Annual Comprehensive Financial Report

Southern California Association of Governments, California

FISCAL YEAR ENDED JUNE 30, 2026



Vision

Southern California's catalyst for a brighter future.

Mission

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

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* Regional Council Officer

Southern California Association of Governments

Annual Comprehensive Financial Report
Year Ended June 30, 2026

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

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Introductory Section

SCAG
INNOVATING FOR A BETTER TOMORROW

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REGIONAL COUNCIL OFFICERS

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Community, Economic, and Human Development
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Energy and Environment
Rick Denison, Yucca Valley

Transportation
Mike T. Judge, Ventura County Transportation Commission

November 20, 2026

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

Subject: SCAG's Annual Comprehensive Financial Report for Fiscal Year (FY) 2025-2026

Citizens of the Southern California Association of Government's Region, President Ray Marquez and Members of the Regional Council:

As Executive Director and Chief Financial Officer for the Southern California Association of Governments (SCAG), we hereby submit SCAG's Annual Comprehensive Financial Report (ACFR) for the fiscal year that ended June 30, 2026.

This Letter of Transmittal is the first item in the introductory section of the ACFR. Its purpose is to first provide information about financial statements in the ACFR and give comments assessing SCAG's financial condition. The second purpose is to profile SCAG, including its governance, organization, planning mandates, and requirements. It highlights significant planning programs mandated by federal and state requirements and demonstrates their successful management in FY 2025-2026.

We also prepared a Management's Discussion and Analysis (MD&A) of our financial performance for the fiscal year. The MD&A is intended to serve as an introduction to SCAG's financial statements and provide readers with an objective analysis of the agency's financial activities. It includes financial summary, discussion of significant changes in financial position and results of operations, information regarding capital asset and long-term financing activity, and currently known facts, decision, and conditions that may affect future operations. It incorporates information about the grants, project budgets, and projects completed during the year. We encourage readers to examine the MD&A together with this transmittal letter.

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

- Listing of officers and members of the Regional Council
- Listing of Principal SCAG Officers
- SCAG's Management Organizational Chart
- The Certificate of Achievement for Excellence in Financial Reporting awarded to SCAG by the Government Finance Officers Association in recognition of our FY 2024-2025 ACFR

Certificate of Achievement for Excellence in Financial Reporting

We are pleased to report that the Government Finance Officers Association awarded a Certificate of Achievement for Excellence in Financial Reporting to SCAG for its ACFR for the fiscal year that ended June 30, 2025. This was the twenty-third consecutive year that SCAG has received this prestigious award. The award is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment.

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

The Annual Comprehensive Financial Report

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

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

Independent Audit

SCAG's basic financial statements have been externally audited by Eide Bailly, LLP, a certified public accounting firm licensed and qualified to perform audits in the State of California. The goal of the independent audit is to provide reasonable assurance that the financial statements of SCAG for the fiscal year that ended June 30, 2026, are free of material misstatement. The Independent Auditor's Report is also included in the ACFR.

Management's Discussion and Analysis (MD&A)

The provisions of GASB 103, supersede those established by GASB 34, as amended by GASB 37 and GASB 38, require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the MD&A. The MD&A is an opportunity for management to reach beyond the familiar to a new and different analytical overview of financial activities emphasizing clearer and more objective explanations based on currently known facts, decisions, or conditions and presenting comparisons between current year and the prior year. The transactions and events in FY 2025-2026 are discussed fully in the MD&A.

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

SCAG Management & Financial Goals for FY 2025-2026

Connect SoCal 2024

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

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

Regional Early Action Planning Program (REAP 2.0)

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

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

Carbon Reduction Program (CRP)

The Infrastructure Investment and Jobs Act created the Carbon Reduction Program (CRP) to provide federal funding to projects that decrease transportation emissions, defined as the carbon dioxide (CO2) emissions that result from on-road, highway sources. California receives annual apportionments of CRP over five years. The SCAG region is anticipated to receive approximately $34 million annually in local CRP apportionments. Of this annual apportionment, approximately 65 percent will be made available to the county transportation commissions within the SCAG region. SCAG selects projects within the region for CRP funding by soliciting project nominations consistent with the approved SCAG CRP Program Guidelines to ensure the project selection process complies with federal program guidance and regulations. SCAG will retain 35 percent of the Local CRP funds to support various projects that achieve regional transportation goals and objectives.

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

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

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

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

Safe Streets and Roads for All

The Bipartisan Infrastructure Law (BIL) established the Safe Streets and Roads for All (SS4A) discretionary program with $5 billion in appropriated funds over 5 years, 2022-2026. The SS4A program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries. The award funding from the FY 2023 cycle will be used to fund three initiatives over five years: the Regional Safety Action Plan, the Go Human Safety Program, and Quick-Build demonstrations. The award funding from the FY 2024 cycle will be used to create semi-permanent open streets events in partnership with LADOT.

Climate Pollution Reduction Grant (CPRG) – INVEST CLEAN Program

SCAG is partnering with the South Coast Air Quality Management District (SCAQMD) to carry out Measure 2.2 of the Infrastructure, Vehicles, and Equipment Strategy for Climate, Equity, Air Quality, and National Competitiveness (INVEST CLEAN) project. SCAG is a subrecipient of SCAQMD under their grant awarded by the Environmental Protection Agency (EPA) and will administer a $50-million rebate program for fleets involved in last mile freight through the deployment of Class 4 and 5 vehicles. The rebate program supports purchase, conversion, and deployment of battery-electric Class 4 and Class 5 commercial vehicles operating within the Los Angeles – Long Beach – Anaheim and Riverside – San Bernardino – Ontario Metropolitan Statistical Areas (MSAs).

Profile of SCAG

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

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

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

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

Governing Body of SCAG

The Regional Council is SCAG's main governing body. The membership is comprised of 86 individuals representing 191 cities, six counties, six County Transportation Commissions, one representative from the Transportation Corridor Agencies, one public transit representative, one Tribal Government representative, one representative for the air districts within Southern California, and one non-voting, ex- officio representative of the private sector. Except for the private sector representative, all serve as elected officials from within the six-county region. All policy-making, the annual Overall Work Program (OWP), project budgets, and all material financial matters are discussed and acted upon through the Regional Council. A listing of each member and their respective representation is included in the Introductory Section.

The Regional Council's policy-making process and operational oversight are guided by the work of an Executive/Administration Committee (EAC), made up of the SCAG officers (President, First Vice President, Second Vice President, and the Immediate Past President); the three Policy Committee chairs and vice chairs; the chair and vice chair of the Legislative, Communications

and Membership Committee; four additional Regional Council members appointed by the SCAG President; one representative from the Tribal Government Planning Board; and one ex-officio, non-voting member representing the private sector. There are three main policy committees: Transportation; Community, Economic, and Human Development; and Energy and Environment. In addition, all financial operations are reviewed and managed by the EAC as well as monitored by the Audit Committee.

SCAG's Mandates

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

(a) Development of the Regional Transportation Plan

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

(b) Development of the Federal Transportation Improvement Program

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

The SCAG Regional Council approved the 2027 FTIP on Sept. 3, 2026. The 2027 FTIP implements transportation projects for fiscal years 2024-25 through fiscal years 2029-30 as planned in the Connect SoCal 2024 Regional Transportation Plan/Sustainable Communities Strategy. SCAG anticipates receiving final federal approval for transportation conformity for both the 2027 FTIP and Connect SoCal 2024 Amendment 2 by mid-December 2026.

(c) Transportation Conformity Analysis

In developing the RTP/SCS and FTIP, SCAG is responsible for ensuring that transportation plans and programs are consistent with, or conform to, the goals and objectives of applicable state air quality plans to attain federal air quality standards as required by the Federal Clean Air Act. Failure to achieve transportation conformity could result in rejection of the RTP/SCS and

FTIP and withholding federal funding and/or federal approval for Southern California's critical transportation needs.

(d) Integrated Growth Forecast

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

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

(a) Development of the Sustainable Communities Strategy

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

(b) Development and Submittal of Connect SoCal Technical Methodology

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

(c) Development of the Regional Housing Needs Assessment

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

In March 2021, SCAG adopted its 6th cycle RHNA allocation plan, which covers the planning period October 2021 through October 2029. For the 6th cycle, SCAG received a regional housing needs determination (RHND) from HCD of 1,341,827 housing units, which was distributed to all 197 SCAG cities and counties.

SCAG is surveying local jurisdictions to inform development of the proposed methodology for the 7th Cycle RHNA allocation process. Survey responses will help SCAG understand local planning conditions and affirmatively furthering fair housing efforts as it develops the methodology, which is subject to review and approval by the RHNA Subcommittee and SCAG Regional Council. The survey closes January 29, 2027.

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

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

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

(e) South Coast Air Quality Management Plan

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

Long-Term Financial Planning

SCAG has stable finances and continuously evaluates its financial outlook to address challenges proactively. The FY 2025-2026 financial statements reflect the measures SCAG has taken in prior years to operate using a model that balances revenues and expenditures. Traditionally, the Consolidated Planning Grant (CPG) revenue allocations (FHWA PL and FTA 5303 grants) have been sufficient to cover SCAG's core planning activities, but those costs have grown over time as personnel costs have risen and as SCAG has broadened its activities. Fortunately, SCAG was

successful in its bid to increase its Transportation Development Act (TDA) revenues, and thanks to Assembly Bill 1403, SCAG has had an additional annual revenue stream since FY 2011-2012 to continue its level of operations. In FY 2025-2026, TDA revenues were $8.2 million. SCAG is also receiving Sustainable Communities Grant funds of around $5.2 million starting in 2018 pursuant to the terms of Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. Additionally, SCAG was awarded approximately $231.5 million in grant funds through REAP 2.0 (a total reduction of $14.5 million from SCAG's original allocation), and during FY 2025-26, SCAG continued implementation of multiple REAP-funded programs supporting housing production, infrastructure planning, affordability initiatives, and technical assistance efforts in partnership with local jurisdictions throughout Southern California.

Overall Work Program

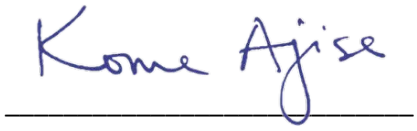
SCAG's Overall Work Program (OWP) is the foundation for annual financial planning and internal administrative budget control. It consists of all projects and budgets allocated and necessary to perform the planning work to be accomplished in the following year. It also identifies the funding source(s)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

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

Acknowledgments

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

Sincerely,



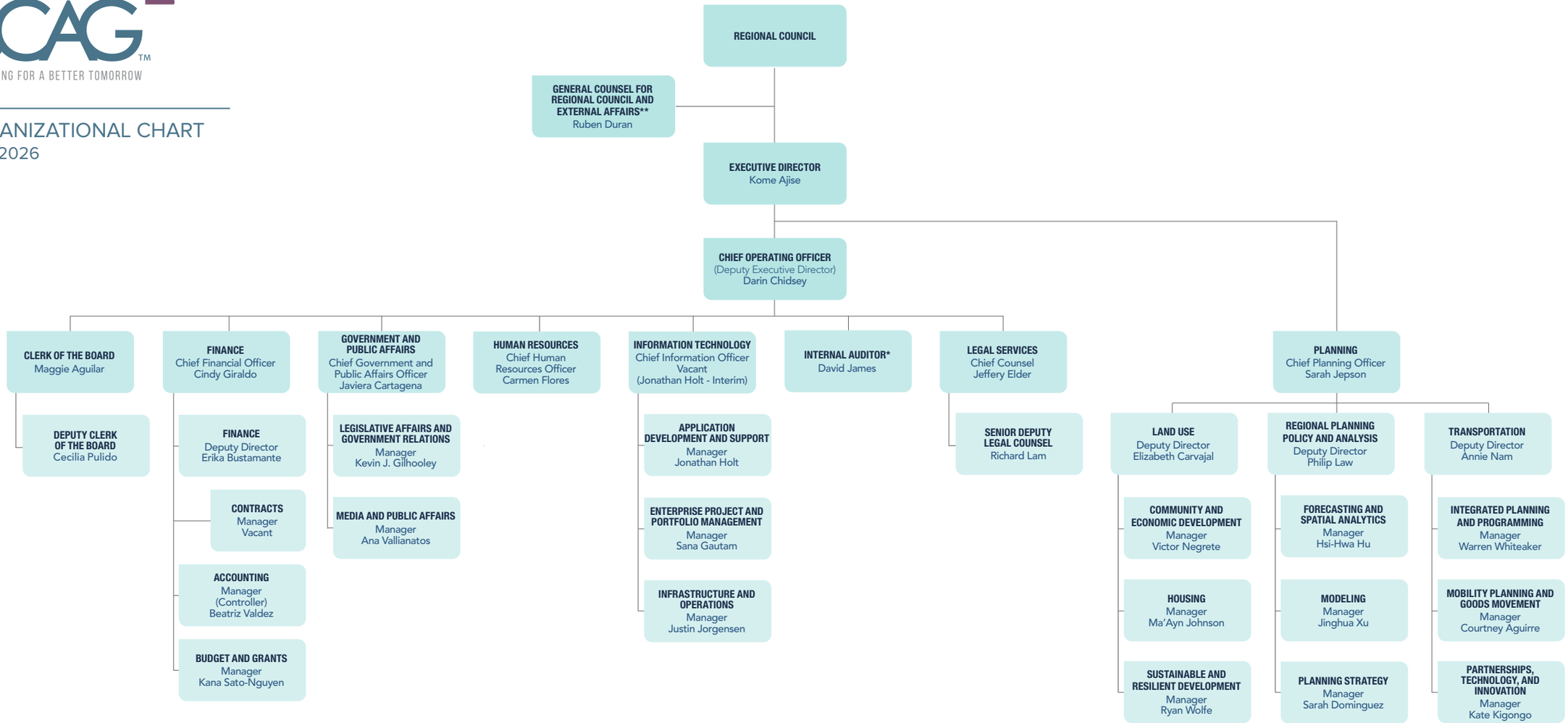


Kome Ajise
Executive Director

Cindy Giraldo, CPA
Chief Financial Officer

SCAG
INNOVATING FOR A BETTER TOMORROW

ORGANIZATIONAL CHART
June 2026



* Takes direction from the Audit Committee
** Takes direction from the Regional Council

X

SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS

List of Principal Officials

As of June 30, 2026

Kome Ajise, Executive Director

Darin Chidsey, Chief Operating Officer/Deputy Executive Director

Ruben Duran, General Counsel for Regional Council and External Affairs

Cindy Giraldo, Chief Financial Officer

Javiera Cartagena, Chief Government & Public Affairs Officer

Carmen Flores, Chief Human Resources

Jonathan Holt, Interim Chief Information Officer

Jeffrey Elder, Chief Counsel

Maggie Aguilar, Clerk of the Board

Sarah Jepson, Chief Planning Officer

David James, Internal Auditor

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Southern California Association of Governments

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 137 days after the fiscal year end



Christopher P. Morrill

Executive Director/CEO

Financial Section

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern California Association of Governments (SCAG) as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise SCAG's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the SCAG, as of June 30, 2026, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2026, on our consideration of SCAG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SCAG's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SCAG's internal control over financial reporting and compliance.

Eide Bailly LLP

Ontario, California
November 20, 2026

Management's Discussion and Analysis

The MD&A provides a narrative overview and analysis of the financial statements of SCAG for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year. Readers should consider the information presented here in conjunction with additional information that has been furnished in the letter of transmittal, which can be found on pages i-ix of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS

The MD&A is intended to serve as an introduction to SCAG's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) governmental fund financial statements, and (3) notes to the basic financial statements. These various presentations combine to form a single, integrated set of basic financial statements. This report also includes supplementary information intended to furnish additional details to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of SCAG's finances in a manner similar to private-sector financial statements. The government-wide financial statements include the governmental activities of SCAG. There are two basic government-wide financial statements: the statement of net position and the statement of activities.

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

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

The government-wide financial statements distinguish between the activities of SCAG that are principally supported by intergovernmental revenues (grants or contracts), and the General Fund activities, which are intended to be covered primarily by dues paid by SCAG's members. Grant-funded activities generally operate on a cost-reimbursement basis and therefore tend to have a limited effect on net position. Consequently, changes in net position are primarily driven by the financial activities of the General Fund and TDA Fund. The governmental activities of SCAG include transportation, environmental, modeling, public involvement, sustainability initiatives, and administration.

- Transportation includes activities related to regional transportation planning, programming and coordination.
- Environmental includes activities related to environmental analysis, air quality planning, transportation conformity, environmental review coordination, and intergovernmental review.
- Modeling supports regional forecasting, technical analysis, and modeling activities.
- Public involvement includes outreach, engagement, communications, and stakeholder participation activities related to regional planning efforts.

- Sustainability initiatives includes activities supporting sustainable communities planning, housing policy development, and implementation of state and regional housing initiatives.
- Administration includes executive management, financial management, human resources, information technology, legal support, and other administrative services necessary to support SCAG's programs and operations.

The government-wide financial statements can be found on pages 18 and 19 of this report.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about SCAG's funds and emphasize fiscal accountability rather than the overall financial position reported in the government-wide financial statements. Fiscal accountability means demonstrating whether SCAG complied, in the short term (usually a fiscal year), with the legal restrictions associated with its funding. All of SCAG's funds are governmental funds.

GOVERNMENTAL FUNDS

Governmental funds report many of the same activities as the government-wide financial statements; however, they use the modified accrual basis of accounting. Governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the short-term and long-term impact of SCAG's financial decisions. Reconciliations between the governmental fund financial statements and the government-wide financial statements are included in the basic financial statements to facilitate this comparison.

SCAG maintains forty-four individual governmental funds. Information is presented separately for the General Fund, Federal Transit Administration (FTA) Fund, Federal Highway Administration (FHWA) Fund, Transportation Development Act (TDA) Fund, and Regional Early Action Planning (REAP 2021) Fund, which are considered to be major governmental funds. Data from the other governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 20 through 23 of this report.

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. SCAG uses notes to (1) present information in greater detail than is possible within the financial statements themselves (accounting policies), (2) explain the nature of amounts were determined (such as indirect overhead, retirement pension plans), and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as contract commitments). The notes to the basic financial statements can be found on pages 24 to 53 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information. Certain information previously included in the MD&A has been relocated to the required supplementary information section to better align with reporting requirements. SCAG presents budgetary comparison schedules for the General Fund, FTA, FHWA, TDA, and REAP 2021, and SCAG's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately following the notes to the basic financial statements on pages 54-75.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on budgetary comparisons, and pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 76-93 of this report.

Other Information
This report also includes supplementary schedules and supporting information that provide additional detail regarding SCAG's financial activities, grant programs, and other matters presented in the basic financial statements. This information is presented for additional analysis and can be found on pages 94 to 97.

FINANCIAL SUMMARY AND DETAILED ANALYSIS

Statement of Net Position

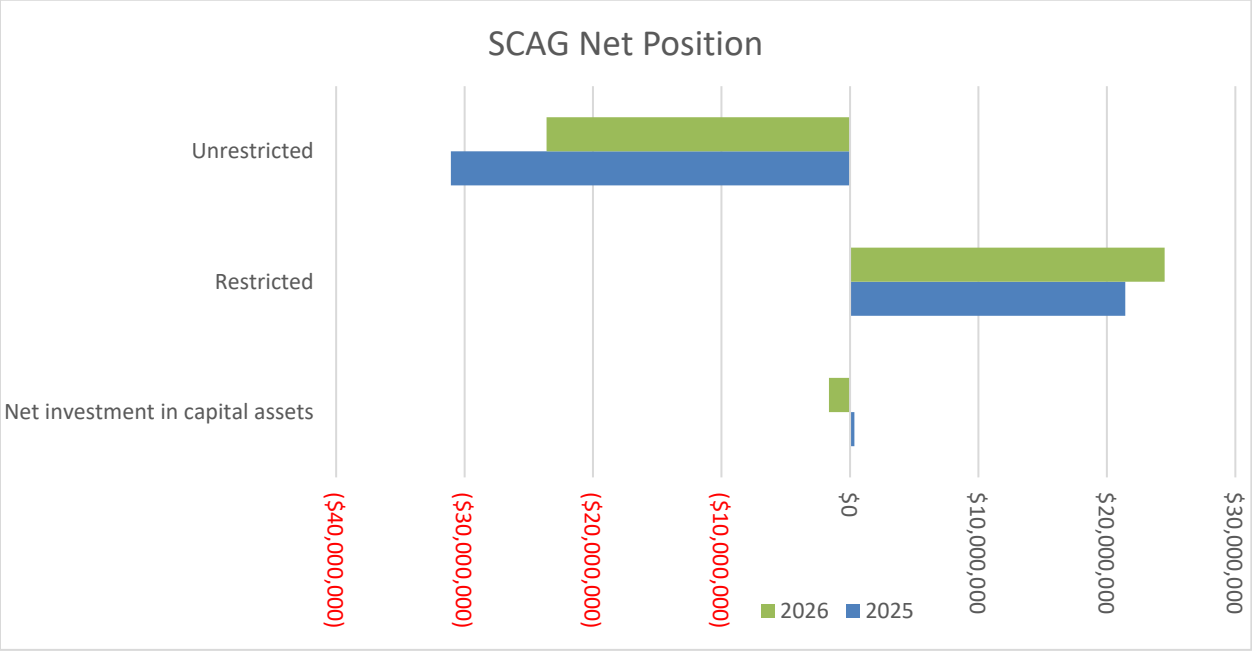
The Statement of Net Position is prepared using accrual accounting since its measurement focus is total economic resources. Thus, it reports both long-term and short-term assets and deferred outflows of resources, and liabilities and deferred inflows of resources. As noted earlier, net position over time serves as a useful indicator of a government's financial position. For SCAG, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by $766,481 at the close of the most recent fiscal year, an increase of $8.5 million, or 91.75%.

The following is a summary of net position as of June 30, 2026, and 2025:

	June 30	
	2026	**2025**
Current and other assets	$ 83,767,906	$ 67,172,414
Capital assets, net	29,155,221	30,044,873
Total assets	112,923,127	97,217,287
Deferred outflows of resources	9,563,921	11,514,270
Current liabilities	40,608,356	32,453,602
Noncurrent liabilities	77,987,407	85,100,663
Total liabilities	118,595,763	117,554,265
Deferred inflows of resources	4,657,766	463,766
Net position		
Net investment in capital assets	(1,637,317)	351,037
Restricted	24,493,015	21,429,437
Unrestricted	(23,622,179)	(31,066,948)
Total net position	$ (766,481)	$ (9,286,474)

By far the largest portion of SCAG's net position is restricted, $24.5 million, and represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, SCAG's unrestricted net position was a deficit balance of $23.6 million, primarily reflecting the impact of SCAG's net pension liabilities and related deferred outflows and inflows of resources.

Net position related to investments in capital assets is relatively small and became negative in the current fiscal year as the assets are being depreciated/amortized faster than SCAG is retiring the principal balance of the debt.



Governmental Activities. Current and other assets increased by $16.6 million or 24.71% from the prior year. The increase is primarily due to an increase in due from other governments of $11.3 million related to an increase in grants that are on a cost reimbursement basis and the timing of receiving the reimbursements. In addition, the REAP 2021 fund had a significant increase in program activities at the end of the current fiscal year due to several of the subrecipient agreements ending as of June 30, 2026, and lastly there was an increase in restricted cash for TDA activities, which resulted by spending less than budgeted since some of the required match for quick-build projects funded by Federal Highway was provided by the REAP 2021 fund or by the ATP funds.

Deferred outflows and deferred inflows are related to the two pension plans and the other post-employment benefit plan (OPEB). The net decrease in deferred outflows and the net increase in deferred inflows is primarily due to investment earnings increasing for all three plans. For OPEB, the increase in investment income resulted in a Net OPEB asset of $232,361, from a net OPEB liability of $1.2 million in fiscal year 2025.

