

SOUTHERN CALIFORNIA



**ASSOCIATION of  
GOVERNMENTS**

**Main Office**

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**Officers**

President

Carl Morehouse, San Buenaventura

First Vice President

Cheryl Viegas-Walker, El Centro

Second Vice President

Michele Martinez, Santa Ana

Immediate Past President

Greg Pettis, Cathedral City

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Committee Chair**

Carl Morehouse, San Buenaventura

**Policy Committee Chairs**

Community, Economic and

Human Development

Margaret Finlay, Duarte

Energy & Environment

Deborah Robertson, Rialto

Transportation

Alan Wapner, San Bernardino

Associated Governments

## MEETING OF THE

# AUDIT COMMITTEE

**Monday, November 24, 2014**

**10:00 a.m. – 11:30 a.m.**

## SCAG Offices

**818 W. 7<sup>th</sup> Street, 12<sup>th</sup> Floor**

**Policy Committee Rm. A**

**Los Angeles, CA 90017**

**(213) 236-1800**

## Teleconference and Videoconference will be available

(Location information is included in packet)

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Carmen Summers at (213) 236-1984 or via email [summers@scag.ca.gov](mailto:summers@scag.ca.gov).

Agendas & Minutes for the Audit Committee are also available at:

[www.scag.ca.gov/committees.htm](http://www.scag.ca.gov/committees.htm)

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 236-1993. We request at least 72 hours (three days) notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

***Audit Committee Membership  
November 24, 2014***

**Members**

1. Hon. Michele Martinez, Santa Ana, (**Chair**)
2. Hon. Carl Morehouse, San Buenaventura
3. Hon. Cheryl Viegas-Walker, El Centro
4. Hon. Greg Pettis, Cathedral City
5. Hon. Glen Becerra, Simi Valley
6. Hon. Margaret Finlay, Duarte, (**Vice-Chair**)
7. Hon. Leroy Mills, Cypress
8. Hon. Edward H. J. Wilson, Signal Hill

**Representing**

**District 16, SCAG, 2<sup>nd</sup> Vice-President**  
**District 47, SCAG, President**  
**District 1, SCAG, 1<sup>st</sup> Vice-President**  
**District 2, SCAG, Imm. Past President**  
**District 46,**  
**District 35**  
**District 18**  
**Gateway Cities COG**

## **Teleconference Locations-Revised\*\*\***

Hon. Greg Pettis  
City Hall  
68700 Avenida Lalo Guerrero  
Cathedral City, CA 92234

Hon. Ed Wilson, CPA (Inactive)  
Mayor Signal Hill  
City Hall  
2175 Cherry Ave.  
Signal Hill, CA 90755

Hon. Glen Becerra\*\*\*  
3732 Elkhorn Ct.  
Simi Valley, CA 93063

## **Videoconference Locations**

Imperial County SCAG Office  
1405 North Imperial Avenue  
Suite 1  
El Centro, CA 92243

Hon. Cheryl Viegas-Walker

Orange County SCAG Office  
600 South Main, Suite 906  
Orange, CA 92863

Hon. Michele Martinez, Chair  
Hon. Leroy Mills

Ventura County SCAG Office  
950 County Square Drive  
Suite 101  
Ventura, CA 93003

Hon. Carl Morehouse

# AUDIT COMMITTEE AGENDA NOVEMBER 24, 2014

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**TIME      PG#**

*The Audit Committee may consider and act upon any of the items listed on the agenda regardless of whether they are listed as information or action items.*

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

*(Hon. Michele Martinez, Chair)*

**PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Audit Committee must fill out and present a speaker’s card to the Assistant prior to speaking. Comments will be limited to three (3) minutes per speaker provided that the Chair has the discretion to reduce this time limit based on the number of speakers. The Chair may limit the total time for all public comments to twenty (20) minutes.

**REVIEW and PRIORITIZE AGENDA ITEMS**

**CONSENT CALENDAR**

**Approval Items**

- |  |            |  |   |
|--|------------|--|---|
| 1. <u>Minutes of the June 10, 2014 Meeting</u> | Attachment |  | 1 |
|--|------------|--|---|

**INFORMATION ITEMS**

- |  |            |        |    |
|--|------------|--------|----|
| 2. <u>FY 2013-14 Preliminary Audit Report</u><br><i>(Basil Panas, Chief Financial Officer)</i>       | Attachment | 30 min | 5  |
| 3. <u>Procurement-Related Findings Follow-up Report</u><br><i>(Leyton Morgan, Contracts Manager)</i> | Attachment | 10 min | 41 |
| 4. <u>Internal Audit Status Report</u><br><i>(Richard Howard, Internal Auditor)</i>                  | Attachment | 10 min | 43 |
| 5. <u>Internal Control Framework</u><br><i>(Richard Howard, Internal Auditor)</i>                    | Attachment | 10 min | 45 |
| 6. <u>Financial Transparency Update Report</u><br><i>(Basil Panas, Chief Financial Officer)</i>      | Attachment | 10 min | 51 |

**AUDIT COMMITTEE  
AGENDA  
NOVEMBER 24, 2014**

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*TIME PG#*

**STAFF REPORT**

Business Resumption Activities Update  
*(Catherine Kirschbaum, Chief Information Officer)*

**FUTURE AGENDA ITEMS**

Any member or staff desiring to place items on a future agenda may make such a request.

**ANNOUNCEMENTS**

**ADJOURNMENT**

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Audit Committee  
of the  
Southern California Association of Governments

June 10, 2014

*Minutes*

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**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE AUDIT COMMITTEE. AN AUDIO OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The Audit Committee held its meeting at the SCAG offices in downtown Los Angeles.

**Members Present**

**Representing**

Hon. Michele Martinez, (**Chair**)

District 16, SCAG 2<sup>nd</sup> Vice-President  
(Via Videoconference)

Hon. Cheryl Viegas-Walker, El Centro

District 1, SCAG 1<sup>st</sup> Vice-President  
(Via Videoconference)

Hon. Greg Pettis, Cathedral City

District 2, SCAG Imm. Past President  
(Via Teleconference)

Hon. Edward H. J. Wilson, Signal Hill

Gateway Cities COG  
(Via Teleconference)

Hon. Margaret Finlay, Duarte, (**Vice Chair**)

District 35

Hon. Leroy Mills, Cypress

District 18 (Via Videoconference)

**Members Not Present**

Hon. Carl Morehouse, San Buenaventura

District 47, SCAG President

Hon. Glen Becerra, Simi Valley

District 46

**CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Hon. Michele Martinez, Chair, called the meeting to order at 10:01 a.m.

**ROLL CALL**

A roll call was taken at 10:01 a.m. It was determined that a quorum was present.

**PUBLIC COMMENT PERIOD**

None.

**REVIEW and PRIORITIZE AGENDA ITEMS**

None.

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Audit Committee  
of the  
Southern California Association of Governments

June 10, 2014

*Minutes*

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**SELECTION OF VICE-CHAIR**

It was a consensus that the selection of the Vice-Chair be delayed to allow time for more members to join the meeting. The Committee returned to this item after the approval of the Consent Calendar.

**CONSENT CALENDAR**

**Approval Items**

1. Minutes of March 11, 2014

A MOTION was made (Viegas-Walker) and SECONDED (Mills) to approve the Consent Calendar Approval Items. The motion was passed by the following vote:

AYES: Martinez, Viegas-Walker, Mills, and Wilson  
NOES: None  
ABSTAIN: None

**SELECTION OF VICE-CHAIR**

A MOTION was made (Mills) and SECONDED (Viegas-Walker) to select Hon. Margaret Finlay, City of Duarte, as the Vice-Chair. The motion was passed by the following vote:

AYES: Martinez, Viegas-Walker, Pettis, Finlay, Mills, Wilson  
NOES: None  
ABSTAIN: None

**ACTION ITEMS**

2. FY 2013-14 External Financial Audit Workplan

SCAG's outside independent auditors, Ms. Peggy McBride, Principal, and Ms. Linda Narciso, Manager, Vasquez & Company, LLC, provided an overview of the Planned Audit Procedures for fiscal year ending June 30, 2014. The presentation included the following audit scope:

- Internal Control Evaluation and Testing
- Risk assessment and Review of Form 700 (Statement of Economic Interests)
- Substantive Testing of Financial Audit Statements
- Reporting on Internal Controls over Financial Reporting, Compliance and Procurement

Ms. McBride identified the client service team that would be conducting the external audit as well as the audit table, and reported that the preliminary audit report will be presented at the October 2014 Audit Committee meeting.

