

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

2008

Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

Open to Public Inspection

For the 2008 calendar year, or tax year beginning , 2008, and ending ,

B Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Termination <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	Please use IRS label or print or type. See specific instructions.	SOUTHERN CAL SCHOOLS VOL.EMP.BENEFITS ASSOC 8885 RIO SAN DIEGO DR. #327 SAN DIEGO, CA 92108	D Employer Identification Number 33-0579503 E Telephone number (619) 278-0021 G Gross receipts \$ 337,594,169.
F Name and address of principal officer: Same As C Above		H(a) Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No H(b) Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If 'No,' attach a list. (see instructions)	
I Tax-exempt status <input checked="" type="checkbox"/> 501(c) (9) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		H(c) Group exemption number ▶	
J Website: ▶ www.vebaonline.com		L Year of Formation: 1993 M State of legal domicile: CA	
K Type of organization: <input type="checkbox"/> Corporation <input checked="" type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: <u>THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES & DEPENDENTS OF THE MEMBER DISTRICTS.</u>			
	2 Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its assets.			
	3 Number of voting members of the governing body (Part VI, line 1a)	3		16
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4		16
	5 Total number of employees (Part V, line 2a)	5		0
	6 Total number of volunteers (estimate if necessary)	6		0
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a		0.
	b Net unrelated business taxable income from Form 990-T, line 34	7b		0.
Revenue		Prior Year	Current Year	
	8 Contributions and grants (Part VIII, line 1h)			
	9 Program service revenue (Part VIII, line 2g)	310,390,483.	336,738,456.	
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	934,094.	818,428.	
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)			
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	311,324,577.	337,556,884.	
Expenses				
	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)			
	14 Benefits paid to or for members (Part IX, column (A), line 4)	305,786,742.	331,103,329.	
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)			
	16a Professional fundraising fees (Part IX, column (A), line 11e)			
	b Total fundraising expenses (Part IX, column (D), line 25) ▶			
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	4,627,226.	5,380,330.	
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	310,413,968.	336,483,659.	
	19 Revenue less expenses. Subtract line 18 from line 12	910,609.	1,073,225.	
Net Assets or Fund Balances		Beginning of Year	End of Year	
	20 Total assets (Part X, line 16)	35,326,296.	31,282,012.	
	21 Total liabilities (Part X, line 26)	24,575,338.	22,623,247.	
	22 Net assets or fund balances. Subtract line 21 from line 20	10,750,958.	8,658,765.	

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of officer _____ Date _____	
	Type or print name and title. _____	

Paid Preparer's Use Only	Preparer's signature ▶ Lorie Keller Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ROSNER BROWN TOUCHSTONE & KELLER, LLP 4909 MURPHY CANYON ROAD, STE. 120 SAN DIEGO, CA 92123	Date 11/18/09	Check if self-employed <input type="checkbox"/>	Preparer's identifying number (see instructions) P00528362 EIN ▶ 33-0567239 Phone no. ▶ 858/430-0300
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May the IRS discuss this return with the preparer shown above? (see instructions) Yes No

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:

THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES & DEPENDENTS OF THE MEMBER DISTRICTS.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

Yes No

If 'Yes,' describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No

Yes No

If 'Yes,' describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ 331,103,329. including grants of \$) (Revenue \$)

THE VEBA IS A JOINT LABOR-MGMT ASSOC OF PARTICIPANT SCHOOL DISTRICTS IN SOUTHERN CALIFORNIA. THE VEBA PROVIDES INSURANCE COVERAGE TO EMPLOYEES, RETIREES & DEPENDENTS OF THE MEMBER DISTRICTS.

4b (Code:) (Expenses \$ including grants of \$) (Revenue \$)

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4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses \$ 331,103,329. (Must equal Part IX, Line 25, column (B).)