Current liabilities increased by $8.2 million or 25.13% due to an increase in due to other governments related to the work performed by SCAG's subrecipients for cost reimbursement agreements that was accrued at year end due to timing of receiving and processing invoices. Most of this liability is attributed to REAP 2021 activities. This increase was partially reduced by a significant decrease in advances from grantors also related to the REAP 2021 since SCAG was able to recognize the related revenue.

Noncurrent liabilities, which consist of compensated absences, leases, subscription-based IT arrangements, and pensions, decreased by $7.1 million or 8.36% primarily due to a reduction in net pension liability and net OPEB liability due to an increase in net investment returns which was partially offset by increases in subscription-based IT arrangements.

The Change in Net Position table summarizes revenues and expenses resulting in the change in net position for FY 2025-2026. It recognizes revenues when earned and expenses when they are incurred, regardless of the timing of related cash inflows and outflows. This statement measures the results of operations over the year and can be used to analyze the revenues earned and expenses incurred to benefit the project objectives established by the grantors.

SCAG's overall net position increased by $8.5 million from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

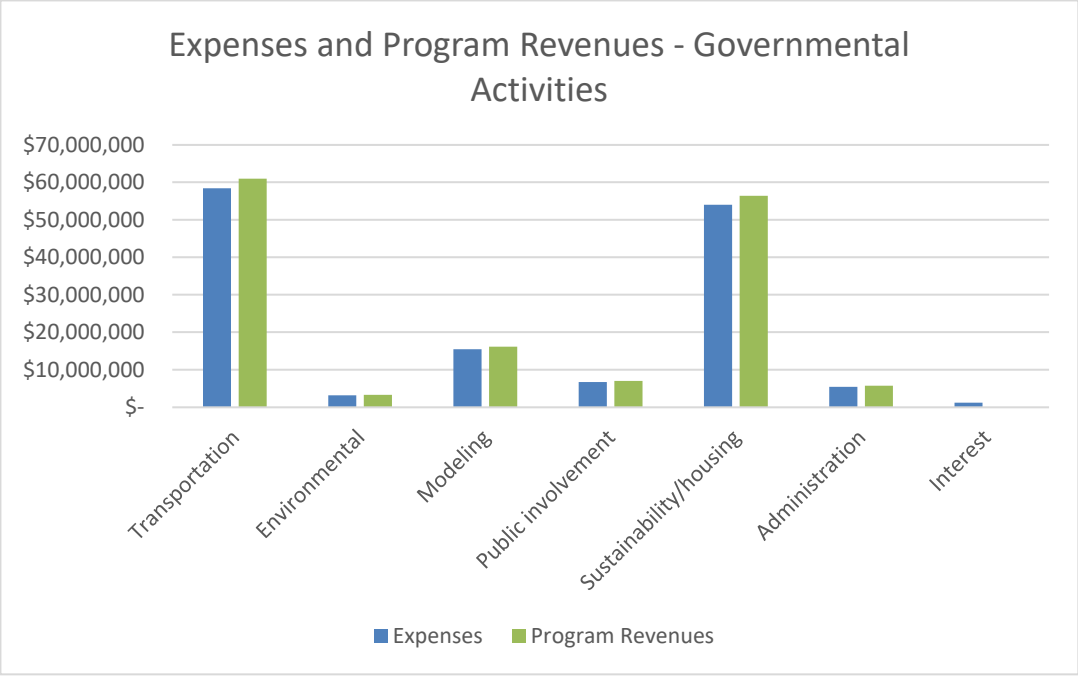
	Change in Net Position	
	2026	2025
REVENUES		
Charges for services - member dues	$ 2,840,320	$ 2,742,095
Operating grants and contributions	146,698,375	88,678,474
General revenues:		
Interest Income	2,793,515	3,274,391
Other revenue	548,910	538,910
Total Revenues	152,881,120	95,233,870
EXPENSES		
Transportation	58,400,482	32,867,296
Environmental	3,163,349	3,600,387
Modeling	15,458,220	14,617,870
Public Involvement	6,721,359	4,723,928
Sustainability/Housing	54,014,682	23,918,544
Administration	5,412,612	8,715,559
Interest	1,190,423	1,208,109
Total Expenses	144,361,127	89,651,693
Change in net position	8,519,993	5,582,177
Net position - beginning of year	(9,286,474)	(14,868,651)
Net position - end of year	$ (766,481)	$ (9,286,474)

During the current fiscal year, net position increased $8.5 million or 91.75% from the prior fiscal year for an ending balance of $(766,481). Most of SCAG's activities, as mentioned earlier, are on a cost reimbursement basis, so the overall increase in expenses is aligned with the overall increase in revenues except for General Fund and TDA activities. The increase in net position is due to the following: 1) GF's revenues were higher than expenses by $3.9 million as the plan was to continue to accumulate fund balance for future projects and unexpected cost increases, 2) TDA revenues were higher than expenses by $3.0 million as match needs were lower due to project delays or reallocation of funding sources, and 3) net pension liabilities and net OPEB liabilities decreased due to an increase in net investment income, as previously discussed. The year over year change in net position went from $5.6 million to $8.5 million, an increase of $2.9 million compared to the prior year.
Total revenues increased significantly by $57.7 million or 60.53%, from $95.2 million to $152.9 million in

the current year, primarily due to REAP 2021 activities as projects were completed or progressing as expected, primarily for transportation projects and the Housing Loan program, which provided cash advances to subrecipients to fund housing loans. Several of the new federal and state grants in the non-major funds that started in FY 2024-2025 had increased activities in the current fiscal year as subawards were made or procurement for services were completed, those programs included the Carbon Reduction Program, Congestion Mitigation and Air Quality Program, and Active Transportation Planning Program.

Expenses increased during the current year from $89.7 million to $144.4 million in the current year, due to an increase in consultant expenses, which include subrecipient payments. The most significant increase was $30.1 million in Sustainability Initiatives and $25.5 million in Transportation due primarily to REAP 2021 activities, and a $3.3 million decrease in Administration due to a reduction in pension and OPEB liabilities. Changes affecting all programs included increases in salary expenses of $2.5 million, from $29.2 million to $31.7 million, primarily due to a 6% overall compensation increase.

As shown in the chart below, SCAG revenues are sufficient to cover the costs as most of the activities are fully reimbursable by federal, state, and local grants and contracts.



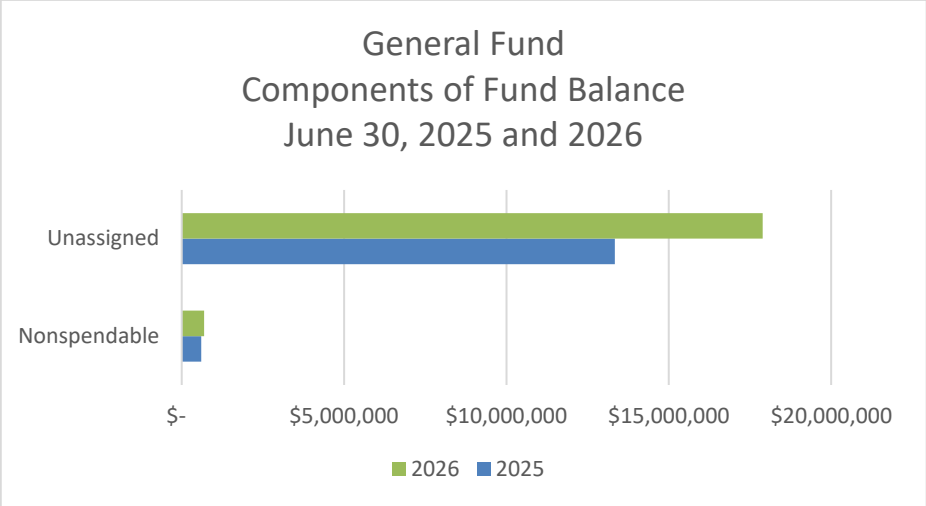
DETAILED ANALYSIS

As noted earlier, SCAG uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. SCAG reports five major funds individually in the governmental fund financial statements, the General Fund, FTA, FHWA, TDA, and REAP 2021.

General Fund. Management is required by SCAG's By-laws to submit an annual budget for the General Fund (GF) to the Regional Council (RC) and the RC presents it to the General Assembly for final approval. The GF is used as working capital and its resources are available for any authorized purpose, not otherwise required or allowed to be accounted for in another fund. Thus, GF cash is routinely used to pay invoices that are in the process of being billed to the grantor. SCAG GF fund balance is broken out in two categories, Nonspendable for Prepaids and Unassigned. Unassigned funds are money in the GF that the governing boards and management have full discretion over.

The General Fund is the chief operating fund of SCAG. At the end of the current fiscal year, unassigned fund balance of the General Fund was $17.9 million, while total fund balance increased to $18.6 million, the difference being non-spendable fund balance for prepaid assets. There was no significant change in non-spendable fund balance year-over-year. While unassigned fund balance increased by $4.5 million, or 34.1%. The increase is attributable to revenues exceeding expenses as SCAG is very conservative during the budget process for interest income and administrative expenses as the goal is to set aside fund balance for the upcoming replacement of its financial accounting system and for future cost increases. Revenues from year over year experienced a small decrease ($0.3 million or 4.2%) due to lower interest income as interest rates were lower than the prior year and so was the cash available to invest. Expenses increased by $0.8 million or 46.78% primarily due to new subscription-based IT agreements. However, these cost increases were partially offset by increases in Other Financing Sources. Net changes in fund balance decreased from $5.2 million to $4.6 million.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance is 7.5 times the size of total general fund expenditures, while total fund balance represents 7.8 times the same amount.



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FTA. This fund accounts for activities funded by Section 5303 grant from the Federal Transit Administration on a cost reimbursement basis. This grant and the one received from Federal Highway Administration 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. For additional information on these two plans, see the transmittal letter in this report.

This fund has no fund balance since all expenses are reimbursed by the grantor. Total revenues and expenditures amounted to $12.8 million. Any fluctuations of revenues and expenditures from year to year are based on the projects being delivered. In the current year, some projects were delayed or postponed to next fiscal year due to delays in procurement activities resulting from various reasons including shifting priorities to deliver the REAP 2021 activities first due to grant expiration deadlines, California Department of Transportation (Caltrans) contract approvals for projects, and longer contract negotiations. The unused grant balance is carried over to the next fiscal year.

FHWA. This fund accounts for grants received from Federal Highway Administration on a cost reimbursement basis to support the same activities funded by FTA.

This fund has no fund balance since all expenses are reimbursed by the grantor. Total revenues and expenditures amounted to $27.8 million. Any fluctuations of revenues and expenditures from year to year are based on the projects being delivered. The unused grant balance is carried over to the next fiscal year.

Both (FTA and FHWA) grants are administered by Caltrans and billed together as part of the Consolidated Planning Grant. Funds are primarily used to fund labor related expenses. Salaries and fringe benefits accounted for $15.0 million, indirect overhead of $19.0 million, consultant expenses were $1.6 million, and the balance consisted of capital outlay related to subscription-based IT agreements of $3.0 million and other direct project costs of $2.0 million. Other direct project expenses include professional services, travel, printing, and other non-labor costs.

TDA. This fund accounts for the Transportation Development Act funding which is used primarily to meet the local match requirement for federal and state grants. SCAG receives these funds under the terms of the State of California Public Utilities Code Section 99233.2, which authorizes the Transportation Commissions in Los Angeles, Orange, Riverside and San Bernardino counties to allocate up to ¾ of 1 percent of their local transportation funds to SCAG as the multi-county planning agency for the region.

TDA fund balance increased by $3.0 million or 14% during the current fiscal year, from $21.4 million to $24.4 million. TDA revenues experienced a small decrease of $0.5 million, from $8.7 million to $8.2 million, based on state allocation of the local transportation fund to the Transportation Commissions. Expenses increased by $0.1 million, from $5.2 million to $5.3 million. TDA revenues continued to exceed expenditures, as expenditures are based primarily on local match needs. The change in fund balance is due to SCAG being able to utilize other state funding sources like REAP 2021 and ATP to fund some of the federal projects, thus reducing the need to use TDA. Furthermore, savings were also realized due to no longer hosting the Economic Summit and now providing an Economic Update during the December Regional Council meeting and delays in contract execution for some projects. The accumulated fund balance will be utilized to meet future match requirements.

REAP 2021. This fund accounts for the Regional Early Action Planning which supports transformative planning and implementation activities that meet housing and equity goals, reduce VMT per capita and advance implementation of the region's SCS or alternative planning strategy. Readers can refer back to the Letter of Transmittal in this report for further information.

This fund has no fund balance since all expenses are reimbursed by the grantor. Total revenues and expenditures amounted to $79.9 million, an increase from the prior year of $57.0 million or 249%. As mentioned in the governmental activities section, significant activity took place in the current fiscal year as several projects were completed or are progressing as expected since the grant ends on June 30, 2027. Any fluctuations of revenues and expenditures from year to year are based on the projects being delivered. The unused grant balance is carried over to the next fiscal year.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITIES

Capital Assets. SCAG's investment in capital assets as of June 30, 2026, amounts to $29.2 million (net of accumulated depreciation/amortization). This investment in capital assets includes development of software in progress, subscription in progress, computer equipment and software, leasehold improvements, furniture and fixtures, right to use other entities' assets (leased buildings, leased computer equipment, leased equipment, and subscription-based IT arrangements (SBITA)). The total decrease in capital assets for the current fiscal year was $0.9 million or 2.96%.

	June 30	
	2026	2025
Development in progress	$ 200,337	$ 552,835
Subscription in progress	399,000	347,530
Computer equipment and software, net	1,530,339	1,412,153
Leasehold improvements, net	3,808,874	3,924,096
Right to use lease building, net	19,202,738	20,126,877
Right to use leased equipment, net	78,726	139,117
Right to use subscription asset, net	3,935,207	3,542,265
Total Capital Assets	$ 29,155,221	$ 30,044,873

Major capital assets events during the current fiscal year included the following:

- Two new software applications started and reflected as development in progress (land conservation model enhancement and travel demand model improvement) at a cost of $200,335.
- The development of three software applications was completed and recorded as software (Greenprint implementation tool, dynamic traffic assignment model, SPM transportation engine enhancement) at a total cost of $711,593; thus, reducing development in progress by $552,833.
- The development of the eFtip subscription continued, incurring costs of $51,470.
- A three-year extension to the Inland Empire regional office increasing right to use leased building by $280,751.
- Five new SBITAs contracts were entered into for a total cost of $3.3 million. These included ESRI for Geographic Information Systems, Eplus Endpoint Protection for enterprise security software, Planetbids for an online procurement bidding system, Cvent for an event registration system, VMware Cloud for building, running, and managing private and hybrid cloud infrastructures.
- Minor disposals of fully depreciated equipment, furniture, and leasehold improvements in the amount of $81,174 took place as these assets were no longer needed.

Both leases and SBITA are right to use assets. SCAG does not own these assets but rather has the right to use them in operations, as specified in their respective contracts. When entering a lease or SBITA contract, a liability is also recognized, which is included as part of long-term financing discussion below.

These assets have continuing value, which contributes to efficiency and effectiveness in conducting SCAG's transportation planning activities. Capital assets represent 25.82% of total assets. For additional information, the reader is referred to note 6 of the basic financial statements.

Long-term financing. At the end of the current fiscal year, SCAG had total long-term financing liabilities of $34.3 million, composed of compensated absences, building lease liabilities, computer equipment lease liabilities, equipment lease liabilities, and subscription liabilities.

	2026	2025
Compensated absences, net	$ 3,728,690	$ 3,566,700
Right to use building lease liabilities	26,823,361	27,091,446
Right to use computer equipment lease liabilities	44,112	58,019
Right to use equipment lease liabilities	29,135	76,075
Right to use subscription liabilities	3,724,176	2,367,078
Total Governmental Activities	$ 34,349,474	$ 33,159,318

Compensated absences liabilities represent vacation, sick leave, and parental leave accrued at year-end. The increase is due to vacation accruals increases and salary rate increases, partially offset by a reduction in parental leave.

Right to use building lease liabilities of $26.8 million represent three building leases. As discussed in the changes in capital assets above, SCAG extended one building lease for $280,751. In addition, SCAG entered into five right to use SBITAs for $3.3 million. Additional activity for these lease liabilities categories is recording principal payments. These liabilities will be repaid over the term of their contracts.

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

SCAG is aware of the following items that will impact future finances and were considered in developing the 2026- 2027 fiscal year budget which represents a 47.23% decrease from the current fiscal year, from $507.3 million to $267.7 million in fiscal year 2026-2027.

- Reduction in carryover funding compared to prior year due to projects funded with various one-time grant funds making progress toward completion. Major reductions include the following:
    - combined reductions of $8.10 million in Carbon Reduction Program (CRP), Congestion Mitigation and Air Quality (CMAQ) Improvement Program, and Surface Transportation Block Grant (STBG) Program funds,
    - reductions of $40.33 million in Last Mile Freight Program (LMFP) suballocation and its in-kind match,
    - $139.38 million reduction in REAP 2021 funding,
    - combined reductions of $6.33 million in various federal and state grants.
- Salary and fringe benefit increases were projected at $50.3 million, a 1% increase from 2025-2026. This net increase accounts for projected performance-based merit after netting four position reductions and including increases associated with CalPers payments, vacation cash-outs and other employee benefits.
- Enterprise Resource Planning (ERP) Project (replacement of current financial accounting system)
    - $5.71 million to support the initial phase of the ERP implementation, out of which $2.47 million is allocated to system licensing and implementation services and $3.24 million is for internal staff resources to support project execution.

SCAG continues to monitor state and federal funding opportunities and legislative actions that may affect future planning activities and program implementation within the region. Management believes existing cash resources, grant funding, and available financing arrangements will be sufficient to support planned operations and program activities during FY 2026-2027. Management is aware of several significant decisions and conditions that may affect future financial operations. During FY 2026-27, SCAG approved a compensation strategy and salary schedule restructuring to maintain market competitiveness and support workforce retention. In addition, management proposed an annual salary schedule adjustment mechanism tied to the Consumer Price Index, which may increase personnel-related costs in future fiscal years, subject to annual approval by the Regional Council. The agency is advancing procurement and implementation activities for a new Enterprise Resource Planning (ERP) system, a multi-year initiative that will require additional funding commitments beyond FY 2026-27. Management continues to oversee the expenditure and closeout of major grant-funded programs, including the Regional Early Action Planning (REAP 2.0) program, which is subject to expenditure and reporting deadlines through June 2027. SCAG is also leading and supporting several regional initiatives related to transportation demand management, resiliency planning, and mobility improvements in preparation for the 2028 Olympic and Paralympic Games. As several large one-time grant programs

continue to advance toward completion, management anticipates future budget reductions associated with declining carryover balances and the planned closeout of these grant-funded activities. Management will continue to monitor funding opportunities, operating costs, and program commitments to ensure the agency remains financially sustainable while supporting regional priorities. Furthermore, SCAG has been very proactive on establishing a process to help absorb the fluctuation of funding sources by hiring limited term employees instead of regular employees. Therefore, this approach allows SCAG to adjust staffing based on available grant funding and program needs. Lastly, to balance the budget and cover project expenditures not funded by grants, SCAG appropriated $3.23 million of TDA fund balance.

SCAG is not expecting to utilize any of its GF unassigned fund balance in fiscal year 2026-2027.

Requests for Information

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

Basic Financial Statements

	Governmental Activities
Assets	
Cash and cash equivalents	$ 33,904,876
Restricted cash and cash equivalents	24,352,899
Receivables	
Other	424,143
Due from other governments	
Federal grants	13,492,969
State grants and contracts	10,215,599
Local grants and contracts	446,813
Prepaids	691,472
Other assets	6,774
Net OPEB Asset	232,361
Capital assets not being depreciated	599,337
Capital assets being depreciated and amortized, net	28,555,884
Total assets	112,923,127
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	8,739,223
Deferred outflows of resources related to OPEB	824,698
Total deferred outflows of resources	9,563,921
Liabilities	
Accounts and contracts payable	5,139,804
Accrued liabilities	1,360,733
Accrued interest payable	123,232
Due to other governments	31,892,719
Advances from grantors	62,977
Over-recovery of indirect costs	2,028,891
Noncurrent liabilities	
Due within one year	4,407,928
Due in more than one year	29,941,546
Net pension liabilities	43,637,933
Total liabilities	118,595,763
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	3,445,929
Deferred inflows of resources related to OPEB	1,211,837
Total deferred inflows of resources	4,657,766
Net Position	
Net investment in capital assets	(1,637,317)
Restricted for	
Transportation projects	24,493,015
Unrestricted	(23,622,179)
Total net position	$ (766,481)

Southern California Association of Governments
Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services - Member Dues	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities				
Transportation	$ 58,400,482	$ -	$ 60,961,945	$ 2,561,463
Environmental	3,163,349	-	3,302,094	138,745
Modeling	15,458,220	-	16,136,222	678,002
Public involvement	6,721,359	-	7,016,160	294,801
Sustainability initiatives	54,014,682	-	56,383,782	2,369,100
Administration	5,412,612	2,840,320	2,898,172	325,880
Interest	1,190,423	-	-	(1,190,423)
Total governmental activities	$ 144,361,127	$ 2,840,320	$ 146,698,375	5,177,568
General Revenues				
General assembly				548,910
Interest and other				2,793,515
Total general revenues				3,342,425
Change in Net Position				8,519,993
Net Deficit, Beginning of Year				(9,286,474)
Net Deficit, End of Year				$ (766,481)

Southern California Association of Governments
Balance Sheet – Governmental Funds
June 30, 2026

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP 2021 Fund	Nonmajor Funds	Total
Assets							
Cash and cash equivalents	$ 33,904,876	$ -	$ -	$ -	$ -	$ -	$ 33,904,876
Restricted cash and cash equivalents	24,352,899	-	-	-	-	-	24,352,899
Receivables							
Other	424,143	-	-	-	-	-	424,143
Due from other governments							
Federal grants	-	3,700,411	5,844,302	-	-	3,948,256	13,492,969
State grants and contracts	-	-	-	-	6,906,469	3,309,130	10,215,599
Local grants and contracts	-	-	-	446,813	-	-	446,813
Due from other funds	-	-	-	24,289,922	25,671,161	211,860	50,172,943
Prepaids	691,472	-	-	-	-	-	691,472
Other assets	6,774	-	-	-	-	-	6,774
Total assets	$ 59,380,164	$ 3,700,411	$ 5,844,302	$ 24,736,735	$ 32,577,630	$ 7,469,246	$ 133,708,488
Liabilities							
Accounts and contracts payable	$ 743,338	$ 291,903	$ 89,581	$ 308,720	$ 1,724,665	$ 1,981,597	$ 5,139,804
Accrued liabilities	1,360,733	-	-	-	-	-	1,360,733
Due to other governments	888,668	-	-	-	30,852,965	151,086	31,892,719
Due to other funds	35,778,166	3,408,508	5,754,721	-	-	5,231,548	50,172,943
Advances from grantors	-	-	-	-	-	62,977	62,977
Over-recovery of indirect costs	2,028,891	-	-	-	-	-	2,028,891
Total liabilities	40,799,796	3,700,411	5,844,302	308,720	32,577,630	7,427,208	90,658,067
Deferred Inflows of Resources							
Unavailable revenues	-	-	-	-	-	55,242	55,242
Fund Balances							
Nonspendable for Prepaids	691,472	-	-	-	-	-	691,472
Restricted							
Transportation	-	-	-	24,428,015	-	65,000	24,493,015
Unassigned	17,888,896	-	-	-	-	(78,204)	17,810,692
Total fund balances	18,580,368	-	-	24,428,015	-	(13,204)	42,995,179
Total liabilities, deferred inflows of resources, and fund balances	$ 59,380,164	$ 3,700,411	$ 5,844,302	$ 24,736,735	$ 32,577,630	$ 7,469,246	$ 133,708,488