Ms. McBride and Ms. Narciso responded to the comments and questions expressed by the Committee members, including questions pertaining to the audit of SCAG contractors, which Ms.

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Audit Committee  
of the  
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June 10, 2014

*Minutes*

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Linda Narciso noted that some testing is performed as part of the Single Audit that relates to the subrecipient monitoring. The result of that testing will be presented at the next Audit Committee meeting.

In response to questions by Hon. Michele Martinez, Chair and Hon. Viegas-Walker, Clerk of the Board Lillian Harris-Neal discussed the Statement of Economic Interests (Form 700) collection process.

A MOTION was made (Wilson) and SECONDED (Viegas-Walker) to approve the FY 2013-14 External Financial Audit Workplan. The motion was passed by the following vote:

AYES:            Martinez, Viegas-Walker, Pettis, Finlay, Mills, Wilson  
NOES:            None  
ABSTAIN:        None

**INFORMATION ITEMS**

3.     Financial Transparency Report

Darin Chidsey, Director, Policy, Strategy & Legislation, provided a brief update and review of staff's recommendation for enhancing SCAG's financial transparency online without using external vendors.

Mr. Chidsey reviewed the SCAG Budget & Finances web page mockup which included sample information about the current budget with links to charts and tables showing anticipated revenues and expenditures.

Discussion ensued and concluded with direction from the Committee members for staff to implement and launch a "Budgets & Finances" web page on the SCAG website that would include direct links that show specific detailed information and include two additional tabs regarding "Compensation" and "Conflict of Interest."

4.     Internal Audit Status Report

Richard Howard, Internal Auditor, discussed highlights of the internal audit report and provided an update on the following:

- Four (4) pre-award contract audits that were completed since the last Audit Committee meeting on March 11, 2014; and
- Status report of the Project Management audit that began in February 2014.

There were no additional discussions or comments made on this item.

**FUTURE AGENDA ITEMS**

There were no future agenda items requested.



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Audit Committee  
of the  
Southern California Association of Governments

June 10, 2014

*Minutes*

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**STAFF REPORT**

In response to Leyton Morgan' report, Hon. Cheryl Viegas-Walker, noted, that because only four (4) out of the 16 firms who initially downloaded the RFP (i.e., indicating interest in it) actually submitted, she requested that staff provide details of an inquiry with the 12 firms that did not submit, to ensure that the RFP process was open, fair and transparent.

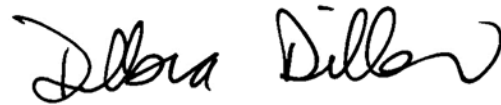
Ms. Catherine Kirschbaum, Chief Information Officer, provided a brief update of SCAG's Business Resumption Activities.

SCAG staff responded to the comments and questions expressed by the Committee members.

**ADJOURNMENT**

*Hon. Michele Martinez, Chair, adjourned the meeting at 11:18 a.m. The next regular meeting of the Audit Committee will be held on Tuesday, October 14, 2014 at the SCAG Los Angeles office.*

**Minutes Approved by:**



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Debbie Dillon, Deputy Director,  
Administration, Staff to the Audit Committee

# REPORT

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**DATE:** November 24, 2014  
**TO:** Audit Committee  
**FROM:** Basil Panas, Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov  
**SUBJECT:** FY 2013-14 Preliminary External Financial Audit Report

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**RECOMMENDED ACTION:**  
For Information Only – No Action Required.

**EXECUTIVE SUMMARY:**  
*SCAG’s external independent auditor will present the preliminary FY 2013-14 audit report.*

**STRATEGIC PLAN:**  
This item supports SCAG’s Strategic Plan Goal 3: Enhance the Agency’s Long-Term Financial Stability and Fiscal Management.

**BACKGROUND:**  
SCAG’s external independent auditors, Vasquez and Company, have completed their audit of SCAG’s FY 2013-14 financial statements. They will present their preliminary audit report to the Committee.

**FISCAL IMPACT:**  
None

**ATTACHMENT:**  
FY 2013-14 Preliminary External Financial Audit Report

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**SOUTHERN CALIFORNIA  
ASSOCIATION of GOVERNMENTS**



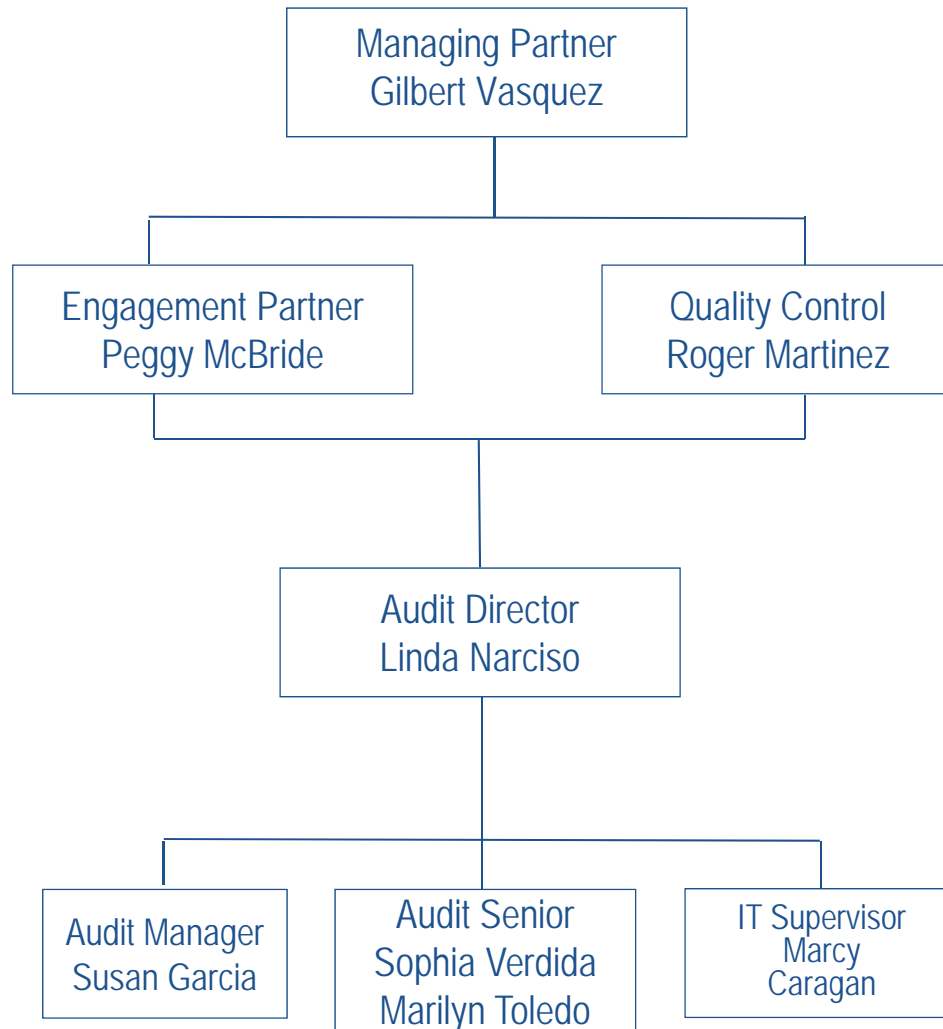
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Members AICPA Division of Firms ♦ Center for Public Company Audit Firms ♦ Registered with Public Company Accounting Oversight Board  
801 S. Grand Avenue, Suite 400, Los Angeles, CA 90017-4646 ♦ Member of the Government Finance Officers Association  
♦ (213) 873-1700 ♦ Fax (213) 996-4242 ♦ [www.vasquezcpa.com](http://www.vasquezcpa.com)  
Contact: Mr. Gilbert Vasquez, CPA ♦ Dated: November 24, 2014

