	926,382	6,081,237
Accrued liabilities	423,340	—	—	—	—	423,340
Indirect cost recovery	305,449	—	—	—	—	305,449
Due to other funds (note 6)	—	2,665,333	3,561,757	—	127,344	6,354,434
Deferred revenues (note 4)	227,303	—	—	—	166,064	393,367
Total liabilities	1,427,656	4,866,792	5,527,094	516,495	1,219,790	13,557,827
Fund balances						
Reserved for:						
Prepays	24,373	—	—	—	—	24,373
Unreserved reported in:						
General fund	4,482,205	—	—	—	—	4,482,205
Special revenue funds	—	—	—	1,534,921	—	1,534,921
Total fund balances	4,506,578	—	—	1,534,921	—	6,041,499
Total liabilities and fund balances	\$ 5,934,234	4,866,792	5,527,094	2,051,416	1,219,790	19,599,326

See notes to basic financial statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Reconciliation of Total Governmental Fund Balances to
Net Assets in the Statement of Net Assets
June 30, 2010

Total governmental fund balances	\$	6,041,499
Amounts reported for governmental activities in the accompanying statement of net assets are different because:		
Capital assets, net of accumulated depreciation of \$2,908,968 used in governmental activities are not financial resources; they are therefore not reported in the governmental fund financial statements (Note 5)		1,645,468
Deferred credits recorded on the statement of net assets are not considered to be fund liabilities as they are not expected to be liquidated with current financial resources		(244,431)
Compensated absences liabilities are not due and payable at year end; they are therefore not reported in the governmental fund financial statements		(950,559)
Claims payable to CALJPIA are not due and payable at year end; they are therefore not reported in the governmental fund financial statements		(496,076)
Net pension obligations are not due and payable at year end; they are therefore not reported in the governmental fund financial statements		<u>(415,095)</u>
Net assets	\$	<u><u>5,580,806</u></u>

See notes to basic financial statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2010

	General Fund	FTA Fund	FHWA Fund	TDA Fund	Nonmajor Funds	Total
Revenues:						
Federal grants, net	\$ —	13,257,562	18,210,538	—	961,792	32,429,892
State grants and contracts	—	—	—	—	270,940	270,940
Local grants and contracts	—	—	—	1,000,000	133,338	1,133,338
Membership assessments (note 10):						
Cities	1,149,862	—	—	—	—	1,149,862
Counties	262,161	—	—	—	—	262,161
Commission	82,500	—	—	—	—	82,500
General assembly	168,500	—	—	—	—	168,500
Interest and other	155,653	—	—	—	—	155,653
Total revenues	1,818,676	13,257,562	18,210,538	1,000,000	1,366,070	35,652,846
Expenditures:						
Transportation	9,576,223	9,319,672	12,363,961	1,389,459	1,198,582	33,847,897
Aviation	—	143,462	—	1,950	17,674	163,086
High speed rail	—	19,113	—	—	—	19,113
Administration	924,182	—	—	—	—	924,182
Capital outlay	86,443	—	—	—	—	86,443
Total expenditures	10,586,848	9,482,247	12,363,961	1,391,409	1,216,256	35,040,721
Excess (deficiency) of revenues over expenditures	(8,768,172)	3,775,315	5,846,577	(391,409)	149,814	612,125
Other financing sources (uses):						
Transfers in (note 6)	9,843,270	—	—	—	—	9,843,270
Transfers out (note 6)	—	(3,775,315)	(5,846,577)	(71,564)	(149,814)	(9,843,270)
Net change in fund balance	1,075,098	—	—	(462,973)	—	612,125
Fund balances at beginning of year	3,431,480	—	—	1,997,894	—	5,429,374
Fund balances at end of year	\$ 4,506,578	—	—	1,534,921	—	6,041,499

See notes to basic financial statements.

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, 2010

Net change in fund balances – total governmental funds	\$	612,125
Amounts reported for governmental activities in the accompanying statement of activities are different because:		
Net CALJPIA insurance coverage payable is not recorded in the governmental funds and the changes in these balances are not reflected.		(496,076)
Governmental funds report capital outlays as expenditures. However, in the statement of activities those assets costs are allocated over their respective estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (Note 5):		
Capital outlay	\$ 1,437,726	
Disposition of capital assets	(3,367)	
Depreciation expense	<u>(535,127)</u>	899,232
Deferred credits and compensated absences liabilities are not recorded in the governmental funds and the corresponding changes in these balances are not reflected in the change in fund balance:		
Deferred credits		21,183
Compensated absences liabilities		(144,674)
Expenses reported in the statement of activities which do not require the use of current financial resources are not reported as expenditures in governmental funds:		
Increase in net pension obligation		<u>(112,905)</u>
Change in net assets of governmental activities	\$	<u><u>778,885</u></u>

See notes to basic financial statements.

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 in 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 a 83-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

Government-wide financial statements (i.e., the Statement of Net Assets 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. All significant interfund activity has been eliminated. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (continued)

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 properly 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. Indirect costs are initially recorded as administrative expenses in the statement of activities and then allocated out to other functions in a separate column titled "indirect costs allocations." SCAG policy for the allocation of indirect costs states they are allocated equitably to projects using the guidance, standards, and objectives contained in federal and state regulation. Specifically, the Federal Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State and Local Governments*, is the primary reference, and the *Local Assistance Procedure Manual* is the State of California reference.

SCAG is permitted by these regulations to allocate indirect cost 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 in advance to the State of California Audits and Investigations for analysis and approval of the fixed rate to be used in the following year. 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).

Governmental Funds Financial Statements

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 is 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Fund Financial Statements (continued)

All governmental funds are accounted for on a spending or “financial flow” measurement focus. Generally, only current assets and current liabilities are included on 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 change in fund balance.

(c) Major Funds

SCAG considers the following funds as major governmental funds:

Governmental Funds

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

Federal Transit Administration – This fund is established to account for revenues from the Federal Transit Administration. These funds are available and restricted to support expenditures for specifically identified purposes and projects.

Federal Highway Administration – This fund is established to account for revenues from the Federal Highway Administration under separate granting procedures. These funds are available and restricted to support expenditures for specifically identified purposes and projects.

Transportation Development Act – This fund is established to account for revenues from the Transportation Development Act under separate granting procedures. These funds are available and restricted to support expenditures for specifically identified purposes and projects.

(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. Unallowed 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.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) *Deferred Revenue/Unearned Revenue*

Cash received from grantors in advance of actual grant expenditures being incurred is recorded as deferred revenue in the accompanying basic financial statements. Additionally, some jurisdictions pay their member dues for the following year in advance. These amounts are also reported in unearned revenue in the Statement of Net Assets.

(f) *Deferred Credits*

SCAG's rental cost associated with its operating lease for office space is recognized on the straight-line basis in the government-wide financial statements. The difference between cash payments and straight-line rent expense results in a credit balance that is included in deferred credits in the government-wide financial statements.

SCAG also received a benefit from certain tenant improvement allowances granted at the inception of its lease, which were recorded as deferred lease credits and are amortized on a straight-line basis over the lease term. The related deferred credits are not, however, reported in the accompanying fund financial statements as they are not expected to be liquidated with current financial resources. They are reported in the Statement of Net Assets as noncurrent liabilities (Note 8).

(g) *Capital Assets*

Capital assets, which include furniture and fixtures, computer equipment and leasehold improvements, are reported in the governmental activities in the accompanying government-wide financial statements. Capital assets are defined by SCAG as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. The threshold for purchased computer software is \$50,000 and for internally generated software, it is \$100,000. Such assets are recorded at cost if purchased or constructed. Donated capital assets, if any, are recorded at estimated fair value at the date of donation.

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

Equipment and software	3 years
Leasehold improvements	12 years
Furniture and fixtures	3 to 7 years

(h) *Compensated Absences*

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

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposit accounts and amounts held by the County of Los Angeles Treasurer. Cash not needed for immediate working capital use is invested in interest-bearing accounts.

(j) 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 assets and liabilities and disclosure of contingent assets and liabilities 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.

NOTE 2 CASH AND CASH EQUIVALENTS

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

Book balance deposits with financial institutions	\$ (57,138)
Cash and cash equivalents in County of Los Angeles Treasury	2,151,188
Petty cash	450
	\$ 2,094,499

(a) Deposits

At June 30, 2010 SCAG's cash and cash equivalents consisted of deposits with the County of Los Angeles Treasury, 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.

Independent Financial Institution

At June 30, 2010 SCAG's carrying amount of cash in checking accounts was \$(57,138) while the bank balance was \$1,088,807; the difference is attributable to outstanding checks.

Of the bank balance in financial institutions, the Federal Deposit Insurance Corporation covered \$250,000, while the remaining \$838,807 is collateralized pursuant to signed agreements. The financial institutions are legally required by the California Government Code to collateralize SCAG's deposits by pledging government securities. The pledging financial institution's trust department holds the collateral in the depositor's name. The fair value of the pledged securities is greater than 110% of SCAG's deposit balance.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

(b) Investments Authorized by SCAG'S Investment Policy

The table below identifies the investment types that are authorized for SCAG's investment policy. Included in SCAG's investment policy is a statement that SCAG will diversify the use of investment instruments to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions, or maturities. SCAG's investment policy also requires the diversification of investment instruments in accordance with the guidelines of Government Code Section 53600 et seq. to avoid incurring unreasonable risks inherent in overinvesting in specific instruments, individual financial institutions, or maturities. The custodial risk of the investments are considered to be of the lowest degree and consistent with SCAG's investment policy. The table also identifies certain provisions of SCAG's investment policy that address interest rate risk and concentration of credit risk.