Total Fund Balance - Governmental Funds	$ 42,995,179
Amounts reported for governmental activities in the accompanying statement of net position are different because:	
Capital assets, net of accumulated depreciation and amortization, used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.	29,155,221
Net OPEB assets are not current financial resources available to pay current-period expenditures and, therefore, are not reported in the governmental funds. They are reported as noncurrent assets in the Statement of Net Position under the full accrual basis of accounting.	232,361
Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the governmental funds.	(123,232)
Certain revenues are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the governmental funds.	55,242
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Long-term liabilities at year-end consist of	
Compensated absences	(3,728,690)
Net pension liabilities	(43,637,933)
Lease liability	(26,896,608)
SBITA liability	(3,724,176)
Deferred outflows of resources are not considered financial resources and are not reported in the governmental funds. Deferred outflows of resources amounted to and related to	
Pension	8,739,223
OPEB	824,698
Deferred inflows of resources are not available to pay for current period expenses and are not reported in the governmental funds. Deferred inflows of resources amounted to and related to	
Pension	(3,445,929)
OPEB	(1,211,837)
Total Net Position - Governmental Activities	$ (766,481)

Southern California Association of Governments
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2026

	General Fund	FTA 5303 Fund	FHWA PL Fund	TDA Fund	REAP 2021 Fund	Nonmajor Funds	Total
Revenues							
Federal grants, net	$ -	$ 12,819,825	$ 25,125,892	$ -	$ -	$ 7,275,241	$ 45,220,958
State grants and contracts	-	-	-	-	79,935,158	12,855,233	92,790,391
Local grants and contracts	97,500	-	-	8,217,515	-	353,281	8,668,296
Membership assessments							
Cities and Indian Tribes	2,343,592	-	-	-	-	-	2,343,592
Counties	388,228	-	-	-	-	-	388,228
Commission	88,500	-	-	-	-	-	88,500
Transportation corridor agency	10,000	-	-	-	-	-	10,000
Air districts	10,000	-	-	-	-	-	10,000
General assembly	548,910	-	-	-	-	-	548,910
Interest and other	2,793,515	-	-	-	-	-	2,793,515
Total revenues	6,280,245	12,819,825	25,125,892	8,217,515	79,935,158	20,483,755	152,862,390
Expenditures							
Current:							
Transportation	5,140	5,351,946	3,866,698	2,650,437	30,800,238	15,726,023	58,400,482
Environmental	-	567,142	2,232,021	220,940	-	143,246	3,163,349
Modeling	-	1,635,565	12,737,987	392,034	-	692,634	15,458,220
Public involvement	-	3,346,154	2,970,226	105,526	-	299,453	6,721,359
Sustainability initiatives	-	833,864	1,318,431	999,160	48,297,510	2,565,717	54,014,682
Administration	1,569,566	236,909	288,642	565,221	-	116,060	2,776,398
Indirect/fringe benefit cost	52,568,728	-	-	-	-	-	52,568,728
Indirect/fringe benefit cost recovery	(54,597,619)	-	-	-	-	-	(54,597,619)
Over-recovery	2,028,891	-	-	-	-	-	2,028,891
Debt service							
Principal	62,887	525,859	1,001,328	124,857	669,916	152,417	2,537,264
Interest	5,290	270,916	522,841	77,333	167,494	137,055	1,180,929
Capital outlay	736,386	51,470	2,901,608	198,582	-	87,949	3,975,995
Total expenditures	2,379,269	12,819,825	27,839,782	5,334,090	79,935,158	19,920,554	148,228,678
Excess (deficiency) of revenues over (under) expenditures	3,900,976	-	(2,713,890)	2,883,425	-	563,201	4,633,712
Other Financing Sources (Uses)							
Issuance of debt - leases	280,751	-	-	-	-	-	280,751
Issuance of debt - subscriptions	455,635	-	2,713,890	115,153	-	-	3,284,678
Total other financing sources (uses)	736,386	-	2,713,890	115,153	-	-	3,565,429
Change in Fund Balance	4,637,362	-	-	2,998,578	-	563,201	8,199,141
Fund Balances, Beginning of Year	13,943,006	-	-	21,429,437	-	(576,405)	34,796,038
Fund Balances, End of Year	$ 18,580,368	$ -	$ -	$ 24,428,015	$ -	$ (13,204)	$ 42,995,179

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, 2026

Total Net Change in Fund Balances - Governmental Funds		$ 8,199,141
Amounts reported for governmental activities in the accompanying statement of activities are different because:		
Capital outlays are reported as expenditures in governmental funds. However, in the Statement of Activities the cost of those capital assets is allocated over their estimated useful lives as depreciation and amortization expense.		
Capital outlay	$ 3,975,995	
Depreciation and amortization expense	(4,865,647)	(889,652)
Compensated absences are not recorded in the governmental funds and the corresponding changes in these balances are not reflected in the change in fund balances.		(161,990)
Accrued interest payable applicable to governmental activities is not due and payable in the current period and, therefore, is not reported in the funds		(9,494)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position.		
Issuance of debt- leases		(280,751)
Lease principal payments		609,684
Issuance of debt - subscriptions		(3,284,678)
Subscription IT principal payments		1,927,580
Certain revenues reported in the statement of activities do not meet the availability criterion for recognition in governmental funds and, therefore, are reported as deferred inflows of resources in the governmental funds.		18,730
Governmental funds report pension/OPEB contributions as expenditures. Such amounts are reported as deferred outflows of resources on the full accrual basis. The impact of pension and OPEB accounting is as follows:		
Change in net pension liabilities		7,095,572
Change in net OPEB liability		1,440,201
Change in pension deferred inflows/outflows		(5,333,475)
Change in OPEB deferred inflows/outflows		(810,875)
Change in Net Position of Governmental Activities		$ 8,519,993

Note 1 - Summary of Significant Accounting Policies

A. General Background

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

The region served by SCAG includes the counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura as well as cities within the boundaries of these counties. SCAG works with the region's agencies and decision makers to develop long range regional plans and strategies that provide for efficient movement of people, goods, and information; enhance economic growth and improve the quality of life. These plans can be used as a guide in addressing issues of regional/subregional concern and to help local agencies meet federal and state planning mandates. SCAG's policies and programs are governed by an 86-member Regional Council (RC). Members of the RC are locally elected officials who are appointed to serve two-year terms by their respective local jurisdictions. RC officers are elected by the RC membership and serve a one-year term.

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

B. Government-wide and Fund Financial Statements

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

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

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

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

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

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

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

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

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

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

C. Major Funds

SCAG reports the following funds as major governmental funds:

Governmental Fund

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

The special revenue funds are described below:

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

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

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

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

D. Grant Revenues

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

E. Advances from Grantors

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

F. Long-Term Liabilities

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

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

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

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

G. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and demand deposit accounts and amounts held by the Local Agency Investment Fund. Cash not needed for immediate working capital use is invested in interest bearing accounts. Restricted cash and cash equivalents are cash advances from grantors that are restricted to fund specific grant program activities.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. Capital Assets

Capital assets, which include furniture and fixtures, computer equipment and leasehold improvements, are reported in the accompanying government wide financial statements. Capital assets are defined by SCAG as assets with an initial individual cost of more than $10,000 ($100,000 for intangible assets) and an estimated useful life in excess of one year. Such assets are recorded at cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a concession arrangement are reported at acquisition value.

Right to use lease assets are recognized at the lease commencement date and represent SCAG's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. SCAG maintains a threshold level of $75,000 or more for capitalizing right to use lease assets. Right to use lease assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method. The amortization period for the lease assets range from 13 months to 22 years.

Right to use subscription IT assets are recognized at the subscription commencement date and represent SCAG's right to use an underlying IT asset for the subscription term. Right to use IT assets are measured at the initial value of the subscription liability plus any payments made to the vendor before commencement of the subscription term, plus any payments made to the vendor at the commencement of the subscription term, less any subscription incentives received from the vendor at or before the commencement of the subscription term, plus any capitalizable initial implementation costs necessary to place the subscription asset into service. SCAG maintains a threshold level of $75,000 or more for capitalizing right to use subscription IT assets. Right to use subscription IT assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period for the subscriptions range from 15 months to 5 years.

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

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

J. Compensated Absences

It is SCAG's policy to permit employees to accumulate earned but unused vacation benefits up to a maximum of 400 hours. Employees are paid 100% of their accumulated vacation when they terminate employment for any reason. Sick leave benefits accrued at the rate of 12 days per year. Compensated absences related to sick leave only applies to leave that is more likely than not to be used by the employees during employment, as employees terminating employment without retiring lose their sick leave accruals. For employees retiring from SCAG, their sick leave accruals are credited towards their pension. Other compensated absences include parental leave as SCAG provides twelve weeks of paid leave to employees qualifying for parental leave which can be used within twelve months from the qualifying event. Other leave such as military leave or jury duty leave is not recognized until the leave commences or is used. Compensated absences were measured at the employee's pay rate as of June 30, 2026 for leave attributable to services already rendered that accumulates and are more likely than not to be used or otherwise settled.

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

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

GASB Statement No. 103 - In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement provides targeted improvements to management's discussion and analysis (MD&A), the reporting of unusual or infrequent items, budgetary comparison information, proprietary fund financial statement presentation, and certain other aspects of financial reporting. SCAG implemented GASB Statement No. 103, *Financial Reporting Model Improvements*, as of July 1, 2025. The implementation resulted in revisions to Management's Discussion and Analysis (MD&A) and budgetary comparison information. SCAG had no unusual or infrequent items requiring reporting under the new guidance. Management determined that implementation of this Statement did not have a material impact on the financial statements or related disclosures.

GASB Statement No. 104 - In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement No.34. SCAG has implemented this Statement for the fiscal year ended June 30, 2026. The adoption of this Statement did not have a material impact on the financial statements.

GASB Statement No. 105 - In December 2025, GASB issued Statement No. 105, Subsequent Events. The objective of this Statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this Statement are effective for fiscal year ending June 30, 2027. SCAG has yet to evaluate the impact of this standard.

L. Pensions

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

M. Other Post-Employment Benefits (OPEB)

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

N. Deferred Outflows and Inflows of Resources

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

SCAG reports deferred outflows and inflows of resources related to pension and OPEB on the government-wide statement of net position, under the full accrual basis of accounting. Refer to Note 12 and Note 14 for items identified as deferred inflows and outflows related to pension and OPEB, respectively. In addition, SCAG reports deferred inflows of resources for revenue amounts that have not met the availability criteria and for items related to grant and local reimbursements as shown on the fund financial statements.

O. Use of Estimates

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

P. Fund Balance Reporting

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

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

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

Restricted fund balance includes resources that are subject to externally enforceable legal restrictions. It includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restrictions may effectively be changed or lifted only by changing the condition of the constraint.

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

The Regional Council, as SCAG's highest level of decision-making authority, may commit fund balance for specific purposes pursuant to constraints imposed by formal actions taken. Committed amounts cannot be used for any other purpose unless the Regional Council removes or changes the specific use through the same type of formal action taken to establish the commitment. SCAG does not have any fund balance that meets this classification as of June 30, 2026.

Assigned fund balance consists of funds that are set aside for specific purposes by SCAG's highest level of decision making authority or a body or official that has been given the authority to assign funds. Assigned funds cannot cause a deficit in unassigned fund balance. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. Authorization to assign fund balance rests with SCAG's Regional Council through the budget process.

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

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

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

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

SCAG's policy is to use the consumption method for prepaid items; expenditures/expenses are recognized when the prepaid item is consumed rather than when purchased.

Note 2 - Cash and Cash Equivalents

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

Book balance of deposits with financial institutions	$	14,493,590
Restricted book balance of deposits with financial institutions (cash advances)		62,977
Restricted book balance of deposits with financial institutions (TDA funds)		24,289,922
Cash and cash equivalents in Local Agency Investment Fund		19,410,286
Petty cash		1,000
Total	$	58,257,775

A. Deposits

At June 30, 2026, SCAG's cash and cash equivalents consisted of deposits with the Local Agency Investment Fund (LAIF), deposits with an independent financial institution, and petty cash on hand, all of which are presented in the accompanying basic financial statements at fair value.

Custodial Credit Risk

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

California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. As of June 30, 2026, the bank balance of SCAG's deposits with financial institutions totaling $38,847,987 were covered by FDIC up to $500,000, and the remaining amounts of $38,347,987 were collateralized by the financial institution's agent as described above.

B. Investments Authorized by SCAG's Investment Policy

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

C. Local Agency Investment Fund's Pool

As of June 30, 2026, SCAG is a voluntary participant in the California LAIF that is regulated by California Government Code Section 16429.1 et seq. under the oversight of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission. The Fair value of SCAG's investments in this pool is reported in the accompanying financial statements at amounts based upon SCAG's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurements

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

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

Deposits and withdrawals are made on the basis of $1 and not fair value. Accordingly, SCAG's cash and cash equivalents in LAIF at June 30, 2026, is uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

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

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

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

	Indirect Costs and Fringe Benefits
Indirect costs and fringe benefits	$ 52,568,728
Indirect costs and fringe benefits recovered	(50,512,785)
(Over) under-recovered indirect costs and fringe benefits	2,055,943
(Over) under-recovered indirect costs and fringe benefits, beginning of year	(4,084,834)
(Over) under-recovered indirect costs and fringe benefits, end of year	$ (2,028,891)

The balance of over-recovered indirect costs at June 30, 2026 amounting to $2,028,891 will be carried forward as an adjustment to the calculation of the indirect cost carryforward for FY 2027-2028.

Note 4 - Advances from Grantors

If cash is advanced from a grantor, it is transferred and held in the general fund until expended. As such, $62,977 is classified as restricted cash within the general fund as of June 30, 2026.

Advances from grantors consisted of the following:

A. Non-Major Government Funds Grant (Advances)

SCAG was awarded funding from local entities to support various local program activities. $62,977 is reported as advances from grantors as of June 30, 2026.

Note 5 - Deferred Inflows Relating to Grants

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

Deferred inflows of resources consisted of federal funding in the amount of $55,242 from the Office of Traffic and Safety programs not available within SCAG's period of availability.

Note 6 - Capital Assets

SCAG's capital asset activity for the year ended June 30, 2026 was as follows:

	Balance July 01, 2025	Additions	Deletions	Balance June 30, 2026
Capital assets not being depreciated				
Development in progress	$ 552,835	$ 200,337	$ (552,835)	$ 200,337
Subscription in progress	347,530	51,470	-	399,000
Total capital assets not being depreciated	900,365	251,807	(552,835)	599,337
Capital assets being depreciated and amortized:				
Computer equipment and software	6,267,363	711,593	(15,066)	6,963,890
Leasehold improvements	6,361,444	-	(36,790)	6,324,654
Furniture and fixtures	435,192	-	(29,318)	405,874
Right to use lease building	24,754,560	280,751	-	25,035,311
Right to use lease equipment	256,154	-	-	256,154
Right to use subscription IT assets	9,439,499	3,284,679	(6,548,328)	6,175,850
Total capital assets being depreciated and amortized	47,514,212	4,277,023	(6,629,502)	45,161,733
Less accumulated depreciation and amortization for:				
Computer equipment and software	(4,855,209)	(593,408)	15,066	(5,433,551)
Leasehold improvements	(2,437,350)	(115,220)	36,790	(2,515,780)
Furniture and fixtures	(435,192)	-	29,318	(405,874)
Right to use lease building	(4,627,682)	(1,204,891)	-	(5,832,573)
Right to use lease equipment	(117,037)	(60,391)	-	(177,428)
Right to use subscription IT assets	(5,897,234)	(2,891,737)	6,548,328	(2,240,643)
Total accumulated depreciation and amortization	(18,369,704)	(4,865,647)	6,629,502	(16,605,849)
Total capital assets, depreciable/amortizable, net	29,144,508	(588,624)	-	28,555,884
Total capital assets, net	$ 30,044,873	$ (336,817)	$ (552,835)	$ 29,155,221

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

Transportation	$ 2,594,798
Environmental	254,010
Sustainability/Housing	887,680
Modeling/GIS	878,536
Public Involvement	250,623
	$ 4,865,647

SCAG's development in progress for the year ended June 30, 2026, was as follows:

Land Conservation Model Enhancement	$ 12,618
Travel Demand Model Improvement	187,719
	$ 200,337

SCAG's subscription in progress for the year ended June 30, 2026, was as follows:

eFtip FY25-FY29 Platform Upgrade	$ 399,000
	$ 399,000

Note 7 - Interfund Balances and Transfers

The interfund due to/from amounts at June 30, 2026, were as follows:

	Due From Other Funds	Due to Other Funds
Major Governmental Funds		
General fund	$ -	$ 35,778,166
FTA 5303 fund	-	3,408,508
FHWA PL fund	-	5,754,721
TDA fund	24,289,922	-
REAP 2021	25,671,161	-
Total	49,961,083	44,941,395
Non-Major Governmental Funds	211,860	5,231,548
	$ 50,172,943	$ 50,172,943

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

Note 8 - Commitments and Contingencies

A. Grants

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

B. Contract Commitments

At June 30, 2026, SCAG is contractually committed to pay for certain future transportation, technical and other planning consulting services as well as contracts to subrecipients of grants amounting to $102,572,688.

C. Contingent Liabilities

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

D. Liability, Workers' Compensation, and Purchased Insurance

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

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

Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. For coverage years 2012-13 and prior, annual retrospective adjustments are conducted; however, coverage years 2013-14 and forward are not subject to routine retrospective adjustments. The Authority's total funding requirements are determined annually through an actuarial analysis, and costs are allocated to individual members based on payroll, loss experience relative to the overall risk-sharing pool.

Primary Liability Program

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

The primary liability program provides first-dollar coverage with no deductibles or member-retained limits. The program offers $30 million of coverage per occurrence and is funded at the 70% – 80% confidence level. Although claims are managed through a collaborative process, the Authority retains ultimate settlement authority. The program is funded by annual contributions that represent an "all-inclusive" charge that covers the pool's retained layer, excess and reinsurance premiums, claims administration fees, operating expenses, and most training and risk management program expenses. More detailed information about the various layers of coverage is available on the following website: https://cjpia.org/coverage/risk-sharing-pools/.

Workers' Compensation Program

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

For 2025-26, the Authority's pooled retention is $2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $2 million. Coverage from $2 million to $5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Purchased Insurance

Property Insurance
SCAG participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. SCAG's property is currently insured according to a schedule of covered property submitted by SCAG to the Authority. There is a $15,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Crime Insurance
SCAG purchases crime insurance coverage in the amount of $1,000,000 with a $5,000 deductible. The fidelity coverage is provided through the Authority.

Cyber Liability Program
The cyber liability program provides coverage for both first- and third-party claims. This program offers coverage for up to a $2 million aggregate limit per member that is subject to a $10 million shared aggregate limit for the entire risk pool during the policy period of July 1, 2025 through June 30, 2026. Self-insured retention is $500,000.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2025-26.

E. Other Employee Benefits

SCAG also provides health insurance, vision, and dental benefits to employees under fully insured plans. The benefits are funded on a pay-as you-go basis in which SCAG pays premiums up to a maximum amount to cover the employees who participate in the program or payments are made directly to employees who have elected not to participate in the program. During the year ended June 30, 2026, SCAG paid $2,486,555 of health insurance premiums and $355,588 of vision and dental insurance premiums, as well as $406,881 to employees who had no health insurance elections.

Note 9 - Line of Credit

SCAG has a $6.5 million line of credit arrangement with an independent financial institution, which expires on March 31, 2028. It was established to provide access to cash, if needed, on a current basis. If advances are requested, they are secured by an assignment of all monies due, or to be due, from Caltrans. Advances must be made in minimum amounts of $350,000. The line of credit was not used in the year ended June 30, 2026 and no liability was outstanding.

The line of credit agreement contains certain covenants regarding timely repayment, maintenance of certain levels of financial position, and other criteria. At June 30, 2026, SCAG management believes SCAG was in compliance with the financial covenants.

Note 10 - Long-Term Liabilities

The following is a summary of changes in SCAG's long-term liabilities for the year ended June 30, 2026:

	Beginning Balance July 01, 2025	Additions	Deletions	Balance June 30, 2026	Due within One year
Compensated absences, net	$ 3,566,700	$ 161,990	$ -	$ 3,728,690	$ 2,635,733
Right of use building lease liabilities	27,091,447	280,751	548,837	26,823,361	632,254
Right of use equipment lease liability	134,094	-	60,847	73,247	43,433
Right of use subscription liability	2,367,078	3,284,678	1,927,580	3,724,176	1,096,508
Total Governmental Activities	$ 33,159,319	$ 3,727,419	$ 2,537,264	$ 34,349,474	$ 4,407,928

A. Lease Liabilities

SCAG has six active lease agreements for the use of building space and equipment. As of June 30, 2026, the value of the lease liabilities were $26,896,608, the total combined value of the short-term liability is $675,687. SCAG is required to make monthly or annual principal and interest payments through September 2043 ranging from $6,840 to $1,522,562. The lease liability was valued using discount rates between 2.59% and 4.06% which were SCAG's incremental borrowing rate at the inception of the leases. The total amount of right to use lease assets, and the related accumulated amortization on right to use leased assets was $25,291,465 and $6,010,001, as of June 30, 2026, respectively.

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

Fiscal Year Ending June 30,	Building & Equipment Leases		
	Principal	Interest	Total
2027	$ 675,686	$ 1,075,588	$ 1,751,274
2028	739,722	1,048,411	1,788,133
2029	760,056	1,018,577	1,778,633
2030	819,082	987,286	1,806,368
2031	925,293	952,413	1,877,706
2032-2036	6,431,003	4,074,387	10,505,390
2037-2041	10,284,944	2,409,649	12,694,593
2042-2044	6,260,822	304,941	6,565,763
Total	$ 26,896,608	$ 11,871,252	$ 38,767,860

B. Subscription IT Liability

SCAG has 18 active IT subscription agreements for the use of IT software, platforms, and infrastructure. As of June 30, 2026, the value of the IT liabilities was $3,724,176. SCAG is required to make principal and interest payments through June 2030 with annual payments ranging from $23,265 to $451,002. The subscription liability was valued using discount rates between 2.29% and 3.71%, which were SCAG's incremental borrowing rates at the inception of the agreements. The total amount of right to use IT assets, and the related accumulated amortization on right to use IT assets was $6,175,850 and $2,240,643 as of June 30, 2026, respectively. The subscriptions had no variable payments and other payments of $205,671, not included in the subscription liability, within the fiscal year.

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

Fiscal Year Ending June 30,	Subscription Based IT Liability		
	Principal	Interest	Total
2027	$ 1,096,508	$ 58,254	$ 1,154,762
2028	1,049,733	62,046	1,111,779
2029	938,809	34,894	973,703
2030	639,126	15,059	654,185
Total	$ 3,724,176	$ 170,253	$ 3,894,429

Note 11 - Related Party Transactions

For the year ended June 30, 2026, SCAG recorded $2,840,320 as membership revenue. These revenues are received from member cities, counties, transportation commissions and eleven Indian tribes whose representatives also serve on the Regional Council of SCAG. Such revenues are shown as membership assessments in the accompanying basic financial statements. The individual member assessments are calculated by a variable fixed base amount dependent on population plus a pro-rata allocation based on population. The bylaws of SCAG specify the method of calculation for the annual member assessments.

In addition, on October 1, 2025, SCAG entered into a three-year lease agreement with one of its Transportation Commission members. The annual lease payment is $95,628 with a three percent annual increase. For the year ended June 30, 2026, SCAG recorded $94,931 of expenses related to the lease.