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If 'Yes,' complete Schedule A</i>		X
2 Is the organization required to complete Schedule B, Schedule of Contributors?		X
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If 'Yes,' complete Schedule C, Part I</i>		X
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? <i>If 'Yes,' complete Schedule C, Part II</i>		
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? <i>If 'Yes,' complete Schedule C, Part III</i>		
6 Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If 'Yes,' complete Schedule D, Part I</i>		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? <i>If 'Yes,' complete Schedule D, Part II</i>		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If 'Yes,' complete Schedule D, Part III</i>		X
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If 'Yes,' complete Schedule D, Part IV</i>		X
10 Did the organization hold assets in term, permanent, or quasi-endowments? <i>If 'Yes,' complete Schedule D, Part V</i>		X
11 Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? <i>If 'Yes,' complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable</i>	X	
12 Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? <i>If 'Yes,' complete Schedule D, Parts XI, XII, and XIII</i>	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If 'Yes,' complete Schedule E</i>		X
14a Did the organization maintain an office, employees, or agents outside of the U.S.?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? <i>If 'Yes,' complete Schedule F, Part I</i>		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If 'Yes,' complete Schedule F, Part II</i>		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If 'Yes,' complete Schedule F, Part III</i>		X
17 Did the organization report more than \$15,000 on Part IX, column (A), line 11e? <i>If 'Yes,' complete Schedule G, Part I</i>		X
18 Did the organization report more than \$15,000 total on Part VIII, lines 1c and 8a? <i>If 'Yes,' complete Schedule G, Part II</i>		X
19 Did the organization report more than \$15,000 on Part VIII, line 9a? <i>If 'Yes,' complete Schedule G, Part III</i>		X
20 Did the organization operate one or more hospitals? <i>If 'Yes,' complete Schedule H</i>		X
21 Did the organization report more than \$5,000 on Part IX, column (A), line 1? <i>If 'Yes,' complete Schedule I, Parts I and II</i>		X
22 Did the organization report more than \$5,000 on Part IX, column (A), line 2? <i>If 'Yes,' complete Schedule I, Parts I and III</i>		X
23 Did the organization answer 'Yes' to Part VII, Section A, questions 3, 4, or 5? <i>If 'Yes,' complete Schedule J</i>		X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? <i>If 'Yes,' answer questions 24b-24d and complete Schedule K. If 'No,' go to question 25</i>		X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?		
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If 'Yes,' complete Schedule L, Part I</i>		
b Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? <i>If 'Yes,' complete Schedule L, Part I</i>		
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If 'Yes,' complete Schedule L, Part II</i>		X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? <i>If 'Yes,' complete Schedule L, Part III</i>		X

Part IV Checklist of Required Schedules (continued)

	Yes	No
28 During the tax year, did any person who is a current or former officer, director, trustee, or key employee:		
a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28a	X
b Have a family member who had a direct or indirect business relationship with the organization? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28b	X
c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? <i>If 'Yes,' complete Schedule L, Part IV.</i>	28c	X
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If 'Yes,' complete Schedule M.</i>	29	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If 'Yes,' complete Schedule M.</i>	30	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If 'Yes,' complete Schedule N, Part I.</i>	31	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If 'Yes,' complete Schedule N, Part II.</i>	32	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If 'Yes,' complete Schedule R, Part I.</i>	33	X
34 Was the organization related to any tax-exempt or taxable entity? <i>If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1.</i>	34	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	35	X
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If 'Yes,' complete Schedule R, Part V, line 2.</i>	36	
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If 'Yes,' complete Schedule R, Part VI.</i>	37	X

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Form 990 (2008)

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Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable.	0	
1b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	0	
1c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	0	
2b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)		
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?		X
3b	If 'Yes' has it filed a Form 990-T for this year? If 'No,' provide an explanation in Schedule O.		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		X
4b	If 'Yes,' enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1 , Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		X
5b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		X
5c	If 'Yes,' to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?		
6a	Did the organization solicit any contributions that were not tax deductible?		X
6b	If 'Yes,' did the organization include with every solicitation an express statement that such contributions or gifts were not deductible?		
7	Organizations that may receive deductible contributions under section 170(c).		
7a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than \$75?		
7b	If 'Yes,' did the organization notify the donor of the value of the goods or services provided?		
7c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		
7d	If 'Yes,' indicate the number of Forms 8282 filed during the year.		
7e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		
7f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		
7g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?		
7h	For all contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?		
8	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		
9	Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.		
9a	Did the organization make any taxable distributions under section 4966?		
9b	Did the organization make any distribution to a donor, donor advisor, or related person?		
10	Section 501(c)(7) organizations. Enter:		
10a	Initiation fees and capital contributions included on Part VIII, line 12		
10b	Gross Receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.		
11	Section 501(c)(12) organizations. Enter:		
11a	Gross income from other members or shareholders		
11b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)		
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?		
12b	If 'Yes,' enter the amount of tax-exempt interest received or accrued during the year.		

