



**Ventura County
Air Pollution
Control District**

*Comprehensive Annual
Financial Report*

For the Year Ended June 30, 2007

669 County Square Drive, 2nd Floor
Ventura, CA 93003
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**Michael Villegas
Executive Officer**

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2007

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Ventura County
Air Pollution
Control District

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Michael Villegas
Air Pollution Control Officer

March 31, 2008

Air Pollution Control Board
Ventura County Air Pollution Control District
669 County Square Drive, 2nd Floor
Ventura, CA 93003

Members of the Ventura County Air Pollution Control District Board and Citizens of Ventura County:

The Comprehensive Annual Financial Report (CAFR) of the Ventura County Air Pollution Control District (District) is hereby submitted for the year ended June 30, 2007. District management is responsible for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the data presented is accurate in all material aspects; reported in a manner designed to fairly present the financial position and changes in financial position of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This report is divided into three major sections: the Introductory Section, Financial Section, and Statistical Section. The Introductory Section includes the District's governing Board, organizational chart, and this Letter of Transmittal, which provides general comments on activities of interest to the reader. The Financial Section is comprised of the Independent Audit Opinion, Management's Discussion and Analysis, the Basic Financial Statements that include the notes to the basic financial statements, and budgetary comparison schedule of the General Fund. The Statistical Section provides important historical and trend information about the District.

Audits

The Comprehensive Annual Financial Report was prepared to satisfy the financial reporting requirements for state and local governments issued by the Governmental Accounting Standards Board (GASB); specifically GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (GASB 34), including subsequent related statements. Further information regarding the reporting requirements can be found in Note 2 of the Notes to the Basic Financial Statements. Comparative analysis of the financial statements for June 30, 2007, and 2006 can be found in the Management's Discussion and Analysis.

Vavrinek Trine & Day Company LLP (VTD), an independent certified public accounting firm audited the District's CAFR. The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the District for the fiscal year ended June 30, 2007, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The results of the District's annual audit for fiscal year ended June 30, 2007, concluded that the District's annual financial statements as contained herein present fairly, in all material respects, the financial position, changes

in financial position and cash flows, where applicable, of the District in conformity with generally accepted accounting principles. The auditor's unqualified opinion is included in the financial section of this Comprehensive Annual Financial Report.

In addition, the District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. This federally mandated requirement is designed to meet the needs of the Federal grantor agencies. Information related to this single audit, including the Schedule of Expenditures of Federal Awards, summary of auditor's results, and the independent auditor's reports on internal control and compliance with applicable laws and regulations are included in a separately issued publication available at the District.

Profile and Reporting Entity of the Ventura County Air Pollution Control District

The District was formed by the Ventura County (the County) Board of Supervisors in 1968 in response to the County's first air pollution study that identified Ventura County as having a severe air quality problem. The Air Pollution Control Board is composed of ten members, which includes five representatives from the County Board of Supervisors and five representatives from five of the ten cities in Ventura County. The Chair of the Board is elected by the board members to a one-year term.

Division 26 of the California Health and Safety Code establishes the District's structure, operating procedures, and authority. The District provides a full range of air pollution control activities, including permitting, facility inspection, air quality attainment planning, rule making, air quality monitoring and incentive programs.

The District shares responsibility with the California Air Resources Board for ensuring that all state and federal air quality standards are achieved and maintained within Ventura County. The District's jurisdiction is limited principally to regulating non-vehicular sources of air pollution within the County of Ventura, primarily commercial and industry emission sources. Any company wishing to build or modify a facility in Ventura County must first obtain a permit from the District to ensure that the facility complies with all applicable rules.

The District accounts for its financial position and results of operations in accordance with generally accepted accounting principles (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the primary standard setting body for establishing governmental accounting and financial reporting principles. As required by GAAP, these financial statements present the District as the primary government entity for which it is considered to be financially accountable. Note 1 of the Notes to the Basic Financial Statements provides more information on the reporting entity.

District management is responsible for establishing, maintaining, and evaluating the adequacy of an internal accounting control structure. Internal accounting control structure is designed to ensure that assets of the District are protected from loss, theft, or misuse and to ensure adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that the costs of internal control should not exceed the benefits likely to be derived from it. It is our belief that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The Air Pollution Control Board (District Board) adopts an annual budget in accordance with Health & Safety Code, Section 40130 et. seq. The legal level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the department/budget unit and object level of

expenditures, except capital assets which are controlled at the sub-object level. The Executive Officer is authorized to transfer appropriations between object levels within the Air Pollution Control District's budget as provided in Government Code Section 29125.

All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available to finance the next year's budget. Encumbered appropriations are reappropriated in the next year's budget. Outstanding encumbrances at year-end are reported as reservations of fund balance. Additional budgetary information is included in the Required Supplementary Information section of the CAFR.

Ventura County Air Monitoring Station Locations



Ventura County has a serious air quality problem. During summer and fall, a combination of poor atmospheric ventilation, a capping temperature inversion, bordering mountains and sunny days act to enhance smog formation and effectively trap pollutants in the inland valleys. The District is responsible for monitoring air pollution within the County and for developing and administering programs to reduce air pollution levels below the health-based standards established by the State and federal governments. In 2007, the air quality standards for ozone were exceeded on 8 days for the state 1-hour standard and on 6 days for the federal 8-hour standard.

Despite occasionally high smog levels, the air quality in Ventura County has improved dramatically since the early 1970s. The average number of days exceeding the federal 1-hour standard over the three-year period of 2004 to 2007 decreased by 99 percent when compared to 1973 to 1975. Federal standards for particulate matter (PM₁₀), fine particulate matter (PM_{2.5}), carbon monoxide, nitrogen dioxide, and sulfur dioxide have not been exceeded in Ventura County.

While economic and meteorological factors have contributed to the ozone air quality improvement trend, most of the air quality improvements can be attributed to control strategies implemented by the District, the

State, and the federal government. The District's regulatory program, in conjunction with State and federal programs, is expected to decrease pollutant levels to meet the federal air quality standards by the year 2013, in spite of population growth in Ventura County.

Long-term Planning

The District's unreserved fund balance in the 2006-2007 adopted budget is within the policy guidelines set by the Board for budgetary and planning purposes (i.e., to maintain an unreserved fund balance of six and four months of operating expenses). This unreserved fund balance will be used to make up the gap between expenditures and revenues over the next five years as the Board and staff explore the possibilities of new or enhanced revenue streams, along with staff and program adjustments, and fee adjustments where applicable, to recover the agency's program costs.

Factors Affecting Financial Condition

The District is a fee supported agency and does not receive sales or property tax support. Approximately 31 percent of its funding is derived from fees paid by stationary sources that emit air pollution; 30 percent from auto-registration fees collected by the Department of Motor Vehicles and distributed to air districts throughout the State in support of motor vehicle emission reduction programs; 32 percent from federal grants, pass through grants and state subvention; and 7 percent from general revenues such as penalties/settlements and interest earnings.

Additional federal and state mandates continue to increase the District's workload. However, the District continues to meet its program commitments, has successfully streamlined many of its operations, reducing the cost of its programs. The District does not fully recover its activity costs from fees, additional support in the form of a State subvention and federal grants, and additional general revenues offset much of the shortfall. The District continues to make adjustments to the several permit fees to more closely recover its program costs.

In fiscal year 2006-07, the District minimized increases in expenses by eliminating a total of six full-time staff positions, deferring purchase of capital equipment, fee increases, and curtailing the travel expenditure budget. The District has 53 full-time equivalent employees. This is a 30 percent reduction from the fiscal year 1992-93 staffing level of 76 employees. Although the District continues to streamline its operations to reduce the cost of its programs, expenditures for the District continue to increase. While pension obligation bonds will be paid off in June 2008 and the liability insurance will significantly decrease in Fiscal Year 2008-2009, it will not have a major impact on the fund balance. Any increase from the SEIU bargaining agreement and/or general salary increase for management will offset the savings from the pension obligation bond and liability insurance. However, future retirement contribution rates are projected to slightly improve or remain at its current level.

Relevant Financial Policies

Cash Management Policies and Practices

The District participates in the County Treasurer's cash and investment pool. The County pool invests the District's funds in accordance with State statutes and the County's investment policy. Pooled investments are stated at fair value in accordance with GASB Statement No. 31. Further information is available in Note 4 – Cash and Investments in the Notes to the Basic Financial Statements.

Risk Management

The District participates in the County's Risk Management pool and pays an annual premium to the County for coverage. The County's Risk Management department administers the commercial and self-insurance aspects of the County's risk programs. The County is self insured for various types of risks including general

liability, property damage, unemployment and disability insurance, and for the deductible on medical malpractice premiums. In addition, the County is self insured for workers' compensation.

Other Information

On-Line Information

Copies of this CAFR, the Single Audit Report, and the District's Adopted Budget may be obtained from the District office. The District's web page, www.vcapcd.org includes the CAFR, District's adopted budget, and information on the District's various air district programs, educational programs, air quality index and statistics, and health effects. In addition, information is also available on board meetings, board agendas, publications, and forms.

Acknowledgments

The completion of this report was made possible by the dedicated and coordinated efforts of the entire District staff. We would like to acknowledge and express our appreciation to the special efforts of the Fiscal section, the Ventura County Auditor-Controller's Office, and our independent auditors, Vavrinek Trine & Company LLP, for their assistance in the report preparation.

Recognition is also given to the District Board for their leadership and support and to all employees of the District who continue to push technology and improve operations to accomplish the District's mission of protecting public health from air pollution by working with community and businesses and other governmental agencies.