	Maximum maturities	Maximum concentration
U.S. Treasury Obligations (bills, notes and bonds)	5 years	100%
U.S. Government Agency Securities	5 years	100
Bankers' Acceptances	180 days	40
Commercial Paper	270 days	25
Negotiable Certificates of Deposit	N/A	30
Certificates of Deposit	N/A	30
Passbook Savings Accounts	N/A	30
Repurchase Agreements	92 days	20
Interest-Bearing Checking Accounts	N/A	5
Intermediate-Term Corporate Notes	5 years	30
Bank Money Market Accounts	N/A	20
Local Agency Investment Fund (LAIF)	(per state limit)	
Los Angeles County Investment Fund (County Pool)	N/A	100

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 2 CASH AND CASH EQUIVALENTS (Continued)

(c) County of Los Angeles Treasurer's Pool

At June 30, 2010 and as permitted by California Government Code Section 53635, a portion of SCAG's cash balance totaling \$2,151,188 was on deposit in the County Pool. Such investments are stated at fair value. SCAG's investments in the County Pool represent less than 1% of the County Pool's investments. The County Treasurer prepares an *Investment Policy Statement* (policy) annually, which is presented to the Board of Supervisors for approval. The policy provides the basis for the management of a prudent, conservative investment program. Public funds are invested for the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the California Government Code, and in general, the Treasurer's policy is more restrictive than state law. The County Pool is not rated, and the following is a summary of the maturity ranges of the County Pool's investments:

Description	Weighted average maturity in years	Relative % of total pool
U.S. government securities	2.02	47%
Negotiable certificates of deposit	0.14	13
Commercial paper	0.07	36
Corporate and deposit notes	0.25	4

NOTE 3 INDIRECT OVERHEAD

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. The annual budget and the calculations of the fixed rate percentage are reviewed, negotiated, and approved annually by the California Department of Transportation (Caltrans). A cost allocation plan is prepared and submitted to Caltrans in accordance with procedures of the Office of Management and Budget (OMB) Circular A-87, *Cost Principles for State and Local Governments and the State Local Assistance and Procedure Manual*. Variations between actual indirect costs incurred and the allocated and recovered amounts are recorded as receivables or liabilities, as the case may be, and are allowed by Caltrans to be carried forward to future years' indirect cost allocation plan.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 3 INDIRECT OVERHEAD (Continued)

An under recovery of \$77,383 was carried forward from fiscal year 2009 and the remaining over recovered indirect costs for fiscal year 2010 is included in the General Fund as a liability. The fixed percentage rate that was approved by Caltrans and used for fiscal year 2010 was 96.26% of salaries plus fringe benefits. A reconciliation of the carryforward to fiscal 2010 follows:

		<u>Indirect costs</u>
Indirect costs	\$	9,552,824
Indirect costs recovered		<u>9,935,656</u>
Over recovered indirect costs		(382,832)
Under recovered indirect costs, beginning of year		<u>77,383</u>
Over recovered indirect costs, end of year	\$	<u><u>(305,449)</u></u>

The balance of over recovered indirect costs at June 30, 2010 amounting to \$305,449 will be carried forward, as an adjustment to the calculation of the indirect cost rate for fiscal year 2010-2011.

NOTE 4 DEFERRED/UNEARNED REVENUES

(a) *Membership Dues*

Cash received as of June 30, 2010 for member dues for the following year amounted to \$214,219.

(b) *Grant Advances*

Cash advances received from various grantees and not yet expended at June 30, 2010 amounted to \$179,148. The amount is reported as deferred revenue in the Governmental Funds financial statements.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 5 CAPITAL ASSETS

SCAG's capital asset activity for the year ended June 30, 2010 was as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Additions/ adjustments</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2010</u>
Capital assets being depreciated:				
Computer equipment/ software	\$ 4,361,895	1,351,283	(2,194,302)	3,518,876
Leasehold improvements	894,699	86,443	(115,808)	865,334
Furniture and fixtures	<u>984,589</u>	<u>-</u>	<u>(814,363)</u>	<u>170,226</u>
Total capital assets being depreciated	<u>6,241,183</u>	<u>1,437,726</u>	<u>(3,124,473)</u>	<u>4,554,436</u>
Less accumulated depreciation and amortization for:				
Computer equipment/ software	(3,789,941)	(446,719)	2,194,302	(2,042,358)
Leasehold improvements	(846,022)	(46,497)	115,808	(776,711)
Furniture and fixtures	<u>(858,984)</u>	<u>(41,911)</u>	<u>810,996</u>	<u>(89,899)</u>
Total accumulated depreciation and amortization	<u>(5,494,947)</u>	<u>(535,127)</u>	<u>3,121,106</u>	<u>(2,908,968)</u>
Capital assets, net	\$ <u>746,236</u>	<u>902,599</u>	<u>(3,367)</u>	<u>1,645,468</u>

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

Transportation	\$ 520,743
Aviation	270
Administration	<u>14,114</u>
	<u>\$ 535,127</u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 6 INTERFUND ACTIVITY

Interfund due to/from amounts at June 30, 2010 were as follows:

	Due from Other Fund	Due to Other Fund
Major Governmental Funds:		
General Fund	\$ 3,794,835	-
FTA Fund	-	2,665,333
FHWA Fund	-	3,561,757
TDA	2,051,416	-
Total	<u>5,846,251</u>	<u>6,227,090</u>
Nonmajor Governmental Funds	508,183	127,344
Total Funds	<u>\$ 6,354,434</u>	<u>6,354,434</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 funds portion of these transactions. Interfund balances have been eliminated in the government-wide financial statements.

Following is a summary of transfers between funds during the year ended June 30, 2010:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	FHWA Fund	\$ 5,846,577	Allocation of indirect cost
	FTA Fund	3,775,315	Allocation of indirect cost
	TDA Fund	71,564	Allocation of indirect cost
	Nonmajor Funds	149,814	Allocation of indirect cost
		<u>\$ 9,843,270</u>	

SCAG utilizes interfund transfers to reimburse the General Fund for indirect costs that are allocated to SCAG's federal, state, and local grant funds. Interfund transfers are also the result of subsidies provided from the General Fund to SCAG's federal, state, and local grant funds for unallowed and disallowed costs, if any, in conjunction with grant activities. Interfund transfers have been eliminated in the government-wide financial statements.

NOTE 7 COMMITMENTS AND CONTINGENCIES

(a) Grants

Amounts received or receivable from grantors are subject to audit and adjustment by grantor agencies, principally Caltrans, the pass-through agency for federal and state grantors. Any disallowed costs, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 7 COMMITMENTS AND CONTINGENCIES (Continued)

(b) Contract Commitments

At June 30, 2010, SCAG is contractually committed to pay for certain future transportation, technical, and other planning consulting services aggregating \$2,797,251.

(c) Lease Commitments

At June 30, 2010, minimum lease commitments under noncancelable operating leases with initial terms of one year or more are as follows:

2011	\$	1,757,272
2012		1,631,242
2013		1,564,410
2014		1,640,630
2015		1,640,630
2016-2020		<u>6,278,602</u>
Total	\$	<u><u>14,512,786</u></u>

(d) 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. In the opinion of management, there is no pending litigation or unasserted claims, the outcome of which would materially affect SCAG's financial position.

(e) Risk Management

SCAG is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SCAG is a member of the Joint Powers Insurance Authority (Authority) and participates in certain self-insurance programs for general liability and workers' compensation as described herein. In addition, it has purchased All-Risk Property Insurance with an insured value of \$3.7 million. Administrative expenses are paid from the Authority's investment earnings.

NOTE 7 COMMITMENTS AND CONTINGENCIES (Continued)

(e) Risk Management (continued)

During the year ended June 30, 2010, the premium for general liability coverage was \$282,943 and for workers' compensation it was \$192,770.

For the years ended June 30, 2009 and 2010, the JPIA Executive Committee used a "rolling" retro payment and refund schedule for members. One-fourth of the retro amount is paid or refunded each year. The effect is that payments and refunds will partially net out, thus reducing cash flow fluctuations from year to year. At June 30, 2010 the cumulative retrospective deposit payable for general liability is \$835,618 and the cumulative retrospective refund due for workers compensation is \$339,542, resulting in a net liability of \$496,076.

The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code, Section 6500 et seq. The Authority's purpose is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance and reinsurance, and to arrange the group-purchased insurance for property and other coverages. The Authority's pool 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.

General liability insurance costs are spread to members as follows: the first \$30,000 of each occurrence is charged directly to the member; costs from \$30,001 to \$750,000 are pool based; and costs from \$750,001 to \$15.0 million are currently paid by reinsurance. The coverage for each member is \$50.0 million per occurrence and \$50.0 million in annual aggregate.

SCAG also participates in the workers' compensation pool administered by the Authority. Loss development reserves are established and allocated by pool and loss layers. Costs are spread to members as follows: the first \$50,000 of each claim is charged directly to the members; losses from \$50,000 – \$100,000 are pooled based on losses under \$50,000; losses from \$100,000 to \$2.0 million are pooled based on payroll; and costs from \$2.0 million to \$50.0 million are transferred to an excess insurance policy. Costs in excess of \$50.0 million are pooled among the members based on payroll.

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, 2010, SCAG paid \$1,240,968 of health insurance premiums and \$98,584 of vision and dental insurance premiums, as well as \$575,996 to employees who had no health insurance elections.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 8 LINE OF CREDIT

SCAG has a \$5.0 million line of credit (“LOC”) arrangement with an independent financial institution, which expires on February 28, 2011. The LOC was not used in the year ended June 30, 2010. 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. At June 30, 2010 no liability was outstanding.

The line of credit agreement contains certain covenants regarding timely repayment, maintenance of certain levels of financial position, and other criteria. At June 30, 2010, SCAG management believes it was in compliance with the financial covenants.