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Part VI Governance, Management and Disclosure (Sections A, B, and C request information about policies not required by the Internal Revenue Code.)

Section A. Governing Body and Management

		Yes	No
<i>For each 'Yes' response to lines 2-7b below, and for a 'No' response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.</i>			
1a	Enter the number of voting members of the governing body.....		
1b	Enter the number of voting members that are independent.....		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee or key employee?.....		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?.....		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?.....		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?.....		X
6	Does the organization have members or stockholders?.....		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?.....		X
7b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?.....		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
8a	a The governing body?.....	X	
8b	b Each committee with authority to act on behalf of the governing body?.....	X	
9a	Does the organization have local chapters, branches, or affiliates?.....		X
9b	If 'Yes,' does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?.....		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990. See Schedule O.		X
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If 'Yes,' provide the names and addresses in Schedule O.....		X

Section B. Policies

		Yes	No
12a	Does the organization have a written conflict of interest policy? If 'No,' go to line 13.....	X	
12b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?.....	X	
12c	Does the organization regularly and consistently monitor and enforce compliance with the policy? If 'Yes,' describe in Schedule O how this is done.....		X
13	Does the organization have a written whistleblower policy?.....		X
14	Does the organization have a written document retention and destruction policy?.....	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:		
15a	a The organization's CEO, Executive Director, or top management official?.....		X
15b	b Other officers of key employees of the organization?..... Describe the process in Schedule O. (see instructions)		X
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?.....		X
16b	If 'Yes,' has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?.....		

Section C. Disclosures

- 17** List the states with which a copy of this Form 990 is required to be filed ▶ CA
- 18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
 Own website Another's website Upon request
- 19** Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public. **See Schedule O**
- 20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization:
 ▶ MCGREGOR & ASSOCIATES, INC. 8885 RIO SAN DIEGO DRIVE, SUITE 327 SAN DIEGO CA 92108 61

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1 a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) or more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
KEVIN OGDEN Director	0	X						0.	0.	0.
DR. JESUS GANDARA Director	0	X						0.	0.	0.
DR. JANICE COOK Director	0	X						0.	0.	0.
JOHN DEBECK Director	0	X						0.	0.	0.
EDWARD NELSON Director	0	X						0.	0.	0.
THOMAS EGGLESTON Director	0	X						0.	0.	0.
RONNIE ADAIR Director	0	X						0.	0.	0.
LORA DUZYK Director	0	X						0.	0.	0.
DORETHA ALBEE Director	0	X						0.	0.	0.
MARK ANDERSON Director	0	X						0.	0.	0.
STEVEN A. KAPLAN Director	0	X						0.	0.	0.
JOYCE M. LA FLEUR Director	0	X						0.	0.	0.
SAM LUCERO Director	0	X						0.	0.	0.
ERIK OLSON FERNANDEZ Director	0	X						0.	0.	0.
DAVID FERNANDEZ Director	0	X						0.	0.	0.
ELIZABETH AHLGREN Director	0	X						0.	0.	0.

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Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1 a Federated campaigns	1 a				
	b Membership dues	1 b				
	c Fundraising events	1 c				
	d Related organizations	1 d				
	e Government grants (contributions)	1 e				
	f All other contributions, gifts, grants, and similar amounts not included above	1 f				
	g Noncash contribns included in lns 1a-1f: \$					
h Total. Add lines 1a-1f. ▶						
PROGRAM SERVICE REVENUE	Business Code					
	2 a <u>Membership Dues & Assessments</u>		336738456.		336738456.	
	b _____					
	c _____					
	d _____					
	e _____					
	f All other program service revenue					
g Total. Add lines 2a-2f. ▶		336738456.				
OTHER REVENUE	3 Investment income (including dividends, interest and other similar amounts) ▶		818,429.		818,429.	
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
	6 a Gross Rents	(i) Real				
		(ii) Personal				
		b Less: rental expenses				
		c Rental income or (loss)				
	d Net rental income or (loss) ▶					
	7 a Gross amount from sales of assets other than inventory	(i) Securities		37,284.		
		(ii) Other		37,285.		
		b Less: cost or other basis and sales expenses		37,285.		
		c Gain or (loss)		-1.		
	d Net gain or (loss) ▶		-1.	-1.		
	8 a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 a					
		b Less: direct expenses b				
c Net income or (loss) from fundraising events ▶						
9 a Gross income from gaming activities. See Part IV, line 19 a						
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
10 a Gross sales of inventory, less returns and allowances a						
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
Miscellaneous Revenue		Business Code				
11 a _____						
b _____						
c _____						
d All other revenue						
e Total. Add lines 11a-11d. ▶						
12 Total Revenue. Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		337556884.	-1.	0.	337556885.	



Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21.				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22.				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members.	331,103,329.	331,103,329.		
5 Compensation of current officers, directors, trustees, and key employees.	0.	0.	0.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B).	0.	0.	0.	0.
7 Other salaries and wages.				
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions).				
9 Other employee benefits.				
10 Payroll taxes.				
11 Fees for services (non-employees).				
a Management.				
b Legal.				
c Accounting.				
d Lobbying.				
e Prof fundraising svcs. See Part IV, ln 17.				
f Investment management fees.				
g Other.				
12 Advertising and promotion.				
13 Office expenses.				
14 Information technology.				
15 Royalties.				
16 Occupancy.				
17 Travel.				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials.				
19 Conferences, conventions, and meetings.				
20 Interest.				
21 Payments to affiliates.				
22 Depreciation, depletion, and amortization.	5,013.		5,013.	
23 Insurance.				
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a <u>Management fees</u>	2,241,246.		2,241,246.	
b <u>Other deductions</u>	1,551,483.		1,551,483.	
c <u>Communications</u>	1,218,391.		1,218,391.	
d <u>Consulting fees</u>	364,197.		364,197.	
e				
f All other expenses.				
25 Total functional expenses. Add lines 1 through 24f.	336,483,659.	331,103,329.	5,380,330.	0.
26 Joint Costs. Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

COPY

Part X Balance Sheet

		(A) Beginning of year		(B) End of year	
ASSETS	1	Cash — non-interest-bearing	18,338,391.	1	16,200,110.
	2	Savings and temporary cash investments	336,734.	2	164,343.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	2,844,808.	4	3,675,813.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	89,310.	9	94,717.
	10a	Land, buildings, and equipment: cost basis		10a	
	b	Less: accumulated depreciation. Complete Part VI of Schedule D	42,297.	10b	10c
	11	Investments — publicly-traded securities	8,037,202.	11	8,742,830.
	12	Investments — other securities. See Part IV, line 11		12	
	13	Investments — program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	5,637,554.	15	2,404,199.
16	Total assets. Add lines 1 through 15 (must equal line 34)	35,326,296.	16	31,282,012.	
LIABILITIES	17	Accounts payable and accrued expenses	280,886.	17	496,323.
	18	Grants payable		18	
	19	Deferred revenue	8,055,552.	19	7,274,335.
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	16,238,900.	25	14,852,589.
	26	Total liabilities. Add lines 17 through 25	24,575,338.	26	22,623,247.
NET ASSETS OR FUND BALANCES	Organizations that follow SFAS 117, check here <input type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.				
	27	Unrestricted net assets		27	
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, and equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds	10,750,958.	32	8,658,765.
33	Total net assets or fund balances.	10,750,958.	33	8,658,765.	
34	Total liabilities and net assets/fund balances.	35,326,296.	34	31,282,012.	

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		X
2b	Were the organization's financial statements audited by an independent accountant?	X	
2c	If 'Yes' to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
3b	If 'Yes,' did the organization undergo the required audit or audits?		

BAA

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

2008

Department of the Treasury Internal Revenue Service

Attach to Form 990. To be completed by organizations that answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.

Open to Public Inspection

Name of the organization

Employer identification number

SOUTHERN CAL SCHOOLS

33-0579503

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include total number at end of year, aggregate contributions, aggregate grants, aggregate value, and two questions about donor informed status.