Respectfully submitted,

Michael Villegas
Executive Officer

Nancy Sison Mendoza
Fiscal & Administrative Manager

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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

List of Governing Board

June 30, 2007

JONATHAN SHARKEY
Chair
Council Member, City of Port Hueneme

KATHY I. LONG
Vice-Chair
Supervisor, County of Ventura

STEVE BENNETT
Supervisor, County of Ventura

BRIAN BRENNAN
Council Member, City of San Buenaventura

JOHN K. FLYNN
Supervisor, County of Ventura

PETER C. FOY
Supervisor, County of Ventura

MIKE MORGAN
Council Member, City of Camarillo

LINDA PARKS
Supervisor, County of Ventura

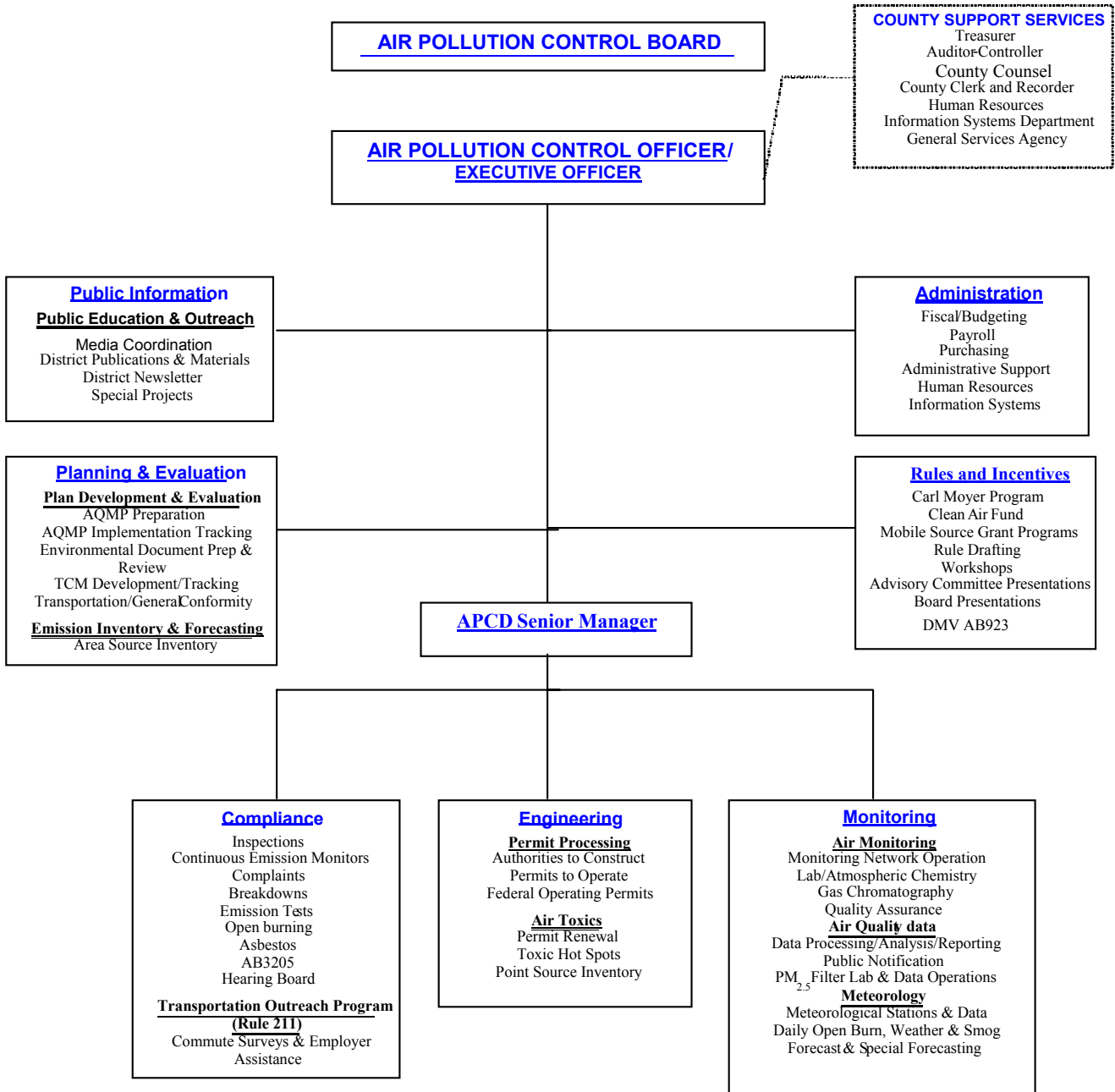
PAUL MILLER
Mayor, City of Simi Valley

THOMAS HOLDEN
Mayor, City of Oxnard

MICHAEL VILLEGAS
Air Pollution Control Officer /
Executive Officer

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Organization Chart



Independent Auditors' Report

Independent Auditors' Report

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

This section of the report presents the District's discussion and analysis, a requirement of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statement and Management's Discussion and Analysis – for State and Local Governments*, for its financial performance during the fiscal year ended June 30, 2007. Please read this section in conjunction with the transmittal letter at the front of this report and the basic financial statements following this section.

Financial Highlights

- The assets of the District exceeded its liabilities at the close of the 2006-2007 fiscal year by \$6,077,000 (net assets). Of this amount, \$5,644,000 (unrestricted net assets) may be used to meet the District's ongoing obligations without constraints established by legal requirements and \$433,000 is invested in capital assets.
- As of June 30, 2007, the District's governmental fund reported combined fund balances of \$6,279,000 a decrease of \$489,000 in comparison to the prior year. The \$6,279,000 represents the entire amount of the General Fund. Approximately, 58 percent of the fund balance may be available to meet the District's current and future needs (*unreserved fund balance*).

Overview of the Financial Statements

The Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements.

The Comprehensive Annual Financial Report also includes required supplementary information, supplementary financial information and statistical information.

In general, the purpose of financial reporting is to provide external parties with information that will help them make decisions or draw conclusions about an entity. In order to address the needs of as many parties as reasonably possible, the District, in accordance with required reporting standards, presents government-wide statements and fund financial statements.

Government-wide Financial Statements

The focus of government-wide financial statements is on the overall financial position and activities of the District. This set of financial statements created by Governmental Accounting Standards Board Statement No. 34 (GASB) and its related statements, GASB 37 and 38 and Interpretation No. 6, are designed to provide readers with a broad overview of the District's finances, in a manner similar to private-sector business. These financial statements include the statement of net assets and the statement of activities.

The *statement of net assets* presents information on all assets held and liabilities owed by the District using the accrual basis of accounting. The difference between the two is reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator whether the financial position of the District is improving or deteriorating.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

The *statement of activities* presents information on how net assets changed during the most recent fiscal year. Revenues and expenses are recognized as earned and incurred even though they may not have been received or paid in cash. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The District's government-wide financial statements can be found on pages 21-22 of this report.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of the District rather than the District as a whole. They are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District is a single purpose, single-fund entity and utilizes government funds to account for its activities.

Governmental Funds

The fund financial statements consist of the balance sheet and statement of revenues, expenditures, and changes in fund balance. These are prepared on the modified-accrual basis of accounting. The government-wide statements are prepared on the full-accrual basis.

In general, these financial statements under the modified-accrual basis have a short-term emphasis and for the most part, measure and account for cash and other assets that can easily be converted to cash. Specifically, cash and receivables collectible within a very short period of time are reported on the balance sheet.

Fund liabilities include amounts that are to be paid within a very short period of time after the end of the fiscal year. The long-term liabilities are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The unreserved portion of the fund balance represents the amount available to finance future activities.

The operating statements for governmental funds report only those revenues and expenditures that were collected in cash or paid with cash during the current period or very shortly after the end of the year.

The focus of the fund financial statements is narrower than that of the government-wide financial statements. Since the different accounting bases are used to prepare the above statements, reconciliation is required to facilitate the comparison between the fund statements and the government-wide statements. The reconciliation between the total fund balances and net assets of governmental activities can be found on page 24.

The reconciliation of the total change in the fund balance for the governmental funds to the change in net assets of governmental activities can be found on page 26.

The fund financial statements can be found on pages 23 and 25.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found in pages 27 to 36 of this report.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

Required and Other Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual on Budgetary Basis. It also includes supplementary information on the District's Revenue Detail. Required supplementary information can be found on page 37 of this report, and other supplementary information, as required by California Air Resource Board to report on the District's State Subvention Fund, can be found on page 39 of this report. Statistical information is also provided beginning on page 41 of this report.

Government-Wide Financial Analysis

Government-wide Summary of Net Assets

The net assets serve as a useful indicator of the District's financial position. At the close of fiscal year 2006-07, the District's assets exceeded liabilities by \$6,077,000. The District's net assets decrease of \$507,000 from last fiscal year was mainly used to fund operations for the regular salaries and actuarially required employer retirement contributions to the Ventura County Employees Retirement Association (VCERA). A summary of net assets is as follows:

Statement of Net Assets

June 30, 2007 and 2006

(In Thousands)

	<u>FY 2006-2007</u>	<u>FY 2005-2006</u>	<u>Percent Change</u>
Assets:			
Current and other assets	\$ 10,320	\$ 8,653	19%
Capital Assets	433	493	-12%
Total Assets	<u>10,753</u>	<u>9,146</u>	18%
Liabilities:			
Long-term liabilities outstanding	267	263	2%
Other liabilities	4,409	2,299	92%
Total Liabilities	<u>4,676</u>	<u>2,562</u>	83%
Net Assets:			
Invested in capital assets	433	493	-12%
Restricted	-	393	-100%
Unrestricted	5,644	5,698	-1%
Total Net Assets	<u>\$ 6,077</u>	<u>\$ 6,584</u>	-8%

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

Net assets include three components: Invested in capital assets, restricted net assets, and unrestricted net assets.

The largest portion of the District’s net assets of \$5,644,000 (93%) is unrestricted and may be used to meet ongoing obligations in carrying out day-to-day operations.

Another component of the District’s net assets totaling \$433,000 (7%) reflects the District’s investment in capital assets net of accumulated depreciation. The District uses these capital assets in carrying out its mission of protecting public health. Accordingly, these assets are not available for future spending.

Government-wide Summary of Activities

The following table shows the revenue, expenses, and changes in net assets for governmental type activities:

Statement of Activities
For the Fiscal Year Ended June 30, 2007 and 2006
(In Thousands)

	FY 2006-2007	FY 2005-2006	Percent Change
Revenues:			
Program revenues:			
Charges for services	\$ 3,163	\$ 3,373	-6%
Operating grants and contributions	6,132	5,845	5%
General revenues:			
Investment earnings	371	218	70%
Total Revenues	9,666	9,436	2%
Expenses:			
Public Protection	10,173	10,002	2%
Decrease in net assets	(507)	(566)	-10%
Net Asset:			
Beginning of year	6,584	7,150	-8%
End of year	\$ 6,077	\$ 6,584	-8%

Governmental Activities - The statement of activities presents information on how net assets changed during the most recent fiscal year. The format also permits the reader to ascertain the extent to which the District is either self-financing or draws from net assets in a given year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement include some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

The statement of activities for the District presents its governmental activities, its sole purpose. Governmental functions of the District are predominantly supported by fees, grants, state subvention, penalties, and settlements. The primary governmental activities of the District include the following: Ensure Compliance with Clean Air Rules, Customer Service, Develop Programs to Achieve Clean Air, Develop Rules to Achieve Clean Air, Monitoring Air Quality, Permit Review, Public Information, Policy Support, and Advance Clean Air Technology.

The District's revenues were for air pollution control services and total \$9,666,000. The graph and table on the next page shows the total revenue for the District in 2006-07.

Operating grants and contributions are revenues earned from entities outside of the District, primarily state and federal agencies. In 2006-07, the District reported \$6,132,000 in operating grants and contributions representing the largest revenue source for the District. However, pass through grants revenue of \$1,776,000 (29%) are for Advance Clean Air Technology and are restricted for one or more specific programs.

Charges for services are revenues earned from providing goods and services to external customers. Charges for services provided 33 percent of total program revenues in 2006-07, a decrease over the prior year by 6 percent. Fines, penalties, renewals, and permits are also reported as charges for services.