NOTE 9 LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2010 was as follows:

	<u>Balance, June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2010</u>	<u>Due within one year</u>
Compensated absences	\$ 805,885	627,542	(482,868)	950,559	569,553
Claims payable	—	496,076	—	496,076	—
Deferred credits	265,614	86,443	(107,626)	244,431	27,146
Net pension obligation	302,190	172,167	(59,262)	415,095	—
Total \$	<u>1,373,689</u>	<u>1,382,228</u>	<u>(649,756)</u>	<u>2,106,161</u>	<u>596,699</u>

NOTE 10 RELATED PARTY TRANSACTIONS – MEMBERSHIP ASSESSMENTS

For the year ended June 30, 2010, SCAG recorded \$1,494,523 as membership revenue. These revenues are received from member cities, counties, transportation commissions and the Pechanga Band of Luiseno Indians 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.

NOTE 11 RETIREMENT PLANS

Defined Benefit Pension Plan

(a) *Plan Description*

SCAG's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. SCAG is a member of the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. State statutes within the Public Employees' Retirement Law establish menus of benefit provisions as well as other requirements. SCAG selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 Q Street, Sacramento, California 95811.

(b) *Funding Policy*

The retirement contribution by active employees is 8% of their eligible salary; however SCAG has elected to pay this amount on behalf of the employee. SCAG also contributes an additional amount based on the actuarially-required amounts determined by CalPERS to fund the retirement benefits. The employer contribution rate for the year ended June 30, 2010 was 10.970% of the total annual eligible payroll. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The contribution requirements of the plan members are established by state statute, and the employer contribution rate is established and may be amended by CalPERS.

(c) *Annual Pension*

For the fiscal year ended June 30, 2010, SCAG's annual required contribution (ARC) was \$1,198,736. The required contribution for fiscal year 2009-2010 was determined as part of the June 30, 2007 annual valuation report. It uses the entry-age-normal-actuarial-cost method and the contributions are determined as a level percent of payroll. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.25% to 14.45% depending on age, service and type of employment, (c) an assumed annual inflation rate of 3.00% and (d) an overall payroll growth rate of 3.25%. The valuation of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a two to five year period, depending on the size of investment gains and/or losses. The plan's unfunded actuarial accrued liability is being amortized over a closed average remaining period of twenty two years as of the valuation date. The amortization method is a level percent of payroll. The amortization payment may not be lower than the payment calculated over a thirty year period.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 11 RETIREMENT PLANS (Continued)

Defined Benefit Pension Plan (continued)

(d) Three-Year Trend Information

Fiscal year ended June 30:	<u>ARC</u>	<u>Percentage of ARC contributed</u>	<u>Net pension obligation</u>
2008	\$ 2,198,376	100%	—
2009	1,087,970	100%	—
2010	1,198,736	100%	—

(e) Required Supplementary Information – Schedule of Funding Progress

Valuation date:	<u>Entry age normal accrued liability</u>	<u>Actuarial value of assets</u>	<u>Unfunded (overfunded) liability</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAAL as a percentage of payroll</u>
6/30/07	\$ 66,358,446	\$ 62,858,119	\$ 3,500,327	94.7%	\$ 10,305,567	34.0%
6/30/08	72,031,690	67,485,562	4,546,128	93.7%	11,633,452	39.1%
6/30/09	77,642,469	69,463,062	8,179,407	89.5%	9,621,518	85.0%

Supplemental Defined Benefit Pension Plan

(a) Plan Description

On January 1, 2002, SCAG adopted a Public Agency Retirement System (PARS) Supplementary Retirement Plan (Plan). It was established to provide supplemental retirement benefits to certain eligible employees who retired in 1999. The Plan is a single 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 for the purpose of calculating benefits by PERS; 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 does not issue stand-alone financial reports.

NOTE 11 RETIREMENT PLANS (Continued)

Supplemental Defined Benefit Pension Plan (continued)

(a) *Plan Description (continued)*

The PARS' trust administrator is Phase II Systems, which was appointed by the member agencies affiliated with the trust. The Union Bank of California, N.A. 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. Distributions are paid consistent with the method of distribution by PERS, including an annual two-percent (2%) compounding cost-of-living adjustment effective each year on May 1st.

A participant is fully vested and eligible to receive benefits under the Plan, if designated by the plan administrator. There are 11 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.

SCAG has the right to amend, modify, or terminate the plan at any time. In the event of complete discontinuance of the Plan, the entire interest of each participant becomes fully vested, and all benefits under the Plan shall be payable solely from the assets of the trust.

(b) *Funding Policy*

Through 2010, SCAG has contributed to PARS an amount sufficient only to pay the actual required retirement benefit to each of the retirees. The Plan contributions are on a pay-as-you-go basis determined exclusively by the monthly benefit due to each retiree. The amount calculated to be paid to each retiree is stated in the Plan agreement and changes only for the 2% annual cost-of-living adjustment. SCAG has paid the quarterly contributions to PARS at the end of the preceding quarter, and the actual supplemental distributions are paid monthly to each retiree by PARS. The Plan contributions were not calculated based on the results of an actuarial valuation.

An actuarial valuation was performed by an independent actuary as of 2006, 2008 and 2010. The actuarial methods and assumptions used were determined by the actuary based on a closed plan where no new members will be added in the future.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 11 RETIREMENT PLANS (Continued)

Supplemental Defined Benefit Pension Plan (continued)

(b) Funding Policy (continued)

The amount of the ARC for fiscal year 2010 was determined by an actuarial valuation as of June 30, 2008. The net pension obligation (NPO) at June 30, 2010 was calculated based on the ARC, less the payments of \$59,262 made on the pay-as-you-go method, with an annual inflation rate of 6%. No adjustment was made for prior year's underfunding. The unfunded amount is reported as a liability of \$415,095 in the *Statement of Net Assets* in long-term liabilities.

(c) Annual Pension

For the fiscal year 2009 – 2010, SCAG's annual actuarially determined pension cost was \$154,036. It was calculated as part of the actuarial valuations using the actual retirement benefits due to each retiree. The actuarial assumptions were (a) a 6% investment rate of return, (b) an annual 2% cost-of-living increase for retirees, and (c) and the Group Actuarial Mortality Statistics. There is no additional post retirement benefit increase. All members are retired and therefore there is no covered payroll cost. The actuarial value of the plan's assets was determined by the actual fund balance in the Plan.

Amortization is computed on a 5 year level dollar with beginning of year payments. The amortization period is closed.

(d) Three-year Trend Information

		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC contributed</u>	<u>Net pension obligation</u>
Fiscal year ended June 30:				
2008	\$	119,281	64%	223,224
2009		132,143	40%	302,190
2010		172,167	37%	415,095

(e) Required Supplementary Information – Schedule of Funding Progress

		<u>Normal accrued liability</u>	<u>Actuarial value of assets</u>	<u>Unfunded liability</u>	<u>Funded ratio</u>	<u>Annual covered payroll</u>	<u>UAAL as a percentage payroll</u>
June 30, 2006	\$	729,136	15,044	714,092	2.06%	N/A	N/A
June 30, 2008		718,535	15,851	702,684	2.21%	N/A	N/A
June 30, 2010		704,823	17,036	687,787	2.42%	N/A	N/A

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 11 RETIREMENT PLANS (Continued)

Supplemental Defined Benefit Pension Plan (continued)

(f) Net Pension Obligation

Actuarially determined contribution	\$	154,036
Interest on NPO		18,131
		172,167
Contributions made		(59,262)
		112,905
NPO beginning of year		302,190
		NPO end of year \$ 415,095

NOTE 12 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, 2010, plan assets totaling \$8,916,788 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 13 POSTEMPLOYMENT HEALTHCARE PLAN

(a) Plan Description

On August 30, 2007, SCAG elected to participate in the CalPERS California Employer's Retiree Benefit Trust Program to prefund ("Prefunding Plan") health care benefits for retirees through CalPERS. The Prefunding Plan was established to assist SCAG in prefunding payments of health care costs to retirees. CalPERS has sole and exclusive control and power over the administration and investment of the Prefunding Plan. CalPERS required SCAG to provide them with an acceptable actuarial report on the basis of the prescribed actuarial assumptions and methods. The first actuarial report was prepared by an independent actuary engaged by SCAG. A biennial actuarial report is required.

NOTE 13 POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

(a) Plan Description (continued)

The Prefunding Plan is an agent multiple employer plan and CalPERS will publish aggregated GASB 43 results for the Schedule of Funding Progress and Employer contributions and publish them in its financial statements. It will not publish individual reports for an agency. CalPERS, however, will provide audited statements about SCAG contributions made to the Prefunding Plan, asset balances, and investment returns to each individual participating agency. GASB 45 was issued in 2004 and it provided standards on accounting and financial reporting for post employment benefits, including health benefits.

A retiree is fully vested and eligible to receive health care benefits under the Prefunding Plan, if designated by SCAG. At the end of the fiscal year 2009-2010, the actual number of retirees was 84. 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. Health care benefit payments are made monthly for each retired employee up to a maximum of \$550 and future increases are capped at 2% every 3 years. Retirees can select a health care plan from only among the plans available through CalPERS. All of the retiree health benefit continues to the surviving spouse.

If SCAG's participation in the Prefunding Plan terminates for reasons specified in the trust, all assets shall remain in the Prefunding Plan and will continue to be invested and accrue income. The Prefunding Plan will continue to provide health care benefits only so long as there are SCAG assets remaining. After 36 months have elapsed, SCAG may request the transfer of the assets in the Prefunding Plan account. The transfer will be made if the transfer will satisfy applicable requirements of the Internal Revenue Code and the CalPERS fiduciary duties.