Note 12 - Retirement Plans

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

A summary of pension amounts for SCAG's plans at June 30, 2026, is presented below:

	CalPERS	PARS	Total
Deferred outflows - pensions	$ 8,734,267	$ 4,956	$ 8,739,223
Deferred inflows - pensions	(3,445,929)	-	(3,445,929)
Net pension liability	43,514,871	123,062	43,637,933
Pension expenses	5,871,428	37,468	5,908,896

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

A. General Information about the Pension Plan

Plan Descriptions

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 or 52 depending on the member's date of entry into CalPERS, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2026, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Earliest Retirement age	50	52
Monthly benefits, as a % of eligible annual compensation	1.1% to 2.5%	1.00% to 2.50%
Required employee contribution rates	7.00%	7.00%
Required employer contribution rates	9.65%	9.65%

Employees Covered

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

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	247
Inactive employees entitled to but not yet receiving benefits	228
Active employees	211
Total	686

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1, following notice of a change in the rate. Funding contributions for each of the Tiers within the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. SCAG's contributions to the Plan for the year ended June 30, 2026 were $7,578,942.

B. Net Pension Liability

SCAG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2024 rolled forward to June 30, 2025. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

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

	Miscellaneous
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table [(1)]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

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

Discount Rate

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

Long-Term Expected Rate of Return

On November 19, 2025, the board adopted a Total Portfolio Approach, which does not specify a target for each asset classification. Instead, there is an equity-bonds Reference Portfolio that sets the market risk exposure, captures passive returns, and becomes the singular total fund performance benchmark. The Reference Portfolio adopted by the board is 75% equities and 25% bonds. Consistent with this framework, the discount rate is based on the Reference Portfolio and the associated active risk limit adopted by the board.

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

Asset Class [1]	Assumed Asset Allocation	Real [1][2] Return
Public Equity	37%	4.56%
Private equity	17%	5.56%
Fixed Income	28%	2.53%
Real Assets	15%	3.03%
Private Debt	8%	4.93%
Strategic Leverage	-5%	1.40%
Total	100%	

(1) Figures are based on the 2024 Mid-Cycle Asset Liability Management study.
(2) An expected annual rate of price inflation of 2.30% was used for this period.

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2024	$ 169,193,362	$ 118,631,120	$ 50,562,242
Changes in the year			
Service Cost	4,483,694	-	4,483,694
Interest on the total pension liability	11,555,096	-	11,555,096
Differences between expected and actual experience	731,668	-	731,668
Contributions from the employer	-	7,240,202	(7,240,202)
Contributions from the employee	-	2,011,941	(2,011,941)
Net investment income	-	14,650,459	(14,650,459)
Benefit payments, including refunds of employee contributions	(9,403,426)	(9,403,426)	-
Administrative expenses	-	(84,773)	84,773
Net changes during measurement period	7,367,032	14,414,403	(7,047,371)
Balance at June 30, 2025	$ 176,560,394	$ 133,045,523	$ 43,514,871

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

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

	Miscellaneous		
	1% Decrease (5.90%)	Current Discount rate (6.90%)	1% Increase (7.90%)
Net Pension Liability	$ 65,457,175	$ 43,514,871	$ 25,327,103

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2026, SCAG recognized pension expense of $5,871,428. At June 30, 2026, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	$ 1,155,325	$ -
Net differences between projected and actual earnings on plan investments	-	(3,445,929)
Contributions subsequent to measurement date	7,578,942	-
Total	$ 8,734,267	$ (3,445,929)

$7,578,942 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year ended June 30,	
2027	$ 2,122,689
2028	(1,392,703)
2029	(1,722,861)
2030	(1,297,729)
Total	$ (2,290,604)

Supplemental Defined Benefit Pension Plan – Public Agency Retirement System (PARS)

A. General Information about the Pension Plan

Plan Description

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

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

Benefits Provided
A participant is fully vested and eligible to receive benefits under the Plan, if designated by the plan administrator. There are seven (7) designated participants, and the amount of their monthly distribution is stated in the Plan. It is anticipated that there will not be any future eligible participants added to the Plan.

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

The Plan's provisions and benefits in effect at June 30, 2026 are summarized as follows:

Employees Covered
At June 30, 2026, all employees covered by the benefit terms for each Plan were inactive employees or beneficiaries currently receiving benefits. There were seven (7) participants.

Contributions
Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by the actuarial firm of Milliman. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits paid to retirees during the year on a pay-as-you-go basis. SCAG is not prefunding these benefits. SCAG's contributions to the Plan for the year ended June 30, 2026 were $86,546.

SCAG's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2026, using an annual actuarial valuation as of that date. A summary of principal assumptions and methods used to determine the net pension liability is shown on the next page.

B. Net Pension Liability

Actuarial Assumptions

The total pension liability in the June 30, 2026 actuarial valuation was determined using the following actuarial assumptions:

	PARS Miscellaneous
Valuation Date	June 30, 2026
Measurement Date	June 30, 2026
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.67%
Payroll Growth	None (1)
Projected Salary Increases	None (1)
Investment Rate of Return	6.0% (2)
Mortality	Males: RP-2000 Males rate projected to 2030 using scale BB (as prescribed by PARS) Females: RP-2000 Females rate projected to 2030 using scale BB (as prescribed by PARS)

(1) Plan has no active members.
(2) Net of pension plan investment expense, including inflation.

Discount Rate

The primary assumption in determining the sufficiency of a plan's fiduciary net position relates to expected employer contributions. As of June 30, 2026, the Plan is not being prefunded. Thus, the employer contributions are sufficient to cover only current benefit payments. Since there is a date of depletion, the discount rate is much lower than the current 6% investment return assumption. Projected benefit payments are discounted using the municipal bond index after the date that assets are expected to be depleted. SCAG chose the Bond Buyer GO 20-Bond Municipal Bond Index. The bond index decreased from 5.20% as of June 30, 2025 to 4.67% as of June 30, 2026. The Fiduciary Plan Net Position is $200,301, leaving an unfunded liability, known as the Net Pension Liability of $123,062. The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current covered participants. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient.

C. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2025	$ 326,505	$ 155,242	$ 171,263
Service Cost			
Interest on the total pension liability	15,860	-	15,860
Effect of economic/demographic gains or losses	16,146	-	16,146
Effect of assumption changes or inputs	8,411	-	8,411
Benefit payments	(43,559)	(43,559)	-
Contributions from the employer	-	86,546	(86,546)
Net investment income	-	6,910	(6,910)
Administrative expenses	-	(4,838)	4,838
Net changes	(3,142)	45,059	(48,201)
Balance at June 30, 2026	$ 323,363	$ 200,301	$ 123,062

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

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

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

	1% Decrease 3.67%	Current Discount rate 4.67%	1% Increase 5.67%
Net Pension Liability	$ 140,115	$ 123,062	$ 107,524

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

For the year ended June 30, 2026, SCAG recognized a pension expense of $37,468. At June 30, 2026, SCAG reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Deferred Inflows of Resources
Net differences between projected and actual earnings	$ 4,956	$ -

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

Year ended June 30,	
2027	$ 1,830
2028	1,319
2029	1,099
2030	708
Total	$ 4,956

Note 13 - Deferred Compensation

SCAG has a deferred compensation plan that is available to substantially all employees. The plan allows employees to defer a portion of their current income from state and federal taxation. Employees may withdraw their participation at any time by giving written notice at least 30 days prior to the effective date of withdrawal. At June 30, 2026, plan assets totaling $49,655,631 were held by independent trustees and, as such, are not reflected in the accompanying basic financial statements.

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

Note 14 - Post Employment Healthcare Plan

A. Plan Description

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

B. Benefits Provided

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

Employees Covered by Benefit Terms

At June 30, 2025, the most recent valuation date, the following current and former employees were covered by the benefit terms of the plan:

Inactive employees or beneficiaries currently receiving benefits	100
Active employees	215
Total	315

Contributions

The annual contribution is based on the actuarially determined contribution. Employees are not required to contribute to the plan. Contributions recognized by the Plan from the employer for the year ended June 30, 2026 were $778,260.

C. Net OPEB Liability

SCAG's net OPEB liability was measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability was measured as of June 30, 2025, using an annual actuarial valuation as of June 30, 2025. A summary of principal assumptions and methods used to determine the net OPEB liability is shown on the next page. The net OPEB liability is liquidated from the General Fund.

Actuarial Assumptions – The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation Rate	2.50%
Payroll Growth	2.80%
Investment Rate of Return	6.40%
Mortality	(1)
Healthcare Trend Rate	7.90%

(1) 2021 CalPERS Mortality for Miscellaneous and Schools Employees

The actuarial assumptions used in the June 30, 2025 valuation were based on the results of an actuarial experience study for the period.

Discount Rate – The discount rate used to measure the total OPEB liability was 6.40 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that SCAG's contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2025 are summarized as follows:

Asset Class	Target Allocation	Long-Term Rate of Return Expected Real
All Equities	49%	6.90%
All Fixed Income	23%	4.10%
Real Estate Investment Trusts	20%	6.30%
All Commodities	3%	4.60%
Treasury Inflation Protected Securities (TIPS)	5%	3.90%
Total	100%	

D. Changes in Net OPEB Liability/(Asset)

The following table shows the changes in Net OPEB Liability/(Asset) over the measurement period:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2024	$ 10,469,859	$ 9,262,019	$ 1,207,840
Changes in the year:			
Service cost	411,274	-	411,274
Interest on the total OPEB liability	711,402	-	711,402
Changes in assumptions	(86,664)	-	(86,664)
Differences between expected and actual experience	(556,136)	-	(556,136)
Contributions - employer	-	778,260	(778,260)
Net investment income	-	1,144,728	(1,144,728)
Implicit subsidy	(94,330)	(94,330)	
Benefit payments, including implied rate subsidy	(589,335)	(589,335)	-
Administrative expenses	-	(2,911)	2,911
Net changes	(203,789)	1,236,412	(1,440,201)
Balance at June 30, 2025	$ 10,266,070	$ 10,498,431	$ (232,361)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate– The following presents the net OPEB Liability/(Asset) of SCAG, as well as what SCAG's net OPEB Liability/(Asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.40%) or 1-percentage-point higher (7.40%) than the current discount rate:

	1% Decrease 5.40%	Discount Rate 6.40%	1% Increase 7.40%
Net OPEB Liability/(Asset)	$ 790,182	$ (232,361)	$ (1,114,490)

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Healthcare Cost Trend Rates – following presents the net OPEB liability of SCAG, as well as what SCAG's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.90%) or 1-percentage-point higher (8.90%) than the current healthcare cost trend rates:

	1% Decrease 6.90%	Healthcare Cost Trend Rates 7.90%	1% Increase 8.90%
Net OPEB Liability/(Asset)	$ (503,778)	$ (232,361)	$ 69,752

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

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

For the year ended June 30, 2026, SCAG recognized OPEB expense of $253,120. At June 30, 2026, SCAG reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 761,156	$ -
Changes in assumptions	-	(246,918)
Differences between actual and expected experience	63,542	(700,704)
Net difference between projected and actual earnings on plan investments	-	(264,215)
Total	$ 824,698	$ (1,211,837)

$761,156 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2027	$ 34,600
2028	(318,575)
2029	(322,342)
2030	(206,936)
2031	(89,364)
Thereafter	(245,678)
Total	$ (1,148,295)

Note 15 - Accumulated Fund Deficits

The following individual funds reported deficit fund balances as of June 30, 2026:

Nonmajor Fund:	
OTS, Round 10	$ (55,242)
LMFP RP	(22,962)
Total deficit of governmental funds	$ (78,204)

The deficit for the OTS fund (R10) is due to not receiving the revenue within the availability period. The deficit for EPA LMFP RP is due to not meeting the eligibility requirements. Amounts are not recognized as revenue, receivable or deferred inflows when an expenditure-driven grant that has not met the eligibility requirements by June 30, 2026, that results in a negative fund balance. The fund balance deficits will be offset with future collections of revenue.

Required Supplementary Information

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – General Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Revenues					
Membership assessments					
Cities	$ 2,353,361	$ 2,353,361	$ -	$ 2,343,590	$ (9,771)
Counties	388,228	388,228	-	388,228	-
Commissions	88,500	88,500	-	88,500	-
Transportation corridor agency	10,000	10,000	-	10,000	-
Air districts	10,000	10,000	-	10,000	-
General assembly	409,986	409,986	-	548,910	138,924
Local grants and contracts	-	-	-	97,500	97,500
Transfers from reserves	(998,358)	(998,358)	-	-	998,358
Interest and other	556,140	556,140	-	2,793,515	2,237,375
Total revenues	2,817,857	2,817,857	-	6,280,243	3,462,386
Expenditures					
Transportation					
Other	-	21,121	(21,121)	-	21,121
Travel	-	-	-	141	(141)
Sponsorships	-	-	-	4,999	(4,999)
Total transportation	-	21,121	(21,121)	5,140	15,981
Administration					
Salaries and wages	69,582	128,282	(58,700)	36,715	91,567
Allocated fringe benefits	51,049	94,115	(43,066)	26,938	67,177
Allocated indirect costs	165,943	305,934	(139,991)	80,874	225,060
Contractual and professional services	291,200	328,200	(37,000)	488,901	(160,701)
Capital outlay >$5,000	160,000	400,000	(240,000)	-	400,000
Legal services	426,640	441,640	(15,000)	214,765	226,875
Bank fees	75,000	75,000	-	86,512	(11,512)
Meetings and special events	180,000	186,000	(6,000)	209,486	(23,486)
Scholarship	44,000	44,000	-	-	44,000
RC/Committee meetings	5,000	5,000	-	-	5,000
RC retreat	30,000	30,000	-	28,477	1,523
General assembly	504,510	563,659	(59,149)	521,743	41,916
IT systems, infrastructure and support	500	500	-	(164,627)	165,127
Memberships and dues	77,600	77,600	-	61,788	15,812
Engagement committee	20,000	20,000	-	19,044	956
Employee recognition	15,000	15,000	-	6,767	8,233
Department allowances	15,000	15,000	-	12,230	2,770
Board stipends	301,683	301,683	-	195,750	105,933
Sponsorships	165,000	165,000	-	90,860	74,140
Economic and labor summit	58,750	9,175	49,575	9,174	1
Demographic workshop	9,800	226	9,574	113	113
Travel	126,900	128,100	(1,200)	115,675	12,425
Other	24,700	24,700	-	8,298	16,402
Total administration	2,817,857	3,358,814	(540,957)	2,049,483	1,309,331

Southern California Association of Governments
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/		Variance with Final Budget Positive/
	Original	Final	(Negative)	Actual	(Negative)
Debt Service					
Principal	$ -	$ -	$ -	$ 62,887	$ (62,887)
Interest	-	-	-	5,290	(5,290)
Total debt service	-	-	-	68,177	(68,177)
Capital Outlay	-	-	-	736,386	(736,386)
Total expenditures	2,817,857	3,379,935	(562,078)	2,859,186	520,749
Excess (deficiency) of revenues over (under) expenditures	-	(562,078)	(562,078)	3,421,057	3,983,135
Other Financing Sources (Uses)					
Issuance of debt - leases	-	-	-	280,751	280,751
Issuance of debt - subscriptions	-	-	-	455,635	455,635
Total other financing sources (uses)	-	-	-	736,386	736,386
Net Change in Fund Balances	-	(562,078)	(562,078)	4,157,443	4,719,521
Fund Balances, Beginning of Year	13,943,006	13,943,006	-	13,943,006	-
Fund Balances, End of Year	$ 13,943,006	$ 13,380,928	(562,078)	$ 18,100,449	$ 4,719,521
Reconciliation to GAAP Fund Balance					
Loss on removal of Capital assets charged to Indirect Costs Fund depreciation charged to Indirect Cost Fund				$ 479,919	
				18,580,368	

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Federal Transportation Administration 5303 – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Revenues					
Federal grants	$ 16,753,730	$ 16,475,833	$ (277,897)	$ 12,819,825	$ (3,656,008)
Expenditures					
Transportation					
Salaries and wages	1,498,380	1,428,597	69,783	1,321,885	106,712
Allocated fringe benefits	1,099,300	1,048,103	51,197	967,677	80,426
Allocated indirect costs	3,573,482	3,407,056	166,426	2,908,971	498,085
Contractual and professional services	928,562	928,562	-	137,019	791,543
Travel	35,600	35,600	-	16,345	19,255
Meetings and conferences	600	600	-	49	551
Outreach and advertisement	10,000	10,000	-	-	10,000
Other	-	115,503	(115,503)	-	115,503
Total transportation	7,145,924	6,974,021	171,903	5,351,946	1,622,075
Environmental					
Salaries and wages	204,477	204,477	-	133,337	71,140
Allocated fringe benefits	150,016	150,016	-	95,868	54,148
Allocated indirect costs	487,658	487,658	-	291,213	196,445
Contractual and professional services	56,717	56,717	-	46,724	9,993
Outreach and advertisement	10,000	10,000	-	-	10,000
Other	-	115,503	(115,503)	-	115,503
Total environmental	908,868	1,024,371	(115,503)	567,142	457,229
Modeling					
Salaries and wages	378,338	380,196	(1,858)	331,725	48,471
Allocated fringe benefits	277,571	278,934	(1,363)	241,425	37,509
Allocated indirect costs	902,296	906,728	(4,432)	728,208	178,520
Contractual and professional services	596,601	776,528	(179,927)	334,207	442,321
Travel	5,000	5,000	-	-	5,000
Outreach and advertisement	10,000	10,000	-	-	10,000
Other	-	231,006	(231,006)	-	231,006
Total modeling	2,169,806	2,588,392	(418,586)	1,635,565	952,827
Public Involvement					
Salaries and wages	1,026,234	819,429	206,805	765,827	53,602
Allocated fringe benefits	752,905	601,181	151,724	549,622	51,559
Allocated indirect costs	2,447,462	1,954,257	493,205	1,671,325	282,932
Contractual and professional services	709,716	709,716	-	344,962	364,754
Travel	21,000	21,000	-	10,906	10,094
Meetings and special events	15,600	15,600	-	3,512	12,088
Outreach and advertisement	55,000	55,000	-	-	55,000
Other	-	115,503	(115,503)	-	115,503
Total public involvement	5,027,917	4,291,686	736,231	3,346,154	945,532
Sustainability Initiatives					
Salaries and wages	219,151	219,151	-	186,995	32,156
Allocated fringe benefits	160,782	160,782	-	133,915	26,867
Allocated indirect costs	522,653	522,653	-	407,728	114,925
Contractual and professional services	173,817	173,817	-	105,226	68,591
Outreach and advertisement	15,000	15,000	-	-	15,000
Other	-	115,503	(115,503)	-	115,503
Total sustainability initiatives	1,091,403	1,206,906	(115,503)	833,864	373,042

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Federal Transportation Administration 5303 – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Administration					
Salaries and wages	$ 86,916	$ 63,521	$ 23,395	$ 56,689	$ 6,832
Allocated fringe benefits	63,767	46,602	17,165	41,365	5,237
Allocated indirect costs	207,287	151,490	55,797	124,581	26,909
Contractual and professional services	47,642	47,642	-	12,615	35,027
Travel	2,400	2,400	-	1,263	1,137
Meetings and special events	1,800	1,800	-	396	1,404
Other	-	77,002	(77,002)	-	77,002
Total administration	409,812	390,457	19,355	236,909	153,548
Debt service					
Principal	-	-	-	525,859	(525,859)
Interest	-	-	-	270,916	(270,916)
Total debt service	-	-	-	796,775	(796,775)
Capital Outlay	-	-	-	51,470	(51,470)
Total expenditures	16,753,730	16,475,833	277,897	12,819,825	3,656,008
Excess (deficiency) of revenues over/(under) expenditures	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Federal Highway Administration PL – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Revenues					
Federal grants	$ 27,434,882	$ 32,407,298	$ 4,972,416	$ 25,125,892	$ (7,281,406)
Expenditures					
Transportation					
Salaries and wages	1,261,713	1,367,717	(106,004)	982,992	384,725
Allocated fringe benefits	884,943	962,714	(77,771)	708,057	254,657
Allocated indirect costs	2,953,016	3,205,826	(252,810)	2,148,538	1,057,288
Contractual and professional services	27,500	25,000	2,500	-	25,000
IT systems, infrastructure and support	70,700	70,700	-	10,412	60,288
Meetings and special events	2,500	3,500	(1,000)	59	3,441
Travel	34,200	35,700	(1,500)	16,640	19,060
Other	1,067	572,131	(571,064)	-	572,131
Total transportation	5,235,639	6,243,288	(1,007,649)	3,866,698	2,376,590
Environmental					
Salaries and wages	627,837	680,773	(52,936)	567,514	113,259
Allocated fringe benefits	448,640	487,477	(38,837)	412,513	74,964
Allocated indirect costs	1,480,848	1,607,095	(126,247)	1,245,160	361,935
Contractual and professional services	22,500	18,750	3,750	-	18,750
Meetings and special events	-	1,500	(1,500)	59	1,441
Travel	20,800	23,050	(2,250)	6,775	16,275
Other	660	526,203	(525,543)	-	526,203
Total environmental	2,601,285	3,344,848	(743,563)	2,232,021	1,112,827
Modeling					
Salaries and wages	3,358,708	3,320,237	38,471	3,158,988	161,249
Allocated fringe benefits	2,429,408	2,401,185	28,223	2,306,522	94,663
Allocated indirect costs	7,962,386	7,870,636	91,750	6,944,129	926,507
Contractual and professional services	390,000	381,250	8,750	48,138	333,112
IT systems, infrastructure and support	751,650	751,650	-	262,709	488,941
Meetings and special events	-	3,500	(3,500)	293	3,207
Travel	47,600	52,850	(5,250)	17,208	35,642
Other	302	1,051,268	(1,050,966)	-	1,051,268
Total modeling	14,940,054	15,832,576	(892,522)	12,737,987	3,094,589
Public involvement					
Salaries and wages	649,463	830,780	(181,317)	756,299	74,481
Allocated fringe benefits	464,506	597,531	(133,025)	551,025	46,506
Allocated indirect costs	1,532,427	1,964,849	(432,422)	1,661,004	303,845
Contractual and professional services	22,500	18,750	3,750	-	18,750
IT systems, infrastructure and support	2,800	2,800	-	12	2,788
Meetings and special events	-	1,500	(1,500)	117	1,383
Travel	6,400	8,650	(2,250)	1,769	6,881
Other	151	525,634	(525,483)	-	525,634
Total public involvement	2,678,247	3,950,494	(1,272,247)	2,970,226	980,268