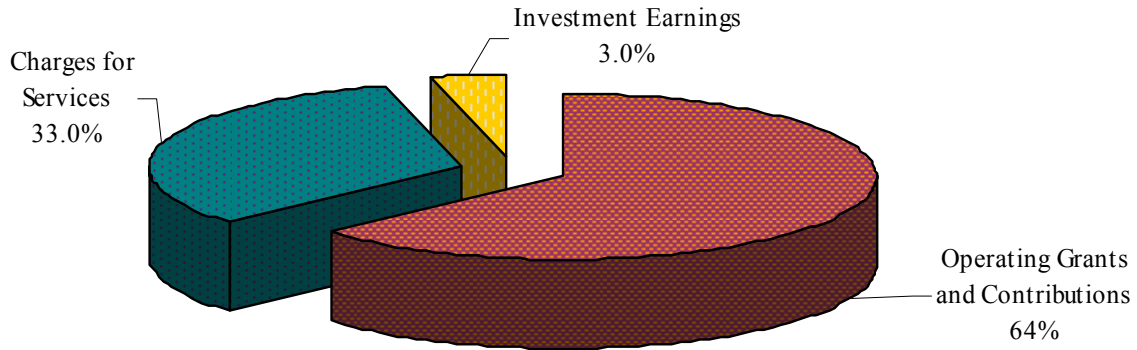
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

Revenues



Operating Grants and Contributions	FY 2006-2007	FY 2005-2006
DMV fees	\$ 2,809,000	\$ 2,848,000
State Subvention	202,000	202,000
Federal Grants	1,345,000	1,348,000
Pass-through grants	1,776,000	1,447,000
Total	<u>\$ 6,132,000</u>	<u>\$ 5,845,000</u>

Charges for Services	FY 2006-2007	FY 2005-2006
Licenses, permits, and franchises	\$ 2,602,000	\$ 2,905,000
Charges for current services	52,000	40,000
Fines, forfeitures, and penalties	492,000	327,000
Other revenues	17,000	101,000
Total	<u>\$ 3,163,000</u>	<u>\$ 3,373,000</u>

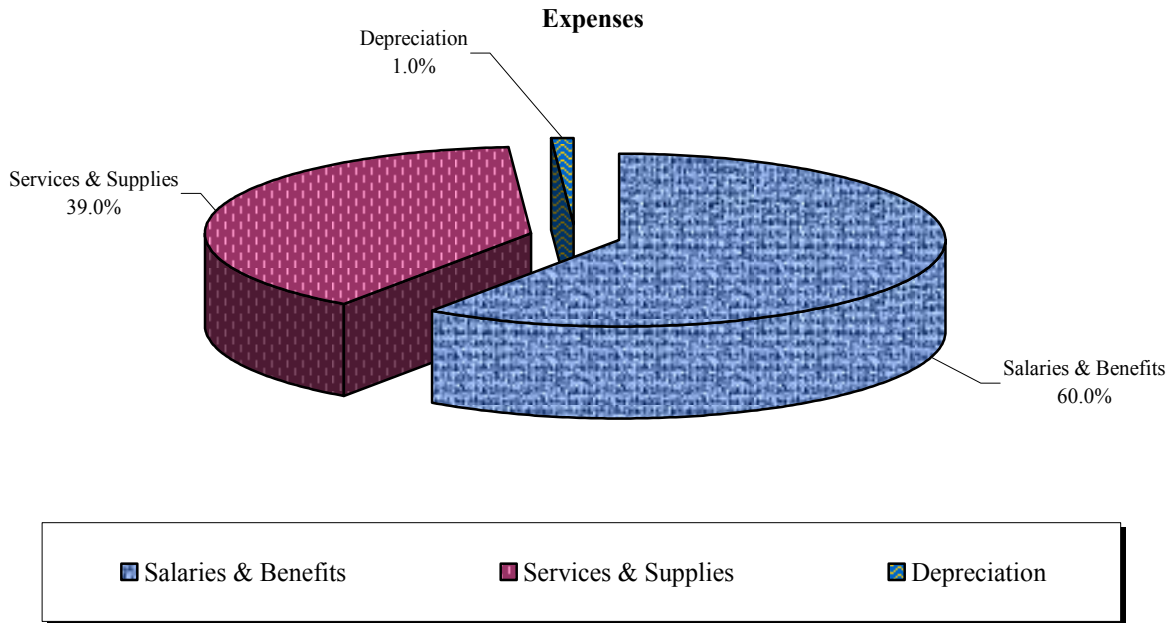
VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

All of the expenses of the District were for air pollution control services at a total \$10,173,000, an increase of 2 percent compared to the prior fiscal year. The graph and table below provide District expenses by object level.



Expenses	FY2006-07	FY2005-06
Salaries & Benefits	\$ 6,074,000	\$ 6,366,000
Services & Supplies	3,989,000	3,532,000
Depreciation	110,000	104,000
Total expenses	\$ 10,173,000	\$ 10,002,000

Financial Analysis of the District's Funds

At June 30, 2007, the District's general fund reported an ending fund balance of \$6,279,000, a decrease of \$489,000 from the prior year.

The General Fund is the operating fund of the District, and as a single-purpose entity, is the only fund reported. The General Fund has an unreserved fund balance of \$3,630,000 and is designated for future uses. The designated amount represents the District's intended use of the financial resources in the next fiscal year such as fixed asset acquisition and replacement, emission reduction motor vehicle projects, fee stabilization, and future year financing needs. As a measure of the General Fund's liquidity, it may be useful to compare

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

the unreserved, fund balance, and total fund balance to total General Fund expenditures. The unreserved fund balance is \$3,630,000 which represents 36 percent of total expenditures, for the year ended June 30, 2007, while total fund balance represents 62 percent of that same total.

In a continued effort to more fully recover the cost of the District programs, the Air Pollution Control Board approved a 10 percent (10%) fee rate increase in 2006-07. Also, the 2006-07 adopted budget included a proposal to unfund two positions; however, a total of six positions were unfunded.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget, June 30, 2007

Appropriation for the General Fund final budget compared to the original budget reflects an increase in appropriations of \$5,051,000. The changes to the budget were the result of Air Pollution Control Board actions that allocated additional funding after the budget was adopted. The largest change to the budget of approximately \$5,035,000 was attributable to higher estimates in services and supplies related to the various advance clean air technology programs.

Estimated revenues for the General Fund final budget exceeded the original budget by \$3,919,000. Aid from other governmental units increased as a result of funding from the various advance clean air technology programs.

Final Budget to Actual Expenditures and Revenues, June 30, 2007

The final budget appropriations exceeded actual expenditures by \$3,628,000, while the final budget estimated revenues exceeded actual revenues by \$1,433,000. The resulting combined positive budgetary variance was \$2,195,000. The largest revenue shortfall was \$2,228,000 in aid from other governmental units due to less money received from other governmental units. The largest expenditure savings were \$2,804,000 in services and supplies and \$432,000 in salaries and benefits.

Budgetary information is included in the Required Supplementary Information (RSI) section.

Capital Assets and Debt Administration

The investment in capital assets is entirely for its governmental activities. The book value was \$433,000 (net of accumulated depreciation of \$931,000) as of June 30, 2007. This investment in capital assets includes the following equipment: laboratory equipment, air monitoring stations, computer, and software. For government-wide financial statement presentation, all depreciable capital assets were depreciated from acquisition date to the end of the current fiscal year. Governmental fund financial statements record capital asset purchases as expenditures. The increase in capital assets reflects the replacement of aging monitoring computer and laboratory equipment.

Additional information on the capital assets can be found in Note 5 of the Notes to Basic Financial Statements.

At June 30, 2007, the District does not have debt outstanding (excluding compensated absences and other liabilities).

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2007

(Unaudited)

Economic Factors and Next Year's Budget and Rates

The fiscal year 2007-08 adopted budget totals \$8,342,600, a 4.5 percent decrease when compared to fiscal year 2006-07 adopted budget. The adopted budget was structurally balanced using projected ongoing available financing sources. Year-end fund balance is not considered an ongoing financing source but is used to absorb any operating net cost, finance reserve and designation adjustments, and one-time expenditures.

The fiscal year 2007-08 adopted budget as compared to prior year actual expenditures includes an overall increase of 1% in salaries and benefits. The fiscal year 2007-08 adopted budget reflects the deletion of six positions in fiscal year 2006-07. Adopted budget for services and supplies (without pass-through grants) in fiscal year 2007-08 is 6 percent higher as compared to prior year actual expenditures. This is mainly due to the increase in Ventura County's Cost Allocation Plan and Internal Service Fund charges.

In recent years, District revenues have not kept pace with program costs. Revenue from emission fees is declining reflecting lower emissions primarily due to additional control equipment and regulatory requirements placed on Ventura County emitters. In an effort to recover program costs, a 12.5 percent fee increase in emissions fees is included in the fiscal year 2007-08 adopted budget. Also, the Air Pollution Control Board approved the agricultural engine registration program which would generate additional revenue. The District also expects an increase in workload for inspections of portable equipment subject to the California Air Resource Board's (CARB) portable registration program. An increase in the funds provided by CARB to enforce this program will help provide additional resources.

While staff has diligently worked to reduce costs, expenditures will still exceed revenue for fiscal year 2007-08. The fiscal year 2007-08 adopted budget supports the resources needed to implement the core requirements of the federal and state Clean Air Acts. At this time, the current fund balance will allow the District to absorb the operating net cost. However, the District cannot sustain a declining fund trend of the fund balance. It is imperative that over the next fiscal year additional fee increases and budget reductions will be needed to maintain the fund balance.

Request for Information

This financial information is designed to provide a general overview of the District's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Fiscal and Administrative Services Manager, Ventura County Air Pollution Control District, 669 County Square Drive, 2nd Floor, Ventura CA 93003.