(b) Funding Policy

During the fiscal year 2010, SCAG has paid to CalPERS the amount of \$767,000, sufficient to meet the Annual Required Contribution. During the year, retirees received the health benefit up to the benefit maximum of \$550. The aggregate amount paid to retirees in the fiscal year was \$411,997. Any health premium over the \$550 is paid by the retiree directly to CalPERS. The method of calculating the annual required contribution (ARC) has been changed from a pay-as-you-go method to an advance funded plan based on an actuarial valuation. Accordingly, an actuarial valuation was performed by an independent actuary as of June 30, 2008. The actuarial methods and assumptions used were determined by the actuary.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 13 POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

(c) Annual Pension

The amount of the actuarially determined annual pension cost for the year ended June 30, 2010 was \$767,000. It was calculated by using the June 30, 2008 actuarial valuation. There is no net pension obligation at the end of the year because 100% of the ARC was paid in 2010. The actuarial cost method used for determining the benefit obligation is the Entry Age Normal Cost Method. The actuarial assumptions included using a 7.75% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date. And a annual healthcare cost trend rate of 11 to 12 1/2 percent initially, reduced by decrements of approximately 1% per year to an ultimate rate of 4 1/2 percent after the sixth year. Both rates included a 2 percent inflation assumption. The UAAL is being amortized as a level percentage of projected payroll over 20-years. The amortization period used is closed. Normal cost and the amortization of the unfunded liability were both calculated as a level percent of payroll. The ARC is fully funded. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far in the future, reflecting a long-term prospective. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

(d) Schedule of Funding Progress – Required Supplementary Information

	Entry age normal accrued liability	Actuarial value of assets	Unfunded liability	Funded ratio	Annual covered payroll	UAAL as a percentage payroll
June 30, 2008	\$ 6,787,000	\$ 295,000	\$ 6,492,000	4.35%	\$ 8,894,000	73.0%

(e) Schedule of Last three years of ARC and Contributions

Year Ended	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2008	\$ 678,000	100%	-
6/30/2009	700,000	100%	-
6/30/2010	767,000	100%	-

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Financial Statements
Year ended June 30, 2010

NOTE 13 POSTEMPLOYMENT HEALTHCARE PLAN (Continued)

(f) Net Pension Obligation

Actuarially determined contribution	\$	767,000
Annual pension cost		767,000
Contributions made		<u>(767,000)</u>
Increase in NPO		-
NPO beginning of year		<u>-</u>
NPO end of year \$		<u><u>-</u></u>

NOTE 14 SUBSEQUENT EVENTS

SCAG has a \$5.0 million line of credit arrangement with an independent financial institution, which expires on February 28, 2011. On November 4, 2010, an additional \$5 million line of credit was secured at the same institution. It expires on April 30, 2011. On November 4, 2010 SCAG drew down \$1,936,000 on its line of credit.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Budgetary Basis – General Fund
Year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Membership assessments:				
Cities	\$ 1,246,050	1,121,445	1,149,862	28,417
Counties	293,219	263,897	262,161	(1,736)
Commissions	85,000	76,500	82,500	6,000
	<u>1,624,269</u>	<u>1,461,842</u>	<u>1,494,523</u>	<u>32,681</u>
General assembly	—	—	168,500	168,500
Interest and other	367,000	367,000	155,653	(211,347)
Total revenues	<u>1,991,269</u>	<u>1,828,842</u>	<u>1,818,676</u>	<u>(10,166)</u>
Expenditures:				
Administration:				
Salaries and wages	81,188	81,188	60,623	20,565
Fringe benefits	47,634	47,513	35,353	12,160
Indirect costs	122,918	125,677	92,386	33,291
Contractual services	371,450	371,450	117,217	254,233
Capital outlay	325,000	325,000	86,443	238,557
Interest and fees	33,000	33,000	10,689	22,311
Professional services	110,000	110,000	85,506	24,494
Regional council	213,000	239,000	387,122	(148,122)
Other meetings	25,000	21,100	54,471	(33,371)
Memberships	38,921	68,921	90,260	(21,339)
Travel	45,000	45,000	50,664	(5,664)
Training	50,000	25,000	25,000	—
Other	17,000	2,000	7,277	(5,277)
Total expenditures	<u>1,480,111</u>	<u>1,494,849</u>	<u>1,103,011</u>	<u>391,838</u>
Excess of revenues over expenditures	511,158	333,993	715,665	381,672
Fund balance at beginning of year	<u>3,009,105</u>	<u>3,009,105</u>	<u>3,009,105</u>	<u>—</u>
Fund balance at end of year	<u>\$ 3,520,263</u>	<u>3,343,098</u>	<u>3,724,770</u>	<u>381,672</u>

See notes to required supplementary information.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Budgetary Basis – Federal Transportation Administration
Year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Federal grants	\$ 11,159,335	13,737,249	13,257,562	(479,687)
Expenditures:				
Transportation:				
Salaries and wages	1,908,795	2,118,898	2,327,678	(208,780)
Allocated fringe benefits	1,116,974	1,239,931	1,460,206	(220,275)
Allocated indirect costs	2,954,532	3,279,769	3,646,122	(366,353)
Contractual services	3,428,368	5,125,910	4,789,938	335,972
Training	—	—	2,608	(2,608)
Printing	41,500	3,000	—	3,000
Professional services	445,000	884,688	591,420	293,268
Travel	62,612	66,112	83,990	(17,878)
Other	318,900	428,900	51,291	377,609
Total transportation	10,276,681	13,147,208	12,953,253	193,955
Aviation:				
Allocated salaries and wages	128,992	85,785	79,152	6,633
Allocated fringe benefits	75,482	50,187	48,876	1,311
Allocated indirect costs	199,659	132,750	123,240	9,510
Contractual services	317,000	255,298	15,050	240,248
Travel	4,500	9,000	384	8,616
Total aviation	725,633	533,020	266,702	266,318
High speed rail:				
Salaries and wages	18,200	18,200	11,823	6,377
Allocated fringe benefits	10,650	10,650	7,290	3,360
Allocated indirect costs	28,171	28,171	18,494	9,677
Contractual services	100,000	—	—	—
Total high speed rail	157,021	57,021	37,607	19,414
Total expenditures	11,159,335	13,737,249	13,257,562	479,687
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	\$ —	—	—	—

See notes to required supplementary information.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Budgetary Basis – Federal Highway Administration
Year ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Federal grants	\$ 18,627,225	19,847,398	18,210,538	(1,636,860)
Expenditures:				
Transportation:				
Salaries and wages	3,811,215	3,852,599	3,795,366	57,233
Allocated fringe benefits	2,230,212	2,254,429	2,265,340	(10,911)
Allocated indirect costs	5,899,186	6,105,807	5,834,036	271,771
Temporary help	—	146,000	—	146,000
Contractual services	6,127,389	6,802,478	5,988,625	813,853
Reproduction and printing	18,000	18,000	—	18,000
Professional services	225,000	150,000	152,317	(2,317)
Training	—	—	5,050	(5,050)
Travel	86,223	81,223	72,906	8,317
Other	230,000	436,862	96,898	339,964
Total expenditures	<u>18,627,225</u>	<u>19,847,398</u>	<u>18,210,538</u>	<u>1,636,860</u>
Excess of revenues over expenditures	—	—	—	—
Fund balance at beginning of year	—	—	—	—
Fund balance at end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

See notes to required supplementary information.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Required Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual on a Budgetary Basis – Transportation Development Act
Year ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Local grants	\$ 1,281,493	1,708,362	1,000,000	(708,362)
Expenditures:				
Transportation:				
Salaries and wages	—	—	45,135	(45,135)
Fringe benefits	—	—	29,210	(29,210)
Allocated indirect costs	—	—	71,564	(71,564)
Contractual services	1,436,338	1,708,362	1,254,093	454,269
Professional services	—	—	49,496	(49,496)
Travel	—	—	8,481	(8,481)
Other	—	—	3,044	(3,044)
Total transportation	1,436,338	1,708,362	1,461,023	247,339
Aviation:				
Contractual services	—	—	1,950	(1,950)
Total aviation	—	—	1,950	(1,950)
Total expenditures	1,436,338	1,708,362	1,462,973	245,389
Excess of revenues over expenditures	(154,845)	—	(462,973)	(462,973)
Fund balance at beginning of year	1,997,894	1,997,894	1,997,894	—
Fund balance at end of year	\$ 1,843,049	1,997,894	1,534,921	(462,973)

See notes to required supplementary information.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Required Supplementary Information
Year ended June 30, 2010

BUDGETARY BASIS OF ACCOUNTING

An annual budget is prepared and established for the General Fund (GF), the Federal Transportation Administration Fund (FTA Fund), and the Federal Highway Administration Fund (FHWA Fund). Expenditures are controlled at the functional level. The budgets are approved separately by the Regional Council and the General Assembly of SCAG as required by the bylaws. For all other fund budgets, financial and fiscal controls are accomplished through an Overall Work Program (OWP). SCAG's management is responsible for preparing the annual OWP at the direction of the Regional Council.

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, the SCAG 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/ budgetary basis as presented in the budget	Actual/ GAAP basis as presented in the financial statements	Difference
Total revenues	\$ 1,818,676	1,818,676	—
Total expenditures	(1,103,011)	(10,586,848)	(9,483,837)
Total other financing sources	—	9,843,270	9,843,270
Net change in fund balance	\$ 715,665	1,075,098	359,433

See notes to required supplementary information.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Required Supplementary Information
Year ended June 30, 2010

FTA Fund

	Actual/ budgetary basis as presented in the budget	Actual/ GAAP basis as presented in the financial statements	Difference
Total revenues	\$ 13,257,562	13,257,562	—
Total expenditures	(13,257,562)	(9,469,706)	3,787,856
Total other financing uses	—	(3,787,856)	(3,787,856)
Net change in fund balance	\$ —	—	—

FHWA Fund

	Actual/ budgetary basis as presented in the budget	Actual/ GAAP basis as presented in the financial statements	Difference
Total revenues	\$ 18,210,538	18,210,538	—
Total expenditures	(18,210,538)	(12,376,502)	5,834,036
Total other financing uses	—	(5,834,036)	(5,834,036)
Net change in fund balance	\$ —	—	—

TDA Fund

	Actual/ budgetary basis as presented in the budget	Actual/ GAAP basis as presented in the financial statements	Difference
Total revenues	\$ 1,000,000	1,000,000	—
Total expenditures	(1,462,973)	(1,391,409)	71,564
Total other financing uses	—	(71,564)	(71,564)
Net change in fund balance	\$ (462,973)	(462,973)	—