Part II Conservation Easements Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include purpose of easements, total number of easements, total acreage, number of easements on historic structures, and questions about monitoring and reporting.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets Complete if the organization answered 'Yes' to Form 990, Part IV, line 8.

Table with 3 columns: Question, (a) Donor advised funds, (b) Funds and other accounts. Rows include questions about reporting works of art, historical treasures, and similar assets.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a Public exhibition
- b Scholarly research
- c Preservation for future generations
- d Loan or exchange programs
- e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV Trust, Escrow and Custodial Arrangements Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If 'Yes,' explain the arrangement in Part XIV.

Part V Endowment Funds Complete if organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment _____ %
- b Permanent endowment _____ %
- c Term endowment _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	
(ii) related organizations	3a(ii)	
b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book Value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).)	0.			

BAA

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)		337,556,884.
2	Total expenses (Form 990, Part IX, column (A), line 25)		336,483,659.
3	Excess or (deficit) for the year. Subtract line 2 from line 1		1,073,225.
4	Net unrealized gains (losses) on investments		-3,165,419.
5	Donated services and use of facilities		
6	Investment expenses		
7	Prior period adjustments		
8	Other (Describe in Part XIV)		
9	Total adjustments (net). Add lines 4-8		-3,165,419.
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9		-2,092,194.

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	334,391,465.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
	a Net unrealized gains on investments	2a	-3,165,419.
	b Donated services and use of facilities	2b	
	c Recoveries of prior year grants	2c	
	d Other (Describe in Part XIV)	2d	
	e Add lines 2a through 2d	2e	-3,165,419.
3	Subtract line 2e from line 1	3	337,556,884.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
	a Investments expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV)	4b	
	c Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This should equal Form 990, Part I, line 12.)	5	337,556,884.

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	336,483,659.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
	a Donated services and use of facilities	2a	
	b Prior year adjustments	2b	
	c Losses reported on Form 990, Part IX, line 25	2c	
	d Other (Describe in Part XIV)	2d	
	e Add lines 2a through 2d	2e	
3	Subtract line 2e from line 1	3	336,483,659.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
	a Investments expenses not included on Form 990, Part VIII, line 7b	4a	
	b Other (Describe in Part XIV)	4b	
	c Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This should equal Form 990, Part I, line 18.)	5	336,483,659.

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Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SCHEDULE O
(Form 990)

Supplemental Information to Form 990

OMB No. 1545-0047

2008

**Open to Public
Inspection**

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.**

Name of the organization **SOUTHERN CAL SCHOOLS
VOL.EMP.BENEFITS ASSOC**

Employer identification number
33-0579503

Form 990, Part VI, Line 10 - Form 990 Review Process

No review was or will be conducted.

Form 990, Part VI, Line 19 - Other Organization Documents Publicly Available

The VEBA makes its governing documents, conflict of interest policy, and financial statements available to the Board of Directors as well as to its Member School Districts. The documents are uploaded to the VEBA's website for review by member districts and/or distributed upon individual member school district's request.

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Form 199										
Furniture and Fixtures										
1	OFFICE FURNITURE	4/11/07	7/01/08	31,561			4,734	S/L	5	3,156
	Total Furniture and Fixtures			31,561		0	4,734			3,156
Machinery and Equipment										
2	COMPUTER SYSTEM	3/01/07	7/01/08	18,564			3,094	S/L	5	1,856
	Total Machinery and Equipment			18,564		0	3,094			1,856
	Total Depreciation			<u>50,125</u>		<u>0</u>	<u>7,828</u>			<u>5,012</u>
	Grand Total Depreciation			<u>50,125</u>		<u>0</u>	<u>7,828</u>			<u>5,012</u>
	Depreciation Assets Sold			50,125		0	7,828			5,012
	Depr Remaining Assets			<u>0</u>		<u>0</u>	<u>0</u>			<u>0</u>