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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Net Assets

June 30, 2007

(In thousands)

	Total Government Activities
Assets:	
Cash & investments	\$ 9,896
Accounts receivable	395
Due from the County of Ventura	29
Capital assets:	
Depreciable, net	<u>433</u>
Total assets	<u>10,753</u>
Liabilities:	
Accounts payable	18
Accrued liabilities	210
Due to the County of Ventura	30
Deferred revenue	3,783
Noncurrent liabilities:	
Due within one year	368
Due in more than one year	<u>267</u>
Total liabilities	<u>4,676</u>
Net assets:	
Invested in capital assets	433
Unrestricted	<u>5,644</u>
Total net assets	<u>\$ 6,077</u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2007

(In thousands)

	<u>Expenses</u>	<u>Program revenues</u>		<u>Net (expense) revenue and changes in net assets</u>
		<u>Charges for services</u>	<u>Operating grants and contributions</u>	<u>Governmental activities</u>
Function/program activities:				
Governmental activities:				
Public protection	\$ 10,173	3,163	6,132	(878)
Total governmental activities	<u>10,173</u>	<u>3,163</u>	<u>6,132</u>	<u>(878)</u>
General revenues:				
Interest earnings				371
Total general revenues				<u>371</u>
Changes in net assets				(507)
Net assets, beginning of year				<u>6,584</u>
Net assets, end of year				<u>\$ 6,077</u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Balance Sheet
Governmental Fund
June 30, 2007
(In thousands)

Assets	General Fund
Cash and investments	\$ 9,896
Accounts receivable	395
Due from the County of Ventura	29
Total assets and other debits	<u>\$ 10,320</u>
Liabilities and Fund Balance	
Liabilities:	
Accounts payable	\$ 18
Accrued liabilities	210
Due to the County of Ventura	30
Deferred revenue	3,783
Total liabilities	<u>4,041</u>
Fund balance	
General reserve	100
Reserved for encumbrances	2,549
Unreserved:	
Designated	3,630
Total fund balance	<u>6,279</u>
Total liabilities and fund balance	<u>\$ 10,320</u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Reconciliation of the Balance Sheet of
Governmental Fund to Statement of Net Assets

June 30, 2007

(In thousands)

Fund Balance - total governmental fund (page 23)	\$ 6,279
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	433
Long-term liabilities are not due and payable in the current period, therefore, are not reported in the governmental funds:	
Compensated absences	<u>(635)</u>
Net assets of governmental activities (page 21)	<u><u>\$ 6,077</u></u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Fund

Year ended June 30, 2007

(In thousands)

	General Fund
Revenues:	
Aid from other governmental units	\$ 6,132
Licenses, permits, and franchises	2,602
Fines, forfeitures, and penalties	492
Use of money and property	371
Charges for current services	52
Other revenue	17
Total revenues	<u>9,666</u>
Expenditures:	
Current:	
Public protection	10,105
Capital outlay	50
Total expenditures	<u>10,155</u>
Deficiency of revenues under expenditures	(489)
Fund balance, beginning of year	<u>6,768</u>
Fund balance, end of year	<u><u>\$ 6,279</u></u>

See accompanying notes to financial statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of Governmental Fund to Statement of Activities

Year ended June 30, 2007

(In thousands)

Net changes in fund balance - total governmental fund (page 25) \$ (489)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental fund report capital outlay and other capital projects as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for capital assets	50	
Less: Current year depreciation	<u>110</u>	(60)

Long-term compensated absences is reported in the Government-wide Statement of Activities and Changes in Net Assets, but it does not require the use of current financial resources.

Therefore, it is not reported as expenditures in the governmental funds.	<u>42</u>	
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Change in net assets of governmental activities (page 22)	<u><u>\$ (507)</u></u>	
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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

(1) The Financial Reporting Entity

Reporting Entity

The Ventura County Air Pollution Control District (the District) was formed by the Ventura County (the County) Board of Supervisors in 1968 in response to the County's first air pollution study that identified Ventura County as having a severe air quality problem. The District 10-member Board includes five representatives from the County Board of Supervisors and five representatives from the cities of Fillmore, Thousand Oaks, Ventura, Port Hueneme, and Oxnard.

Division 26 of the California Health and Safety Code establishes the District's structure, operating procedures, and authority. The District shares responsibility with the California Air Resources Board for ensuring that all state and federal air quality standards are achieved and maintained within Ventura County. The District's jurisdiction is limited principally to policing non-vehicular sources of air pollution within the County of Ventura, primarily industry pollution. Any company wishing to build or modify a facility in Ventura County must first obtain a permit from the District to ensure that the facility complies with all applicable rules.

The District accounts for its financial position and results of operations in accordance with accounting principles generally accepted in the United States of America applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the primary standard-setting body for establishing governmental accounting and financial reporting principles. As required by accounting principles generally accepted in the United States of America, these basic financial statements present the District as the primary government entity for which it is considered to be financially accountable.

(2) Summary of Significant Accounting Policies

(a) *New Accounting Pronouncements*

GASB Statement No. 43 and 45, *Accounting and Financial reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods after December 15, 2006, provides guidance for state and local governments on the accounting and reporting of postemployment healthcare and other non-pension benefits and required disclosures. The District intends to implement this, if applicable, in fiscal year 2007-08 financial statements.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues* establishes accounting and financial reporting standards for transactions in which governments exchange their expected cash flows from collecting specific receivables or specific future revenues for immediate cash payments. The statement establishes criteria to ascertain whether such transactions should be regarded as a sale or as a collateralized borrowing resulting in a liability. This statement is effective for fiscal year 2007-08. The District has not determined its effect on the financial statements.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* addresses accounting and financial reporting standards for pollution (including

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of *existing* pollution by participating in pollution remediation activities such as site assessments and cleanups. This statement is effective for fiscal year 2008-09. The District has not determined its effect on the financial statements.

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27* more closely aligns the financial reporting requirement for pensions with those for other postemployment benefits (OPEB) which enhance information disclosed in notes to financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirement of Statements No. 25 and No. 27, to conform with requirements of Statements No. 41 and No. 45. This statement is effective for fiscal year 2007-08. The District has not determined its effect on the financial statements.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Asset* – reduces inconsistencies in the accounting and financial reporting of intangible assets among state and local governments, particularly in the areas of recognition, initial measurement, and amortization. This requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. Accordingly, existing authoritative guidance related to the accounting and financial reporting for capital assets should be applied to these intangible assets, as applicable. This Statement also provides authoritative guidance that specifically addresses the nature of these intangible assets. Such guidance should be applied in addition to the existing authoritative guidance for capital assets. This statement is effective for fiscal year 2009-10. The District has not determined its effect on the financial statements.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments* establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. This statement is effective for fiscal year 2008-09. The District has not determined its effect on the financial statements.

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements

The District's government-wide financial statements include a statement of net assets and statement of activities.

Statement of Net Assets

The government-wide statement of net assets utilizes a net asset presentation. This reports what the District owns or controls (assets), what it owes (liabilities), and what is leftover after assets have been used to satisfy liabilities (net assets). The net assets are categorized as invested in capital assets, restricted, and unrestricted.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

(a) *Invested in Capital Assets* – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition or improvement of these assets reduce the balance in this category.

(b) *Restricted Net Assets* – This category represents assets subject to external restrictions imposed by creditors, grantors, contributions, or laws or regulations and other governmental restrictions imposed by law through constitutional provisions.

(c) *Unrestricted Net Assets* – These are the resources that do not fall into invested in capital assets or restricted net assets. They can be used for any purposes, though they are not necessarily liquid.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reporting them as expenditures. Proceeds of long-term debt are also recorded in the government-wide financial statements as a liability rather than as a financial source. The only reported long-term indebtedness is the District's compensated absences liability.

Statement of Activities

The statement of activities presents a comparison between direct expenses and program revenues. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. In the statement of activities, the cost of capital assets is allocated over their estimated useful life as depreciation expense. Additionally, the statement of activities for the District presents its governmental activities, its sole purpose.

Governmental Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on the governmental funds. The General Fund, considered a major governmental fund, is the general operating fund of the District. It accounts for the legally authorized activities of the District and is the only fund of the District. The District is a special-purpose government engaged in a single governmental program and is presented, accordingly, in the basic financial statements.

The District follows the measurement focus and basis of accounting of the County of Ventura. Measurement focus determines the accounting and financial reporting treatment applied to a fund. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the governmental fund balance sheet.

Operating statements of governmental fund types present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All governmental fund types are accounted for using the modified-accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" is defined as an amount that can be determined. "Available" is defined as collectible in the current period or 6 months following the end of the fiscal year.

Revenues that are considered susceptible to accrual include federal and state grants, interest, and charges for current services. Unbilled receivables items are included in accounts receivable. Revenues that are not considered susceptible to accrual include certain licenses, permits, fines,

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

forfeitures, DMV registration fees and penalties. Expenditures are generally recorded under the modified-accrual basis of accounting when the fund liability is incurred, except principal on general long-term debt that is recognized when payment is due or paid, whichever is earlier. Interest on general long-term debt is accrued when financing resources are available in debt service funds for payment thereof, soon after the fiscal year-end.

(c) *External Investment Trust*

The District's cash and investments are included in the external investment trust fund of the County Treasurer's investment pool. The County Treasurer's investment pool is defined as internal and external investment pools in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. The external investment pool commingles the moneys of more than one legally separate entity, not part of the sponsor's reporting entity, and invests on the participants' behalf in an investment portfolio.

The external investment pool includes both voluntary and involuntary participants for whom the County Treasurer holds cash and investments. Legal provisions require certain special districts to participate in the County Treasurer's investment pool, including public school districts, cemetery districts, recreation, and park districts and the Air Pollution Control District. Voluntary participants include the consolidated courts.

(d) *Capital Assets*

The accounting and reporting treatment applied to capital assets associated with a fund is determined by its measurement focus. Acquisitions of equipment are recorded as expenditures in the governmental fund types at the time of purchase.

Capital assets are recorded at historical cost or at estimated historical cost if actual historical cost is not available. They are capitalized and depreciated on the government-wide statements; however, in the fund financial statements, the depreciation is not charged to expenditures. Depreciation is provided over the assets' estimated useful lives using the straight line method.

The capitalization level for equipment is \$5,000 and estimated useful lives range from 2 to 20 years.

The costs of normal maintenance and repairs are not capitalized. Betterments or major improvements that add to the value of the assets or materially extend the useful lives of the assets are capitalized and depreciated over the remaining useful lives of the related fixed assets, if applicable. The cost and related accumulated depreciation from a retired or sold capital asset is removed from the respective accounts and any loss or gain is included in the results of operations.

(e) *Compensated Absence (Accrued Vacation, Sick Leave, and Compensatory Time)*

District policy permits employees to accumulate earned but unused vacation, sick pay, and compensatory time. A liability for all vacation pay and compensated absences and 25 percent of unused accumulated sick leave for those employees with at least ten years of service is accrued when earned in the government-wide financial statements. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year-end and are paid by the District from current available resources.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

(f) Deferred Revenues

Deferred Revenues are advanced funds from the Carl Moyer Program, DMV AB923 Program, Reliant Energy Mandalay, LLC-mitigation fees and Clean Air Fund. The Reliant Energy Mandalay, LLC-mitigation fees are used as matching funds for state funded programs. The Carl Moyer and DMV AB923 funds are awarded by the California Air Resource Board as pass-through grants.

(g) Use of Estimates

The preparation of the District’s basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(3) Fund Balance

The District’s fund balance is categorized as reserved and unreserved. Reserved fund balance is not available for current spending, either legally restricted, has external restrictions, or approved by the District Board. Unreserved fund balance is subdivided into designated and undesignated portions. The designated portion is available for appropriations in the subsequent year’s budget and represents management’s intended future use of resources. The undesignated portion is available for current fiscal year appropriations and has not been designated by management for specific purpose. The District’s unreserved portion of the fund balance is designated for specific purpose and approved by the District Board. The reserved and unreserved portions of the District’s fund balance at June 30, 2007 are as follows:

		<u>General Fund</u>
Reserved:		
Encumbrances	\$	2,549,000
General Reserve		100,000
Unreserved:		
Designations:		
Litigation	\$	300,000
Fixed Asset Acquisition		200,000
Motor Vehicle Projects		100,000
Fee Stabilization		3,030,000
Subtotal designations	<u>\$</u>	<u>3,630,000</u>
Total Fund Balance		<u><u>\$ 6,279,000</u></u>

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

(4) Cash and Investments

The District participates in the County Treasurer’s cash and investment pool. The District’s total cash and investment at June 30, 2007, was \$9,896,000. Of the total amount, \$2,441,000 is restricted for payments of pass-through grants.