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Notes to Required Supplementary Information
Year ended June 30, 2010

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, 2010

Assets	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Receivables:				
Federal grants	\$ 521,074	—	—	521,074
State grants and contracts	—	190,533	—	190,533
Due from other funds	70,625	295,820	141,738	508,183
Total assets	\$ 591,699	486,353	141,738	1,219,790
Liabilities and Fund Balances				
Accounts and contracts payable	\$ 393,730	486,353	46,299	926,382
Due to other funds	127,344	—	—	127,344
Deferred revenue	70,625	—	95,439	166,064
Total liabilities	591,699	486,353	141,738	1,219,790
Fund balances	—	—	—	—
Total liabilities and fund balances	\$ 591,699	486,353	141,738	1,219,790

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Funds
Year ended June 30, 2010

	<u>Federal Funds</u>	<u>State Funds</u>	<u>Local Funds</u>	<u>Total Nonmajor Funds</u>
Grant revenues, net	\$ 961,792	270,940	133,338	1,366,070
Expenditures:				
Transportation:				
Salaries and wages	93,173	105	—	93,278
Allocated fringe benefits	62,306	52	—	62,358
Allocated indirect costs	149,663	151	—	149,814
Contractual services	633,792	270,632	133,338	1,037,762
Travel	5,154	—	—	5,154
Other	30	—	—	30
Total transportation	<u>944,118</u>	<u>270,940</u>	<u>133,338</u>	<u>1,348,396</u>
Aviation:				
Contractual services	17,674	—	—	17,674
Total aviation	<u>17,674</u>	<u>—</u>	<u>—</u>	<u>17,674</u>
Total expenditures	<u>961,792</u>	<u>270,940</u>	<u>133,338</u>	<u>1,366,070</u>
Excess of revenues over expenditures	—	—	—	—
Fund balances at beginning of year	—	—	—	—
Fund balances at end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>

SCAG considers the following funds as nonmajor federal governmental funds:

FTA-5304:

This fund is established to account for revenues from the Federal Transit Administration. These funds are available and restricted to support expenditures for specifically identified purposes and projects.

FHWA Blueprint Grant (Years 3 & 4):

This fund is established to account for revenues from the State of California. These funds are available and restricted to support expenditures for specifically identified Blueprint Project Studies.

Federal Aviation Administration:

This fund is established to account for revenues from the Federal Aviation Administration under separate granting procedures. These funds are available and restricted to support expenditures for Aviation related projects

FTA-Job Access and Reverse Commute (JARC):

This fund is established to account for revenues from the Federal Transit Administration for the Job Access and Reverse Commute program. These funds are available and restricted to support administrative cost related to apportioning the county-level allocations of Program Funds for Riverside and San Bernardino counties.

FTA-New Freedom:

This fund is established to account for revenues from the Federal Transit Administration for the New Freedom program. These funds are available and restricted to support administrative cost related to apportioning the county-level allocations of Program Funds for Riverside and San Bernardino counties.

Other Federal Funds:

These funds are established to account for the revenues from the Federal Safetea Lu and Scenic Byways programs. These funds are available and restricted to support administrative cost related to the Arroyo Seco Corridor Program.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Balance Sheet
Federal Nonmajor Funds
June 30, 2010

	FTA Sec. 5304 5930	FHWA Blueprint accounts 6220, 6230	FAA Airport accounts 4530 5530 6530	JARC 9260	NEW FREEDOM 9261	OTHER FEDERAL 20090, 20095	Total Federal Nonmajor Funds
Assets							
Receivables – federal grants	\$ 20,124	496,029	—	4,026	895	—	521,074
Due from other funds	—	—	70,625	—	—	—	70,625
Total assets	<u>\$ 20,124</u>	<u>496,029</u>	<u>70,625</u>	<u>4,026</u>	<u>895</u>	<u>—</u>	<u>591,699</u>
Liabilities and Fund Balances							
Accounts and contracts payable	\$ 16,283	377,447	—	—	—	—	393,730
Due to other funds	3,841	118,582	—	4,026	895	—	127,344
Deferred revenue	—	—	70,625	—	—	—	70,625
Total liabilities	20,124	496,029	70,625	4,026	895	—	591,699
Fund balances	—	—	—	—	—	—	—
Total liabilities and fund balances	<u>\$ 20,124</u>	<u>496,029</u>	<u>70,625</u>	<u>4,026</u>	<u>895</u>	<u>—</u>	<u>591,699</u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Federal Nonmajor Funds
Year ended June 30, 2010

	<u>FTA</u> <u>Sec. 5304</u> <u>5930</u>	<u>FHWA</u> <u>Blueprint</u> <u>accounts</u> <u>6220, 6230</u>	<u>FAA</u> <u>Airport</u> <u>accounts</u> <u>4530</u> <u>5530</u> <u>6530</u>	<u>JARC</u> <u>9260</u>	<u>NEW</u> <u>FREEDOM</u> <u>9261</u>	<u>OTHER</u> <u>FEDERAL</u> <u>20090, 20095</u>	<u>Total</u> <u>Federal</u> <u>Nonmajor</u> <u>Funds</u>
Federal grants	\$ 128,903	782,529	17,674	21,754	9,774	1,158	961,792
Expenditures:							
Transportation:							
Salaries and wages	—	83,199	—	6,609	2,969	396	93,173
Allocated fringe benefits	—	55,767	—	4,378	1,967	194	62,306
Allocated indirect costs	—	133,768	—	10,576	4,751	568	149,663
Contractual services	128,903	504,889	—	—	—	—	633,792
Travel	—	4,876	—	191	87	—	5,154
Other	—	30	—	—	—	—	30
Total transportation	<u>128,903</u>	<u>782,529</u>	<u>—</u>	<u>21,754</u>	<u>9,774</u>	<u>1,158</u>	<u>944,118</u>
Aviation:							
Contractual services	—	—	17,674	—	—	—	17,674
Total aviation	<u>—</u>	<u>—</u>	<u>17,674</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>17,674</u>
High speed rail:							
Contractual services	—	—	—	—	—	—	—
Total high speed rail	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total expenditures	<u>128,903</u>	<u>782,529</u>	<u>17,674</u>	<u>21,754</u>	<u>9,774</u>	<u>1,158</u>	<u>961,792</u>
Excess of revenues over expenditures	—	—	—	—	—	—	—
Fund balances at beginning of year	—	—	—	—	—	—	—
Fund balances at end of year	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

SCAG considers the following funds as nonmajor state governmental funds:

Combined Other Accounts:

This fund is established to account for revenues from the State of California (SP&R Discretionary) and Office of Emergency Services. These funds are available and restricted to support expenditures for specifically identified Multi-Goods Movement Project and Earthquake safety projects.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Balance Sheet
State Nonmajor Funds
June 30, 2010

	Combined other accounts 7950 30080, 30081 10950,10960	Total State Nonmajor Funds
Assets		
Receivables – state grants	\$ 190,533	190,533
Due from other funds	<u>295,820</u>	<u>295,820</u>
Total assets	<u>\$ 486,353</u>	<u>486,353</u>
Liabilities and Fund Balances		
Accounts and contracts payable	\$ <u>486,353</u>	<u>486,353</u>
Total liabilities	486,353	486,353
Fund balances	<u>—</u>	<u>—</u>
Total liabilities and fund balances	<u>\$ 486,353</u>	<u>486,353</u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
State Nonmajor Funds
Year ended June 30, 2010

	Combined other accounts 7950 30080, 30081 10950, 10960	Total State Nonmajor Funds
State grants and contracts	\$ 270,940	270,940
	<u>270,940</u>	<u>270,940</u>
Expenditures:		
Transportation:		
Salaries and wages	105	105
Allocated fringe benefits	52	52
Allocated indirect costs	151	151
Contractual services	270,632	270,632
Total transportation	<u>270,940</u>	<u>270,940</u>
Total expenditures	<u>270,940</u>	<u>270,940</u>
Excess of revenues over expenditures	<u>—</u>	<u>—</u>
Fund balances at beginning of year	<u>—</u>	<u>—</u>
Fund balances at end of year	<u>\$ —</u>	<u>—</u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Local Nonmajor Funds
June 30, 2010

SCAG considers the following funds as nonmajor local governmental funds:

City of Los Angeles:

This fund is established to account for revenues from the City of Los Angeles. These funds are available and restricted to support expenditures for cash match for FRA funds for the High speed Rail Project and specific projects.