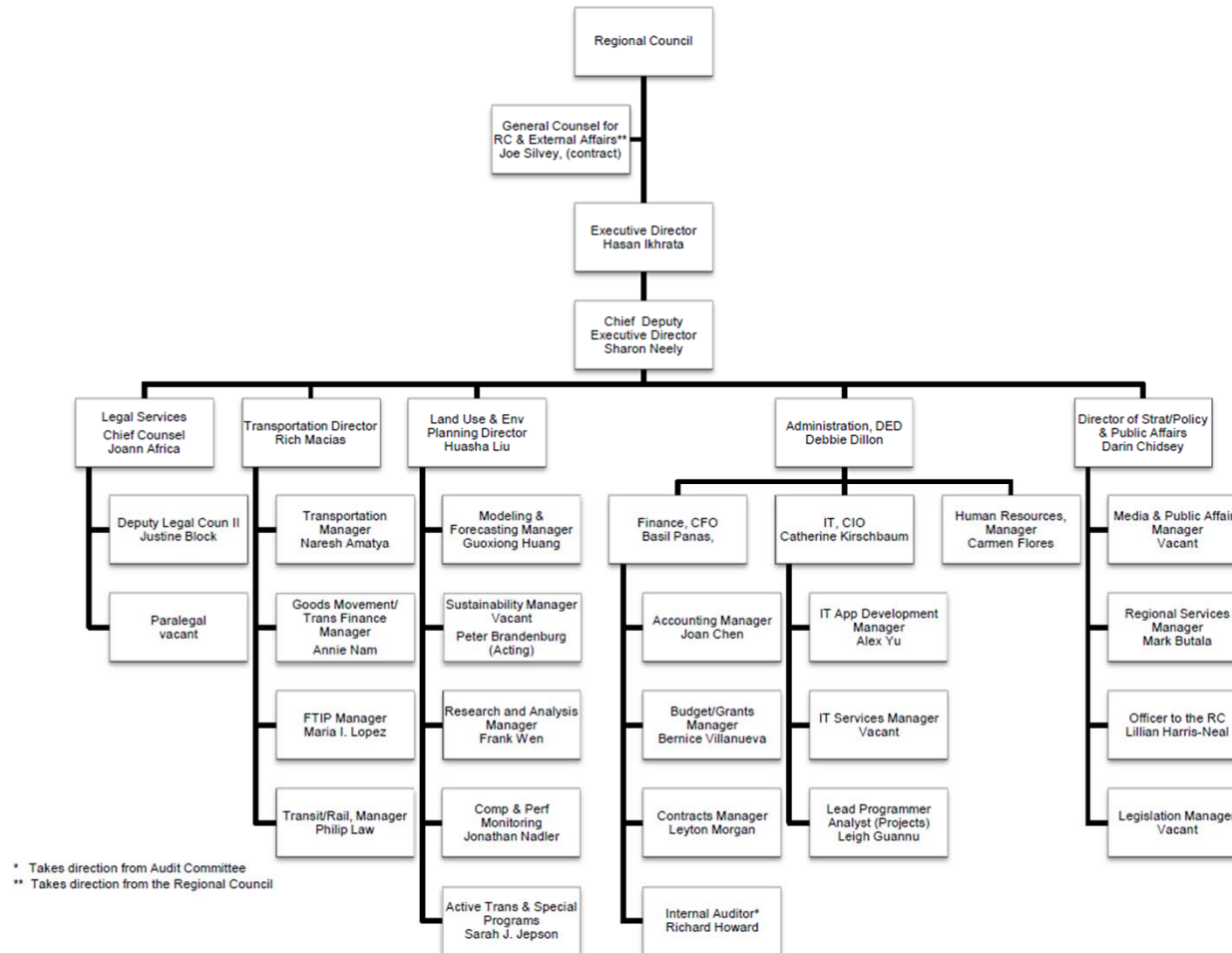
## AGENDA

- The Audit Team
- Key SCAG Personnel - Acknowledgements
- Audit Timeline
- Summary of Audit Results
  - Financial Audit
  - Single Audit
  - SAS 114 Communication
- For the Future

# AUDIT TEAM



# KEY SCAG PERSONNEL - ACKNOWLEDGEMENTS

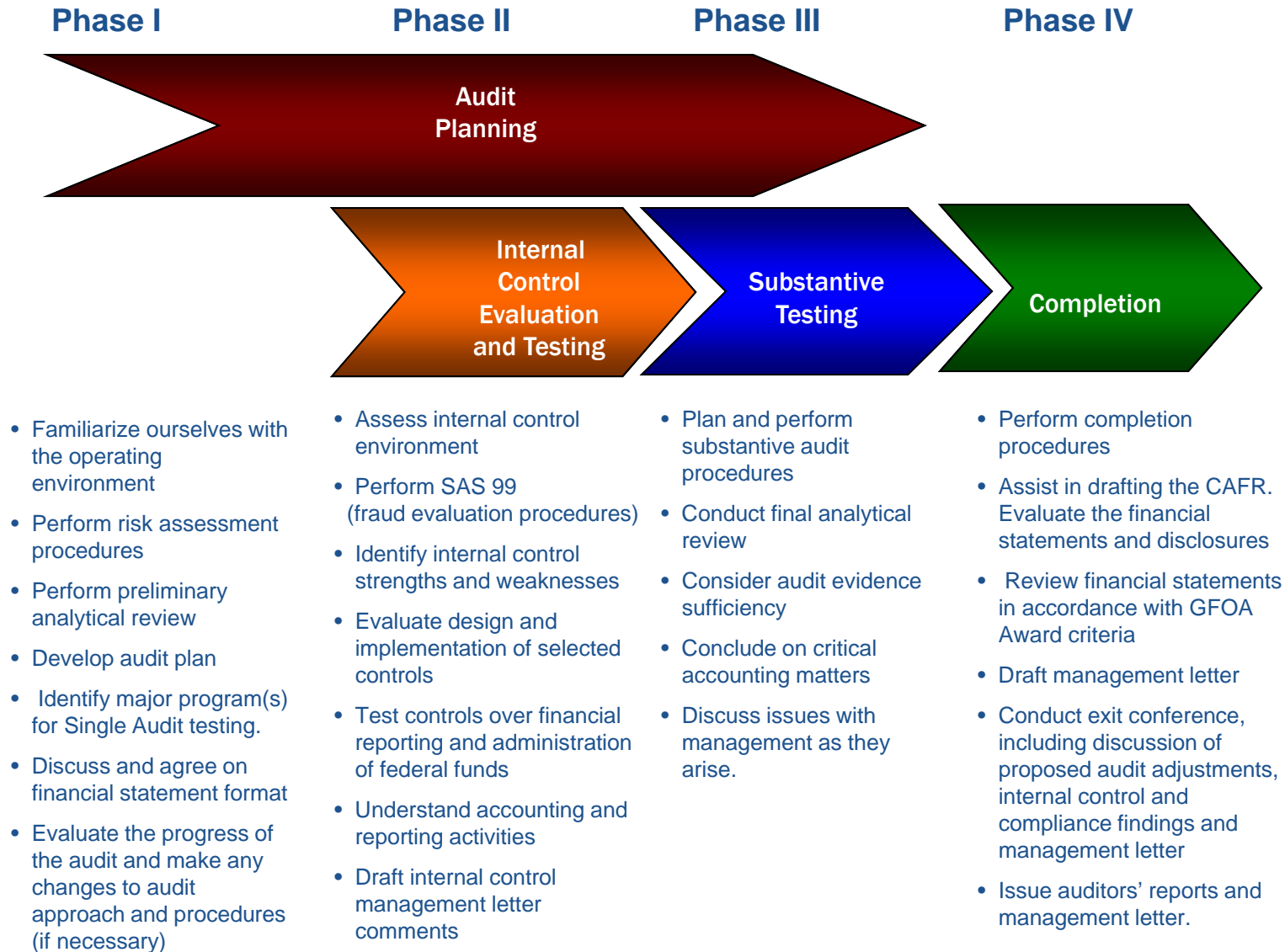


All personnel were receptive to our inquiries, helpful and professional throughout the audit process.