Per GASB 31, *Accounting and Financial Reporting for Certain Investment and for External Pools*, the District’s investments are reported at fair market value of June 30, 2007. Calculations of the fair value at fiscal year-end are based on market values provided by the County’s investment custodian. The net change in fair value from June 30, 2006 to June 30, 2007, was an increase of approximately \$34,000.

Also, due to the nature of the District’s cash and investments, GASB 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3 has no significant impact on the District’s financial statement risk disclosures. Applicable disclosures for this statement, applicable to the County Treasurer’s Cash and Investment pool, are provided in Ventura County’s Fiscal Year 2007 Comprehensive Financial Statement.

Investment Policy Statement

The County pool invests the District’s funds in accordance with State statutes and the County’s investment policy. The District has adopted the Investment Policy Statement (IPS) of the County, which complies with the requirements of California Government Code, and serves as the basis for the type of investments, maturity limit, credit rating, and diversification of securities comprising the Investment Pool. The objectives of the IPS are safety of principal, maintenance of liquidity, and earning a competitive rate of return.

Investments permitted by the IPS include obligations of the U.S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor’s Corporation (S&P) or P-1 by Moody’s Commercial Paper Record, bankers’ acceptances, repurchase and reverse repurchase agreements, corporate notes, negotiable certificates of deposits, obligations of the State of California, and obligations of any local agency within.

(5) Capital Assets

Changes in the capital assets by asset type during the year ended June 30, 2007, are as follows (in thousands):

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007
Equipment	\$ 1,314	50	0	1,364
Less accumulated depreciation	(821)	(110)	0	(931)
Total	\$ 493	(60)	0	433

(6) Long-term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund financial statement but only in the government-wide financial statements.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

The following schedule represents changes in the long-term liabilities relating to compensated absences during the year ended June 30, 2007 (in thousands):

	Balance June 30, 2006	Additions	Deletions	Balance June 30, 2007	Due within one year
Employee compensated absences	\$ 677	21	63	635	368

Liabilities for vacation and vested sick leave benefits, as required by GASB Statement No. 16, *Accounting for Compensated Absences*, are recorded when benefits are earned. In accordance with GASB Interpretation No. 6, a liability for these amounts is reported in the governmental funds financial statements only if they have matured as a result of employee resignations and retirements prior to year end and are paid by the District from current available resources.

(7) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the County's Risk Management pool and pays an annual premium to the County for such coverage. For the year ended June 30, 2007, the District paid premiums of \$304,840 to the County.

The County's Risk Management department administers the commercial and self-insurance aspects of the County's risk programs. The County is self-insured for general liability up to \$500,000 per occurrence, thereafter covered by excess commercial liability insurance to \$20 million per occurrence, then self-insured to an unlimited amount. Workers' compensation occurrences are self-insured effective July 1, 2005 with coverage to all employees.

(8) Commitments and Contingencies

District management is not aware of any outstanding claims or litigation. However, \$300,000 of the District's fund balance is designated and approved by the District Board for unforeseen litigation. (see note 3).

The District participates in a number of state and federal assisted programs. Although the District's grant programs have been audited through June 30, 2007, in accordance with the requirements of the Federal Single Audit Act of 1997 and the related U.S. Office of Management and Budget's Circular A-133, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The District occupies office space under an office building rented from the County. Annual rent expense paid to the County was \$196,553 for the year ended June 30, 2007. There are no future minimum obligations under this agreement.

The District leases various monitoring sites under operating leases. Annual rental expense for the operating leases was \$450 for the year ended June 30, 2007. Future obligations under these agreements total \$450 for the year ended June 30, 2008, and \$450 for the year ended June 30, 2009.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

The District has entered into various board approved contracts, which have outstanding balances totaling \$2,548,444 as of June 30, 2007. Majority of these contracts involve pass-through grants for the Carl Moyer and DMV AB923 programs.

(9) Pension

VCERA PLAN

Plan Description: The District participates in a contributory defined benefit plan (Plan) which is administered by the Ventura County Employees Retirement Association (VCERA). The plan was established pursuant to Government Code Sections 31450 through 31899 and administered by the VCERA. VCERA operates a cost-sharing, multiple-employer system with substantially all member employers included in the County's primary government reporting entity. Covered employees include those from Courts, Air Pollution Control District, and other smaller special districts. Membership in the VCERA is mandatory for substantially all employees.

VCERA is governed by the Board of Retirement. The Plan's benefit provisions and contribution requirements are established by state law and resolutions and ordinances adopted by the Board of Retirement and Board of Supervisors. VCERA issues a stand-alone financial report. A copy of this report can be obtained by contacting the Retirement Association at 1190 South Victoria Avenue, Suite 200, Ventura, California, 93003.

Plan members are classified as either General or Safety categories. General members employed prior to or on June 29, 1979, and certain other employees before June 30, 2002, are designated as Tier I members. General members employed after June 29, 1979, are designated as Tier II members. All Safety members are classified as Tier I regardless of date of hire. The District does not have any safety members.

Retirement Benefits: A General or Safety member with 10 or more years of County service is entitled to an annual retirement allowance beginning at age 50. General members with 30 or more years of service and Safety members with 20 or more years of service may begin receiving a retirement allowance regardless of age. The basic retirement allowance is based upon the member's age, years of retirement service credit, and final average compensation.

Employees terminating before accruing five years of retirement service credit (five-year vesting) forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested employees who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Employees who terminate service after earning five years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement.

In addition, certain death, disability, and supplemental benefits are provided to eligible employees. Cost of living adjustments of up to three percent per annum are made for all Tier I employees.

Actuarially Determined Contribution Requirements: The funding policy provides for periodic employer and employee contributions at actuarially determined rates, expressed as level percentages of annual covered payroll, that are sufficient to accumulate the required assets to pay benefits when due. The smoothing of market value method is used to determine the actuarial value of assets. In accordance with various employee collective bargaining agreements, the District subsidizes the employees' regular contributions in various amounts, depending on the classification of the employee. Contribution rates for employees range from 5.35 percent to 11.50 percent of retirement compensation base. Contribution rates

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

are determined using the entry age normal actuarial cost method. Under this method, normal cost and the amortization of the unfunded actuarial accrued liability is expressed as a level percentage of payroll.

Employee and employer contribution rates in effect during fiscal year 2006-07 were based on the actuarial valuation performed as of June 30, 2004. The significant actuarial assumptions in the June 30, 2004 actuarial valuation are summarized as follows:

	<u>Assumptions</u>
(1) Rate of return on investment	8.00 %
(2) Projected salary increases	5.00
Amount attributable to inflation	4.25
Amount attributable to seniority and merit	0.75
(3) Annual cost of living increases after retirement (Tier I and Safety members only)	0.00-3.00

Contributions and Transfers Made: The District’s actuarially determined employer contributions of \$1,059,506 were made in FY2004–05, \$1,316,359 in FY2005-06 and \$1,338,094 in FY2006-07. These contributions represent 100 percent of the annual pension cost required for fiscal years 2005, 2006, and 2007. Therefore, in accordance with GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, there is no net pension obligation for fiscal years 2005, 2006, and 2007.

Investment Valuation: VCERA’s investments are stated at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. The fair value of the VCERA’s position in their trustee’s investment pool is the same as the value of the pool shares. Other than those investments issued or guaranteed by the United States Government, no investments in any one organization represent five percent or more of net plan assets.

The District’s required contributions and the percentage contributed for the current year and each of the two preceding years are as follows:

	<u>Annual pension cost (APC)</u>	<u>Percentage of contribution</u>
Fiscal year ending:		
June 30, 2007	\$ 1,338,094	100%
June 30, 2006	1,316,359	100
June 30, 2005	1,059,506	100

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Basic Financial Statements

Year ended June 30, 2007

Management Retiree Health Payment

On June 8, 1999, the Board adopted a new benefit for management employees. Employees who retired after July 1, 1999, became eligible to receive one year of payments for five years of service, up to a maximum of five years of coverage. Payments of approximately \$458 per month were equivalent to premiums for the Ventura County Health Care Plan. The payments do not constitute any guarantee of medical care benefits. On June 21, 2005, the Board of Supervisors approved the elimination of this benefit for employees hired after July 2, 2005.

The District's required contributions and the percentage contributed for the current year and each of the two preceding years are as follows:

	Annual non-pension cost (APC)	Percentage of contribution
	<hr/>	<hr/>
Fiscal year ending:		
June 30, 2007	\$ 20,445	100%
June 30, 2006	20,255	100
June 30, 2005	14,237	100

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Required Supplementary Information

General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

Year Ended June 30, 2007

(In thousands)

(Unaudited)

	Budgeted amounts		Actual amounts	Variance with final budget – positive (negative)
	Original	Final		
Revenues:				
Aid from other governments units	\$ 4,441	8,360	6,132	(2,228)
Licenses and permits	2,386	2,386	2,602	216
Fines and forfeitures	104	104	492	388
Use of money and property	200	200	371	171
Charges for current services	49	49	52	3
Other revenue	0	0	17	17
Total revenues	<u>7,180</u>	<u>11,099</u>	<u>9,666</u>	<u>(1,433)</u>
Expenditures:				
Current – public protection:				
Salaries and benefits	6,548	6,548	6,116	432
Services and supplies	1,758	6,793	3,989	2,804
Contingencies	300	300	0	300
Total public protection	<u>8,606</u>	<u>13,641</u>	<u>10,105</u>	<u>3,536</u>
Capital outlay	<u>126</u>	<u>142</u>	<u>50</u>	<u>92</u>
Total expenditures	<u>8,732</u>	<u>13,783</u>	<u>10,155</u>	<u>3,628</u>
Excess (deficiency) of revenues over (under) expenditures	(1,552)	(2,684)	(489)	2,195
Fund balance, beginning of year	<u>6,768</u>	<u>6,768</u>	<u>6,768</u>	<u>0</u>
Fund balance, end of year	<u>\$ 5,216</u>	<u>4,084</u>	<u>6,279</u>	<u>2,195</u>

See notes to Required Supplementary Information.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Notes to Required Supplementary Information

June 30, 2007

(Unaudited)

Budgetary Information

The Air Pollution Control Board (District Board) is legally required to adopt a final annual budget as set forth in Section 40130 et. seq. of the Health & Safety Code. The District adheres to the provisions of the applicable sections of the California Government Code concerning budgetary matters, commonly known as the County Budget Act. Annually, the District Board conducts two public hearings to hear public comments of the proposed budget prior to adoption. At the conclusion of the hearing, and no later than August 30, the District Board adopts the final budget, including revisions by resolution.