Combined Other Accounts:

This fund is established to account for revenues from the City of Ontario, San Bernardino Association of Governments, Imperial Valley Association of Governments, Riverside County Transportation Commission, and Los Angeles Department of Public Works. These funds are available and restricted to support expenditures for cash match for FRA funds for the Sun Village project and specifically funded projects.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Balance Sheet
Local Nonmajor Funds
June 30, 2010

	City of L.A. Modeling account 4720	Combined other accounts 60007, 60008 4580, 6700,7720 7730,7610	Total Local Nonmajor Funds
Assets			
Due from other funds	\$ 8,420	133,318	141,738
Total assets	\$ 8,420	133,318	141,738
Liabilities and Fund Balances			
Accounts and contracts payable	—	46,299	46,299
Deferred revenue	\$ 8,420	87,019	95,439
Total liabilities	8,420	133,318	141,738
Fund balances	—	—	—
Total liabilities and fund balances	\$ 8,420	133,318	141,738

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Local Nonmajor Funds
Year ended June 30, 2010

		City of L.A. Modeling account 4720	Combined other accounts 60007, 60008 4580, 6700,7720 7730,7610	Total Local Nonmajor Funds
Local grants and contracts	\$	<u>58,664</u>	<u>74,674</u>	<u>133,338</u>
Expenditures:				
Transportation:				
Contractual services		<u>58,664</u>	<u>74,674</u>	<u>133,338</u>
Total transportation		<u>58,664</u>	<u>74,674</u>	<u>133,338</u>
Total expenditures		<u>58,664</u>	<u>74,674</u>	<u>133,338</u>
Excess of revenues of revenues over expenditures		—	—	—
Fund balances at beginning of year		<u>—</u>	<u>—</u>	<u>—</u>
Fund balances at end of year	\$	<u><u>—</u></u>	<u><u>—</u></u>	<u><u>—</u></u>

**SUPPLEMENTAL
SCHEDULES**

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Supplemental Schedule of Indirect Costs
Year ended June 30, 2010

Indirect costs:		
Salaries and wages	\$	2,903,284
Temporary help		188,434
Fringe benefits		1,874,276
Office space leases		1,601,009
Professional services		921,394
Computer support		458,261
Telephone		182,357
Office supplies		90,971
Equipment repairs and maintenance		91,873
Travel		90,904
Equipment lease		117,292
Memberships		58,314
Insurance		286,849
Postage and delivery		25,480
Printing		10,867
Professional materials		48,365
Staff training		117,577
Office purchases under \$5,000		81,115
Other		<u>404,202</u>
Total indirect costs		<u>9,552,824</u>
Indirect costs recovered:		
General Fund		92,386
Federal Transportation Administration		3,775,315
Federal Highway Administration		5,846,577
Transportation Development Act		71,564
Nonmajor Funds		<u>149,814</u>
Total indirect costs recovered		<u>9,935,656</u>
Over recovered		(382,832)
Under recovered indirect costs at beginning of year		<u>77,383</u>
Over recovered indirect costs at end of year	\$	<u><u>(305,449)</u></u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Supplemental Schedule of Fringe Benefits
Year ended June 30, 2010

Fringe benefits:	
Employee leave and other salary benefits	\$ 1,283,612
Health insurance	1,915,548
PERS/Other Retirement Plans	2,011,361
Medicare tax – employer share	141,689
Life insurance	86,489
Bus passes	100,198
Worker's compensation/unemployment insurance	124,429
Carpool parking subsidy	2,900
Deferred compensation employer match	78,590
Other	38,094
Total fringe benefits	<u>5,782,910</u>
Fringe benefits recovered:	
Allocated to indirect cost	1,874,276
General Fund	35,353
Allocated to CPG grants	3,781,713
Allocated to other grants	91,568
Total	<u>5,782,910</u>
Underrecovered fringe benefits	—
Underrecovered fringe benefits at beginning of year	<u>—</u>
Underrecovered fringe benefits at end of year	<u><u>\$ —</u></u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Supplemental Schedule of Distribution of Salaries and Fringe Benefits by Project Area
Year ended June 30, 2010

	<u>Salaries and wages</u>	<u>Fringe benefits</u>	<u>Salaries, wages, and fringe benefits</u>
Charges to Direct projects	\$ 6,352,431	3,873,281	10,225,712
Charges to General Fund projects	60,623	35,353	95,976
Charges to Indirect projects	<u>2,903,284</u>	<u>1,874,276</u>	<u>4,777,560</u>
Totals	<u>\$ 9,316,338</u>	<u>5,782,910</u>	<u>15,099,248</u>



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

**REPORT ON COMPLIANCE AND OTHER MATTERS AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

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, as of and for the year ended June 30, 2010, and have issued our report thereon dated November 17, 2010. We conducted our audit in accordance with 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Southern California Association of Governments' financial statements are free of 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 determination of financial statement amounts. 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Southern California Association of Governments' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Southern California Association of Governments' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Southern California Association of Governments' internal control over financial reporting.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Southern California Association of Governments' financial statements will not be prevented, or detected and corrected on a timely basis.

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all the deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore can be no assurance that all such deficiencies have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Regional Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Mayer Hoffman McCann P.C.

Irvine, California
November 17, 2010

STATISTICAL SECTION

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Statistical Section

This part of the Southern California Association of Governments' Comprehensive Annual 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 contain information to assist the reader understand how Southern California Association of Governments' financial performance has changed over time.

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

Demographic and Economic Information assist 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 implemented GASB 34 in 2003 fiscal year. Schedules presenting government-wide financial statements include information beginning with that year.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 1 – Net Assets by Component
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
Invested in capital assets	\$ 1,065,469	741,180	376,907	289,656	412,828	481,769	746,236	1,645,468
Unrestricted	<u>604,926</u>	<u>999,181</u>	<u>1,128,107</u>	<u>1,549,748</u>	<u>2,752,366</u>	<u>3,367,204</u>	<u>4,055,685</u>	<u>3,935,338</u>
Total governmental activities net assets	<u>\$ 1,670,395</u>	<u>1,740,361</u>	<u>1,505,014</u>	<u>1,839,404</u>	<u>3,165,194</u>	<u>3,848,973</u>	<u>4,801,921</u>	<u>5,580,806</u>

SCAG implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 2 – Changes in Net Assets
Last Eight Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities:								
Expenses:								
Transportation	\$ 29,457,264	23,709,616	19,082,487	20,640,246	25,605,715	29,815,218	26,911,029	33,509,240
High speed rail	—	—	19,738	1,773,395	443,831	363,924	91,840	37,979
Aviation	—	—	871,935	1,019,056	626,352	123,407	17,275	289,498
Energy	—	—	—	—	96,435	116,947	47,152	—
Environmental	—	—	—	156,337	—	—	—	—
Housing	—	—	—	49,769	—	—	—	—
Water	—	—	70,389	—	77,615	—	—	—
Social Services	—	—	—	—	11,419	—	—	—
Administration	—	—	1,556,859	1,595,922	1,618,820	1,379,139	1,407,836	1,033,877
Interest on line of credit	125,421	64,064	12,504	—	—	—	—	—
Total expenses	<u>29,582,685</u>	<u>23,773,680</u>	<u>21,613,912</u>	<u>25,234,725</u>	<u>28,480,187</u>	<u>31,798,635</u>	<u>28,475,132</u>	<u>34,870,594</u>
Program revenues:								
Charges for services - member dues	1,193,069	1,270,190	1,313,163	1,367,785	1,438,135	1,520,805	1,609,029	1,494,523
Operating grants and contributions	28,529,885	22,465,587	20,044,549	23,638,803	27,198,415	30,763,997	27,643,659	33,834,170
Total program revenues	<u>29,722,954</u>	<u>23,735,777</u>	<u>21,357,712</u>	<u>25,006,588</u>	<u>28,636,550</u>	<u>32,284,802</u>	<u>29,252,688</u>	<u>35,328,693</u>
Net revenues (expenses)	140,269	(37,903)	(256,200)	(228,137)	156,363	486,167	777,556	458,099
General revenues and other changes in net assets:								
Interest income	25,405	107,869	36,863	149,276	146,987	104,946	86,581	49,759
Other income	—	—	147,085	413,251	158,736	92,366	61,383	271,027
Changes in net assets	<u>\$ 165,674</u>	<u>69,966</u>	<u>(72,252)</u>	<u>334,390</u>	<u>462,086</u>	<u>683,479</u>	<u>925,520</u>	<u>778,885</u>

SCAG implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

¹ The decrease in transportation expenditures resulted from the planned phase out of the Rideshare program and the expiration of a Federal Railroad Grant that funded the preconstruction planning of the Los Angeles Maglev system.

² The decrease in revenue resulted from the decrease in reimburseable expenses.

³ Other income for the year ended June 30, 2006 includes the refund from the JPIA amounting to \$250,311.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 3 – Fund Balances of Governmental Funds
Last Eight Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General fund:								
Reserved	\$ —	—	—	—	—	—	—	—
Unreserved	<u>604,926</u>	<u>999,181</u>	<u>2,715,661</u>	<u>2,714,955</u>	<u>1,861,607</u>	<u>2,923,649</u>	<u>3,431,480</u>	<u>4,506,578</u>
Total general fund	<u>\$ 604,926</u>	<u>999,181</u>	<u>2,715,661</u>	<u>2,714,955</u>	<u>1,861,607</u>	<u>2,923,649</u>	<u>3,431,480</u>	<u>4,506,578</u>
All other governmental funds:								
Reserved	\$ —	—	—	—	—	—	—	—
Unreserved, reported in:								
Special revenue funds	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,997,894</u>	<u>1,534,921</u>
Total all other governmental funds	<u>\$ —</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,997,894</u>	<u>1,534,921</u>

SCAG has elected to show only eight years of data for this schedule.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 4 – Changes in Fund Balances of Governmental Funds
Last Eight Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
Revenues:								
Federal grants	\$ 22,540,651	20,139,571	19,096,413	21,694,775	24,368,620	28,397,861	25,556,990	32,429,892
State grants and contracts	670,492	740,473	399,002	206,516	1,148,805	1,866,733	986,200	270,940
Local grants and contracts	5,316,392	1,551,398	577,353	1,827,834	1,678,332	1,468,849	1,100,469	1,133,338
Membership assessments	1,193,069	1,270,190	1,313,163	1,367,785	1,438,135	1,520,805	1,609,029	1,494,523
Interest and other	25,405	107,869	183,948	312,216	205,945	197,312	147,964	324,153
Capital outlay recovery	2,350	—	—	—	—	—	—	—
Total revenues	<u>29,748,359</u>	<u>23,809,501</u>	<u>21,569,879</u>	<u>25,409,126</u>	<u>28,839,837</u>	<u>33,451,560</u>	<u>29,400,652</u>	<u>35,652,846</u>
Expenditures:								
Current:								
Transportation	29,047,446	23,339,931	19,450,818	20,401,077	25,607,040	30,064,151	26,911,029	33,847,897
Aviation	—	—	884,886	1,019,262	627,253	123,407	17,275	163,086
Water	—	—	72,159	—	77,956	—	—	—
High speed rail	—	—	20,073	2,365,430	443,831	363,924	91,840	19,113
Housing	—	—	—	50,179	—	—	—	—
Energy	—	—	—	—	11,471	108,100	47,152	—
Social Services	—	—	—	—	96,435	—	—	—
Administration	—	—	1,230,779	1,536,062	2,244,573	1,093,211	1,041,644	924,182
Debt service:								
Interest	125,421	64,064	12,504	—	—	—	—	—
Capital outlay	9,356	11,251	107,262	37,822	247,578	257,272	366,192	86,443
Total expenditures	<u>29,182,223</u>	<u>23,415,246</u>	<u>21,778,481</u>	<u>25,409,832</u>	<u>29,356,137</u>	<u>32,010,065</u>	<u>28,475,132</u>	<u>35,040,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>566,136</u>	<u>394,255</u>	<u>(208,602)</u>	<u>(706)</u>	<u>(516,300)</u>	<u>1,441,495</u>	<u>925,520</u>	<u>612,125</u>
Other financing sources (uses)								
Transfers in	—	—	8,131,543	7,801,604	8,459,574	11,197,177	10,118,305	9,843,270
Transfers out	—	—	(8,131,543)	(7,801,604)	(8,459,574)	(11,197,177)	(10,118,305)	(9,843,270)
Total other financing sources (uses)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net change in fund balances	<u>\$ 566,136</u>	<u>394,255</u>	<u>(208,602)</u>	<u>(706)</u>	<u>(516,300)</u>	<u>1,441,495</u>	<u>925,520</u>	<u>612,125</u>