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 990/990-PF																
Furniture and Fixtures																
1	OFFICE FURNITURE	4/11/07	7/01/08	31,561							31,561	4,734	S/L	5		3,156
	Total Furniture and Fixtures			31,561		0	0	0	0	0	31,561	4,734				3,156
Machinery and Equipment																
2	COMPUTER SYSTEM	3/01/07	7/01/08	18,564							18,564	3,094	S/L	5		1,856
	Total Machinery and Equipment			18,564		0	0	0	0	0	18,564	3,094				1,856
	Total Depreciation			50,125		0	0	0	0	0	50,125	7,828				5,012
	Grand Total Depreciation			50,125		0	0	0	0	0	50,125	7,828				5,012
	Depreciation Assets Sold			50,125		0	0	0	0	0	50,125	7,828				5,012
	Depr Remaining Assets			0		0	0	0	0	0	0	0				0

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California Exempt Organization Annual Information Return

Calendar year 2008 or fiscal year beginning month day year, and ending month day year

A First Return Filed? Yes No B Type of organization Exempt under Section 23701 I (insert letter) (insert letter) IRC Section 4947(a)(1) trust CORP # 9767623

Corporation/Organization Name SOUTHERN CAL SCHOOLS VOL.EMP.BENEFITS ASSOC FEIN 33-0579503

Address 8885 RIO SAN DIEGO DR. #327 City SAN DIEGO, CA 92108 State ZIP Code

C Amended Return? Yes No D Are you a subordinate/affiliate in a group exemption? Yes No a Is this a group filing for affiliates? See General Instruction L. Yes No b If 'Yes,' enter the number of affiliates (If 'No,' attach a list. See instructions.) c Are all affiliates included? Yes No d Is this a separate return filed by an organization covered by a group ruling? Yes No e Federal Group Exemption Number f Is a roster of subordinates attached? Yes No E Final return? Dissolved Surrendered (Withdrawn) Merged/Reorganized (attach explanation) If a box is checked, enter date. F Check the box if the organization filed: 1 990T 2 990PF 3 990H G If organization is exempt under R&TC Section 23701d and is exclusively religious, educational, or charitable, and is supported primarily (50% or more) by public contributions, check box. See General Instruction F. No filing fee is required. H Accounting method used . . . 1 Cash 2 Accrual 3 Other I If exempt under R&TC Section 23701d, has the organization during the year: (1) participated in any political campaign or (2) attempted to influence legislation or any ballot measure, or (3) made an election under R&TC Section 23704.5 (relating to lobbying by public charities)? If 'Yes,' complete and attach form FTB 3509, Political or Legislative Activities by Section 23701d Organizations. . . . N/A Yes No J Did the organization have any changes in its activities, governing instrument, articles of incorporation, or bylaws that have not been reported to the Franchise Tax Board? If 'Yes,' complete an explanation and attach copies of revised documents. . . . Yes No K Is the organization exempt under R&TC Section 23701g? Yes No If 'Yes,' enter amount of gross receipts from nonmember sources. \$ L Is the organization under audit by the IRS or has the IRS audited in a prior year? Yes No M Is the organization a Limited Liability Corporation? Yes No N Did the organization file Form 100 or Form 109 to report taxable income? Yes No

Part I Complete Part I unless not required to file this form. See General Instructions B and C.

Receipts and Revenues	1	Gross sales or receipts from other sources. From Side 2, Part II, line 8.	● 1	855,713.
	2	Gross dues and assessments from members and affiliates.	● 2	336,738,456.
	3	Gross contributions, gifts, grants, and similar amounts received.	● 3	
	4	Total gross receipts for filing requirement test. Add line 1 through line 3. This line must be completed. If the result is less than \$25,000, see General Instruction C.	● 4	337,594,169.
	5	Cost of goods sold.	● 5	
	6	Cost or other basis, and sales expenses of assets sold.	● 6	37,285.
	7	Total costs. Add line 5 and line 6.	7	37,285.
	8	Total gross income. Subtract line 7 from line 4.	● 8	337,556,884.
Expenses	9	Total expenses and disbursements. From Side 2, Part II, line 18.	● 9	336,483,659.
	10	Excess of receipts over expenses and disbursements. Subtract line 9 from line 8.	● 10	1,073,225.
Filing Fee	11	Filing fee \$10 or \$25. See General Instruction F.	11	10.
	12	Total Payments.	12	
	13	Penalties and Interest. See General Instruction J.	13	
	14	Use tax. See General Instruction K.	● 14	
	15	Balance due. Add line 11, line 13, and line 14. Then subtract line 12 from the result.	15	10.