## AUDIT TIMELINE

Description	Responsibility	Scheduled Date
Entrance Meeting (presentation of the audit plan to the Audit Committee)	V&Co	June 10, 2014
Entrance meeting with Finance - Interim Work	V&Co/SCAG	June 2, 2014
Interim Work	V&Co	June 2 to June 13, 2014
Entrance conference - Year End	V&Co/SCAG	September 22, 2014
Year End Fieldwork	V&Co	September 22 to November 5, 2014
Exit meeting	V&Co/SCAG	November 17, 2014
Presentation to the Audit Committee	V&Co	November 24, 2014
<b>Final report</b>	V&Co	December 2014





## Summary of Audit Results

## REPORT OF INDEPENDENT AUDITORS

- Unmodified Opinion - “Clean” Opinion on SCAG’s financial statements
  - Audit performed in accordance with Generally Accepted Government Auditing Standards
  - The financial statements fairly present, in all material respects:
    - The financial position
    - The changes in financial position

## AUDIT AREAS OF EMPHASIS

<b>Audit Focus Area</b>	<b>Findings or Adjustments</b>
Cash and cash equivalents	None noted.
Revenue, accounts receivable and deferred revenue	None noted.
Expenditures and accounts payable	None noted.
Capital assets	None noted.
Adjusting journal entries	We noted no material adjustments during the FY13/14 audit.
Budgetary compliance	No instances of noncompliance noted.

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Procurement	<ul style="list-style-type: none"> <li>▪ As part of our procurement testing, we selected 9 out of the 45 contracts entered during the year and performed the following:               <ol style="list-style-type: none"> <li>1. Ensured that the RFP/RFQ was prepared and properly authorized.</li> <li>2. Ensured that the entire Proposal Review Committee signed the non-disclosure/conflict of interest form.</li> <li>3. Reviewed the Proposal Evaluation Form and Consultant Selection Form/Memo to ensure that the selection process was properly documented.</li> <li>4. Reviewed the executed contract to ensure that it was signed by the authorized representative of SCAG.</li> </ol> </li> </ul>	

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Procurement (continued)	<ol style="list-style-type: none"> <li>5. For contracts \$201k and above, we reviewed the minutes of the Regional Council (RC) to ensure that contracts were approved by the RC. For contracts below \$200k, we ensured that a Regional Council report/memo was prepared and submitted to the RC.</li> <li>6. Ensured that the contractor provided proof of insurance and Debarment and Suspension Certification. We independently verified that the vendors were not suspended or debarred parties.</li> <li>7. Determined whether a Purchase Order or Notice to Proceed was issued.</li> </ol>	No exception noted.

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Revenue and Cash receipts	<p>We selected 11 monthly request for reimbursements (invoices) SCAG had for FY13-14 and performed the following:</p> <ol style="list-style-type: none"> <li>1. Reviewed invoices and agreed amount billed to supporting detailed or summary report.</li> <li>2. Determined that the invoices were properly approved.</li> <li>3. Traced amount billed to the general ledger to determine whether the revenues were accurately recorded to the project code/account, amount and period.</li> <li>4. Determined cash collections were properly recorded in the check deposit log and copies of the check and remittance data are made, stamped and retained as documentation of cash received.</li> </ol>	

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Revenue and Cash receipts (continued)	<ol style="list-style-type: none"> <li>5. Agreed amount received to the bank deposit slip or bank statement and checked whether the cash receipts were deposited promptly and intact.</li> <li>6. Traced the cash receipts to the general ledger to determine that the cash receipts were accurately recorded.</li> <li>7. Checked whether the accounts receivable ledger reconciled to the general ledger.</li> </ol>	No exceptions noted.



## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Cash disbursements	<p>We selected 15 expenditures SCAG had for FY13-14 and performed the following:</p> <ol style="list-style-type: none"> <li>1. Verified that the supporting documentations were reviewed and properly approved.</li> <li>2. Traced the disbursements to the general ledger to determine whether the expenditures were accurately recorded to the project code/account, amount and period.</li> <li>3. Reviewed the check signatories for compliance with SCAG's policy.</li> <li>4. Ascertained that the amounts paid were net of applicable credits, discounts, or refunds.</li> </ol>	No exceptions noted.

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Payroll	<p>We selected 20 employees and performed the following:</p> <ol style="list-style-type: none"> <li>1. Verified that the payroll transactions were properly supported by time records reviewed and approved by their supervisors.</li> <li>2. Traced the hourly rates to the approved Personnel Action Form.</li> <li>3. Obtained and reviewed the reconciliation of payroll earnings reports against the general ledger.</li> <li>4. Obtained and reviewed the actual vs. budget report and checked whether labor cost exceeded the budget.</li> <li>5. Traced the payroll to the general ledger and verified that the payroll was properly distributed, recorded and charged to the correct project/fund code.</li> </ol>	No exceptions noted.

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Subrecipient Monitoring	<p>We selected 2 out of the 8 subrecipients that SCAG had for FY13-14 and performed the following:</p> <ol style="list-style-type: none"> <li>1. Reviewed copy of the contract and verified if contract specified the source of funding including the CFDA title and CFDA number.</li> <li>2. Haphazardly selected subrecipient's invoices and verified whether invoices were a) reviewed and approved; and b) adequately supported by sub-contractor's invoices and timesheets, as applicable. We also reviewed supporting documents that showed evidence of project monitoring.</li> <li>3. Obtained proof of review by the CFO of the subrecipient's financial reports.</li> </ol>	No exceptions noted.

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
IT System Review	Reviewed selected control features of SCAG's IT System and performed test of design and implementation.	<p>Disaster Recovery Plan is not formalized and recovery test has not been performed on the critical financial accounting system.</p> <p>Password requirements defined in the network account are weak. Other than the password expiry interval of 42 days, no other complexity or history requirements are defined.</p> <p>We were informed that the above observations have already been presented to SCAG's Steering Committee and are being addressed by management.</p>

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Fraud Considerations	<p>1. We inquired with selected members of the Audit Committee (Chairperson), management, and staff regarding the following:</p> <ul style="list-style-type: none"> <li>• Their knowledge of any actual fraud or suspicions of fraud.</li> <li>• Their awareness of any allegations of fraud or suspected fraud.</li> <li>• How and to what extent they assess the risk that the financial statements might be materially misstated due to fraud and the controls in place to prevent and detect it.</li> <li>• How management communicates to employees the importance of ethical behavior and appropriate business practices.</li> </ul>	

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
<p>Fraud Considerations (continued)</p>	<ul style="list-style-type: none"> <li>• The processes (programs and controls) for identifying, responding to, and monitoring fraud risks, including any:               <ol style="list-style-type: none"> <li>a. Specific fraud risks they have identified or that have been brought to their attention.</li> <li>b. Classes of transactions, account balances, or disclosures for which a fraud risk is likely to exist.</li> </ol> </li> </ul>	<p>Overall, there is a perception from those interviewed that SCAG has a strong control environment and has policies and procedures in place that would deter, prevent, and detect fraud.</p> <p>Employees are aware of the existence of the fraud hotline or they can report to the Internal Auditor or management should they become aware of fraud; employees stated that management is receptive to reports of misconducts, including fraud.</p>

## AUDIT AREAS OF EMPHASIS

Area	Procedures Performed	Findings
Fraud Considerations (continued)	<ol style="list-style-type: none"> <li data-bbox="779 561 1461 865">2. Reviewed the Form 700 (Statements of Economic Interests) of selected 4 Regional Council members and 5 key management. Ensured that the forms were filed on time and checked existence of economic interest with SCAG contractors.</li> <li data-bbox="779 938 1461 1149">3. Obtained confirmation from selected management (Executive Director, CFO and Contracts Manager) to test the existence of related party transactions.</li> </ol>	<p data-bbox="1495 561 1873 773">Form 700s were filed timely and no economic interests with SCAG contractors were noted.</p> <p data-bbox="1495 954 1873 1076">No such transactions were reported or identified.</p>

## IDEA (DATA ANALYSIS SOFTWARE)

Area	Procedures Performed	Findings
General Ledger Tests	<ul style="list-style-type: none"> <li>▪ Generated reports listing duplicate journal entries, and journal entries posted on weekends and with rounded amounts.</li> <li>▪ Reviewed resulting exception reports and investigated material amounts.</li> </ul>	None noted.



## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE

- ❑ **Unmodified Opinion - “Clean” Opinion**
  - **Audit performed in accordance with Generally Accepted Government Auditing Standards**
  - **Material weakness and significant deficiencies – none noted**
  - **Noncompliance material to the financial statements – none noted**

## SINGLE AUDIT

### MAJOR PROGRAMS:

- CFDA No. 20.205      Federal Highway Administration (Federal Expenditures \$18.9 Million)
- Highway Planning and Construction
  - Partnership Planning
  - FHWA Value Pricing
- CFDA No. 81.086      American Recovery and Reinvestment Act – ARRA (Federal Expenditures \$135,000)
- ARRA – UPS Ontario – Las Vegas LNG Corridor Expansion
  - ARRA – Heavy Duty Natural Gas Drayage Truck
  - ARRA – California Statewide Fleets and Workplace Alternative Fuels Project
  - ARRA – Clean Cities Coalition Programmatic Support

Tested 71% of total Federal expenditures.

## SINGLE AUDIT (CONTINUED)

### **Report of Internal Control Over SCAG's Major Program**

- Material weakness and significant deficiencies – none noted
- Audit findings identified that are required to be reported in accordance with Section 510(a) of OMB A-133 – none

**Type of Auditors' Report Issued on Compliance for SCAG's major program - unmodified**

# Financial Statements

Statements of Net Position

	June 30		Variance	
	2014	2013	Amount	Percent
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,876,162	\$ 6,101,553	\$ 4,774,609	78%
Receivables:				
Federal grants	7,178,370	7,299,063	(120,693)	-2%
State grants and contracts	406,331	452,602	(46,271)	-10%
Local grants and contracts	338,157	618,013	(279,856)	-45%
Other	122,154	553,155	(431,001)	-78%
Prepaid assets	652,453	262,658	389,795	148%
Other assets	12,843	13,646	(803)	-6%
Capital assets, net	2,766,741	1,954,455	812,286	42%
Total assets	<b>22,353,211</b>	17,255,145	5,098,066	30%
<b>LIABILITIES</b>				
Accounts and contracts payable	3,616,749	2,931,234	685,515	23%
Accrued liabilities	559,969	1,180,729	(620,760)	-53%
Indirect cost recovery	1,646,051	906,676	739,375	82%
Unearned revenues and advances	751,791	917,952	(166,161)	-18%
Noncurrent liabilities:				
Due within one year	773,389	618,394	154,995	25%
Due in more than one year	1,167,350	1,131,625	35,725	3%
Total liabilities	<b>8,515,299</b>	7,686,610	828,689	11%
<b>NET POSITION</b>				
Net investment in capital assets	2,766,741	1,954,455	812,286	42%
Restricted	8,195,221	4,408,177	3,787,044	86%
Unrestricted	2,875,950	3,205,903	(329,953)	-10%
Total net position	<b>\$ 13,837,912</b>	\$ 9,568,535	\$ 4,269,377	45%

For Internal Use Only

Statements of Activities

	<u>Years ended June 30</u>		<u>Variance</u>	
	<u>2014</u>	<u>2013</u>	<u>Amount</u>	<u>Percent</u>
<b>REVENUES:</b>				
Charges for services - member dues	\$ 1,834,522	\$ 1,779,184	\$ 55,338	3%
Operating grants and contributions	32,833,285	33,510,829	(677,544)	-2%
Interest income	53,149	28,479	24,670	87%
Other income	378,659	278,235	100,424	36%
Total revenues	<u>35,099,615</u>	<u>35,596,727</u>	<u>(497,112)</u>	<u>-1%</u>
<b>EXPENSES:</b>				
Transportation	23,153,109	24,518,174	(1,365,065)	-6%
Aviation	303,773	357,539	(53,766)	-15%
Environmental	1,403,147	320,850	1,082,297	337%
High speed rail	305,054	196,200	108,854	55%
Housing	1,505,232	1,993,419	(488,187)	-24%
Sustainability initiatives	2,173,803	5,473,095	(3,299,292)	-60%
Administration	1,986,120	1,560,377	425,743	27%
Total expenses	<u>30,830,238</u>	<u>34,419,654</u>	<u>(3,589,416)</u>	<u>-10%</u>
Changes in net assets	4,269,377	1,177,073	3,092,304	263%
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u>9,568,535</u>	<u>8,391,462</u>	<u>1,177,073</u>	<u>14%</u>
<b>NET POSITION AT END OF YEAR</b>	<u>\$ 13,837,912</u>	<u>\$ 9,568,535</u>	<u>\$ 4,269,377</u>	<u>45%</u>

## GOVERNMENTAL FUNDS – GENERAL FUND

### Balance Sheets

	June 30		Variance	
	2014	2013	Amount	Percent
<b>ASSETS</b>				
Cash and cash equivalents	\$ 10,876,162	\$ 6,101,553	\$ 4,774,609	78%
Other receivables	122,154	553,155	(431,001)	-78%
Due from other funds	-	1,007,354	(1,007,354)	-100%
Prepaid assets	652,453	262,658	389,795	148%
Other assets	12,843	13,646	(803)	-6%
Total assets	\$ <u>11,663,612</u>	\$ <u>7,938,366</u>	\$ <u>3,725,246</u>	<u>47%</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts and contracts payable	\$ 811,196	\$ 601,575	\$ 209,621	35%
Accrued liabilities	559,969	1,180,729	(620,760)	-53%
Indirect cost recovery	1,646,051	906,676	739,375	82%
Due to other funds	3,525,610	-	3,525,610	100%
Deferred revenues	304,097	293,464	10,633	4%
Total liabilities	<u>6,846,923</u>	<u>2,982,444</u>	<u>3,864,479</u>	<u>130%</u>
<b>Deferred inflows of resources</b>				
Unavailable revenue	<u>37,330</u>	<u>147,196</u>	<u>(109,866)</u>	<u>-75%</u>
Total deferred inflows of resources	<u>37,330</u>	<u>147,196</u>	<u>(109,866)</u>	<u>-75%</u>
<b>Fund balances</b>				
Nonspendable for:				
Prepaid assets	652,453	262,658	389,795	148%
Unassigned	4,126,906	4,546,068	(419,162)	-9%
Total fund balances	<u>4,779,359</u>	<u>4,808,726</u>	<u>(29,367)</u>	<u>-1%</u>
Total liabilities, deferred inflows of resources and fund balances	\$ <u>11,663,612</u>	\$ <u>7,938,366</u>	\$ <u>3,725,246</u>	<u>47%</u>

For Internal Use Only

## GOVERNMENTAL FUNDS – GENERAL FUND

### Statements of Revenues, Expenditures, and Changes in Fund Balances

	Years ended June 30		Variance	
	2014	2013	Amount	Percent
<b>REVENUES:</b>				
Membership assessments				
Cities	\$ 1,446,376	\$ 1,393,242	\$ 53,134	4%
Counties	293,146	290,942	2,204	1%
Commission	95,000	95,000	-	0%
General assembly	292,090	236,247	55,843	24%
Interest and other	139,718	70,467	69,251	98%
Total revenues	<u>2,266,330</u>	<u>2,085,898</u>	<u>180,432</u>	<u>9%</u>
<b>EXPENDITURES:</b>				
Transportation	9,789,733	10,813,814	(1,024,081)	-9%
Housing	147,073	182,295	(35,222)	-19%
Administration	1,685,534	1,646,163	39,371	2%
Capital outlay	735,582	496,151	239,431	48%
Total expenditures	<u>12,357,922</u>	<u>13,138,423</u>	<u>(780,501)</u>	<u>-6%</u>
Deficiency of revenue over expenditures	(10,091,592)	(11,052,525)	960,933	-9%
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,077,575	10,951,088	(873,513)	-8%
Transfers out	(15,350)	(36,587)	21,237	-58%
Net change in fund balance	<u>(29,367)</u>	<u>(138,024)</u>	<u>108,657</u>	<u>-79%</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>4,808,726</u>	<u>4,946,750</u>	<u>(138,024)</u>	<u>-3%</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ 4,779,359</u>	<u>\$ 4,808,726</u>	<u>\$ (29,367)</u>	<u>-1%</u>