SCAG has elected to show only eight years of data for this schedule.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 5 – Indirect and Fringe Benefit Costs
Last Ten Fiscal Years

Fiscal year	Indirect cost*	Fringe benefits	Totals
2001	6,972,009	3,895,232	10,867,241
2002	9,738,957	4,761,852	14,500,809
2003	8,762,846	4,407,432	13,170,278
2004	8,282,746	4,269,626	12,552,372
2005	8,056,802	4,251,082	12,307,884
2006	8,011,914	4,024,285	12,036,199
2007	9,466,613	4,960,781	14,427,394
2008	11,111,798	6,419,718	17,531,516
2009	9,688,278	5,559,745	15,248,023
2010	9,552,824	5,782,910	15,335,734

* Restated to include internal service funds included in indirect cost in fiscal years 2002 and 2003 and reported separately in prior years. Indirect Cost Allocation Plans are reviewed and approved by CALTRANS for federal reimbursements.

Source: SCAG Finance Department.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 6 – Member Dues
Last Eight Fiscal Years

	<u>Cities</u>			<u>Counties</u>			<u>Commissions</u>	
	<u>No. of Members</u>	<u>Population</u>	<u>Annual Dues</u>	<u>No. of Members</u>	<u>Population</u>	<u>Annual Dues</u>	<u>No. of Members</u>	<u>Annual Dues</u>
2003	165	13,688,368	\$933,413	6	1,901,872	\$224,656	2	\$35,000
2004	163	13,915,685	974,904	6	2,048,850	245,286	3	50,000
2005	162	13,898,797	1,019,884	6	1,964,321	243,279	3	50,000
2006	160	13,885,562	1,070,516	6	2,017,321	262,269	3	50,000
2007	167	14,044,986	1,125,866	6	2,070,482	262,269	3	50,000
2008	163	14,301,355	1,176,623	6	2,125,231	269,182	4	75,000
2009	171	14,815,707	1,231,148	6	2,179,564	292,881	4	85,000
2010	175	15,211,463	1,149,862	6	2,101,655	262,161	4	82,500

SCAG has elected to show only eight years of data for this schedule.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 7 – Principal Members
Current Year and Five Years Ago

<u>City/County</u>	<u>2010</u>		<u>2005</u>	
	<u>Annual Dues</u>	<u>Percent of Total Dues Assessment</u>	<u>Annual Dues</u>	<u>Percent of Total Dues Assessment</u>
City of Los Angeles	\$ 277,048	19%	\$ 271,659	21%
County of Los Angeles	107,847	7%	108,316	8%
County of Riverside	54,603	4%	46,691	4%
County of San Bernardino	47,946	3%	35,524	3%
City of Long Beach	39,029	3%	34,405	3%
County of Orange	34,281	2%	28,141	2%
City of Anaheim	25,043	2%	24,360	2%
City of Riverside	21,667	1%	19,931	2%
County of Ventura	17,532	1%	16,582	1%
City of Irvine	17,281	1%	12,294	1%
City of Huntington Beach	16,487	1%	14,536	1%
City of Oxnard	16,056	1%	13,482	1%
City of Fontana	15,438	1%	10,951	1%
City of Moreno Valley	15,222	1%	11,262	1%
City of Glendale	15,165	1%	14,936	1%
	<u>\$ 720,645</u>	<u>48%</u>	<u>663,070</u>	<u>51%</u>

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 8 – Population by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	146,008	9,661,839	2,887,031	1,586,910	1,747,564	765,263	16,794,615
2002	148,910	9,822,627	2,933,771	1,648,756	1,793,726	779,395	17,127,185
2003	152,576	9,966,190	2,975,397	1,719,004	1,842,060	791,580	17,446,807
2004	156,562	10,102,961	3,017,298	1,776,743	1,886,481	802,436	17,742,481
2005	161,800	10,226,506	3,056,865	1,877,000	1,946,202	813,052	18,081,425
2006	166,585	10,245,572	3,072,336	1,953,330	1,991,829	817,346	18,246,998
2007	172,672	10,331,939	3,098,121	2,031,625	2,028,013	825,512	18,487,882
2008	176,158	10,363,850	3,121,251	2,088,322	2,055,766	831,587	18,636,934
2009	179,254	10,393,185	3,139,017	2,107,653	2,060,950	836,080	18,716,139
2010	183,029	10,441,080	3,166,461	2,139,535	2,073,149	844,713	18,847,967

Source: State of California, Department of Finance.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 9 – Number of Households by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	39,714	3,141,823	941,630	515,716	532,557	246,034	5,417,474
2002	40,455	3,154,931	951,141	531,482	539,438	250,126	5,467,573
2003	41,340	3,170,393	958,815	546,495	547,439	253,138	5,517,620
2004	41,883	3,184,446	969,028	571,955	556,937	255,741	5,579,990
2005	43,714	3,201,352	976,540	598,207	569,060	258,441	5,647,314
2006	46,644	3,223,497	984,386	626,668	583,493	261,570	5,726,258
2007	49,032	3,239,511	988,560	653,123	597,614	265,172	5,793,012
2008	49,484	3,260,434	995,989	671,036	606,005	266,885	5,849,833
2009	50,059	3,274,667	1,000,798	677,582	610,352	268,444	5,881,902
2010	50,352	3,286,860	1,005,502	682,283	613,382	269,011	5,907,390

Source: State of California, Department of Finance.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 10 – Wage and Salary Employment by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	50,000	4,082,000	1,420,800	484,300	566,400	299,000	6,902,500
2002	50,800	4,034,600	1,411,000	508,900	575,900	301,000	6,882,200
2003	51,900	3,990,800	1,436,200	529,600	589,900	304,400	6,902,800
2004	51,300	4,004,100	1,463,400	557,400	621,300	306,900	7,004,400
2005	53,000	4,031,600	1,496,500	593,100	647,100	313,700	7,135,000
2006	56,200	4,100,100	1,524,300	620,500	664,400	320,700	7,286,200
2007	56,000	4,129,600	1,520,500	620,200	667,100	320,800	7,314,200
2008	58,200	4,077,600	1,486,200	594,500	644,200	316,400	7,177,100
2009	54,600	3,835,600	1,375,400	550,500	596,600	299,000	6,711,700
2010	54,900	3,779,600	1,361,200	537,800	582,800	295,100	6,611,400

Source: Processed by SCAG Staff; CA EDD - June 2010 Benchmark, 7/16/2010

: 2010 data: average between Jan. 10 and June. 10

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 11 – Labor Force by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	55,600	4,752,800	1,513,200	711,100	763,200	399,300	8,195,200
2002	57,600	4,770,200	1,532,800	750,400	791,000	408,200	8,310,200
2003	59,100	4,759,100	1,557,000	781,700	808,200	412,700	8,377,800
2004	59,700	4,764,600	1,575,100	820,900	832,400	413,900	8,466,600
2005	60,800	4,771,400	1,588,800	854,300	853,100	416,800	8,545,200
2006	63,400	4,797,400	1,607,000	886,300	865,000	422,000	8,641,100
2007	66,300	4,863,800	1,615,900	907,400	867,400	425,600	8,746,400
2008	72,700	4,924,500	1,625,300	916,700	867,100	431,400	8,837,700
2009	76,200	4,896,100	1,594,200	913,900	864,300	431,300	8,776,000
2010	76,200	4,856,400	1,599,700	912,300	865,100	433,100	8,742,800

Source: Processed by SCAG Staff; CA EDD - June 2010 Benchmark, 7/16/2010

: 2010 data: average between Jan. 10 and June 10
See accompanying independent auditors' report.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 12 – Unemployment by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	8,900	269,500	59,800	39,100	38,700	19,400	435,400
2002	8,600	323,100	76,400	48,600	47,800	23,600	528,100
2003	9,200	332,000	74,400	51,100	50,700	23,900	541,300
2004	10,200	310,400	67,100	49,300	48,100	22,200	507,300
2005	9,800	255,400	59,900	46,100	44,700	19,900	435,800
2006	9,800	229,300	54,600	44,600	41,600	18,100	398,000
2007	11,900	246,700	62,600	54,500	48,400	20,700	444,800
2008	16,300	367,200	85,500	77,900	69,000	26,900	642,800
2009	21,500	567,500	143,200	123,900	112,700	43,100	1,011,900
2010	21,500	596,900	155,200	134,100	124,700	47,200	1,079,600

Source: Processed by SCAG Staff; CA EDD - June 2010 Benchmark, 7/16/2010

: 2010 data: average between Jan 10 and June 10

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 13 – Principal Employers by County in the SCAG Region
Current Year