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Federal Highway Administration PL – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Sustainability Initiatives					
Salaries and wages	$ 425,299	$ 447,144	$ (21,845)	$ 337,414	$ 109,730
Allocated fringe benefits	292,860	308,887	(16,027)	241,366	67,521
Allocated indirect costs	987,929	1,040,028	(52,099)	735,361	304,667
Contractual and professional services	30,000	25,000	5,000	-	25,000
IT systems, infrastructure and support	1,750	1,750	-	7	1,743
Meetings and special events	-	2,000	(2,000)	59	1,941
Travel	10,800	13,800	(3,000)	4,224	9,576
Other	50	525,520	(525,470)	-	525,520
Total sustainability initiatives	1,748,688	2,364,129	(615,441)	1,318,431	1,045,698
Administration					
Salaries and wages	54,869	76,883	(22,014)	73,517	3,366
Allocated fringe benefits	39,057	55,208	(16,151)	53,553	1,655
Allocated indirect costs	129,208	181,711	(52,503)	161,447	20,264
Contractual and professional services	7,500	6,250	1,250	-	6,250
Meetings and special events	-	500	(500)	-	500
Travel	200	950	(750)	125	825
Other	135	350,461	(350,326)	-	350,461
Total administration	230,969	671,963	(440,994)	288,642	383,321
Debt Service					
Principal	-	-	-	1,001,328	(1,001,328)
Interest	-	-	-	522,841	(522,841)
Total debt service	-	-	-	1,524,169	(1,524,169)
Capital Outlay	-	-		2,901,608	(2,901,608)
Total expenditures	27,434,882	32,407,298	(4,972,416)	27,839,782	4,567,516
Excess (deficiency) of revenues over/ (under) expenditures	-	-	-	(2,713,890)	2,713,890
Other Financing Sources (Uses)					
Transfers out	-	-	-	-	-
Issuance of debt - subscriptions	-	-	-	2,713,890	(2,713,890)
Net Change in Fund Balances	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Transportation Development Act – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Revenues					
Local grants	$ 8,037,797	$ 8,037,797	$ -	$ 8,217,515	$ 179,718
Expenditures					
Transportation					
Salaries and wages	617,973	533,269	84,704	558,325	(25,056)
Allocated fringe benefits	453,381	404,443	48,938	422,481	(18,038)
Allocated indirect costs	1,473,798	1,271,780	202,018	1,246,149	25,631
Contractual and professional services	3,174,124	1,600,779	1,573,345	390,082	1,210,697
Legal services	15,000	15,000	-	675	14,325
IT systems, infrastructure and support	54,000	54,000	-	21,900	32,100
Travel	31,100	32,802	(1,702)	7,603	25,199
Meetings and special events	2,550	4,950	(2,400)	3,194	1,756
Outreach and advertisement	2,000	2,000	-	28	1,972
Other	235,323	302,897	(67,574)	-	302,897
Total transportation	6,059,249	4,221,920	1,837,329	2,650,437	1,571,483
Environmental					
Salaries and wages	92,187	80,559	11,628	45,157	35,402
Allocated fringe benefits	67,634	59,103	8,531	33,132	25,971
Allocated indirect costs	219,856	192,124	27,732	99,468	92,656
Contractual and professional services	533,135	51,701	481,434	34,768	16,933
Legal services	40,000	40,000	-	5,400	34,600
Travel	5,200	5,200	-	191	5,009
Meetings and special events	1,600	14,000	(12,400)	2,824	11,176
Other	1,062	1,062	-	-	1,062
Total environmental	960,674	443,749	516,925	220,940	222,809
Modeling					
Salaries and wages	27,186	29,077	(1,891)	20,412	8,665
Allocated fringe benefits	19,945	21,333	(1,388)	14,976	6,357
Allocated indirect costs	64,836	69,347	(4,511)	44,962	24,385
Contractual and professional services	157,666	257,434	(99,768)	60,721	196,713
Legal services	9,500	9,500	-	-	9,500
IT systems, infrastructure and support	295,509	245,509	50,000	240,159	5,350
Travel	8,700	8,700	-	3,667	5,033
Meetings and special events	6,600	9,600	(3,000)	7,137	2,463
Other	2,124	2,124	-	-	2,124
Total modeling	592,066	652,624	(60,558)	392,034	260,590
Public Involvement					
Salaries and wages	23,689	8,350	15,339	19,076	(10,726)
Allocated fringe benefits	17,379	6,127	11,252	13,996	(7,869)
Allocated indirect costs	56,494	19,912	36,582	42,018	(22,106)
Contractual and professional services	14,538	19,990	(5,452)	23,985	(3,995)
Legal services	6,250	6,250	-	338	5,912
Travel	5,000	5,000	-	994	4,006
Meetings and special events	7,000	14,400	(7,400)	5,119	9,281
Other	1,062	1,062	-	-	1,062
Total public involvement	131,412	81,091	50,321	105,526	(24,435)

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – Transportation Development Act – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/ (Negative)	Actual	Variance with Final Budget Positive/ (Negative)
	Original	Final			
Sustainability Initiatives					
Salaries and wages	$ 311,762	$ 349,339	$ (37,577)	$ 197,623	$ 151,716
Allocated fringe benefits	228,728	256,298	(27,570)	144,996	111,302
Allocated indirect costs	743,518	833,138	(89,620)	435,309	397,829
Contractual and professional services	551,302	617,344	(66,042)	191,716	425,628
Legal services	14,250	14,250	-	338	13,912
IT systems, infrastructure and support	27,000	27,000	-	10,950	16,050
Travel	14,500	23,852	(9,352)	8,474	15,378
Meetings and special events	3,000	8,600	(5,600)	9,754	(1,154)
Outreach and advertisement	-	4,950	(4,950)	-	4,950
Other	1,062	1,062	-	-	1,062
Total sustainability initiatives	1,895,122	2,135,833	(240,711)	999,160	1,136,673
Administration					
Salaries and wages	56,544	54,357	2,187	46,078	8,279
Allocated fringe benefits	41,484	39,880	1,604	33,807	6,073
Allocated indirect costs	134,851	129,636	5,215	101,497	28,139
Contractual and professional services	29,857	31,477	(1,620)	8,998	22,479
Demographic workshop	18,200	11,913	6,287	11,913	-
Economic and labor summit	128,250	-	128,250	-	-
General assembly	338,715	473,252	(134,537)	350,513	122,739
IT systems, infrastructure and support	36,275	39,375	(3,100)	-	39,375
Travel	19,000	19,000	-	12,228	6,772
Meetings and special events	250	5,450	(5,200)	187	5,263
Other	4,146	4,146	-	-	4,146
Total administration	807,572	808,486	(914)	565,221	243,265
Debt Service					
Principal	-	-	-	124,857	(124,857)
Interest	-	-	-	77,333	(77,333)
Total debt service	-	-	-	202,190	(202,190)
Capital Outlay	-	-	-	198,582	(198,582)
Total expenditures	10,446,095	8,343,703	2,102,392	5,334,090	3,009,613
Excess (deficiency) of revenues over/(under) expenditures	(2,408,298)	(305,906)	(2,102,392)	2,883,425	3,189,331
Other financing sources (uses)					
Subscription	-	-	-	115,153	115,153
Net Change in Fund Balances	(2,408,298)	(305,906)	(2,102,392)	2,998,578	3,304,484
Fund Balances, Beginning of Year	21,429,437	21,429,437	-	21,429,437	-
Fund Balances, End of Year	$ 19,021,139	$ 21,123,531	$ (2,102,392)	$ 24,428,015	$ 3,304,484

Southern California Association of Governments

Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual on a Budgetary Basis – REAP 2021 – Major Fund

Year Ended June 30, 2026

	Budgeted Amounts		Variance with Original Budget Positive/		Variance with Final Budget Positive/
	Original	Final	(Negative)	Actual	(Negative)
Revenues					
Federal grants	$ 207,473,505	$ 185,186,729	$ 22,286,776	$ 79,935,158	$ (105,251,571)
Expenditures					
Transportation					
Salaries and wages	441,234	497,992	(56,758)	453,772	44,220
Allocated fringe benefits	323,715	365,355	(41,640)	332,932	32,423
Allocated indirect costs	1,052,296	1,187,657	(135,361)	999,536	188,121
Contractual and professional services	82,178,104	63,000,432	19,177,672	29,008,849	33,991,583
Travel	20,000	20,000	-	5,149	14,851
Other	3,150,786	1,619,438	1,531,348	-	1,619,438
Total transportation	87,166,135	66,690,874	20,475,261	30,800,238	35,890,636
Sustainability Initiatives					
Salaries and wages	1,445,674	1,299,006	146,668	1,334,552	(35,546)
Allocated fringe benefits	1,060,631	953,027	107,604	979,161	(26,134)
Allocated indirect costs	3,447,784	3,097,997	349,787	2,939,656	158,341
Contractual and professional services	111,196,495	107,956,707	3,239,788	43,037,160	64,919,547
Travel	6,000	6,600	(600)	6,981	(381)
Other	3,150,786	5,182,518	(2,031,732)	-	5,182,518
Total Sustainability Initiatives	120,307,370	118,495,855	1,811,515	48,297,510	70,198,345
Debt Service					
Principal	-	-	-	669,916	(669,916)
Interest	-	-	-	167,494	(167,494)
Total debt service	-	-	-	837,410	(837,410)
Total expenditures	207,473,505	185,186,729	22,286,776	79,935,158	105,251,571
Excess (deficiency) of revenues over/(under) expenditures	-	-	-	-	-
Net Change in Fund Balances	-	-	-	-	-
Fund Balances, Beginning of Year	-	-	-	-	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -

Budgetary Basis of Accounting

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

For the General Fund and TDA, expenditures are controlled at the Fund level. For all other funds, all expenditures are controlled at the functional level and are reviewed by SCAG's management and funding agencies (Caltrans, FHWA, and FTA). SCAG is subject to audit by these agencies.

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

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

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

General Fund	Actual/budget as presented in the budget	Actual/GAAP as presented in the financial statements	Differences
Total revenues	$ 6,280,243	$ 6,280,245	$ (2)
Total expenditures	(2,859,186)	(2,379,269)	(479,917)
Other financing sources	736,386	736,386	-
Deficiency of revenues under expenditures	$ 4,157,443	$ 4,637,362	$ (479,919)

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

In the Statement of Revenues, Expenditures, and Changes in Fund Balance, indirect costs incurred by the General Fund are reported as administration expenditures, and transfers from other governmental funds to the General Fund are recorded to reflect the reimbursement of such costs. For budgetary purposes, fringe and 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.

Principal and interest payments for capital leases and subscription-based information technology agreements are not budgeted in these two cost categories, instead they are budgeted under rent, consultants and subscriptions to comply with Caltrans' OWP requirements. Furthermore, principal and interest payments paid by the indirect fund are reallocated to all funds based on their percentage of allocated indirect costs since the Indirect Fund is closed out to the General Fund as over/under recovered indirect asset or liability.

Excess of expenditures over appropriations – none

The most significant variances are included in the table below with variance explanations following.

Fund	Functional Area	Original Budget to Final Budget Positive/(Negative) Variance	Original Budget to Actual Budget Positive/(Negative) Variance
General Fund			
Revenues	General Assembly		$ 138,924
Revenues	Transfer from reserves		998,358
Revenues	Interest and other		2,237,375
Expenditures		$ (562,078)	520,749
FTA			
Revenues	Federal grants		(3,656,008)
Expenditures	Transportation		1,622,075
Expenditures	Evironmental		457,229
Expenditures	Modeling	(418,586)	952,827
Expenditures	Public involvement	736,231	945,532
Expenditures	Sustainability initiatives		373,043
Expenditures	Administration		153,549
FHWA			
Revenues	Federal grants	4,972,416	(7,281,406)
Expenditures	Transportation	(1,007,649)	2,376,590
Expenditures	Environmental	(743,563)	1,112,827
Expenditures	Modeling	(892,522)	3,094,589
Expenditures	Public involvement	(1,272,247)	980,268
Expenditures	Sustainability initiatives	(615,441)	1,045,698
Expenditures	Administration	(440,994)	383,321
TDA			
Expenditures		2,102,392	3,009,613
REAP			
Revenues	State grants	(22,286,776)	(105,251,571)
Expenditures	Transportation	20,475,261	35,890,636
Expenditures	Sustainability initiatives		70,198,345

FTA, FHWA, REAP are cost reimbursement funds, any required match is provided by TDA. Multi-year grants are budgeted 100% on the year awarded, any unused budget is carryforward to the subsequent year. Unprogrammed funds are either budgeted in Contractual and Professional Services and Other for consulting services and unprogrammed labor set aside for out-year activities, as well as for modifications made to align with the updated allocation of funds. During the year, significant budget variances take place as budget is amended to carry forward prior year balances affecting primarily labor related expenses, Contractual and Professional Services and Other (unprogrammed funds). Consequently, significant actual variances take place in the same three cost categories as projects usually take longer than one year to be completed. If these three major funds experience savings, they will have a corresponding decrease in revenues. Additionally, TDA will also experience savings as the required match is no longer needed.

Capital Outlay and debt service expenditures do not have a legally adopted annual budget. Debt service expenditures are governed by the requirements of bond indentures, debt agreements, and other financing documents that establish required principal and interest payments. As a result, budgetary control is exercised through compliance with debt service requirements rather than through the annual budget process.

1. General Fund Budgetary Highlights

   Original budget compared to final budget.

   The overall budget increased by $562,078 due primarily to three budget adjustments. First, due to a reorganization under the Government and Public Affairs Division, the Full-time Equivalent (FTE) allocation for legislative activities increased. Second, in preparation for the upcoming Regional Housing Needs Allocation project, additional FTEs were allocated to support project planning and implementation. Those changes resulted in an increase of $241,757 in Salaries, Allocated fringe and Allocated Indirect Costs. Third, as the scope and costs estimate for the conference room microphone system upgrade were finalized, it was identified that additional budget for Capital Outlay in the amount of $240,000 was needed to procure for this project.

   Final budget compared to actual results.

   The most significant differences between estimated revenues and actual revenues were as follows:

   General assembly revenues increased by $138,924 due to additional sponsorships received from private entities to support the annual General Assembly event. Interest income increased by $2,237,375 because of additional cash advances for the REAP 2.0 program from the California Department of Housing that were invested in the Money Market Account. Transfers from reserves reflect anticipated fund balance. Actual excess revenue over expenses is shown in the actual revenue accounts; thus creating a variance in the transfers from reserves account.

The net expenditures savings of $520,749 are mainly due to the following:

Actuals for labor expenses (salaries, allocated fringe, allocated indirect costs) related to the two mid-year budget adjustments mentioned above were lower than anticipated, thus resulting in savings of $383,804. Existing legal retainer use was lower than anticipated; savings were shifted to Contractual and Professional Services which experienced an increase due to unexpected activities related to Tax Increment Financing and Senate Bill 375 Reform projects. No capital outlay (except for Subscriptions and Leases) occurred in Fiscal Year (FY) 2026 due to postponement of the conference room microphone system to FY2027. IT systems and infrastructure experienced savings due to reallocation of prior year prepaids to the appropriate funding source. Finally, board stipends had savings as board members attended several meetings through remote access due to the size of the SCAG region.

2. FTA Budgetary Highlights

Original budget compared to final budget.

Modeling – budget increases of $418,586 is primarily due to increases to contractual and professional services and other cost categories both related to carryover adjustments, as well as modifications to align the budget with updated funding allocations.

Public Involvement – budget decreases of $736,231 is primarily due to swapping funding with Federal Highway funds for labor related expenses to ensure those funds were expended first.

Final budget compared to actual results.

The decrease in revenues of $3,656,008 is based on actual expenditures, as this is a reimbursement basis funding source.

Transportation – Actual expenditure decrease of $1,622,075 is primarily due to the following: 1) labor related savings of $685,223 are due to reallocation of these expenses to Federal Highway funding to ensure those funds were expended first. 2) Contractual and Professional Services savings of $791,543 are due to delays in procurement and contract execution as the REAP funded activities were prioritized due to funding deadlines.

Environmental - Actual expenditure decrease of $457,229 is primarily due to carryover of unused labor from the prior year that was budgeted and set aside for future-year activities of $321,733.

Modeling – Actual expenditure decrease of $952,827 is primarily due to due to carryover of unused labor from the prior year that was budgeted and set aside for future-year activities of $264,500 and savings in contractual and professional services of $442,321 resulting from a delay in Caltrans' approval of the refinement model forecasting project and delayed in multi-year contract execution due to procedural changes.

Public involvement – Actual expenditure decrease of $945,532 is primarily due to carryover of unused labor from the prior year that was budgeted and set aside for future-year activities of $383,093 and savings in Contractual and Professional Services of $364,754 resulting from multi-year contracts that were not fully utilized in current fiscal year and unused FY26 funding for potential focus groups to support Connect SoCal outreach and development in FY2027.

Sustainability - Actual expenditure decrease of $373,042 is primarily due to carryover of unused labor from the prior year that was budgeted and set aside for future-year activities of $173,948 and savings in Contractual and Professional Services of $68,591 resulting from delayed multi-year contract execution due to procedural changes.

Administration – Actual expenditure decrease of $153,548 is primarily due to carryover of unused labor from the prior year that was budgeted and set aside for future-year activities of $38,978.

3. FHWA Budgetary Highlights

Original budget compared to final budget.

Estimated Revenues increase is due to carryover funding of $4,972,416.

Transportation - budget increases of $1,007,649 are primarily due to the net impact on carryover adjustments. The major increases were to labor-related expenses of $436,585 and Other of $571,064.

Environmental - budget increases of $743,563 are primarily due to the net impact on carryover adjustments. The major increases were to labor-related expenses of $218,020 and Other of $525,543.

Modeling - budget increases of $892,522 are primarily due to the net impact on carryover adjustments. The major increase was to Other of $1,050,966, partially offset with decreases in labor-related expenses of $158,444.

Public involvement – budget increases of $1,272,247 are primarily due to the net impact on carryover adjustments and due to swapping funding with FTA to ensure FHWA funds were used before its expiration. The major increases were to labor-related expenses of $746,764 and Other of $525,483.

Sustainability – budget increases of $615,441 are primarily due to the net impact on carryover adjustments. The major increases were to labor-related expenses of $89,971 and Other of $525,470.

Administration – budget increases of $440,994 are primarily due to the net impact on carryover adjustments. The major increases were to labor-related expenses of $90,668 and Other of $350,326.

Final budget compared to actual results.

The decrease in revenues of $7,281,406 is based on actual expenditures as this is a reimbursement basis funding source.

Transportation – actual savings of $2,376,590 are primarily due to labor-related salary savings of $1,696,670 and Other of $572,131.

Environmental - actual savings of $1,112,827 are primarily due to labor-related salary savings of $550,158 and Other of $526,203.

Modeling - actual savings of $3,094,589 are primarily due to labor-related salary savings of $1,182,419, Contractual and Professional Services of $333,112 due to delay in contract executions, and Other of $1,051,268.

Public involvement – actual savings of $980,268 are primarily due to labor-related salary savings of $424,832 and Other of $525,634.

Sustainability – actual savings of $1,045,698 are primarily due to labor-related salary savings of $481,918 and Other of $525,520.

Administration – actual savings of $383,321 is primarily due to Other savings of $350,461.

4. TDA Budgetary Highlights

Original budget compared to final budget.

Overall budgeted expenditures decreases of $2,102,392 are primarily due to the carryover adjustments for labor-related expenses and shifting matching funds in the amount of $1,833,038 from TDA to REAP for the FY2023 Safe Streets projects.

Final budget compared to actual results.

TDA funding is used as the matching funding source for several federal and state grants or for activities that are not grant funded related. The overall actual savings of $3,009,613 are related to salary savings and delay in contract execution for various procurements, as well as some savings related to the General Assembly since the reallocated budget from the economic summit was not needed.

5. REAP Budgetary Highlights

Original budget compared to final budget.

Estimated revenues decrease of $22,286,776 is due to a reduction in grant award of $14.5 million and higher consultant expenses in FY2025.

Transportation – budget decreases of $20,475,261 are primarily due to Contractual and Professional Services decreases of $19,177,672 resulting from the grant reduction and higher consultant expenses in FY2025 and decreases in Other of $1,531,348, which were partially offset by decreases in other cost categories.

Final budget compared to actual results.

The decrease in revenues of $105,251,571 is based on actual expenditures as this is a reimbursement basis funding source. The remaining grant balance will be carried forward to FY2027.

Transportation – actual savings of $35,890,636 are primarily due to Contractual and Professional Services decreases of $33,991,583 due to delay in project delivery from subrecipients and unprogrammed funds for FY2027 activities and savings in Other of $1,619,438.

Sustainability initiatives - actual savings of $70,198,345 are primarily due to Contractual and Professional Services savings of $64,919,547 due to delay in project delivery from subrecipients and unprogrammed funds for FY2027 activities and savings in Other of $5,182,518.

Southern California Association of Governments

California Public Employees' Retirement System (CalPERS)

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Years

Year Ended June 30, 2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Pension Liability										
Service cost	$ 2,111,871	$ 2,343,160	$ 2,290,471	$ 2,364,540	$ 2,412,334	$ 2,662,398	$ 3,292,805	$ 3,678,300	$ 4,348,975	$ 4,483,694
Interest on total pension liability	8,138,979	8,507,621	8,757,694	9,116,962	9,463,839	9,773,229	10,086,584	10,611,553	11,069,135	11,555,096
Changes of benefits terms	-	-	-	-	-	-	-	159,799	-	-
Differences between expected and actual experiences	1,778,383	1,846,790	(61,325)	831,035	704,626	(82,799)	855,087	2,211,760	751,543	731,668
Changes in assumptions **	-	6,497,980	(853,150)	-	-	-	3,805,341	-	-	-
Benefit payments, including refunds of employee contributions	(5,945,299)	(6,285,626)	(6,539,230)	(7,243,780)	(7,473,419)	(7,709,152)	(8,125,658)	(8,545,189)	(8,945,032)	(9,403,426)
Net changes in total pension liability	6,083,934	12,909,925	3,594,460	5,068,757	5,107,380	4,643,676	9,914,159	8,116,223	7,224,621	7,367,032
Total pension liability - beginning	106,530,227	112,614,161	125,524,086	129,118,546	134,187,303	139,294,683	143,938,359	153,852,518	161,968,741	169,193,362
Total pension liability - ending (a)	$ 112,614,161	$ 125,524,086	$ 129,118,546	$ 134,187,303	$ 139,294,683	$ 143,938,359	$ 153,852,518	$ 161,968,741	$ 169,193,362	$ 176,560,394
Plan Fiduciary Net Position										
Contributions - employer	$ 2,688,004	$ 2,934,589	$ 2,938,828	$ 3,439,687	$ 4,147,506	$ 4,826,633	$ 5,665,143	$ 6,211,998	$ 6,865,235	$ 7,240,202
Contributions - employee	1,100,545	1,165,262	1,207,117	1,033,035	1,135,142	1,275,178	1,500,165	1,657,138	2,032,820	2,011,941
Net investment income	391,145	8,568,953	7,087,763	5,712,467	4,475,170	20,969,620	(8,394,837)	6,378,500	10,353,715	14,650,459
Plan to plan resource movement	(465)	-	(204)	-	-	-	-	-	-	-
Administrative expense	(48,228)	(114,158)	(130,255)	(62,732)	(127,985)	(92,843)	(69,901)	(75,584)	(88,216)	(84,773)
Benefit payments	(5,945,299)	(6,285,626)	(6,539,230)	(7,243,780)	(7,473,419)	(7,709,152)	(8,125,658)	(8,545,189)	(8,945,032)	(9,403,426)
Other miscellaneous income/(expense)	-	-	(247,357)	204	-	-	-	-	-	-
Net change in plan fiduciary net position	(1,814,298)	6,269,020	4,316,662	2,878,881	2,156,414	19,269,436	(9,425,088)	5,626,863	10,218,522	14,414,403
Plan fiduciary net position - beginning	79,134,708	77,320,410	83,589,430	87,906,092	90,784,973	92,941,387	112,210,823	102,785,735	108,412,598	118,631,120
Plan fiduciary net position - ending (b)	$ 77,320,410	$ 83,589,430	$ 87,906,092	$ 90,784,973	$ 92,941,387	$ 112,210,823	$ 102,785,735	$ 108,412,598	$ 118,631,120	$ 133,045,523
Net pension liability - ending (a)-(b)	35,293,751	41,934,656	41,212,454	43,402,330	46,353,296	31,727,536	51,066,783	53,556,143	50,562,242	43,514,871
Plan fiduciary net position as a percentage of total pension liability	68.66%	66.59%	68.08%	67.66%	66.72%	77.96%	66.81%	66.93%	70.12%	75.35%
Covered payroll	$ 14,479,749	$ 13,449,458	$ 13,659,971	$ 14,171,140	$ 15,963,250	$ 18,366,719	$ 20,912,316	$ 24,493,576	$ 28,389,318	$ 28,023,088
Net pension liability as a percentage of covered-employee payroll	243.75%	311.79%	301.70%	306.27%	290.38%	172.74%	244.19%	218.65%	178.10%	155.28%

** For the measurement period ended June 30, 2022, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions November 17,2021. For the measurement period ended June 30, 2024, the discount rate remained at 6.90%, this reflects a change in the price inflation assumption to 2.30%.

For the measurement period ended June 30, 2025, the discount rate and the inflation rate remained to 6.90% and 2.30%, respectively.