The Air Pollution Control Officer is authorized to transfer appropriations between object levels within the Air Pollution Control District's budget unit, as provided in Government Code, Section 29125. The adopted budget is revised by the District Board during the fiscal year to give consideration to unanticipated or anticipated revenues and expenditures, but in excess of estimates thereof. The final revised budget is presented in the accompanying schedule of revenues, expenditures, and changes in fund balance.

Legal Level of Budgetary Control

The legal level for budgetary control (the level at which expenditures may not legally exceed appropriations) is at the department/budget unit and object level except for fixed assets, which are controlled at the sub-object level. Object level expenditures are as follows: Salaries and benefits, services and supplies, other charges, fixed assets, other financing uses, and contingencies. Sub-object levels of expenditures for fixed assets are air monitoring and office equipment. Expenditures are classified as public protection and capital outlay.

Encumbrances

All unencumbered and unexpended appropriations lapse at the end of each fiscal year and become available for the financing of next year's budget. Encumbered appropriations are re-appropriated in the next year's budget. Purchases and other significant commitments are recorded in governmental fund types as encumbrances when purchase orders or contracts are issued. These encumbrances represent a reservation of fund balance. When the related goods or services are received, the encumbrance is reversed and an expenditure and liability for payment to the vendor are recorded.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Supplementary Financial Information

California Air Resources Board – State Subvention Funds

Revenue Detail

For the Year Ended June 30, 2007

(In thousands)

Revenue Sources	<u>Budgeted Revenue</u>	<u>Year-End Financial Report</u>	<u>Total Actual Revenue</u>
Local Sources:			
Fees & Permits:			
Operating Permits	\$396,000	\$475,200	\$475,200
Variance/Hearing Board	10,600	17,600	\$17,600
Engineering (Permit Renewals/AtoC)	1,795,800	1,841,000	\$1,841,000
AB 2766/DMV Surcharge	2,840,000	2,809,300	\$2,809,300
AB 2588/Hot Spots	33,500	29,000	\$29,000
Source Tests	110,000	208,000	\$208,000
Asbestos	20,000	12,500	\$12,500
Title V Certification	19,700	19,200	\$19,200
Fines	104,000	492,100	\$492,100
Interest	200,000	298,400	\$371,000 [1]
Other:			
Misc. Revenue	700	16,600	16,600
Charges for Services	48,400	51,500	51,500
Subtotal	<u>\$5,578,700</u>	<u>\$6,270,400</u>	<u>\$6,343,000</u>
State Sources:			
Subvention	202,000	202,300	202,300
Other Sources non-matching:			
Federal Grants	1,334,200	1,345,100	1,345,100
Carl Moyer Grant Program	65,000	1,885,400	1,751,600 [2]
Lawn Mower Program	-	1,300	1,300
Toland Grant	-	5,000	5,000
DMV AB 923	-	17,300	17,300
Total Revenue	<u><u>\$7,179,900</u></u>	<u><u>\$9,726,800</u></u>	<u><u>\$9,665,600</u></u>

[1] Adjusted to properly state cash and investments at its fair market value @ 6/30/2007.

[2] Adjusted to properly state federal grants and pass through grants revenues.

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VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

STATISTICAL NARRATIVE

(Unaudited)

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	42
Revenue Capacity These schedules contain information to help the reader assess the District's revenue sources.	46
Economic and Demographic Information These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the District's financial activities take place.	50
Operating Information These schedules contain information about the county's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	53

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive financial reports for the relevant year. The District implemented Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year. Also, some schedules contained here are presented with fiscal year 2006-07 information only. Relevant historical data are unavailable.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Net Assets by Component – Last Four Fiscal Years

(Accrual Basis of Accounting)

(In thousands)

(Unaudited)

	Fiscal Years			
	2003-04	2004-05	2005-06	2006-07
Governmental Activities:				
Invested in capital assets	\$ 631	\$ 517	\$ 493	\$ 433
Restricted	489	759	393	-
Unrestricted	6,522	5,874	5,698	5,644
Total governmental activities net assets	\$ 7,642	\$ 7,150	\$ 6,584	\$ 6,077

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Changes in Net Assets – Last Four Fiscal Years

(Accrual Basis of Accounting)

(In thousands)

(Unaudited)

	Fiscal Years			
	2003-04	2004-05	2005-06	2006-07
Governmental Activities				
Expenses:				
Public Protection	\$ 9,322	\$ 9,270	\$ 10,002	\$ 10,173
Program revenues:				
Charge for services	2,780	2,662	3,373	3,163
Operating grants and contributions	5,107	5,919	5,845	6,132
Total program revenues	7,887	8,581	9,218	9,295
Net (Expense)/Revenue	\$ (1,435)	\$ (689)	\$ (784)	\$ (878)
General revenues:				
Investment earnings	155	197	218	371
Change in Net Assets - Governmental Activities	\$ (1,280)	\$ (492)	\$ (566)	\$ (507)

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Fund Balance – Last Four Fiscal Years
(Modified Accrual Basis of Accounting)

(In thousands)

(Unaudited)

	2003-04	2004-05	2005-06	2006-07
Fund Balances:				
Reserved :				
General reserve	\$ 100	\$ 100	\$ 100	\$ 100
Reserved for pass-through grants	489	759	393	-
Reserved for encumbrances	1,405	2,274	3,208	2,549
Total reserved	<u>1,994</u>	<u>3,133</u>	<u>3,701</u>	<u>2,649</u>
Unreserved :				
Designated	4,917	4,133	3,067	3,630
Undesignated	695	-	-	-
Total unreserved	<u>5,612</u>	<u>4,133</u>	<u>3,067</u>	<u>3,630</u>
Total Fund Balance	<u>\$ 7,606</u>	<u>\$ 7,266</u>	<u>\$ 6,768</u>	<u>\$ 6,279</u>

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Changes in Fund Balance—Governmental Funds

Last Four Fiscal Years

(Modified Accrual Basis of Accounting)

(In thousands)

(Unaudited)

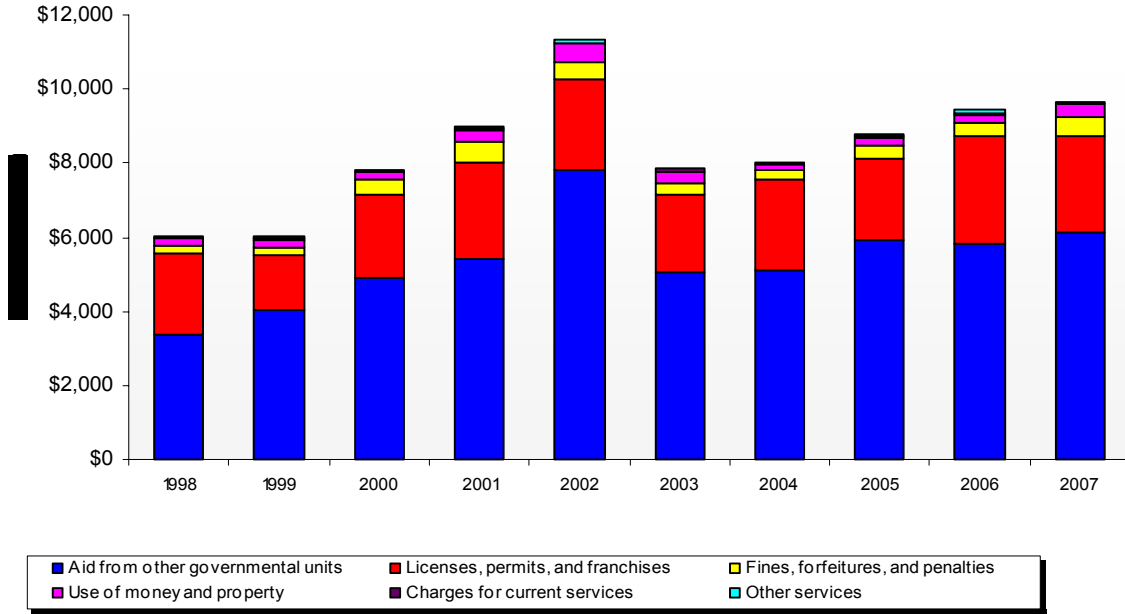
	Fiscal Year			
	2003-04	2004-05	2005-06	2006-07
Revenues:				
Aid from other governmental units	\$ 5,107	\$ 5,919	\$ 5,845	\$ 6,132
Licenses, permits, and franchises	2,440	2,216	2,905	2,602
Fines, forfeitures, and penalties	252	359	327	492
Use of money and property	155	197	218	371
Charges for current services	56	42	40	52
Other revenue	32	45	101	17
Total revenues	8,042	8,778	9,436	9,666
Expenditures:				
Current:				
Public protection	9,194	9,118	9,851	10,105
Other Charges	39	-	-	-
Capital outlay	-	-	83	50
Total expenditures	9,233	9,118	9,934	10,155
Net Change in Fund Balance	\$ (1,191)	\$ (340)	\$ (498)	\$ (489)

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Revenue Sources – Last Ten Fiscal Years

(In thousands)

(Unaudited)



Year	Aid from						Total revenues
	other governmental units	Licenses, permits, and franchises	Fines, forfeitures, and penalties	Use of money and property	Charges for current services	Other services	
1998	3,365	2,222	163	240	18	8	6,017
1999	4,042	1,465	219	219	11	73	6,029
2000	4,923	2,216	409	230	17	20	7,815
2001	5,409	2,608	544	338	17	79	8,995
2002	7,835	2,409	480	494	14	84	11,316
2003	5,064	2,070	339	311	61	2	7,847
2004	5,107	2,440	252	155	56	32	8,042
2005	5,919	2,216	359	197	42	45	8,778
2006	5,845	2,905	327	218	40	101	9,436
2007	6,132	2,602	492	371	52	17	9,666

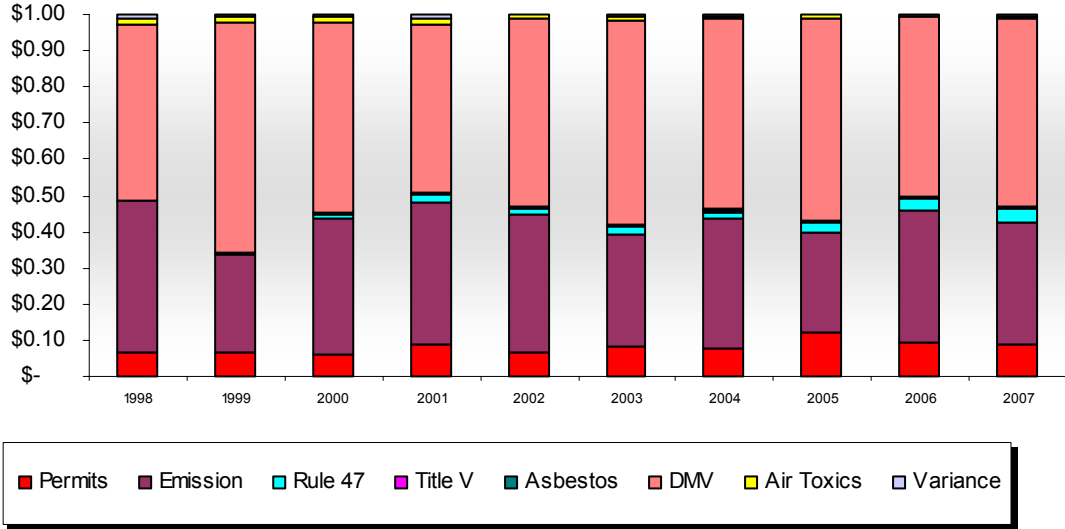
- (1) Subvention, DMV fees, 105 & 103 Federal Grant, and Pass-Through Grants
- (2) Permit, Emission, Variance, Rule 47, Title V, Asbestos, and Air Toxics Fees
- (3) Fines and Penalties
- (4) Interest Earnings
- (5) Land Use-EIR and Outside Contracts
- (6) Internal Service Fund (ISF) Credits/Refunds, Cost Allocation Plan (A-87) Credit, and Other Miscellaneous Revenues