Sign Here Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer Title Date Telephone (619) 278-0021

Paid Preparer's Use Only Preparer's signature LORIE KELLER Date 11/18/09 Check if self-employed Preparer's SSN/PTIN P00528362

Firm's name (or yours, if self-employed) and address ROSNER BROWN TOUCHSTONE & KELLER, LLP 4909 MURPHY CANYON ROAD, STE. 120 SAN DIEGO, CA 92123 Telephone 33-0567239 858/430-0300

May the FTB discuss this return with the preparer shown above? See instructions. Yes No

Part II Organizations with gross receipts of more than \$25,000 and private foundations regardless of amount of gross receipts – complete Part II or furnish substitute information. See Specific Line Instructions.

Receipts from Other Sources	1	Gross sales or receipts from all business activities. See instructions.	● 1	
	2	Interest	● 2	818,429.
	3	Dividends	● 3	
	4	Gross rents	● 4	
	5	Gross royalties	● 5	
	6	Gross amount received from sale of assets (See Instructions)	● 6	37,284.
	7	Other income. Attach schedule	● 7	
	8	Total gross sales or receipts from other sources. Add line 1 through line 7. Enter here and on Side 1, Part I, line 1.	8	855,713.
Expenses and Disbursements	9	Contributions, gifts, grants, and similar amounts paid. Attach schedule.	● 9	
	10	Disbursements to or for members.	● 10	331,103,329.
	11	Compensation of officers, directors, and trustees. Attach schedule SEE STATEMENT. 1	● 11	0.
	12	Other salaries and wages	● 12	
	13	Interest	● 13	
	14	Taxes	● 14	
	15	Rents	● 15	
	16	Depreciation and depletion (See Instructions)	● 16	5,013.
	17	Other. Attach schedule SEE STATEMENT. 2	● 17	5,375,317.
	18	Total expenses and disbursements. Add line 9 through line 17. Enter here and on Side 1, Part I, line 9.	18	336,483,659.

Schedule L Balance Sheets

	Beginning of taxable year		End of taxable year	
	(a)	(b)	(c)	(d)
Assets				
1 Cash		18,675,125.	●	16,364,453.
2 Net accounts receivable		2,844,808.	●	3,675,813.
3 Net notes receivable. Attach schedule			●	
4 Inventories			●	
5 Federal and state government obligations			●	
6 Investments in other bonds. Attach sch			●	
7 Investments in stock. Attach schedule		8,037,202.	●	8,742,830.
8 Mortgage loans (number of loans _____)			●	
9 Other investments. Attach schedule		5,633,341.	●	2,379,656.
10a Depreciable assets	50,125.			
b Less accumulated depreciation	7,828.	42,297.		
11 Land			●	
12 Other assets. Attach schedule STM . 3		93,523.	●	119,260.
13 Total assets		35,326,296.		31,282,012.
Liabilities and net worth				
14 Accounts payable		280,886.	●	496,323.
15 Contributions, gifts, or grants payable			●	
16 Bonds and notes payable. Attach schedule			●	
17 Mortgages payable			●	
18 Other liabilities. Attach schedule STM . 4		24,294,452.		22,126,924.
19 Capital stock or principle fund			●	
20 Paid-in or capital surplus. Attach reconciliation			●	
21 Retained earnings or income fund		10,750,958.	●	8,658,765.
22 Total liabilities and net worth		35,326,296.		31,282,012.

Schedule M-1 Reconciliation of income per books with income per return

Do not complete this schedule if the amount on Schedule L, line 13, column (d), is less than \$25,000

1	Net income per books	● 1,073,225.	7	Income recorded on books this year not included in this return. Attach schedule	●
2	Federal income tax	●	8	Deductions in this return not charged against book income this year. Attach schedule	●
3	Excess of capital losses over capital gains	●	9	Total. Add line 7 and line 8	
4	Income not recorded on books this year. Attach schedule	●	10	Net income per return. Subtract line 9 from line 6	
5	Expenses recorded on books this year not deducted in this return. Attach schedule	●			
6	Total. Add line 1 through line 5	1,073,225.			1,073,225.