Southern California Association of Governments
California Public Employees' Retirement System (CalPERS)
Schedule of Plan Contributions
Last Ten Years
As of June 30, 2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 2,934,588	$ 2,938,424	$ 3,439,787	$ 4,147,545	$ 4,826,472	$ 5,662,040	$ 6,211,998	$ 6,865,235	$ 7,240,202	$ 7,578,942
Contribution made	(2,934,588)	(2,938,424)	(3,439,787)	(4,147,545)	(4,826,472)	(5,662,040)	(6,211,998)	(6,865,235)	(7,240,202)	(7,578,942)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 13,449,458	$ 13,659,971	$ 14,171,140	$ 15,963,250	$ 18,366,719	$ 20,912,316	$ 24,493,576	$ 28,389,318	$ 28,023,088	$ 30,517,656
Contributions as a percentage of covered-employee payroll	21.82%	21.51%	24.27%	25.98%	26.28%	27.08%	25.36%	24.18%	25.84%	24.83%

Notes to Schedule

Valuation date: 6/30/2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	Fair Value of Assets. For details, see June 30, 2022, funding valuation report
Price inflation salary increases	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.80%, net of pension plan investment and administrative expenses, including inflation
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries.

Southern California Association of Governments

Public Agency Retirement System (PARS) Supplementary Retirement Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

Last Ten Years

Year Ended June 30, 2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total Pension Liability										
Interest on total pension liability	$ 23,351	$ 24,138	$ 24,762	$ 22,278	$ 14,966	$ 12,377	$ 19,052	$ 16,200	$ 16,586	$ 15,860
Effect of economic/demographic gains or losses	(63,489)	17,893	18,965	21,057	(56,668)	24,027	(55,087)	15,776	(67,251)	16,146
Effect of assumptions changes or inputs*	(40,318)	(13,995)	16,695	59,559	2,842	(16,461)	(2,999)	(6,859)	(22,748)	8,411
Benefit payments	(67,444)	(61,853)	(63,090)	(64,352)	(59,911)	(59,946)	(60,544)	(49,972)	(43,828)	(43,559)
Net change in total pension liability	(147,900)	(33,817)	(2,668)	38,542	(98,771)	(40,003)	(99,578)	(24,855)	(117,241)	(3,142)
Total pension liability - beginning	852,796	704,896	671,079	668,411	706,953	608,182	568,179	468,601	443,746	326,505
Total pension liability - ending (a)	$ 704,896	$ 671,079	$ 668,411	$ 706,953	$ 608,182	$ 568,179	$ 468,601	$ 443,746	$ 326,505	$ 323,363
Plan Fiduciary Net Position										
Benefit payments	$ (67,444)	$ (61,853)	$ (63,090)	$ (64,352)	$ (59,911)	$ (59,946)	$ (60,544)	$ (49,972)	$ (43,828)	$ (43,559)
Administrative expense	(3,088)	(5,185)	(4,255)	(3,266)	(5,501)	(4,515)	(4,606)	(4,698)	(3,606)	(4,838)
Contributions - employer	72,779	74,235	75,719	57,702	98,310	80,354	81,961	83,600	63,708	86,546
Investment gains or losses	41	200	557	390	6	86	2,660	5,633	6,470	6,910
Net change in plan fiduciary net position	2,288	7,397	8,931	(9,526)	32,904	15,979	19,471	34,563	22,744	45,059
Plan fiduciary net position - beginning	20,491	22,779	30,176	39,107	29,581	62,485	78,464	97,935	132,498	155,242
Plan fiduciary net position - ending (b)	$ 22,779	$ 30,176	$ 39,107	$ 29,581	$ 62,485	$ 78,464	$ 97,935	$ 132,498	$ 155,242	$ 200,301
Net pension liability - ending (a)-(b)	$ 682,117	$ 640,903	$ 629,304	$ 677,372	$ 545,697	$ 489,715	$ 370,666	$ 311,248	$ 171,263	$ 123,062
Plan fiduciary net position as a percentage of total pension liability	3.23%	4.50%	5.85%	4.18%	10.27%	13.81%	20.90%	29.86%	47.55%	61.94%
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:
* Change of assumptions: For the measurement period ended June 30, 2026, the discount rate used in the valuation decreased to 4.67% from 5.20%.

Southern California Association of Governments
Public Agency Retirement System (PARS) Supplementary Retirement Plan
Schedule of Plan Contributions
Last Ten Years
Year Ended June 30, 2026

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 72,779	$ 74,235	$ 75,719	$ 57,702	$ 98,310	$ 80,354	$ 81,961	$ 83,600	$ 63,708	$ 86,546
Contribution made	(72,779)	(74,235)	(75,719)	(57,702)	(98,310)	(80,354)	(81,961)	(83,600)	(63,708)	(86,546)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation date: 6/30/2026

Methods and assumptions used to determine contribution rates:

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

Southern California Association of Governments

Schedule of Changes in the OPEB Liability/(Asset) and Related Ratios

Last Ten Years*

Year Ended June 30, 2026

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Total OPEB Liability									
Service cost	$ 234,601	$ 250,437	$ 257,950	$ 247,159	$ 253,956	$ 293,436	$ 301,505	$ 400,267	$ 411,274
Interest on the total OPEB liability	628,051	646,120	664,742	644,240	643,752	633,237	652,386	670,144	711,402
Differences between actual and expected experience	-	-	(359,001)	(92,055)	(267,594)	6,180	89,544	(88,541)	(556,136)
Changes in assumptions **	-	-	(212,468)	-	(142,392)	-	(168,082)	-	(86,664)
Benefit payments, including refunds of member contributions	(601,224)	(620,372)	(636,009)	(663,171)	(698,772)	(633,885)	(666,329)	(568,429)	(94,330) (589,335)
Net change in total OPEB liability	261,428	276,185	(284,786)	136,173	(211,050)	298,968	209,024	413,441	(203,789)
Total OPEB liability - beginning	9,370,476	9,631,904	9,908,089	9,623,303	9,759,476	9,548,426	9,847,394	10,056,418	10,469,859
Total OPEB liability - ending (a)	$ 9,631,904	$ 9,908,089	$ 9,623,303	$ 9,759,476	$ 9,548,426	$ 9,847,394	$ 10,056,418	$ 10,469,859	$ 10,266,070
Plan Fiduciary Net Position									
Contributions - employer	$ 1,033,199	$ 938,099	$ 956,076	$ 782,082	$ 840,296	$ 772,866	$ 801,025	$ 666,329	$ 683,930
Net investment income	452,722	398,485	370,167	224,666	1,849,065	(1,176,652)	500,014	913,295	1,144,728
Benefit payments	(601,224)	(620,372)	(636,009)	(663,171)	(698,772)	(633,885)	(666,329)	(568,429)	(589,335)
Administrative expenses	(2,287)	(2,713)	(2,858)	(3,136)	(2,549)	(2,210)	(2,234)	(2,707)	(2,911)
Other expense	-	(6,533)	-	-	-	-	-	-	-
Net change in plan fiduciary net position	882,410	706,966	687,376	340,441	1,988,040	(1,039,881)	632,476	1,008,488	1,236,412
Plan fiduciary net position - beginning	4,055,703	4,938,113	5,645,079	6,332,455	6,672,896	8,660,936	7,621,055	8,253,531	9,262,019
Plan fiduciary net position - ending (b)	4,938,113	5,645,079	6,332,455	6,672,896	8,660,936	7,621,055	8,253,531	9,262,019	10,498,431
Net OPEB liability - ending (a)-(b)	$ 4,693,791	$ 4,263,010	$ 3,290,848	$ 3,086,580	$ 887,490	$ 2,226,339	$ 1,802,887	$ 1,207,840	$ (232,361)
Plan fiduciary net position as a percentage of the total OPEB liability	51.27%	56.97%	65.80%	68.37%	90.71%	77.39%	82.07%	88.46%	102.26%
Covered-employee payroll	$ 13,449,458	$ 14,314,496	$ 15,094,517	$ 16,860,092	$ 18,993,604	$ 21,990,288	$ 26,220,611	$ 29,970,399	$ 29,701,017
Net OPEB liability as a percentage of covered-employee payroll	34.90%	29.78%	21.80%	18.31%	4.67%	10.12%	6.88%	4.03%	-0.78%

Notes to Schedule:

* Fiscal year 2018 was the first year of implementation.

** Change of assumptions: For the measurement period ended June 30, 2025, the inflation rate remained at 2.50%, while the healthcare rate increased to 7.90% from 4.00%. The discount rate and the interest rate used in the valuation decreased from 6.75% to 6.40%.

Southern California Association of Governments
Schedule of OPEB Contributions
Last Ten Years*
Year Ended June 30, 2026

	2018	2019	2020	2021	2022	2023	2024	2025	2026
Actuarially determined contribution	$ 853,217	$ 878,814	$ 782,082	$ 698,772	$ 697,791	$ 698,772	$ 666,329	$ 656,970	$433,891
Contributions made in relation to the actuarially determined contributions	(938,099)	(956,076)	(782,082)	(840,296)	(772,866)	(801,025)	(666,329)	(778,260)	(761,156)
Contribution deficiency (excess)	$ (84,882)	$ (77,262)	$ -	$ (141,524)	$ (75,075)	$ (102,253)	$ -	$ (121,290)	$ (327,265)
Covered-employee payroll	$ 14,314,496	$ 15,094,517	$ 16,860,092	$ 18,993,604	$ 21,990,288	$ 26,220,611	$ 29,970,399	$ 29,701,017	$ 29,013,592
Contributions as a percentage of covered payroll	6.55%	6.33%	4.64%	4.42%	3.51%	3.05%	2.22%	2.62%	2.62%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Discount Rate	6.40%
Inflation	2.50%
Pre-Medicare Healthcare Rate	7.90%
Medicare Healthcare Rate	4.90%
Payroll growth	2.80%
Investment rate of return	6.40%
Retirement age	Based on CalPERS Experience Study
Mortality	2021 CalPERS Mortality for Miscellaneous and School Employees

* Fiscal year 2018 was the first year of implementation.

Supplemental Combining Financial Statements

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Assets				
Due from other governments	3,948,256	3,309,130	-	7,257,386
Due from other funds	-	-	211,860	211,860
Total assets	$ 3,948,256	$ 3,309,130	$ 211,860	$ 7,469,246
Liabilities				
Accounts and contracts payable	$ 1,351,289	$ 481,425	$ 148,883	$ 1,981,597
Due to other governments	68,719	82,367	-	151,086
Due to other funds	2,486,210	2,745,338	-	5,231,548
Advances from grantors	-	-	62,977	62,977
Total liabilities	3,906,218	3,309,130	211,860	7,427,208
Deferred Inflows of Resources				
Deferred inflows of resources unavailable revenues	55,242	-	-	55,242
Fund Balances - Restricted	65,000			65,000
Fund Balances - Unassigned	(78,204)	-	-	(78,204)
Total liabilities, deferred inflows of resources, and fund balances	$ 3,948,256	$ 3,309,130	$ 211,860	$ 7,469,246

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Revenues				
Grant revenue, net	$ 7,275,241	$ 12,855,233	$ 353,281	$ 20,483,755
Expenditures				
Transportation				
Salaries and wages	689,459	313,905	12,410	1,015,774
Allocated fringe benefits	493,018	230,312	9,105	732,435
Allocated indirect costs	1,502,383	691,447	27,333	2,221,163
Contractual services	2,875,432	8,003,924	-	10,879,356
Other	877,295	-	-	877,295
Total transportation	6,437,587	9,239,588	48,848	15,726,023
Environmental				
Salaries and wages	3,262	13,379	-	16,641
Allocated fringe benefits	2,393	9,816	-	12,209
Allocated indirect costs	7,185	29,470	-	36,655
Contractual services	16,847	60,894	-	77,741
Total environmental	29,687	113,559	-	143,246
Modeling				
Salaries and wages	2,651	61,310	-	63,961
Allocated fringe benefits	1,945	44,983	-	46,928
Allocated indirect costs	5,839	135,050	-	140,889
Contractual services	12,636	240,927	187,105	440,668
Other	-	188	-	188
Total modeling	23,071	482,458	187,105	692,634
Public Involvement				
Salaries and wages	11,174	6,689	-	17,863
Allocated fringe benefits	8,198	4,908	-	13,106
Allocated indirect costs	24,613	14,736	-	39,349
Contractual services	170,857	17,973	-	188,830
Other	40,305	-	-	40,305
Total public involvement	255,147	44,306	-	299,453
Sustainability Initiatives				
Salaries and wages	67,530	405,001	-	472,531
Allocated fringe benefits	49,547	297,150	-	346,697
Allocated indirect costs	148,750	892,107	-	1,040,857
Contractual services	-	566,851	115,039	681,890
Other	22,349	1,393	-	23,742
Total sustainability initiatives	288,176	2,162,502	115,039	2,565,717

Southern California Association of Governments

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Funds

Year Ended June 30, 2026

	Federal Funds	State Funds	Local Funds	Total Nonmajor Funds
Administration				
Salaries and wages	$ 3,154	$ 6,689	$ 7	$ 9,850
Allocated fringe benefits	2,314	4,908	5	7,227
Allocated indirect costs	6,948	14,736	16	21,700
Contractual services	52,570	11,654	-	64,224
Other	13,059	-	-	13,059
Total administration:	78,045	37,987	28	116,060
Debt Service				
Principal	73,831	77,396	1,190	152,417
Interest	66,389	69,595	1,071	137,055
Total debt service	140,220	146,991	2,261	289,472
Capital Outlay	-	87,949	-	87,949
Total expenditures	7,251,933	12,315,340	353,281	19,920,554
Excess (deficiency) of revenues over (under) expenditures	23,308	539,893	-	563,201
Net Change in Fund Balance	23,308	539,893	-	563,201
Fund Balances, Beginning of Year	(36,512)	(539,893)	-	(576,405)
Fund Balances, End of Year	$ (13,204)	$ -	$ -	$ (13,204)

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

State and Community Highway Safety Funds:

OTS, Round 9: 20053
This fund is established to account for revenues from the Pedestrian and Bike Safety Program for FY 2025.

OTS, TSPMAP: 20054
This fund is established to account for revenues from the OTS Transportation Safety Predictive Modeling & Analysis Platform for FY 2025.

OTS, TSPMAP: 20055
This fund is established to account for revenues from the OTS Transportation Safety Predictive Modeling & Analysis Platform for FY 2026.

OTS, TSPMAP: 20056
This fund is established to account for revenues from the OTS Pedestrian and Bike Safety Program for FY 2026.

FHWA Funds:

FHWA LMFP RP: 20057
This fund is established to account for revenues from the US EPA via the Carbon Pollution Reduction Grant.

FHWA PP: 20098
This fund is established to account for revenues from the FHWA Partnership Planning.

FHWA HIP: 20112
This fund is established to account for revenues from the Consolidated Appropriations Act, 2022 (Public Law 117-103) appropriated funding for Highway Infrastructure Programs (HIP).

FHWA SS4A: 20114
This fund is established to account for revenues from the Safe Streets and Roads for All through the Go Human Program.

CRP-SC&M: 20200
This fund is established to account for revenue from the Carbon Reduction Program and Smart Cities and Mobility Innovations.

CRP RPI, TDA: 20201
This fund is established to account for revenue from the Transportation Data Analytics TA Program to provide strategic advisory and analytical expertise in the use and leveraging of transportation.

CRP RPI, WR: 20202
This fund is established to account for revenue from the Watts Rising E-Bicycle Lending Library project.

CRP RPI, OL: 20203
This fund is established to account for revenue from the Open Loop Fare Payment System Pilot Project.

CRP PI: 20204
This fund is established to account for revenue from the CRP Pricing & Incentives program to support deployment of a beta-test for the SCAG region and some foundational elements of a full-scale pilot project.

CRP LMFP: 20205
This fund is established to account for revenue from the Last Mile Freight Program to serve as an initial step towards implementing freight-related clean vehicles/equipment and infrastructure to support cleaner air goals.

CRP CS: 20206
This fund is established to account for revenue from the Comprehensive Sustainable Freight Plan and Implementation Strategy program.

CRP RPI P: 20207
This fund is established to account for revenue from the Regional Pilot Initiative launching a transformative regional transportation program to implement innovative pilot projects.

CMAQ-GFTDM: 20300
This fund is established to account for revenue from the CMAQ - 2028 Games Freight TDM implementation to identify and implement pilot projects and opportunities to test strategic approaches, potential freight industry partnerships, and refine selected freight TDM strategies for implementation.

CMAQ-GTDM: 20301
This fund is established to account for revenue from the CMAQ - 2028 Games TDM Initiation Plan and Implementation to develop and implement pilot projects to evaluate viability and replicability of project deployments to targeted locations.

STBG, RPA: 20400
This fund is established to account for revenue from the Surface Transportation Block Grant Program.

Other Federal Funds:

FTA 5304: 20070
This fund is established to account for revenues from the Federal Transit Administration Sec. 5304 Metropolitan Planning Program.

DOE NETL: 20119
This fund is established to account for revenues from the Department of Energy for the Clean Cities programs.

Southern California Association of Governments
Combining Balance Sheet – Federal Nonmajor Funds
June 30, 2026

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 9 20053	OTS, TSPMAP 20054	FY26 OTS, TSPM 20055	FY26 OTS, R10 20056	20098, 20112, 20114, 20200, 20201, 20202, 20203, 20204, 20205, 20206, 20207, 20300, 20301, 20400	20057, 20070, 20119	
Assets							
Due from other governments - federal grants	$ -	$ -	855,421	252,200	$ 2,402,281	438,354	$ 3,948,256
Total assets	$ -	$ -	$ 855,421	$ 252,200	$ 2,402,281	$ 438,354	$ 3,948,256
Liabilities and Fund Balances							
Liabilities							
Accounts and contracts payable	$ -	$ -	446,167	$ 103,134	$ 571,819	$ 230,169	$ 1,351,289
Due to other funds	-	-	409,254	149,066	1,761,743	166,147	2,486,210
Due to other governments					68,719		68,719
Total liabilities	-	-	855,421	252,200	2,402,281	396,316	3,906,218
Deferred Inflows of Resources							
Deferred inflows of resources relating to grants	-	-	-	55,242	-	-	55,242
Fund Balances - Restricted						65,000	65,000
Fund Balances - Unassigned	-	-	-	(55,242)	-	(22,962)	(78,204)
Total liabilities, deferred inflow of resources, and fund balances	$ -	$ -	$ 855,421	$ 252,200	$ 2,402,281	$ 438,354	$ 3,948,256

Southern California Association of Governments

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Federal Nonmajor Funds

Year Ended June 30, 2026

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 9 20053	OTS, TSPMAP 20054	FY26 OTS, TSPM 20055	FY26 OTS, R10 20056	20098, 20112, 20114, 20200, 20201, 20202, 20203, 20204, 20205, 20206, 20207, 20300, 20301, 20400	20057, 20070, 20119	
Revenues							
Federal grant revenue, net	$ 768,164	$ 96,661	$ 856,946	$ 200,097	$ 4,802,529	550,844	$ 7,275,241
Expenditures							
Transportation							
Salaries and wages	18,923	-	1,430	15,404	598,057	55,645	689,459
Allocated fringe benefits	13,884	-	1,049	11,302	438,794	27,989	493,018
Allocated indirect costs	41,683	-	3,153	33,930	1,317,357	106,260	1,502,383
Contractual services	290,155	42,119	850,583	156,204	1,226,246	310,125	2,875,432
Other	78,352	-	471	10,159	788,313	-	877,295
Total transportation	442,997	42,119	856,686	226,999	4,368,767	500,019	6,437,587
Environmental							
Salaries and wages	-	-	-	-	3,262	-	3,262
Allocated fringe benefits	-	-	-	-	2,393	-	2,393
Allocated indirect costs	-	-	-	-	7,185	-	7,185
Contractual services	-	16,847	-	-	-	-	16,847
Total environmental	-	16,847	-	-	12,840	-	29,687
Modeling							
Salaries and wages	-	-	-	-	2,651	-	2,651
Allocated fringe benefits	-	-	-	-	1,945	-	1,945
Allocated indirect costs	-	-	-	-	5,839	-	5,839
Contractual services	-	12,636	-	-	-	-	12,636
Total modeling	-	12,636	-	-	10,435	-	23,071

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 9 20053	OTS, TSPMAP 20054	FY26 OTS, TSPM 20055	FY26 OTS, R10 20056	20098, 20112, 20114, 20200, 20201, 20202, 20203, 20204, 20205, 20206, 20207, 20300, 20301, 20400	20057, 20070, 20119	
Public Involvement							
Salaries and wages	$ 9,462	$ -	$ -	$ 1,712	$ -	$ -	$ 11,174
Allocated fringe benefits	6,942	-	-	1,256	-	-	8,198
Allocated indirect costs	20,842	-	-	3,771	-	-	24,613
Contractual services	145,078	8,424	-	17,355	-	-	170,857
Other	39,176	-	-	1,129	-	-	40,305
Total public involvement	221,500	8,424	-	25,223	-	-	255,147
Sustainability Initiatives							
Salaries and wages	-	-	-	-	67,530	-	67,530
Allocated fringe benefits	-	-	-	-	49,547	-	49,547
Allocated indirect costs	-	-	-	-	148,750	-	148,750
Other	-	-	-	-	22,349	-	22,349
Total sustainability initiatives	-	-	-	-	288,176	-	288,176
Administration							
Salaries and wages	3,154	-	-	-	-	-	3,154
Allocated fringe benefits	2,314	-	-	-	-	-	2,314
Allocated indirect costs	6,948	-	-	-	-	-	6,948
Contractual services	48,359	4,211	-	-	-	-	52,570
Other	13,059	-	-	-	-	-	13,059
Total administration	73,834	4,211	-	-	-	-	78,045

Southern California Association of Governments

Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Federal Nonmajor Funds

Year Ended June 30, 2026

	NHTSA				FHWA	Other Federal Funds	Total Federal Nonmajor Funds
	OTS, Round 9 20053	OTS, TSPMAP 20054	FY26 OTS, TSPM 20055	FY26 OTS, R10 20056	20098, 20112, 20114, 20200, 20201, 20202, 20203, 20204, 20205, 20206, 20207, 20300, 20301, 20400	20057, 20070, 20119	
Debt Service							
Principal	$ 3,025	$ -	$ 137	$ 1,641	$ 64,401	$ 4,627	$ 73,831
Interest	2,720	-	123	1,476	57,910	4,160	66,389
Total debt service	5,745	-	260	3,117	122,311	8,787	140,220
Total expenditures	744,076	84,237	856,946	255,339	4,802,529	508,806	7,251,933
Excess (deficiency) of revenues over (under) expenditures	24,088	12,424	-	(55,242)	-	42,038	23,308
Net Change in Fund Balance	24,088	12,424	-	(55,242)	-	42,038	23,308
Fund Balances, Beginning of Year	(24,088)	(12,424)	-	-	-	-	(36,512)
Fund Balances, End of Year	$ -	$ -	$ -	$ (55,242)	$ -	$ 42,038	$ (13,204)

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

FY21 MSRC: 30220
This is the fiscal year 2021 AB 2766 Discretionary Funds for the Regional goods Movement Program.

FY23 SB1 SCF: 30221
This is the fiscal year 2023 Senate Bill (SB) 1 funds from Sustainable Communities Competitive Grants.

FY24 SB1 SCFG: 30222
This is the fiscal year 2024 Senate Bill (SB) 1 funds from Sustainable Communities Competitive Grants.

SB 1 SCF: 30223
This is FY25 SB1 Sustainable Communities (SC) Formula.

SB 1 SCF: 30224
This is FY26 SB1 Sustainable Communities (SC) Formula.

CPUC LATA: 30301
This is from the Public Utilities Commission of the State of California (CPUC) under the Local Agency Technical Assistance (LATA) Program which supports tribes and local agencies in California to expand broadband services to unserved and underserved communities.