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Local Revenue Sources – Last Ten Fiscal Years

(In thousands)

(Unaudited)



<u>Ended</u>	<u>Permits</u>	<u>Emission</u>	<u>Rule 47</u>	<u>Title V</u>	<u>Asbestos</u>	<u>DMV</u>	<u>Toxics</u>	<u>Variance</u>	<u>Revenues</u> ^[1]
1998	286	1,795	-	-	19	2,073	83	40	4,295
1999	266	1,085	-	-	19	2,547	70	26	4,012
2000	287	1,737	61	-	22	2,435	72	37	4,650
2001	428	1,909	116	14	17	2,273	73	51	4,881
2002	337	1,898	80	24	17	2,591	41	12	5,000
2003	380	1,475	110	15	17	2,665	58	16	4,735
2004	409	1,834	103	21	25	2,707	32	16	5,147
2005	610	1,381	133	25	24	2,799	35	9	5,016
2006	548	2,103	171	25	20	2,848	29	8	5,752
2007	475	1,841	208	19	13	2,809	29	18	5,412

[1] Information does not include penalty/fines, interest, and other miscellaneous revenues.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Top Ten Payers of Emission Fees

Fiscal Year 2006-07

(Unaudited)

Company Name	Emission Fees	Rank	Percentage of Total Emission Fees
Aera Energy LLC	\$ 164,736	1	8.9%
Venoco, Inc.*	160,746	2	8.7%
Reliant Energy	136,969	3	7.4%
Dos Cuadras Offshore Resources, LLC*	135,509	4	7.4%
Occidental Petroleum Corporation*	85,143	5	4.6%
Naval Base Ventura County	76,422	6	4.2%
County of Ventura *	56,897	7	3.1%
Procter & Gamble Paper Prods.	43,991	8	2.4%
Imation Corp.	38,315	9	2.1%
Amgen*	<u>23,181</u>	10	<u>1.3%</u>
Total Paid by Largest Payers for emission fees	<u>\$ 921,908</u>		<u>50.1%</u>
Total Emission Fees Paid By All Emitters	<u>\$ 1,841,026</u>		

* Located at separate sites.

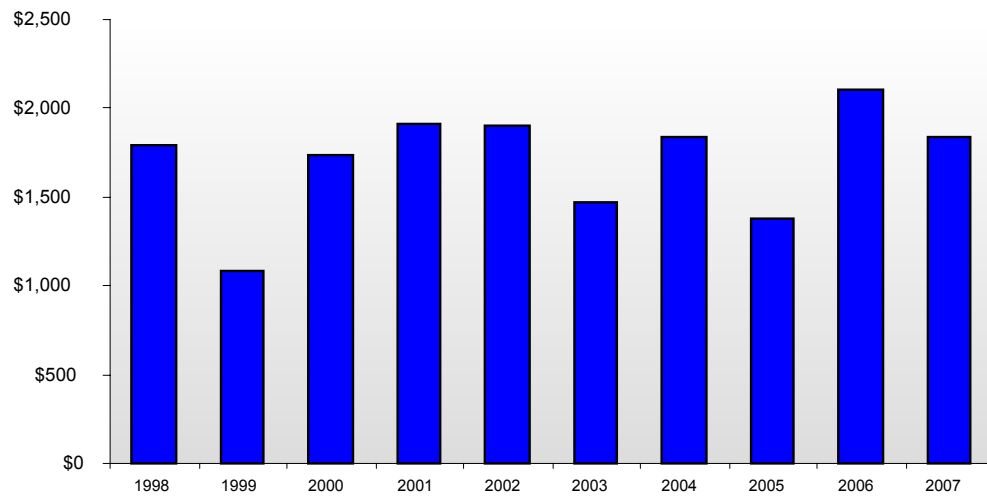
Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Total Emission Fees – Last Ten Fiscal Years

(In thousands)

(Unaudited)



	Emission Fees
1998	\$ 1,795
1999	1,085
2000	1,737
2001	1,909
2002	1,898
2003	1,475
2004	1,834
2005	1,381
2006	2,103
2007	1,841

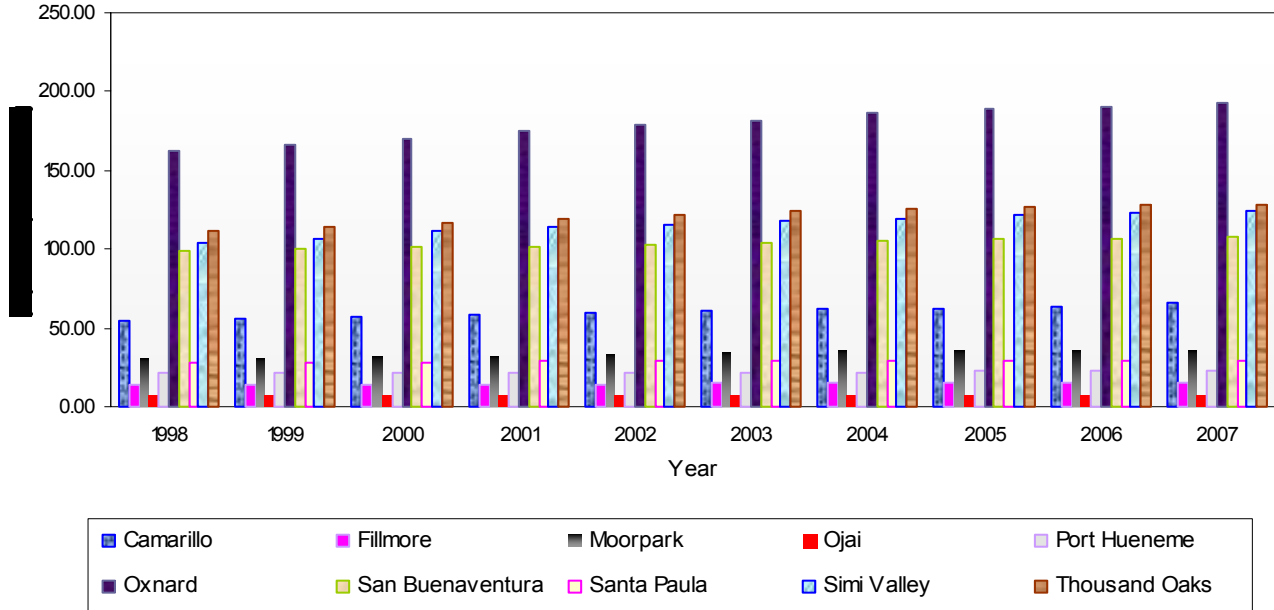
Source: Ventura County Air Pollution Control District
Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Population (by Cities) – Last Ten Years

(In thousands)

(Unaudited)



Year	San										Total Incorporated
	Camarillo	Fillmore	Moorpark	Ojai	Oxnard	Port Hueneme	Buena-Ventura	Santa Paula	Simi Valley	Thousand Oaks	
1998	55.00	13.35	30.60	7.85	163.00	21.25	99.20	27.95	104.10	112.20	634.50
1999	55.70	13.50	31.05	7.85	166.10	21.15	99.80	27.30	106.70	113.60	642.75
2000	57.08	13.64	31.42	7.86	170.36	21.85	100.92	27.60	111.35	117.01	659.07
2001	58.10	13.85	31.90	7.93	174.80	21.95	101.70	28.80	114.00	118.70	671.73 (1)
2002	59.40	14.45	33.20	7.95	179.10	21.95	102.80	28.85	116.00	121.50	685.20 (1)
2003	60.50	14.70	34.55	8.00	181.80	21.80	104.30	28.95	117.70	124.00	696.30 (1)
2004	61.70	15.15	34.90	8.10	186.10	22.15	105.00	29.10	118.80	126.10	707.10 (1)
2005	62.57	15.22	35.72	8.13	188.33	22.39	105.81	29.20	121.10	126.77	715.24 (1)
2006	64.03	15.18	35.80	8.16	189.99	22.39	106.71	29.13	122.71	127.64	721.74 (1)
2007	65.60	15.25	36.15	8.13	193.00	22.35	107.49	29.18	124.52	127.74	729.41 (1)

(1) Population estimates for Cities 2001-2007

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Economic and Demographic Statistics

Last Ten Calendar Years

(Unaudited)

<u>Year</u>	<u>Population</u>	(a)	<u>Personal Income</u>	(b)	<u>Per Capita Personal Income</u>	(b)	<u>Unemployment Rate</u>	(c)
1998	729,100		21,492.6		29,411		5.6%	
1999	742,800		23,114.4		31,095		4.8%	
2000	758,651		25,364.4		33,521		4.5%	
2001	774,433		25,964.3		33,761		4.9%	
2002	787,965		26,677.0		34,163		5.8%	
2003	799,848		27,860.3		35,241		5.8%	
2004	811,505		29,850.0	(g)	36,783	(h)	5.3%	
2005	810,763	(e)	32,167.0	(g)	39,675	(h)	4.7%	
2006	817,346	(e)	(d)		(d)		4.0%	(f)
2007	825,512	(e)	(d)		(d)		(d)	

Sources:

- (a) State of California, Department of Finance, Demographic Research Unit as of July 1.
- (b) State of California, Department of Finance, Economic Research Unit by calendar year.
- (c) State of California, Employment Development Department, Labor Market Information Division by calendar year.
- (d) Information was not available as of report date.
- (e) State of California, Department of Finance, demographic Research Unit, estimates as of January 1 for 2005, 2006.
- (f) State of California, Department of Finance, Labor Market Information Division, preliminary as of Oct. 2006.
- (g) University of California, Santa Barbara Economic Forecast 2006 for 2004, 2005.
- (h) Estimated amounts for 2004 and 2005.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Principal Employers

Current Year and Nine Years Ago

(Unaudited)