11/18/09

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Statement 1
Form 199, Part II, Line 11
Compensation of Officers, Directors, and Trustees

Current Officers:

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
KEVIN OGDEN 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	\$ 0.	\$ 0.	\$ 0.
DR. JESUS GANDARA 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
DR. JANICE COOK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
JOHN DEBECK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
EDWARD NELSON 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
THOMAS EGGLESTON 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
RONNIE ADAIR 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
LORA DUZYK 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
DORETHA ALBEE 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
MARK ANDERSON 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
STEVEN A. KAPLAN 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
JOYCE M. LA FLEUR 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.

Statement 1 (continued)
Form 199, Part II, Line 11
Compensation of Officers, Directors, and Trustees

Current Officers:

Name and Address	Title and Average Hours Per Week Devoted	Compen- sation	Contri- bution to EBP & DC	Expense Account/ Other
SAM LUCERO 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	\$ 0.	\$ 0.	\$ 0.
ERIK OLSON FERNANDEZ 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
DAVID FERNANDEZ 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
ELIZABETH AHLGREN 8885 RIO SAN DIEGO DR. STE 327 SAN DIEGO, CA 92108	Director 0	0.	0.	0.
Total		<u>\$ 0.</u>	<u>\$ 0.</u>	<u>\$ 0.</u>

COPY

Statement 2
Form 199, Part II, Line 17
Other Expenses

Communications.....	\$ 1,218,391.
Consulting fees.....	364,197.
Management fees.....	2,241,246.
Other deductions.....	1,551,483.
Total	<u>\$ 5,375,317.</u>

Statement 3
Form 199, Schedule L, Line 12
Other Assets

PREPAIDS.....	94,717.
TENTHLY RESERVES.....	24,543.
Total	<u>\$ 119,260.</u>

Statement 4
Form 199, Schedule L, Line 18
Other Liabilities

Deferred Revenue.....	7,274,335.
Insurance premiums and claims payable.....	13,610,989.
Other liabilities.....	228,600.

Statement 4 (continued)
Form 199, Schedule L, Line 18
Other Liabilities

Unpaid self-insurance claims incurred.....	1,013,000.
Total	<u>\$ 22,126,924.</u>

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ SDA	Prior 179/ SDA/ Depr.	Method	Life	Current Depr.
Form 199										
Furniture and Fixtures										
1	OFFICE FURNITURE	4/11/07	7/01/08	31,561			4,734	S/L	5	3,156
	Total Furniture and Fixtures			31,561		0	4,734			3,156
Machinery and Equipment										
2	COMPUTER SYSTEM	3/01/07	7/01/08	18,564			3,094	S/L	5	1,856
	Total Machinery and Equipment			18,564		0	3,094			1,856
	Total Depreciation			<u>50,125</u>		<u>0</u>	<u>7,828</u>			<u>5,012</u>
	Grand Total Depreciation			<u>50,125</u>		<u>0</u>	<u>7,828</u>			<u>5,012</u>
	Depreciation Assets Sold			50,125		0	7,828			5,012
	Depr Remaining Assets			<u>0</u>		<u>0</u>	<u>0</u>			<u>0</u>

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No.	Description	Date Acquired	Date Sold	Cost/ Basis	Bus. Pct.	Cur 179/ Bonus	Special Depr. Allow.	Prior 179/ Bonus/ Sp. Depr.	Prior Dec. Bal. Depr.	Salvage /Basis Reductn.	Depr. Basis	Prior Depr.	Method	Life	Rate	Current Depr.
Form 199																
Furniture and Fixtures																
1	OFFICE FURNITURE	4/11/07	7/01/08	31,561							31,561	4,734	S/L	5		3,156
	Total Furniture and Fixtures			31,561		0	0	0	0	0	31,561	4,734				3,156
Machinery and Equipment																
2	COMPUTER SYSTEM	3/01/07	7/01/08	18,564							18,564	3,094	S/L	5		1,856
	Total Machinery and Equipment			18,564		0	0	0	0	0	18,564	3,094				1,856
	Total Depreciation			50,125		0	0	0	0	0	50,125	7,828				5,012
	Grand Total Depreciation			50,125		0	0	0	0	0	50,125	7,828				5,012
	Depreciation Assets Sold			50,125		0	0	0	0	0	50,125	7,828				5,012
	Depr Remaining Assets			0		0	0	0	0	0	0	0				0

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