Largest Employers	Firm	Employees	Percent of Total
Imperial			
	1 Imperial County	3,571	4.88%
	2 State of California	3,021	4.13%
	3 Maui Harvesting	3,000	4.10%
	4 Federal Government	1,926	2.63%
	5 National Beef	1,700	2.32%
	6 Corrections Dept.	1,207	1.65%
	7 Centinela State Prison	1,200	1.64%
	8 El Centro Regnl Mede Ctr Human	864	1.18%
	9 Jjall LLC	800	1.09%
	10 Walmart Supercenter	788	1.08%
Los Angeles			
	1 Los Angeles County	90,842	2.00%
	2 UCLA Health System	35,543	0.78%
	3 State of California	31,905	0.70%
	4 Federal Government	31,021	0.68%
	5 UCLA	27,489	0.60%
	6 Nestle USA	20,000	0.44%
	7 US Post Office	14,590	0.32%
	8 Mc Donald's	14,590	0.32%
	9 USC	12,046	0.26%
	10 Target	10,762	0.24%
Orange			
	1 Orange County	18,441	1.05%
	2 University of CA - Irvine	12,186	0.69%
	3 Federal Government	6,336	0.36%
	4 State of California	5,144	0.29%
	5 Target	4,984	0.28%
	6 Albertsons	4,932	0.28%
	7 US Post Office	4,503	0.26%
	8 Hoag Hospital	4,160	0.24%
	9 Saddleback Memorial Med Ctr	4,000	0.23%
	10 Mc Donald's	3,946	0.22%

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 13 – Principal Employers by County in the SCAG Region (continued)
Current Year

Firm	Employees	Percent of Total
Riverside		
1 Riverside County	17,473	2.22%
2 State of California	5,149	0.66%
3 Restoration Technologies	5,000	0.64%
4 Pechanga Casino	4,500	0.57%
5 University of CA - Riverside	4,482	0.57%
6 Stater Bros Markets	4,366	0.56%
7 Federal Government	3,428	0.44%
8 Kaiser Permanente	3,300	0.42%
9 Walmart	3,223	0.41%
10 Home Depot	3,136	0.40%
San Bernardino		
1 San Bernardino County	17,559	2.17%
2 Loma Linda University Medical	9,000	1.11%
3 State of California	7,441	0.92%
4 Federal Government	6,240	0.77%
5 Ontario Intl Airport	6,000	0.74%
6 Kaiser Permanente	5,003	0.62%
7 Walmart	4,635	0.57%
8 State Bros Markets	4,523	0.56%
9 Colton Joint Unified Schl Dist	3,266	0.40%
10 San Manuel Indian Bingo Casino	3,000	0.37%
Ventura		
1 Federal Government	16,532	4.43%
2 Ventura County	12,772	3.42%
3 Naval Construction Battalion	9,790	2.62%
4 Amgen Inc	8,009	2.14%
5 Naval Air Warfare Ctr Weapons	5,000	1.34%
6 Anthem Blue Cross	3,023	0.81%
7 Harbor Freights Tools USA Inc	3,014	0.81%
8 State of California	2,137	0.57%
9 Vons	1,997	0.53%
10 Community Memorial Hospital	1,794	0.48%

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 14 – Housing Units by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	44,218	3,278,902	976,162	595,682	605,809	254,585	5,755,358
2002	45,035	3,292,582	986,067	613,667	613,139	258,798	5,809,288
2003	45,944	3,308,777	994,130	634,197	621,964	261,900	5,866,912
2004	46,531	3,323,630	1,003,929	659,795	632,267	264,583	5,930,735
2005	48,495	3,341,548	1,013,842	690,075	645,639	267,363	6,006,962
2006	51,792	3,364,750	1,018,380	722,361	661,668	270,587	6,089,538
2007	54,789	3,382,356	1,024,692	753,797	676,909	274,224	6,166,767
2008	55,599	3,403,480	1,030,289	773,331	685,642	276,320	6,224,661
2009	56,237	3,418,698	1,035,491	780,112	690,234	277,895	6,258,667
2010	56,521	3,431,588	1,040,544	784,357	693,712	278,751	6,285,473

Source: California Department of Finance.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 15 – Median Home Values by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2001	124,000	222,875	283,333	165,525	134,833	266,833	1,197,399
2002	130,200	263,767	335,818	187,359	152,839	320,729	1,390,712
2003	136,710	330,000	450,000	238,000	181,000	400,000	1,735,710
2004	146,000	414,000	540,000	319,000	246,000	500,000	2,165,000
2005	157,000	494,000	617,000	388,000	344,000	592,000	2,592,000
2006	182,000	509,000	626,000	423,000	365,000	584,000	2,689,000
2007	245,100	530,958	628,000	414,261	367,125	582,687	2,768,131
2008	201,900	400,000	461,000	260,000	230,000	420,000	1,972,900
2009	173,600	321,000	420,000	185,000	140,000	375,000	1,614,600
2010	214,100	335,000	445,000	210,000	160,000	384,000	1,748,100

Source: Data Quick.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 16 – Land Use by County in the SCAG Region
Last Ten Calendar Years

Units are in square miles

Calendar year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2001	4,175	4,060	790	7,208	20,062	1,846	38,141
2002	4,175	4,060	790	7,208	20,062	1,846	38,141
2003	4,175	4,060	790	7,208	20,062	1,846	38,141
2004	4,175	4,060	790	7,208	20,062	1,846	38,141
2005	4,175	4,060	790	7,208	20,062	1,846	38,141
2005	4,175	4,060	790	7,208	20,062	1,846	38,141
2006	4,175	4,060	790	7,208	20,062	1,846	38,141
2007	4,175	4,060	790	7,208	20,062	1,846	38,141
2008	4,175	4,060	790	7,208	20,062	1,846	38,141
2009	4,175	4,060	790	7,208	20,062	1,846	38,141
2010	4,175	4,060	790	7,208	20,062	1,846	38,141

Source: Census Bureau, Tiger File.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 17 – Assessed Valuation by County in the SCAG Region
Last Ten Calendar Years

<u>Calendar year</u>	<u>Imperial</u>	<u>Los Angeles</u>	<u>Orange</u>	<u>Riverside</u>	<u>San Bernardino</u>	<u>Ventura</u>	<u>Total</u>
2000	5,743,907,262	546,327,369,732	206,183,506,744	79,757,592,482	78,426,342,715	51,256,814,965	967,695,533,900
2001	5,974,962,496	582,445,970,989	225,513,689,510	88,029,325,251	81,660,106,184	56,225,012,611	1,039,849,067,041
2002	6,509,341,507	622,333,984,376	246,142,319,416	97,381,425,501	86,962,701,280	61,033,182,674	1,120,362,954,754
2003	6,576,083,449	660,226,621,950	266,813,653,450	108,274,548,900	93,866,366,040	65,931,327,778	1,201,688,601,567
2004	7,111,265,553	709,464,293,809	284,868,806,916	121,044,256,493	102,025,286,469	71,391,458,104	1,295,905,367,344
2005	7,244,127,196	761,355,097,239	308,833,261,022	138,021,800,263	112,879,426,833	77,897,210,734	1,406,230,923,287
2006	7,831,908,679	835,894,825,705	339,760,670,292	165,323,198,637	129,136,246,197	86,088,492,662	1,564,035,342,172
2007	8,564,454,422	925,501,028,378	378,176,307,920	203,416,131,874	152,260,354,563	96,231,323,104	1,764,149,600,261
2008	10,233,444,219	1,010,019,713,739	410,016,640,580	237,388,487,198	176,135,269,285	103,943,537,873	1,947,737,092,894
2009	11,096,494,701	1,080,877,140,886	426,132,974,772	240,799,096,250	185,367,040,358	107,273,535,930	2,051,546,282,897

Source: State of California – Controller's Office.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 18 – Full-time and Part-time Employees by Function
Last Eight Fiscal Years

<u>Fiscal Year</u>	<u>Transportation</u>	<u>High Speed Rail</u>	<u>Aviation</u>	<u>Environmental</u>	<u>Housing</u>	<u>Water</u>	<u>Administration</u>	<u>Total</u>
2003	64						45	109
2004	54						43	97
2005	44	1	1	1	6	1	42	96
2006	42	2	1	1	6		49	101
2007	71	1	1	3	2	1	67	146
2008	48	1	1	3	3		55	111
2009	44	1	1	3	2		57	108
2010	43	1	1	3	2		59	109

Source: SCAG HR Department.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 19– Operating Indicators by Function
Last Eight Fiscal Years

	2003	2004	2005	Fiscal Year 2006	2007	2008	2009	2010
Transportation								
No. of projects undertaken	24	13	13	15	27	25	24	55
Grants & Contracts Revenue	\$ 26,433,070	21,320,486	19,082,487	20,640,246	28,806,467	31,699,796	29,929,881	33,664,593
High Speed Rail								
No. of projects undertaken	1	1	1	3	2	1	1	1
Grants & Contracts Revenue	\$ 999,227	231,821	19,738	1,773,395	443,831	899,136	32,989	42,594
Aviation								
No. of projects undertaken	4	4	3	4	3	3	1	3
Grants & Contracts Revenue	\$ 1,097,588	913,280	871,935	1,019,056	626,352	375,864	276,933	266,702
Environmental								
No. of projects undertaken				2		2	2	
Grants & Contracts Revenue	\$			156,337		2,574,424	49,467	
Housing								
No. of projects undertaken				1				
Grants & Contracts Revenue	\$			49,769				
Water								
No. of projects undertaken			1		1			
Grants & Contracts Revenue	\$		70,389		77,615			
Social Sciences								
No. of projects undertaken					1			
Grants & Contracts Revenue	\$				11,419			

SCAG has elected to show only eight years of data for this schedule.

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
Table 20– Capital Assets Statistics by Function
Last Eight Fiscal Years

No capital assets indicators are available to SCAG.



SOUTHERN CALIFORNIA
ASSOCIATION of GOVERNMENTS

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