SALC: 30302
This is a grant from the Sustainable Agricultural Lands Conservation Program to support California Greenhouse Gas (GHG) emission reduction goals by making strategic investments to protect agricultural lands from conversion to more GHG intensive uses. The funding will be used to develop a Natural & Agricultural Lands Economic and Resilience Benefits Study and Landscape Analysis White Paper for SCAG's six county region.

ATP Cycle 5: 30406
These are the grants from Caltrans Local Assistance Office to support the implementation of the Sustainable Communities Program projects.

ATP Cycle 5 PMA: 30407
This is Active Transportation program cycle 5 Pomona, created to encourage increased use of active modes of transportation, such as biking and walking

ATP C5 SM: 30408
These are the grants from Caltrans Local Assistance Office to support the implementation of the Sustainable Communities Program projects.

ATP C5 NV: 30409
This is Active Transportation Program Cycle 5 Network Visioning created to encourage increased use of active modes of transportation, such as biking and walking.

ATP C7 CSUDH: 30412
This is Active Transportation Program Cycle 7 for Cal State University Dominguez Hills Transportation project.

FY24 CL AD: 30502
This is the Caltrans Sustainable Transportation Planning Grant award under Climate Adaptation Planning.

CEC, EPRI, R: 30650
This is the Clean Technology program to support Infrastructure for Zero-Emission Medium and Heavy-Duty Truck Study.

Southern California Association of Governments
Combining Balance Sheet – State Nonmajor Funds
June 30, 2026

	FY21 MSRC	FY23 SB1	FY24 SB1	FY25 SB1 SCF	FY26 SB 1 SCF	CPUC LATA	SALC
	30220	30221	30222	30223	30224	30301	30302
Assets							
Due from other governments - state grants	$ -	$ -	$ 420,373	$ 297,814	$ 573,738	$ 948,645	$ 79,627
Total assets	$ -	$ -	$ 420,373	$ 297,814	$ 573,738	$ 948,645	$ 79,627
Liabilities							
Accounts and contracts payable	$ -	$ -	$ 81,330	$ 80,824	29,314	$ -	$ 6,212
Due to other governments	-	-	-	-	-	-	-
Due to other funds	-	-	339,043	216,990	544,424	948,645	73,415
Total liabilities	-	-	420,373	297,814	573,738	948,645	79,627
Total liabilities and fund balances	$ -	$ -	$ 420,373	$ 297,814	$ 573,738	$ 948,645	$ 79,627

Southern California Association of Governments
Combining Balance Sheet – State Nonmajor Funds
June 30, 2026

	ATP Cycle 5	ATP Cycle 5 PMA	ATP C5 SM	ATP C5 NV	ATP C7	FY24 Climate Adaption	CEC, EPRI	Total State Nonmajor Funds
	30406	30407	30408	30409	CSUDH 30412	30502	30650	
Assets								
Due from other governments - state grants	$ 176,901	$ 65,233	$ 382,619	$ 199,908	$ 81,905	$ 82,367	$ -	$ 3,309,130
Total assets	$ 176,901	$ 65,233	$ 382,619	$ 199,908	$ 81,905	$ 82,367	$ -	$ 3,309,130
Liabilities								
Accounts and contracts payable	$ 95,143	26,565	$ 2,943	$ 135,384	23,710	$ -	$ -	$ 481,425
Due to other governments	-	-	-	-	-	82,367	-	82,367
Due to other funds	81,758	38,668	379,676	64,524	58,195	-	-	2,745,338
Total liabilities	176,901	65,233	382,619	199,908	81,905	82,367	-	3,309,130
Total liabilities and fund balances	$ 176,901	$ 65,233	$ 382,619	$ 199,908	$ 81,905	$ 82,367	$ -	$ 3,309,130

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds
Year Ended June 30, 2026

	FY21 MSRC	FY23 SB1	FY24 SB1	FY25 SB1 SCF	FY26 SB1 SCF	CPUC LATA	SALC
	30220	30221	30222	30223	30224	30301	30302
Revenues							
State grant revenue, net	$ 5,337,009	$ 118,962	$ 1,455,404	$ 879,548	$ 2,271,671	$ 948,645	$ 337,815
Expenditures							
Transportation							
Salaries and wages	-	-	35,043	101,366	165,351	11,710	-
Allocated fringe benefits	-	-	25,711	74,372	121,318	8,592	-
Allocated indirect costs	-	-	77,191	223,281	364,223	25,794	-
Contractual services	5,337,009	-	854,095	33,893	-	385,806	-
Total transportation	5,337,009	-	992,040	432,912	650,892	431,902	-
Environmental							
Salaries and wages	-	-	3,155	10,224	-	-	-
Allocated fringe benefits	-	-	2,315	7,501	-	-	-
Allocated indirect costs	-	-	6,949	22,521	-	-	-
Contractual services	-	-	23,308	37,586	-	-	-
Total environmental	-	-	35,727	77,832	-	-	-
Modeling							
Salaries and wages	-	-	7,268	9,999	44,043	-	-
Allocated fringe benefits	-	-	5,332	7,336	32,315	-	-
Allocated indirect costs	-	-	16,009	22,025	97,016	-	-
Contractual services	-	-	15,133	36,706	189,088	-	-
Other	-	-	-	188	-	-	-
Total modeling	-	-	43,742	76,254	362,462	-	-
Public Involvement							
Salaries and wages	-	-	1,577	5,112	-	-	-
Allocated fringe benefits	-	-	1,157	3,751	-	-	-
Allocated indirect costs	-	-	3,475	11,261	-	-	-
Contractual services	-	-	11,654	6,319	-	-	-
Total public involvement	-	-	17,863	26,443	-	-	-
Sustainability							
Salaries and wages	-	21,062	55,016	34,543	294,380	-	-
Allocated fringe benefits	-	15,453	40,366	25,345	215,986	-	-
Allocated indirect costs	-	46,394	121,186	76,090	648,437	-	-
Contractual services	-	21,446	66,071	55,536	-	-	337,815
Other	-	-	-	753	640	-	-
Total sustainability	-	104,355	282,639	192,267	1,159,443	-	337,815
Administration							
Salaries and wages	-	-	1,577	5,112	-	-	-
Allocated fringe benefits	-	-	1,157	3,751	-	-	-
Allocated indirect costs	-	-	3,475	11,261	-	-	-
Contractual services	-	-	11,654	-	-	-	-
Total administration	-	-	17,863	20,124	-	-	-
Debt Service							
Principal	-	2,020	9,940	15,955	48,316	1,123	-
Interest	-	1,816	8,938	14,347	43,446	1,010	-
Total debt service	-	3,836	18,878	30,302	91,762	2,133	-
Capital Outlay	-	10,771	46,652	23,414	7,112	-	-
Total expenditures	5,337,009	118,962	1,455,404	879,548	2,271,671	434,035	337,815
Excess of revenues over expenditures	-	-	-	-	-	514,610	-
Net Change in Fund Balance	-	-	-	-	-	514,610	-
Fund Balances, Beginning of Year	-	-	-	-	-	(514,610)	-
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Southern California Association of Governments
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – State Nonmajor Funds
Year Ended June 30, 2026

	ATP Cycle 5	ATP Cycle 5 PMA	C5 SM	C5 NV	APT C7	FY24 Climate Adaption	CEC, EPRI	Total State Nonmajor Funds
	30406	30407	30408	30409	CSUDH 30412	30502	30650	
Revenues								
State grant revenue, net	$ 383,331	$ 83,676	$ 428,281	$ 417,718	$ 81,907	$ 85,983	$ 25,283	$ 12,855,233
Expenditures								
Transportation								
Salaries and wages	-	-	-	-	435	-	-	313,905
Allocated fringe benefits	-	-	-	-	319	-	-	230,312
Allocated indirect costs	-	-	-	-	958	-	-	691,447
Contractual services	383,331	83,676	428,281	417,718	80,115	-	-	8,003,924
Total transportation	383,331	83,676	428,281	417,718	81,827	-	-	9,239,588
Environmental								
Salaries and wages	-	-	-	-	-	-	-	13,379
Allocated fringe benefits	-	-	-	-	-	-	-	9,816
Allocated indirect costs	-	-	-	-	-	-	-	29,470
Contractual services	-	-	-	-	-	-	-	60,894
Total environmental	-	-	-	-	-	-	-	113,559
Modeling								
Salaries and wages	-	-	-	-	-	-	-	61,310
Allocated fringe benefits	-	-	-	-	-	-	-	44,983
Allocated indirect costs	-	-	-	-	-	-	-	135,050
Contractual services	-	-	-	-	-	-	-	240,927
Other	-	-	-	-	-	-	-	188
Total modeling	-	-	-	-	-	-	-	482,458
Public Involvement								
Salaries and wages	-	-	-	-	-	-	-	6,689
Allocated fringe benefits	-	-	-	-	-	-	-	4,908
Allocated indirect costs	-	-	-	-	-	-	-	14,736
Contractual services	-	-	-	-	-	-	-	17,973
Total public involvement	-	-	-	-	-	-	-	44,306
Sustainability								
Salaries and wages	-	-	-	-	-	-	-	405,001
Allocated fringe benefits	-	-	-	-	-	-	-	297,150
Allocated indirect costs	-	-	-	-	-	-	-	892,107
Contractual services	-	-	-	-	-	85,983	-	566,851
Other	-	-	-	-	-	-	-	1,393
Total sustainability	-	-	-	-	-	85,983	-	2,162,502
Administration								
Salaries and wages	-	-	-	-	-	-	-	6,689
Allocated fringe benefits	-	-	-	-	-	-	-	4,908
Allocated indirect costs	-	-	-	-	-	-	-	14,736
Contractual services	-	-	-	-	-	-	-	11,654
Total administration	-	-	-	-	-	-	-	37,987
Debt Service								
Principal	-	-	-	-	42	-	-	77,396
Interest	-	-	-	-	38	-	-	69,595
Total debt service	-	-	-	-	80	-	-	146,991
Capital Outlay	-	-	-	-	-	-	-	87,949
Total expenditures	383,331	83,676	428,281	417,718	81,907	85,983	-	12,315,340
Excess of revenues over expenditures	-	-	-	-	-	-	25,283	539,893
Net Change in Fund Balance	-	-	-	-	-	-	25,283	539,893
Fund Balances, Beginning of Year	-	-	-	-	-	-	(25,283)	(539,893)
Fund Balances, End of Year	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

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

Other Local Funds

ATN BEDAB: 60076
This is the Anaheim Transportation Network Fund, the funding is used to monitor Battery-Electric Deployment of Adv Buses for SoCal.

LACMTA SRTS: 60083
This fund was established to account for revenues from Los Angeles County Metropolitan Transportation Authority to account for cash match for the development of the Regional Transportation Plan/Sustainable Communities Strategy.

LP, R2 C4: 60084
This fund was established to account for revenues from the City of Laguna Beach to supplement the REAP 2.0 SCP CEEEJ award.

CETF B&L: 60085
This fund is the California Emerging Technology Fund to support SCAG's participation in the Local Government Best Practices Check List Project Learning Community.

	Other Local Funds 60076, 60083 60084, 60085	Total Local Nonmajor Funds
Assets		
Due from other funds	211,860	211,860
Total assets	$ 211,860	$ 211,860
Liabilities		
Accounts and contracts payable	$ 148,883	$ 148,883
Advances from grantors	62,977	62,977
Total liabilities	211,860	211,860
Total liabilities and fund balances	$ 211,860	$ 211,860

Southern California Association of Governments

Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Local Nonmajor Funds

Year Ended June 30, 2026

	Other Local Funds 60076, 60083 60084, 60085	Total Local Nonmajor Funds
Revenues		
Local grant revenue, net	$ 353,281	$ 353,281
Expenditures		
Transportation		
Salaries and wages	12,410	12,410
Allocated fringe benefits	9,105	9,105
Allocated indirect costs	27,333	27,333
Total transportation	48,848	48,848
Modeling		
Contractual services	187,105	187,105
Sustainability		
Contractual services	115,039	115,039
Total sustainability	115,039	115,039
Administration		
Salaries and wages	7	7
Allocated fringe benefits	5	5
Allocated indirect costs	16	16
Total administration	28	28
Debt Service		
Principal	1,190	1,190
Interest	1,071	1,071
Total debt service	2,261	2,261
Total expenditures	353,281	353,281
Net Change in Fund Balances	-	-
Fund Balances, Beginning of Year	-	-
Fund Balances, End of Year	$ -	$ -

Supplemental Schedules

Southern California Association of Governments
Supplemental Schedule of Indirect Costs
Year Ended June 30, 2026

Indirect costs	
Salaries and wages	$ 14,022,101
Allocated fringe benefits	10,172,917
Contractual and professional services	1,273,238
IT systems, infrastructure and support	2,884,764
Rent and Equipment leases	3,047,263
Insurance	502,215
Memberships and dues	210,217
Equipment and Maintenance	207,303
Training	106,306
Travel	100,785
Security Services	94,000
Legal services	73,248
Temporary help	60,892
Office supplies	31,598
Bank Fees	19,430
Meetings and special events	11,156
Reproduction and printing	10,000
Depreciation and Amortization	479,917
Other	45,921
Total indirect costs	33,353,271
Indirect costs recovered	
General fund	87,562
Federal Transportation Administration 5303	6,639,097
Federal Highway Administration	13,962,009
Transportation Development Act	2,132,258
REAP 2021	4,264,933
Nonmajor Funds	3,790,075
Total indirect costs recovered	30,875,934
Over (under) recovered	(2,477,337)
Over (Under) Recovered Indirect Costs, Beginning of Year	5,291,001
Over (Under) Recovered Indirect Costs, End of Year	$ 2,813,664

Fringe benefits	
Employee leave and other salary benefits	$ 4,718,875
PERS/Other Retirement Plans	8,624,647
Life insurance	216,111
Health insurance	3,947,443
Medicare and social security taxes - employer share	482,591
Tuition reimbursement	13,240
Transit passes	54,906
Worker's compensation/unemployment insurance	204,828
Deferred compensation employer match	508,808
Other	444,008
Total fringe benefits	19,215,457
Fringe benefits recovered	
General fund	26,938
Federal Transportation Administration	2,029,872
Federal Highway Administration	4,273,037
Transportation Development Act	663,387
REAP 2.0 2021	1,312,093
Nonmajor Funds	11,331,524
Total fringe benefits recovered	19,636,851
Over (under) recovered	421,394
Over (Under) Recovered Fringe Benefit Costs, Beginning of Year	(1,206,167)
Over (Under) Recovered Fringe Benefit Costs, End of Year	$ (784,773)

Southern California Association of Governments

Supplemental Schedule of Distribution of Salaries and Fringe Benefits by Project Type

Year Ended June 30, 2026

	Salaries and Wages	Fringe Benefits	Salaries, Wages and Fringe
Charges to direct projects	$ 12,944,778	$ 9,436,995	$ 22,381,773
Charges to general fund projects	36,715	26,938	63,653
Charges to indirect projects	14,022,101	10,172,917	24,195,018
Totals	$ 27,003,594	$ 19,636,850	$ 46,640,444

Statistical Section

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

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

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

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

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

Sources:

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

Southern California Association of Governments

Table 1 – Net Position by Component

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental activities:										
Invested in capital assets	$ 1,231,475	$ 4,859,839	$ 128,748	$ 287,694	$ 1,639,425	$ 1,267,140	$ 2,192,254	$ 2,000,812	$ 351,037	$ (1,637,317)
Restricted	9,306,432	9,327,440	10,829,017	11,084,386	8,609,460	9,391,854	13,721,185	18,001,869	21,429,437	24,493,015
Unrestricted	(22,519,075)	(35,184,659)	(39,056,497)	(37,917,543)	(38,286,262)	(35,529,574)	(41,694,616)	(33,996,408)	(31,066,948)	(23,622,179)
Total governmental activities										
Net position	$ (11,981,168)	$ (20,997,380)	$ (28,098,732)	$ (26,545,463)	$ (28,037,377)	$ (24,870,580)	$ (25,781,177)	$ (13,993,727)	$ (9,286,474)	$ (766,481)

Southern California Association of Governments

Table 2 – Changes in Net Position

Last Ten Fiscal Years

(Accrual Basis of Accounting)

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Governmental activities:										
Expenses:										
Transportation	$ 20,838,392	$ 14,792,393	$ 16,150,392	$ 19,039,509	$ 19,694,557	$ 20,848,493	$ 19,358,040	$ 20,177,964	$ 32,867,296	$ 58,400,482
Environmental	7,054,453	5,164,861	3,179,830	4,377,155	4,188,153	4,022,867	4,191,170	4,316,302	3,600,387	3,163,349
Modeling	-	10,582,018	10,768,740	12,191,498	10,690,326	13,002,647	14,704,741	14,901,173	14,617,870	15,458,220
High speed rail	339,370	-	-	-	-	-	-	-	-	-
Aviation	267,597	-	-	-	-	-	-	-	-	-
Housing	3,222,728	-	-	-	-	-	-	-	-	-
Public Involvement	-	2,180,608	2,219,085	2,826,301	3,261,091	3,677,128	5,057,381	5,505,614	4,723,928	6,721,359
Sustainability Initiatives	7,521,696	8,642,100	5,820,909	6,266,299	16,301,434	23,223,681	28,940,936	21,927,982	23,918,544	54,014,682
Administration	3,871,454	8,147,226	12,243,851	5,899,158	5,293,557	3,114,015	6,253,182	9,351,464	8,715,559	5,412,612
Interest	-	-	-	-	-	-	-	1,171,019	1,208,109	1,190,423
Total expenses	43,115,690	49,509,206	50,382,807	50,599,920	59,429,118	67,888,831	78,505,450	77,351,518	89,651,693	144,361,127
Program revenues:										
Charges for services - member dues	1,939,700	1,986,186	2,053,962	2,112,970	1,861,517	2,193,246	2,342,293	2,457,984	2,742,095	2,840,320
Operating grants and contributions	39,672,312	42,253,899	40,579,290	49,907,967	55,993,555	68,210,165	75,153,697	84,905,508	88,678,474	146,698,375
Total program revenues	41,612,012	44,240,085	42,633,252	52,020,937	57,855,072	70,403,411	77,495,990	87,363,492	91,420,569	149,538,695
Net revenues (expenses)	(1,503,678)	(5,269,121)	(7,749,555)	1,421,017	(1,574,046)	2,514,580	(1,009,460)	10,011,974	1,768,876	5,177,568
General revenues:										
Interest income	114,318	142,388	271,058	122,252	74,632	210,718	136,375	1,349,476	3,274,391	2,793,515
Other income	380,230	392,095	380,145	10,000	7,500	340,575	393,971	426,000	538,910	548,910
Total general revenues	494,548	534,483	651,203	132,252	82,132	551,293	530,346	1,775,476	3,813,301	3,342,425
Changes in net position	$ (1,009,130)	$ (4,734,638)	$ (7,098,352)	$ 1,553,269	$ (1,491,914)	$ 3,065,873	$ (479,114)	$ 11,787,450	$ 5,582,177	$ 8,519,993

Southern California Association of Governments

Table 3 – Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General fund:										
Reserved	$ -	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	927,324	779,552	867,144	876,033	2,652,163	2,160,611	1,222,955	874,664	602,861	691,472
Unassigned	5,725,487	7,073,814	1,889,233	6,062,262	4,371,332	3,031,104	5,018,653	7,863,272	13,340,145	17,888,896
Total general fund	$ 6,652,811	7,853,366	2,756,377	6,938,295	7,023,495	5,191,715	6,241,608	8,737,936	13,943,006	18,580,368
All other governmental funds:										
Reserved	$ -	-	-	-	-	-	-	-	-	-
Unreserved, reported in:	-	-	-	-	-	-	-	-	-	-
Special revenue funds										
Restricted	9,306,432	9,327,440	10,829,017	11,084,386	8,609,460	9,391,854	13,721,185	18,001,869	21,429,437	24,493,015
Unassigned	-	-	-	-	-	-	(7,570,546)	(2,211,499)	(576,405)	(78,204)
Total all other governmental funds	$ 9,306,432	9,327,440	10,829,017	11,084,386	8,609,460	9,391,854	6,150,639	15,790,370	20,853,032	24,414,811

Southern California Association of Governments

Table 4 – Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

	Fiscal Year									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Revenues:										
Federal grants	$ 32,703,938	34,829,246	30,602,350	33,411,528	35,400,836	38,364,596	40,953,530	40,266,882	39,748,924	45,220,958
State grants and contracts	994,427	1,476,542	3,878,174	6,026,789	14,759,009	22,529,765	25,268,082	33,920,155	41,702,182	92,790,391
Local grants and contracts	5,973,947	5,948,111	6,095,766	6,407,071	5,833,710	7,315,804	8,739,186	9,073,679	9,028,544	8,668,296
Membership assessments	1,939,700	1,986,186	2,053,962	2,112,970	1,861,517	2,193,246	2,342,293	2,457,984	2,742,095	2,840,320
Recovery of disallowed grant costs	-	-	-	4,062,579	-	-	-		-	-
General Assembly	-	-	-	10,000	7,500	340,575	393,971	426,000	538,910	548,910
Interest and other	494,548	534,483	651,203	122,252	74,632	210,718	136,375	1,349,476	3,274,391	2,793,515
Total revenues	42,106,560	44,774,568	43,281,455	52,153,189	57,937,204	70,954,704	77,833,437	87,494,176	97,035,046	152,862,390
Expenditures:										
Current:										
Transportation	20,838,392	15,323,497	16,150,392	19,039,509	19,694,557	20,848,493	19,358,040	20,177,964	32,867,296	58,400,482
Environmental	7,054,453	5,164,861	3,179,830	4,377,155	4,188,153	4,022,867	4,191,170	4,316,302	3,600,387	3,163,349
Modeling	-	10,047,322	10,768,740	12,191,498	10,690,326	13,002,647	14,704,741	14,901,173	14,617,870	15,458,220
Public Involvement	-	2,184,200	2,219,085	2,826,301	3,261,091	3,677,128	5,057,381	5,505,614	4,723,928	6,721,359
Aviation	267,597	-	-	-	-	-	-	-	-	-
High speed rail	339,370	-	-	-	-	-	-	-	-	-
Housing	3,222,728	-	-	-	-	-	-	-	-	-
Sustainability Initiatives	7,521,696	8,642,100	5,820,909	6,266,299	16,301,434	23,223,681	28,940,936	21,927,982	23,918,544	54,014,682
Administration	2,138,062	2,322,029	3,325,282	2,581,252	4,418,946	4,815,657	1,787,353	3,120,325	2,463,407	2,776,398
Disallowed Grant Costs	-	-	4,832,192	-	-	-	-	-	-	-
Debt service:										
Principal	-	130,768	355,208	373,630	393,012	680,014	2,774,110	2,989,822	2,803,790	2,537,264
Interest	-	25,490	83,796	34,026	23,804	1,049,622	1,138,412	1,163,268	1,236,329	1,180,929
Capital outlay	12,127	1,656,202	141,433	26,232	1,355,607	1,026,796	6,479,871	3,753,082	2,171,861	3,975,995
Total expenditures	41,394,425	45,496,469	46,876,867	47,715,902	60,326,930	72,346,905	84,432,014	77,855,532	88,403,412	148,228,678
Excess (deficiency) of revenues over (under) expenditures	712,135	(721,901)	(3,595,412)	4,437,287	(2,389,726)	(1,392,201)	(6,598,577)	9,638,644	8,631,634	4,633,712
Other financing sources (uses)										
Transfers in	7,198	-	78,995	77,059	717,045	913,052	860,966	153,425	36,049	-
Transfers out	(7,198)	-	(78,995)	(77,059)	(717,045)	(913,052)	(860,966)	(153,425)	(36,049)	-
Proceeds from financing		1,943,484	-	-	-	-	-	-	-	-
Leases							440,665	223,191	72,937	280,751
Subscription							4,982,651	2,274,222	1,563,161	3,284,678
Total other financing sources (uses)	-	1,943,484	-	-	-	-	5,423,316	2,497,413	1,636,098	3,565,429
Net change in fund balances	$ 712,135	1,221,583	(3,595,412)	4,437,287	(2,389,726)	(1,392,201)	(1,175,261)	12,136,057	10,267,732	8,199,141
Total Debt Service Expenditures	$ -	156,258	439,004	407,656	416,816	1,729,636	3,912,522	4,153,090	4,040,119	3,718,193
Total Non-Capital Expenditures	$ 41,382,298	43,840,267	46,735,434	47,689,670	58,971,323	71,320,109	77,952,143	74,102,450	86,231,551	144,252,683
Ratio of Debt Service to Non-Capital	0.00%	0.36%	0.94%	0.85%	0.71%	2.43%	5.02%	5.60%	4.69%	2.58%

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

Fiscal Year	Indirect cost	Fringe benefits	Totals
2017	$ 12,586,074	$ 9,311,132	$ 21,897,206
2018	$ 15,165,346	$ 9,009,745	$ 24,175,091
2019	$ 12,365,958	$ 9,574,971	$ 21,940,929
2020	$ 15,618,533	$ 10,168,470	$ 25,787,003
2021	$ 18,992,533	$ 11,629,265	$ 30,621,798
2022	$ 22,752,642	$ 13,235,167	$ 35,987,809
2023	$ 27,277,796	$ 14,850,542	$ 42,128,338
2024	$ 28,043,045	$ 17,676,315	$ 45,719,360
2025	$ 29,501,889	$ 18,322,747	$ 47,824,636
2026	$ 33,353,271	$ 19,215,457	$ 52,568,728

Source: SCAG Finance Department.