## SAS 114 – Auditors' Required Communication to Those Charged with Governance

## REQUIRED COMMUNICATIONS

- Management has primary responsibility for the accounting principles used, including their consistency, application, clarity and completeness.
- We are not aware of any consultations by management with other accountants about accounting or auditing matters.
- We did not encounter any difficulties with management while performing our audit procedures that require the attention of the Audit Committee and the Regional Council.
- We encountered no disagreements with management on financial accounting and reporting matters as it relates to the current year financial statements.
- SCAG's significant accounting policies are appropriate, and management has applied its policies consistently with prior periods in all material respects.
- No significant or unusual transactions or accounting policies in controversial or emerging areas for which there is lack of authoritative guidance or consensus were identified.
- There were no material audit adjustments required in order for the financial statements to be in conformity with GAAP.

## REQUIRED COMMUNICATIONS

- No significant issues were discussed, or subject to correspondence, with management prior to retention.
- No significant deficiencies or material weaknesses were identified.
- No irregularities, fraud or illegal acts or that would cause a material misstatement of the financial statements, came to our attention as a result of our audit procedures.
- SCAG will provide us with a signed copy of the management representation letter.

## FOR THE FUTURE

**GASB 68** – Accounting and Financial Reporting for Pensions

**GASB Exposure Draft** – Other Post Employment Benefits (OPEB)

**OMB Circular A-133 (2 CFR 200)** – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

**COSO's Internal Control – Integrated Framework**

**QUESTIONS?**

**\*\*\***

**THANK YOU!**

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# REPORT

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**DATE:** November 24, 2014

**TO:** Audit Committee

**FROM:** Leyton Morgan, Contracts Manager, (213) 236-1982, morganl@scag.ca.gov

**SUBJECT:** Follow up Report on Procurement Related Findings from SCAG's Federal Certification

## **EXECUTIVE DIRECTOR'S APPROVAL:**

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### **RECOMMENDED ACTION:**

For Information Only - No Action Required.

### ***EXECUTIVE SUMMARY:***

*As requested by Hon. Cheryl Viegas-Walker during the October 2, 2014 Executive Administration Committee meeting, staff provides the attached summary and status of the procurement related findings from SCAG's Federal Certification.*

### **STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

### **BACKGROUND:**

Every four years federal regulations require the United States Department of Transportation (USDOT) – specifically the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) – to jointly review and evaluate (certify) Metropolitan Planning Organization's (MPO's) compliance with certain federal requirements (14 major topic areas, procurement being one of them) so that the MPO can receive federal funding. Accordingly, in August, 2014 the FHWA and FTA concluded their review of SCAG and found that SCAG met the requirements for recertification. FHWA and FTA made minor recommendations related to procurement which are summarized in Attachment 1, and staff have fully implemented the recommendations.

### **FISCAL IMPACT:**

None.

### **ATTACHMENT:**

Summary of FHWA and FTA Recommendations

**Attachment 1**  
**Summary of FHWA/FTA Procurement Related Recommendations**

Focus Area	Findings	Corrective Actions	Report Pg. #	Recommendations	Status
Metropolitan Planning Agreements and Contracts (23 CFR § 450.314)	Sufficient agreements and contracts as required in place		3	Consider update of existing agreements and contracts that are greater than eight years old, or those due near to expire	Completed September 2014
Consultant Selection and Procurement (23 CFR §§ 172.9, 172.5, 49 CFR § 18)	Procurement procedures found comprehensive and conform to required regulations and internal control standards		7	Provide copy of Procurement Procedures Manual to FHWA	Completed August 2014
				Include statement in procurement manual related to compliance with federal/state regulation for prime and sub-consultants' cost including adequate financial system requirements	Completed See Procurement Manual Section 7.7, pg. 43, & Section 8.1 pg. 46, last bullet
				Further substantiate compliance with 49 CFR § 18.42 through incorporation of appropriate language related to records retention in procurement manual	Completed See Procurement Manual Section 4.2, bullet D, pg. 14
				Incorporate an evaluation of consultants into procedures manual upon completion of contracts	Completed See Procurement Manual Section 8.1, pg. 46, 3 <sup>rd</sup> to last bullet
				Update procurement manual to clearly define noncompetitive	Completed See Procurement Manual Section 6.2 pg. 24
				Visit ProcurementPro to ensure appropriate federal clauses are included in all types of federal procurements: <a href="http://www.nationalrtap.org/WebApps/ProcurementPRO.aspx">http://www.nationalrtap.org/WebApps/ProcurementPRO.aspx</a>	Completed August 2014

# REPORT

**DATE:** November 24, 2014  
**TO:** Audit Committee  
**FROM:** Richard Howard, Internal Auditor, (213) 236-1905, [howard@scag.ca.gov](mailto:howard@scag.ca.gov)  
**SUBJECT:** Internal Audit Status Report

---

## RECOMMENDED ACTION:

For Information Only – No Action Required.

## STRATEGIC PLAN:

This item supports SCAG's Strategic Plan, Goal 3 – Enhance the Agency's Long Term Financial Stability and Fiscal Management.

## BACKGROUND:

Since the last Audit Committee meeting on June 10, 2014, nine (9) pre-award audits of contract proposals were completed.

The nine (9) consist of the following:

1. Ernst & Young	\$349,787
2. System Metrics Group	\$435,525
3. Hancock/Three Strands	\$15,095
4. Capital Representation Group	\$450,000
5. Moffatt & Nichol	\$66,268
6. Konica Minolta	\$505,031
7. Compucom Systems	\$285,696
8. Sapphos Environmental	\$777,657
9. Calthorpe Associates	\$353,053

Also, amendments to two other contracts previously audited were reviewed. There were questioned costs of \$51,912 on the above nine (9) preawards and two (2) amendments.

As reported at the last meeting in June, the audit of Project Management was expanded to include four (4) more projects. A total of eight (8) projects are now under review out of 26 that were started and closed in the period of July 2012 through June 2014. The eight (8) under review total \$1,831,374. The 26 total \$6,296,610. Currently the review is concentrating on which deliverables have been received and whether final reports were issued. This effort is expected to be completed in January.

A new position of Junior Auditor is planned for the FY 2015-16 Budget to assist in the work load, cross training and vacation coverage.

## FISCAL IMPACT:

None.

## ATTACHMENTS:

None.



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# REPORT

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**DATE:** November 24, 2014

**TO:** Audit Committee

**FROM:** Richard Howard, Internal Auditor, (213) 236-1905, [howard@scag.ca.gov](mailto:howard@scag.ca.gov)

**SUBJECT:** Internal Control Framework

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**RECOMMENDED ACTION:**

Approve the Updated Internal Control System.

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan, Goal 3 – Enhance the Agency's Long Term Financial Stability and Fiscal Management.

**BACKGROUND:**

At the Audit Committee meeting in December 2013, the Audit Committee approved the SCAG Internal Control System. This System was prepared in accordance with the guidelines from the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. COSO was established in 1992 to set up a uniform system of internal controls. It was based on five components of internal control.

COSO released an updated version called the New Framework in 2013. The five components of internal control are retained. The updated version explicitly states 17 principles representing fundamental concepts associated with the five components. The New Framework goes on to define 77 Points of Focus, which are intended to provide guidance to management of entities to design, implement and conduct internal control. Each of the 77 Points of Focus is mapped to one of the 17 principles and each of those principles is mapped to one of the five components. The updated version, or New Framework, thus gives detailed guidance for entities to establish and monitor internal controls.