<u>Employer</u>	<u>2007[a]</u>			<u>1997[b]</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage</u>
			<u>of Total</u>			<u>of Total</u>
			<u>County Employment</u>			<u>County Employment</u>
United States Naval Base	14,457	1	4.56%	19,094	[c] 1	7.50%
Amgen, Inc.	10,000	2	3.15%	2,981	3	1.17%
County of Ventura	7,191	3	2.27%	7,100	[c] 2	2.79%
Countrywide Financial Corp.	5,700	4	1.80%	0	-	0.00%
Wellpoint, Inc.	3,738	5	1.18%	0	-	0.00%
Conejo Unified School District	2,456	6	0.77%	2,160	5	0.85%
Vons	2,406	7	0.76%	0	-	0.00%
Simi Unified School District	2,370	8	0.75%	1,925	8	0.76%
Ventura Unified School District	2,340	9	0.74%	2,040	6	0.80%
Verizon Communications	2,200	10	0.69%	0	-	0.00%
	<u>52,858</u>		<u>16.67%</u>	<u>35,300</u>		<u>13.87%</u>

Note:

[a] As of February, 2006

[b] As of January, 1997

[c] As modified by the Ventura County Auditor-Controller's Office

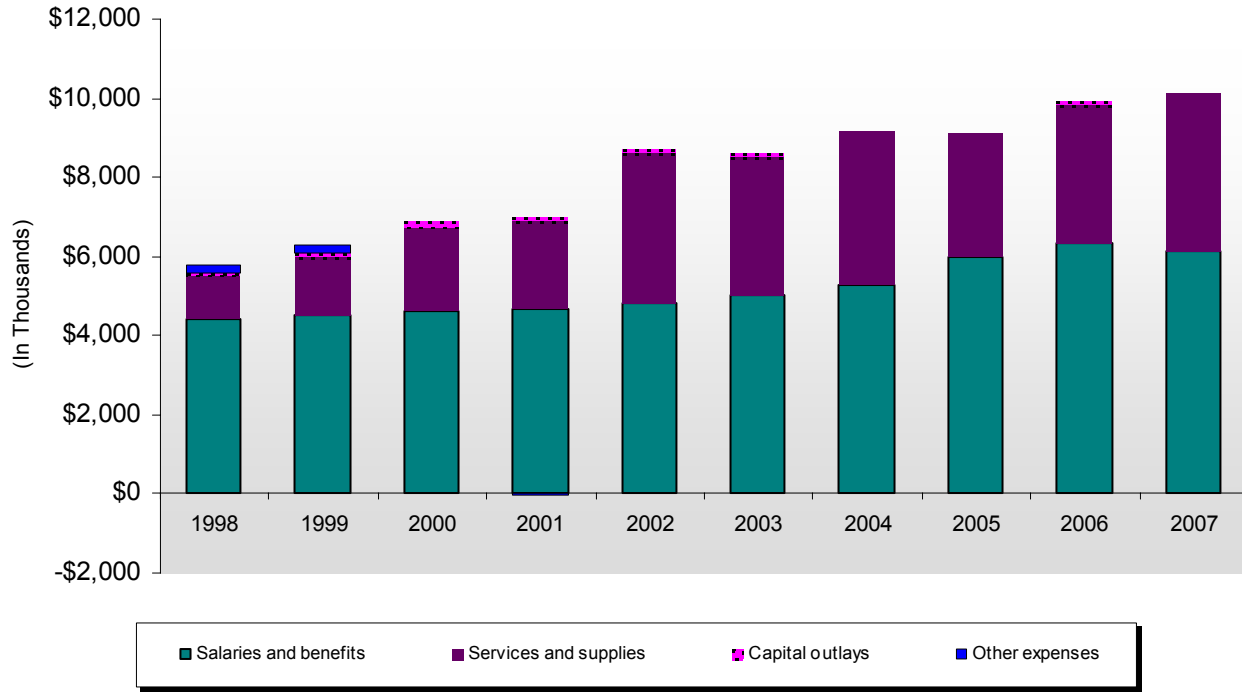
Source:

UCSB Economic Forecast Project

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Expenditures by Category – Last Ten Fiscal Years

(Unaudited)



Year Ended	Salaries and benefits	Services and supplies	Capital outlays	Other expenses	Total expenditures
1998	4,407	1,112	55	218	5,792
1999	4,544	1,420	121	219	6,304
2000	4,596	2,159	121	-	6,877
2001	4,654	2,234	129	(39)	6,979
2002	4,835	3,768	95	-	8,697
2003	5,048	3,448	98	22	8,615
2004	5,287	3,869	39	-	9,194
2005	5,972	3,146	-	-	9,118
2006	6,320	3,531	83	-	9,934
2007	6,116	3,989	50	-	10,155

(1)

(1)

(1) Public Protection

Source: Ventura County Air Pollution Control District Financial Statements

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Full-Time Equivalent Employees – Last Ten Fiscal Years

(Unaudited)

POSITION TITLE	FISCAL YEAR									
	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
APCD-Fiscal Assistant IV	1	1	1	1	1	1	1	1	1	1
APCD-Air Pollution Control Officer	1	1	1	1	1	1	1	1	1	1
Deputy Dir I-RMA	0	0	0	0	0	0	0	0	0	0
APCD-Mgr, Fiscal/Admin Services	1	1	1	1	1	1	1	1	1	1
APCD-Mgr, Office Systems	1	1	1	1	1	1	1	1	1	1
APCD-Mgr, Public Info Services	1	1	1	1	1	1	1	1	1	1
APCD-Fiscal Officer	1	1	1	1	1	1	1	1	1	1
APCD-Public Information Specialist	1	1	1	1	1	1	1	1	1	0
APCD-AQ Engineer II	15	15	12	11	10	8	8	7	7	6
APCD-Supervising AQ Engineer	2	2	2	2	2	4	4	4	4	3
APCD-AQ Chemist II	1	1	1	1	1	1	1	1	1	1
APCD-Supervising AQ Chemist	1	1	1	1	1	1	1	1	1	1
APCD-AQ Specialist II	8	17	17	17	18	18	18	18	16	15
APCD - AQ Compliance Inspector II	6	0	0	0	0	0	0	0	0	0
APCD- AQ Compliance Inspector III	3	0	0	0	0	0	0	0	0	0
APCD-Supervising Compliance Insp	2	0	0	0	0	0	0	0	0	0
APCD-Supervising AQ Specialist	4	5	5	5	5	5	5	5	5	5
APCD-AQ Meteorologist II	1	1	1	1	1	1	1	1	1	1
APCD-Supervising AQ Meteorologist	1	1	1	1	1	1	1	1	1	1
APCD-Sr Mgr, Engineering	0	0	0	0	0	1	1	1	1	0
APCD-Sr Mgr, MTS/Planning	0	0	0	0	0	2	2	1	1	0
APCD-Sr Mgr, Compliance	0	0	0	0	0	1	1	1	1	1
APCD-Mgr, AQ Programs	5	5	5	5	5	0	0	0	0	0
APCD-Mgmt Asst IV-Confidential	0	0	0	0	0	0	0	1	1	1
APCD-AQ Instrument Technician I	1	1	0	0	0	0	0	0	0	0
APCD-AQ Instrument Technician III	2	2	2	2	2	2	2	2	3	2
APCD-Supervising AQ Instrument Tech	1	1	1	1	1	1	1	1	1	1
APCD-AQ Technician II	4	3	3	3	2	2	2	2	2	2
APCD-Office Systems Coordinator I	1	1	1	1	1	0	0	0	0	0
APCD-Office Systems Coordinator III	2	2	2	2	2	3	3	4	4	4
APCD-Management Assistant II	4	4	4	4	4	4	4	2	2	2
APCD- Clerical Supv	1	0	0	0	0	0	0	0	0	0
APCD-Office Assistant III	1	1	1	1	1	1	1	1	1	1
TOTAL STAFFING*	73.0	70.0	66.0	65.0	64.0	63.0	63.0	61.0	60.0	53.0

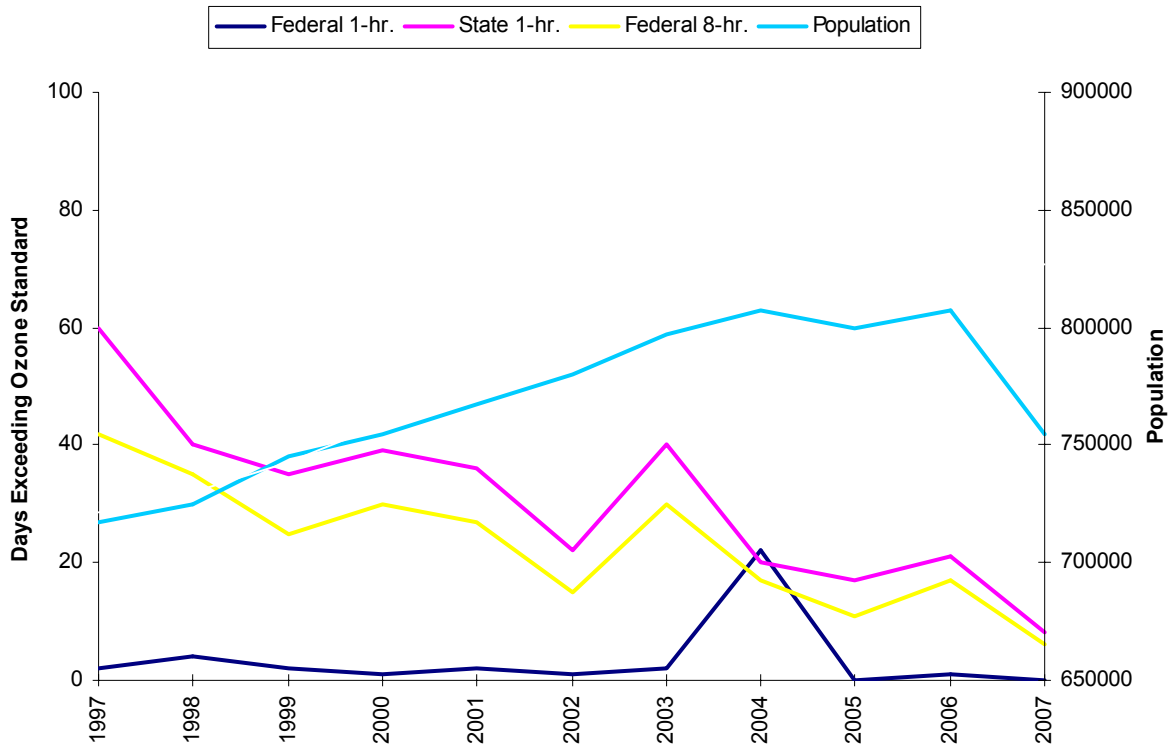
* Information based on VCAPCD Adopted Budget of Fiscal Year. It does not include staffing changes during the fiscal year and extra-help.

VENTURA COUNTY AIR POLLUTION CONTROL DISTRICT

Ventura County Smog Trend

Last Ten Calendar Years

(Unaudited)



Source: Ventura County Air Pollution Control District Monitoring Division

- END OF REPORT -