Southern California Association of Governments

Table 6 – Member Dues

Last Ten Fiscal Years

	Cities & Indian Tribes			Counties			Commissions	
	No. of Members	Population	Annual Dues	No. of Members	Population	Annual Dues	No. of Members	Annual Dues
2017	189	16,476,665	$ 1,543,468	6	1,973,786	$ 297,899	5	$ 95,000
2018	189	16,686,338	$ 1,577,575	6	1,989,806	$ 300,111	6	$ 98,500
2019	189	16,836,783	$ 1,634,861	6	1,999,994	$ 307,523	6	$ 98,500
2020	189	16,904,173	$ 1,690,277	6	2,021,924	$ 315,132	6	$ 108,500
2021	185	16,911,782	$ 1,483,344	6	2,017,250	$ 280,673	7	$ 97,500
2022	186	16,294,244	$ 1,762,255	6	1,987,578	$ 322,491	7	$ 108,500
2023	191	16,741,660	$ 1,896,896	6	1,975,937	$ 336,897	7	$ 108,500
2024	198	16,594,324	$ 1,999,730	6	1,966,521	$ 349,754	7	$ 108,500
2025	200	16,484,613	$ 2,253,581	6	1,955,184	$ 380,014	7	$ 108,500
2026	199	16,624,629	$ 2,343,592	6	1,953,547	$ 388,228	7	$ 108,500

Southern California Association of Governments

Table 7 – Principal Members

Current Year and Five Years Ago

City/County	2026 Annual Dues	2026 Percent of Total Dues Assessment	2021 Annual Dues	2021 Percent of Total Dues Assessment
City of Los Angeles	$ 518,135	18%	$ 396,539	18%
County of Los Angeles	170,185	6%	137,427	6%
County of Riverside	79,688	3%	63,569	3%
County of San Bernardino	65,079	2%	55,591	3%
City of Long Beach	62,925	2%	47,226	2%
County of Orange	42,797	2%	37,634	2%
City of Anaheim	46,846	2%	35,908	2%
City of Santa Ana	42,867	2%	33,793	2%
City of Riverside	43,665	2%	32,852	2%
SBCTA (SANBAG)	25,000	1%	25,000	1%
RCTC	25,000	1%	25,000	1%
OCTA	25,000	1%	25,000	1%
City of Irvine	43,375	2%	28,166	1%
County of Ventura	22,344	1%	19,430	1%
City of Glendale	26,712	1%	20,933	1%
City of San Bernardino	31,449	1%	22,200	1%
City of Santa Clarita	31,976	1%	22,090	1%
	$ 1,303,043	48%	$ 1,028,358	48%

Total FY26 Dues	Total FY21 Dues
$ 2,840,320	$ 2,172,297

Southern California Association of Governments

Table 8 – Population by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	180,854	10,107,312	3,185,541	2,355,286	2,142,339	850,424	18,821,756
2018	181,374	10,107,841	3,192,479	2,375,547	2,153,258	850,604	18,861,103
2019	181,025	10,067,476	3,192,408	2,394,094	2,169,538	847,064	18,851,605
2020	180,036	10,029,036	3,188,326	2,412,908	2,179,505	844,339	18,834,150
2021	179,588	9,967,533	3,175,484	2,424,838	2,184,048	840,373	18,771,864
2022	180,176	9,861,671	3,158,984	2,433,868	2,182,080	832,320	18,649,099
2023	180,921	9,864,220	3,148,606	2,435,019	2,177,507	826,800	18,633,073
2024	184,694	9,882,296	3,169,815	2,477,373	2,201,878	828,442	18,744,498
2025	186,378	9,900,914	3,175,509	2,497,829	2,215,490	828,983	18,805,103
2026	185,961	9,837,286	3,163,696	2,506,824	2,216,685	824,306	18,734,758

Source: 2016-2020: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2020, with 2010 Census Benchmark. Sacramento, California, May 2021.

2021-2026: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2021-2026, with 2020 Census Benchmark. Sacramento, California, May 2026.

https://dof.ca.gov/forecasting/demographics/estimates/e-4-population-estimates-for-cities-counties-and-the-state-2021-2026-with-2020-census-benchmark/
https://dof.ca.gov/forecasting/demographics/estimates/e-4-population-estimates-for-cities-counties-and-the-state-2011-2020-with-2010-and-2020-census-benchmark/

Southern California Association of Governments

Table 9 – Number of Households by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	50,840	3,348,559	1,040,542	735,568	648,247	275,212	6,098,968
2018	51,193	3,368,378	1,051,799	744,613	655,120	276,001	6,147,104
2019	51,543	3,393,586	1,063,599	753,465	661,491	277,588	6,201,272
2020	51,955	3,417,523	1,072,109	761,851	666,456	279,544	6,249,438
2021	52,455	3,435,646	1,078,567	768,350	670,055	280,238	6,285,311
2022	53,294	3,455,776	1,084,890	776,928	675,529	281,313	6,327,730
2023	53,879	3,481,427	1,091,739	784,953	679,982	283,152	6,375,132
2024	54,172	3,508,515	1,098,376	793,084	684,871	284,157	6,423,175
2025	54,473	3,535,404	1,104,039	802,877	690,937	286,798	6,474,528
2026	54,901	3,550,624	1,109,903	812,842	697,421	288,443	6,514,134

Source: 2016-2020: State of California, Department of Finance, E-8 Population and Housing Estimates for Cities, Counties, and the State, April 1, 2010-April 1, 2020, with January Estimates (Released: May, 2025)
2021-2026: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2026, with 2020 Benchmark (Released: May, 2026)
https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2026/
https://dof.ca.gov/forecasting/demographics/estimates/estimates-e8-2010-2020/

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	64,900	4,455,000	1,621,300	718,400	750,900	328,700	7,939,200
2018	65,000	4,521,600	1,655,400	748,500	772,700	332,800	8,093,700
2019	65,500	4,566,900	1,677,200	766,500	801,000	336,800	8,211,300
2020	61,700	4,172,500	1,534,600	734,000	775,400	315,300	7,590,800
2021	63,700	4,309,700	1,589,800	773,200	815,700	323,100	7,871,900
2022	66,200	4,536,900	1,667,700	813,900	859,600	336,300	8,292,000
2023	67,000	4,553,200	1,679,200	829,300	864,500	338,400	8,343,100
2024	67,900	4,602,500	1,691,900	845,000	868,000	342,800	8,418,100
2025	68,500	4,596,900	1,690,300	855,900	874,500	342,900	8,429,000
2026	69,800	4,603,400	1,687,100	857,384	876,016	342,900	8,436,600

Source: Processed by SCAG Staff; CA EDD - March 2025 Benchmark

Employment by Industry Data

Historical Annual Average Data: 2016 - 2025 (Total, All Industries=Wage and Salary Employment)

2026 figures are estimated by calculating the average from January 2026 to June 2026

Employment by Industry Data (ca.gov)

Calendar year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	71,200	5,107,300	1,621,200	1,047,900	933,300	423,800	9,224,200
2018	70,400	5,127,100	1,628,300	1,066,600	948,100	422,400	9,275,300
2019	72,600	5,164,000	1,627,800	1,084,300	962,200	421,600	9,339,400
2020	69,700	4,972,600	1,574,300	1,100,800	972,600	410,400	9,105,600
2021	67,300	5,019,900	1,572,800	1,123,000	991,300	408,500	9,155,900
2022	68,300	5,036,800	1,596,300	1,144,000	1,001,600	413,300	9,219,900
2023	71,600	5,064,700	1,612,200	1,168,100	1,015,000	417,900	9,170,200
2024	73,400	5,106,400	1,627,500	1,187,800	1,027,000	423,600	9,445,700
2025	75,200	5,098,800	1,637,100	1,207,200	1,044,300	426,700	9,489,300
2026	73,800	5,044,900	1,607,200	1,188,900	1,027,900	419,300	9,362,000

Source: Processed by SCAG Staff; CA EDD - March 2025 Benchmark

Employment by Industry Data

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

2026 figures are estimated by calculating the average from January 2026 to June 2026

Employment by Industry Data (ca.gov)

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	14,200	243,900	57,000	56,200	46,800	19,200	430,400
2018	13,400	238,300	48,100	48,000	39,200	16,200	400,200
2019	15,300	231,700	45,800	46,200	37,400	15,400	485,200
2020	16,200	609,400	139,300	111,900	93,200	35,700	962,100
2021	12,100	450,100	93,700	83,200	74,100	25,300	690,100
2022	10,500	250,800	51,200	48,700	42,000	15,400	359,700
2023	12,600	256,500	56,100	55,500	46,900	17,400	420,400
2024	13,500	294,000	63,600	63,100	52,700	19,300	506,200
2025	14,200	288,200	67,800	67,000	56,200	20,600	514,000
2026	12,900	266,900	62,000	61,600	51,600	18,700	473,700

Source: Processed by SCAG Staff; CA EDD - March 2025 Benchmark

Employment by Industry Data

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

Historical Annual Average Data: 2016 - 2025

Employment by Industry Data (ca.gov)

Southern California Association of Governments

Table 13 – Largest Employer County in the SCAG Region

Current Year

Imperial

		Employees	Type of Business
1	Imperial County	2,300	County Government
2	Calexico Unified School District	1,800	Education
3	Imperial Irrigation District	1,700	Utilities / Water & Power
4	U.S. Boarder Patrol	1,500	Federal Government
5	El Centro Elementary School District	1,300	Hospital
6	Pioneers Memorial Hosp-Doctors	1,200	Hospital
7	Imperial Valley College	1,100	Education
8	Imperial Unified School District	900	Education
9	Central Union High School District	800	Education
10	El Centro Regional Medical Center	700	Healthcare

Riverside

		Employees	Type of Business
1	County of Riverside	26,972	Government Offices
2	Amazon	15,000+	E-Commerce
3	University of California, Riverside	9,680	Education
4	March Air Reserve Base	8,021	Military
5	State of California	7,786	Government
6	Walmart	5,712	Retail
7	Temecula Valley Unified School District	5,143	Education
8	Moreno Valley Unified School District	5,071	Education
9	WINCO Holdings Inc	4,791	Retail
10	Corona-Norco Unified School District	4,521	Education

Los Angeles

		Employees	Type of Business
1	County of Los Angeles	121,800	Government
2	Los Angeles Unified School District	97,200	Education
3	University of California, Los Angeles	75,000	Education
4	City of Los Angeles	61,000	Education
5	Federal Government - All Agencies Except Defense & State	44,900	Government
6	Kaiser Permanente	44,700	Hospital
7	State of California (non-education)	36,600	Government
8	University of Southern California	23,200	Education
9	Northrop Grumman Corp.	18,000	Aerospace
10	Cedar-Sinai Medical Center	16,700	Hospital

San Bernardino

		Employees	Type of Business
1	County Of San Bernardino	22,000	Government
2	Stater Bros. Markets	18,000	Retail
3	Loma Linda University	16,000	Education
4	Marine Corps Air Ground Combat Twentynine Palms	12,500	Military
5	Kaiser Medical Center	9,000	Hospital
6	Ontario International Airport	7,690	Airport
7	San Bernardino City Unified School District	5,915	Education
8	Loma Linda University Medical Center	5,419	Hospital
9	Yaamava' Resort & Casino at San Manuel	4,900	Hospitality and Entert
10	Arrowhead Regional Medical Center	4,600	Hospital

Orange

		Employees	Type of Business
1	Walt Disney Co	36,000	Hospitality and Entertainment
2	University of California, Irvine	34,085	Education
3	Providence Southern California	25,155	Hospital
4	County of Orange	18,811	Government
5	Kiaser Permanente	10,293	Hospital
6	Hoag Memorial Hospital Presbyterian	8,081	Hospital
7	Allied Universal	7,214	Security & Facility Service
8	Albertsons	7,152	Retail
9	MemorialCare	6,326	Hospital
10	CHOC Hospital	5,555	Hospital

Ventura

		Employees	Type of Business
1	Naval Base Ventura County	20,000	Government
2	County of Ventura	10,220	Government
3	Amgen Inc	5,500	Biomedical
4	Communtiy Memorial Health System	3,700	Healthcare
5	Baxter Healthcare	2,500	Healthcare
6	City of Oxnard	2,024	Government
7	Dignity Health - St. John's Regional Med. Cer	1,000	Hospitals
8	Kaiser Permanente Ventura	650	Hospitals
9	City of Simi Valley	550	Government
10	Ventura County Office of Education	470	Education

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

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	56,162	3,525,940	1,096,054	828,051	718,714	289,236	6,514,157
2018	56,321	3,545,232	1,107,488	833,360	723,431	289,907	6,555,739
2019	56,409	3,567,064	1,119,161	839,364	727,743	291,141	6,600,882
2020	56,541	3,588,534	1,127,961	846,694	731,080	292,870	6,643,680
2021	57,045	3,612,856	1,135,474	854,164	734,848	293,815	6,688,143
2022	57,917	3,635,237	1,142,380	863,784	740,893	295,008	6,735,200
2023	58,541	3,664,188	1,149,943	872,930	746,006	296,909	6,789,499
2024	58,851	3,696,405	1,157,564	882,389	751,646	298,063	6,844,918
2025	59,169	3,726,653	1,163,879	893,267	758,120	300,868	6,901,956
2026	59,626	3,742,631	1,170,029	904,277	764,801	302,619	6,943,983

Source: 2016-2020: State of California, Department of Finance, E-8 Population and Housing Estimates for Cities, Counties, and the State, April 1, 2010-April 1, 2020, with January Estimates (Released: May, 2025)

2021-2026: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties, and the State, January 2021-2026, with 2020 Benchmark (Released: May, 2026)

https://dof.ca.gov/forecasting/demographics/estimates/e-5-population-and-housing-estimates-for-cities-counties-and-the-state-2020-2026/
https://dof.ca.gov/forecasting/demographics/estimates/estimates-e8-2010-2020/

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	SCAG
2017	213,000	548,000	661,000	353,000	310,000	586,000	515,000
2018	224,000	611,000	713,000	385,000	347,000	616,000	567,000
2019	240,000	633,000	715,000	398,000	360,000	625,000	583,000
2020	257,000	668,000	748,000	419,000	381,000	649,000	614,000
2021	286,000	762,000	852,000	503,000	454,000	745,000	706,000
2022	314,000	851,000	1,003,000	596,000	529,000	839,000	804,000
2023	324,000	844,000	1,022,000	592,000	529,000	835,000	802,000
2024	345,000	889,000	1,131,000	621,000	556,000	884,000	854,000
2025	366,000	891,000	1,170,000	617,000	556,000	884,000	861,000
2026	385,000	891,000	1,186,000	612,000	554,000	882,000	863,000

Source: Zillow.com

Home values are calculated as the average of typical monthly home values within each year.

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

Values represent smoothed, seasonally adjusted measure of the typical home values for all homes in each county
https://www.zillow.com/research/data/

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	4,175	4,060	790	7,208	20,062	1,846	38,141
2018	4,175	4,060	790	7,208	20,062	1,846	38,141
2019	4,175	4,060	790	7,208	20,062	1,846	38,141
2020	4,175	4,060	790	7,208	20,062	1,846	38,141
2021	4,175	4,060	790	7,208	20,062	1,846	38,141
2022	4,175	4,060	790	7,208	20,062	1,846	38,141
2023	4,175	4,060	790	7,208	20,062	1,846	38,141
2024	4,175	4,060	790	7,208	20,062	1,846	38,141
2025	4,175	4,060	790	7,208	20,062	1,846	38,141
2026	4,175	4,060	790	7,208	20,062	1,846	38,141

Source: Census Bureau Tiger File

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

Southern California Association of Governments

Table 17 – Assessed Valuation by County in the SCAG Region

Last Ten Calendar Years

Calendar Year	Imperial	Los Angeles	Orange	Riverside	San Bernardino	Ventura	Total
2017	$ 12,689,982,548	1,354,458,674,851	528,711,072,636	253,658,272,351	200,564,761,328	123,951,233,364	2,474,033,997,078
2018	$ 12,984,173,804	1,435,385,941,470	561,278,774,948	266,916,802,097	214,878,403,179	129,987,341,366	2,621,431,436,864
2019	$ 13,487,316,919	1,529,882,494,903	596,783,437,256	283,283,510,304	227,946,672,512	135,744,679,058	2,787,128,110,952
2020	$ 14,082,427,356	1,625,539,871,274	631,217,121,996	299,975,470,887	242,999,360,073	142,161,273,077	2,955,975,524,663
2021	$ 14,527,965,087	1,724,138,383,369	661,208,217,028	317,602,508,036	257,234,231,864	148,066,044,105	3,122,777,349,489
2022	$ 14,863,672,953	1,785,802,727,838	686,918,002,858	335,093,594,273	273,276,547,602	153,520,315,095	3,249,474,860,619
2023	$ 15,695,312,653	1,911,287,084,413	731,577,233,989	367,359,529,950	299,123,203,552	164,713,506,015	3,489,755,870,572
2024	$ 16,666,896,072	2,024,462,522,168	777,118,343,030	402,886,475,536	327,964,550,681	174,392,513,969	3,723,491,301,456
2025	$ 17,658,537,766	2,122,888,574,633	818,456,047,134	430,792,530,508	351,536,283,645	182,060,708,716	3,923,392,682,402
2026	$ 19,003,695,172	2,206,799,494,360	860,079,659,364	457,853,068,733	372,491,617,978	190,193,511,925	4,106,421,047,532

Source: State of California – Controller's Office.

Note: Assessed Valuations Show Total State and County Assessed Valuation

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

Full-Time and Part-Time Employees as of June 30

Fiscal Year	Transpor-tation	Modeling	High Speed Rail	Aviation	Environ-mental	Housing	Public Involvement	Sustainability	Admini-stration	Total
2017	60	0	1	0	3	1	0	0	60	125
2018	44	15	0	1	1	0	15	7	46	129
2019	39	16	0	1	1	0	16	6	48	127
2020	41	16	0	1	1	2	19	9	58	147
2021	41	21	0	1	7	8	18	12	68	176
2022	39	24	0	0	6	13	18	11	80	191
2023	44	24	1	1	6	18	24	11	94	223
2024	43	23	1	1	6	22	23	7	90	216
2025	43	25	0	0	5	13	24	8	97	215
2026	44	27	0	0	5	23	24	6	95	224

Source: SCAG HR Department.

Employee classifications were changed in FY19 to better reflect the changing mix of SCAG's initiatives.

FY18 employees were restated to be comparable to FY19. Fiscal years before FY18 were not restated.

Southern California Association of Governments

Table 19 – Operating Indicators by Function

Last Ten Fiscal Years

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Transportation										
No. of projects undertaken	80	27	71	67	68	71	57	59	76	77
Grants & Contracts Revenue	$ 21,402,980	10,227,859	18,068,335	17,390,426	28,879,062	54,697,409	21,502,529	25,778,998	34,438,806	60,961,945
Environmental										
No. of projects undertaken	20	17	8	10	8	8	7	9	8	8
Grants & Contracts Revenue	$ 6,592,728	5,144,977	3,358,447	4,322,956	3,400,938	4,482,169	4,581,362	5,162,588	3,969,842	3,302,094
Modeling										
No. of projects undertaken		36	33	36	25	24	25	25	28	26
Grants & Contracts Revenue	$	12,546,320	11,872,339	12,503,509	12,374,774	14,146,188	17,797,702	17,822,808	16,117,887	16,136,222
High Speed Rail										
No. of projects undertaken	1									
Grants & Contracts Revenue	$ 339,370									
Aviation										
No. of projects undertaken	1									
Grants & Contracts Revenue	$ 267,597									
Public Involvement										
No. of projects undertaken		4	4	4	5	6	8	8	7	7
Grants & Contracts Revenue	$	2,600,060	2,445,350	2,894,305	3,988,245	4,062,811	5,584,152	6,585,086	5,208,675	7,016,160
Housing										
No. of projects undertaken	9	9								
Grants & Contracts Revenue	$ 3,187,930	2,032,313								
Sustainability Initiatives										
No. of projects undertaken	28	41	8	27	38	46	46	41	35	26
Grants & Contracts Revenue	$ 7,098,027	8,719,261	6,142,700	5,090,102	15,321,082	23,817,493	29,957,350	26,277,345	26,372,952	56,383,782
Total No. of projects undertaken		93	116	117	106	109	143	142	154	144
Grants & Contracts Revenue	$	32,551,529	35,744,471	37,111,196	48,643,019	77,388,577	79,423,095	81,626,825	86,108,162	143,800,203

Expenditure classifications were changed in FY19 to better reflect the changing mix in SCAG's initiatives.

FY18 expenditures were restated to be comparable to FY19. Fiscal years before FY18 were not restated.

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

Fiscal Year	Financing Agreements	Subscription Liability	Lease Liability	Tenant Improvement Allowance	Total Outstanding Debt	Program Revenues	Ratio of Debt to Revenues
2017				$ 54,406	$ 54,406	$ 41,612,012	0.1%
2018*	$ 1,812,696			$ 4,682,709	$ 6,495,405	$ 44,240,085	14.7%
2019	$ 1,457,488			$ 4,371,379	$ 5,828,867	$ 42,630,252	13.7%
2020	$ 1,083,858			$ 4,062,393	$ 5,146,251	$ 52,020,937	9.9%
2021	$ 690,846		$ 28,027,328	$ -	$ 28,718,174	$ 57,855,072	49.6%
2022	$ 277,446	$ 565,353	$ 27,760,714	$ -	$ 28,603,513	$ 70,403,411	40.6%
2023	$ -	$ 3,359,515	$ 27,893,204	$ -	$ 31,252,719	$ 77,495,990	40.3%
2024	$ -	$ 3,072,969	$ 27,687,341	$ -	$ 30,760,310	$ 87,363,492	35.2%
2025	$ -	$ 2,367,078	$ 27,225,540	$ -	$ 29,592,618	$ 91,420,569	32.4%
2026	$ -	$ 3,724,176	$ 26,896,608	$ -	$ 30,620,784	$ 146,698,375	20.9%

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southern California Association of Governments (SCAG), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise SCAG's basic financial statements, and have issued our report thereon dated November 20, 2026.

Report on Internal Control over Financial Reporting

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

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

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

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Report on Compliance and Other Matters

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

Purpose of this Report

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

Eide Bailly LLP

Ontario, California
November 20, 2026



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www.scag.ca.gov

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