The New Framework is to be adopted by entities for the first fiscal year ended after December 15, 2014. For SCAG this would be the year ended June 30, 2015.

An outline of SCAG's Updated Internal Control System is attached. Your review and approval is requested.

**FISCAL IMPACT:**

None.

**ATTACHMENT:**

SCAG Updated Internal Control System

**SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
(SCAG)  
UPDATED INTERNAL CONTROL SYSTEM  
NOVEMBER 24, 2014**

SCAG Management is responsible for the Internal Control System.  
The Regional Council's role is one of oversight.

**DEFINITION OF INTERNAL CONTROL:**

Internal Control is a process, implemented by an entity's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives relating to operations, reporting and compliance.

- A. FIVE (5) COMPONENTS OF INTERNAL CONTROL:**
- I. CONTROL ENVIRONMENT**
  - II. RISK ASSESSMENT**
  - III. CONTROL ACTIVITIES**
  - IV. INFORMATION AND COMMUNICATION**
  - V. MONITORING ACTIVITIES**

These components contain 17 Fundamental Principles and 77 Points of Focus.

**I. CONTROL ENVIRONMENT**

- a. Organization demonstrates a commitment to integrity and ethical values
  - Sets the tone at the top
  - Establishes standards of conduct
  - Evaluates adherence to standards of conduct
  - Addresses deviations in a timely manner
- b. Board of directors demonstrates independence from management and exercises oversight of the development and performance of internal control
  - Establishes oversight responsibilities
  - Applies relevant expertise
  - Operates independently
  - Provides oversight on Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities
- c. Management establishes, with board oversight, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives
  - Considers all structures of the entity
  - Establishes reporting lines
  - Defines, assigns, and limits authorities and responsibilities

- d. The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives
  - Establishes policies and practices
  - Evaluates competence and addresses shortcomings
  - Attracts, develops and retains individuals
  - Plans and prepares for succession
- e. The organization holds individuals accountable for their internal control responsibilities in the pursuit of objectives
  - Enforces accountability through structures, authorities and responsibilities
  - Establishes performance measures, incentives and rewards
  - Evaluates performance measures, incentives and rewards for ongoing relevance
  - Considers excessive pressures
  - Evaluates performance and rewards or disciplines individuals

## II. RISK ASSESSMENT

- a. The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives:
  - Operations Objectives
    - Reflects management's choices
    - Considers tolerances for risk
    - Includes operations and financial performance goals
    - Forms a basis for committing resources
  - External Financial Reporting Objectives
    - Complies with applicable accounting standards
    - Considers materiality
    - Reflects entity activities
  - External Non-Financial Reporting Objectives
    - Complies with externally established standards and frameworks
    - Considers the requires level of precision
    - Reflects entity activities
  - Internal Reporting Objectives
    - Reflects management's choices
    - Considers the required level of precision
    - Reflects entity activities
  - Compliance Objectives
    - Reflects external laws and regulations
    - Considers tolerances for risk

- b. The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed
  - Includes entity, subsidiary, division, operating unit, and functional levels
  - Analyzes internal and external factors
  - Involves appropriate levels of management
  - Estimates significance of risks identified
  - Determines how to respond to risks
- c. The organization considers the potential for fraud in assessing risks to the achievement of objectives
  - Considers various types of fraud
  - Assesses incentives and pressures
  - Assesses opportunities
  - Assesses attitudes and rationalizations
- d. The organization identifies and assesses changes that could significantly impact the system of internal control
  - Assesses changes in the external environment
  - Assesses changes in the business model
  - Assesses changes in leadership

### **III. CONTROL ACTIVITIES**

- a. The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels
  - Integrates with risk assessment
  - Considers entity-specific factors
  - Determines relevant business processes
  - Evaluates a mix of control activity types
  - Considers at what level activities are applied
  - Addresses segregation of duties
- b. The organization selects and develops general control activities over technology to support the achievement of objectives
  - Determines dependency between the use of technology in business processes and technology general controls
  - Establishes relevant technology infrastructure control activities
  - Establishes relevant security management process control activities
  - Establishes relevant technology acquisition, development, and maintenance process control activities
- c. The organization deploys control activities through policies that establish what is expected and procedures that put policies into action
  - Establishes policies and procedures to support deployment of management's directives

- Establishes responsibility and accountability for executing policies and procedures
- Performs in a timely manner
- Takes corrective action
- Performs using competent personnel
- Reassesses policies and procedures

#### **IV. INFORMATION AND COMMUNICATION**

- a. The organization obtains or generates and uses relevant, quality information to support the functioning of other components of internal control
  - Identifies information requirements
  - Captures internal and external sources of data
  - Processes relevant data into information
  - Maintains quality throughout processing
  - Considers costs and benefits
- b. The organization internally communicates information, including objectives and responsibilities for internal control, necessary to support the functioning of other components of internal control
  - Communicates internal control information
  - Communicates with the board of directors
  - Provides separate communication lines
  - Selects relevant method of communication
- c. The organization communicates with external parties regarding matters affecting the functioning of other components of internal control
  - Communicates to external parties
  - Enables inbound communications
  - Communicates with the board of directors
  - Provides separate communication lines
  - Selects relevant method of communication

#### **V. MONITORING ACTIVITIES**

- a. The organization selects, develops, and performs ongoing and/or separate evaluations to ascertain whether the components of internal control are present and functioning
  - Considers a mix of ongoing and separate evaluations
  - Considers rate of change
  - Establishes baseline understanding
  - Uses knowledgeable personnel
  - Integrates with business processes
  - Adjusts scope and frequency
  - Objectively evaluates

- b. The organization evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate
- Assesses results
  - Communicates deficiencies to parties responsible for corrective action and to senior management and the board of directors
  - Monitors corrective actions

## **B. SCAG KEY CONTROLS**

Management Philosophy;  
Ethics Policy;  
Conflict-of-Interest Policy;  
Accounting Manual;  
Procurement Manual;  
Payroll and Timekeeping Procedures;  
Project Manager's Manual;  
Travel Policy;  
Segregation of Duties;  
Local Assistance Procedures Manual;  
Federal Acquisition Regulations (FAR);  
2 CFR Part 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements (Formerly 2 CFR 225);  
49 CFR Part 18-Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;  
Master Fund Transfer Agreement;  
Federal Transit Administration Circulars.

# REPORT

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**DATE:** November 24, 2014  
**TO:** Audit Committee  
**FROM:** Basil Panas, Chief Financial Officer, (213) 236-1817, panas@scag.ca.gov  
**SUBJECT:** Improving Financial Transparency

**EXECUTIVE DIRECTOR'S APPROVAL:**

---

**RECOMMENDED ACTION:**

Review and comment.

**EXECUTIVE SUMMARY:**

*At its meeting on June 10, 2014, the Audit Committee, in its effort to enhance SCAG's financial transparency, directed SCAG staff to proceed with the development of the Budget & Finances web pages whose mockups had been presented and reviewed. Staff seeks the Committee's comment on those pages.*

**STRATEGIC PLAN:**

This item supports SCAG's Strategic Plan Goal 3: Enhance the Agency's Long Term Financial Stability and Fiscal Management.

**BACKGROUND:**

Each page in the Financial Transparency cluster features SCAG's salary schedule and Conflict of Interest Policy at the top.

**PAGE TITLED: OVERALL WORK PROGRAM BUDGET**

This page has two pie charts which show the composition of current fiscal year budgeted revenues and expenditures. There are links to this data for the prior three years.

**PAGE TITLED: MEMBERSHIP DUES**

This page shows the amount of membership dues collected so far this fiscal year along with how much is still outstanding. Also, the total General Fund budget is displayed for four years.

**PAGE TITLED: BUDGET vs ACTUAL**

This page reports the percent of current fiscal year budget spent for SCAG's ten largest projects.

**PAGE TITLED: QUARTERLY PROGRESS REPORTS**

The last page provides links to SCAG's OWP budgets and Comprehensive Budgets, including amendments, for the current year and three prior years.

**FISCAL IMPACT:**

Most of the development for these webpages was performed in-house at no additional cost to SCAG. Some outside consultant time was used and the cost of this will be communicated to the Audit Committee when it is fully tallied.

**ATTACHMENT:**

Financial Transparency Web Pages



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## SCAG Financial Transparency



SCAG committees provide opportunities for involvement in regional programs. A number of subcommittees, task forces, and working groups report to the standing committees responsible for policy direction and review, while others are established on an ad hoc basis to assist with specific projects.

Download the [Employee Salary Schedule](#)

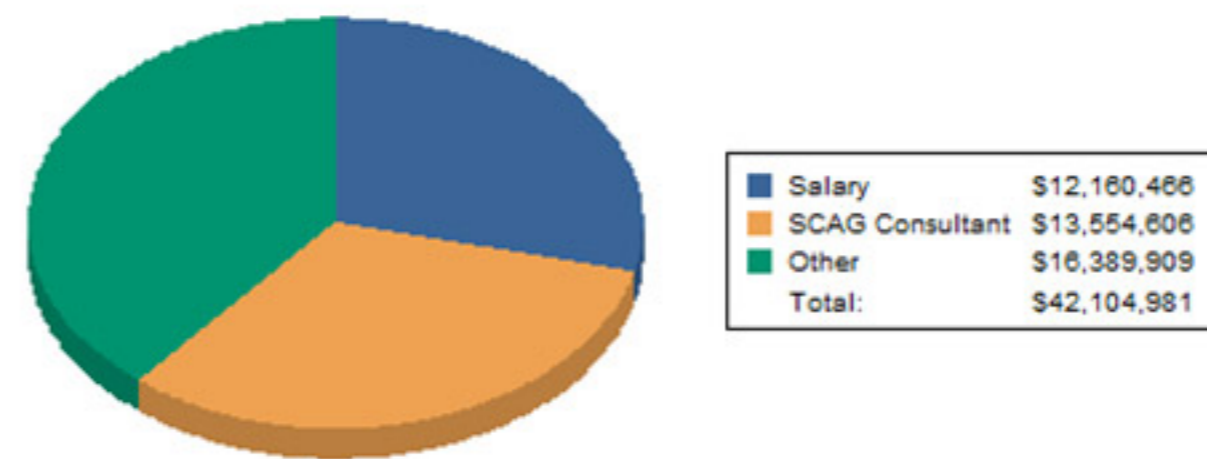
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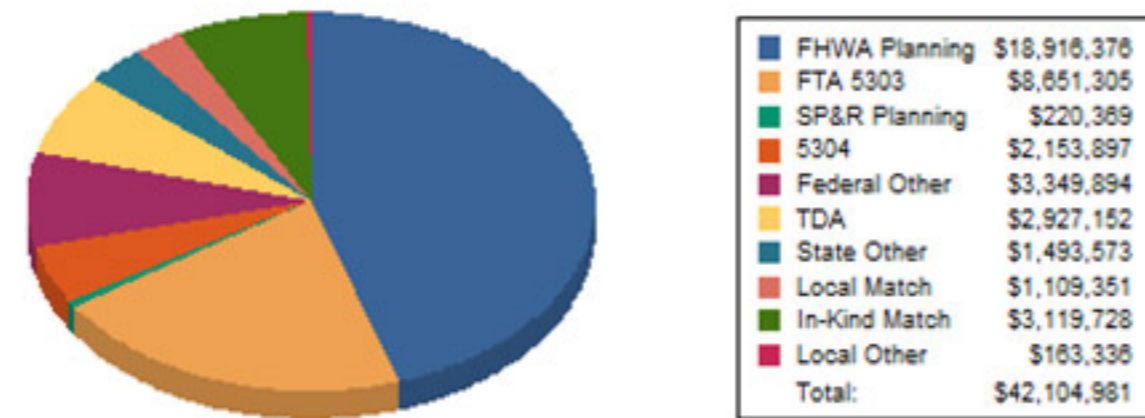
### Overall Work Program Budgets

**FY 2015 OWP BUDGET**

#### Expenditures, FY15



#### Revenues, FY15



**FY 2014 BUDGET**

**FY 2013 BUDGET**

**FY 2012 BUDGET**

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SCAG committees provide opportunities for involvement in regional programs. A number of subcommittees, task forces, and working groups report to the standing committees responsible for policy direction and review, while others are established on an ad hoc basis to assist with specific projects.

Download the [Employee Salary Schedule](#)

Download the [Conflict of Interest Policy](#)

- [OWP Budget](#)
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### Membership Dues

The By-Laws require the Executive Director to annually submit the General Fund (GF) budget to the RC. Upon its adoption, the General Assembly (GA) fixes membership assessment for all members of the Association in amounts sufficient to provide the funds required by the GF budget.

Budget staff prepares a proposed GF budget and submits it to the Chief Financial Officer (CFO) for review. The GF budget is submitted to the CFO in sufficient time to allow the items to be placed on the agendas for approval by the RC and the GA.

Member dues are calculated in accordance with the guidelines of the By-Laws.

As of Q3 FY 2015: \$25,000,000

### Membership Goal

SCAG requires \$430,000 to reach its membership goal for FY 2015.

### General Fund Budget

- Expenditures, FY15: \$430,000
- Expenditures, FY14: \$430,000
- Expenditures, FY13: \$430,000
- Expenditures, FY12: \$430,000

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SCAG committees provide opportunities for involvement in regional programs. A number of subcommittees, task forces, and working groups report to the standing committees responsible for policy direction and review, while others are established on an ad hoc basis to assist with specific projects.

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### Budget vs. Actual

#### Overall Work Program

Each year, SCAG develops an Overall Work Program (OWP). This work program describes proposed transportation planning activities for the upcoming fiscal year. The OWP also includes those transportation planning activities and studies required by federal and state law and authorized by the Regional Council. These related planning studies address the overall social, economic and environmental effects of transportation decisions in the region.

#### OWP Projects

		<input checked="" type="checkbox"/> Actual	<input type="checkbox"/> Budget
This List to Be Provided by Bernice	35%	<div style="width: 35%; background-color: #2e8b57;"></div>	<div style="width: 65%; background-color: #ccc;"></div>
Implementation Strategy for 2012 RTP	40%	<div style="width: 40%; background-color: #2e8b57;"></div>	<div style="width: 60%; background-color: #ccc;"></div>
Transportation Security Planning	0%	<div style="width: 0%; background-color: #2e8b57;"></div>	<div style="width: 100%; background-color: #ccc;"></div>
Four Corners Support	5%	<div style="width: 5%; background-color: #2e8b57;"></div>	<div style="width: 95%; background-color: #ccc;"></div>
TDM Planning	60%	<div style="width: 60%; background-color: #2e8b57;"></div>	<div style="width: 40%; background-color: #ccc;"></div>
Congestion Management Planning (CMP)	30%	<div style="width: 30%; background-color: #2e8b57;"></div>	<div style="width: 70%; background-color: #ccc;"></div>
RTP Support, Development, and Implementation	35%	<div style="width: 35%; background-color: #2e8b57;"></div>	<div style="width: 65%; background-color: #ccc;"></div>
Implementation Strategy for 2012 RTP	40%	<div style="width: 40%; background-color: #2e8b57;"></div>	<div style="width: 60%; background-color: #ccc;"></div>
Transportation Security Planning	0%	<div style="width: 0%; background-color: #2e8b57;"></div>	<div style="width: 100%; background-color: #ccc;"></div>
Four Corners Support	5%	<div style="width: 5%; background-color: #2e8b57;"></div>	<div style="width: 95%; background-color: #ccc;"></div>
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

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### Quarterly Progress Reports

This is the short description about the project. Proin gravida nibh vel velit auctor aliquet. Aenean sollicitudin, lorem quis bibendum auctor, nisi elit consequat ipsum, nec sagittis sem nibh id elit. Duis sed odio sit amet nibh vulputate cursus a sit amet mauris. Morbi accumsan ipsum velit.

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